

Around the world, more people than ever are affected by conflict and crisis. In 2014, the number of people affected worldwide reached 229 million, while conflict and persecution pushed the number of displaced people to a record of 60 million.

Access to Digital Financial Services (DFS) can improve response efforts while also enabling resilience amongst individuals, communities and markets after crisis and conflicts. Where possible, humanitarian interventions should incorporate DFS-linked tools and systems in order to take advantage of opportunities to delivery more accountable, traceable and secure transfers throughout post-crisis response. The more the DFS infrastructure, ecosystems and experience is in place prior to the crisis, the better the post-crisis humanitarian relief response will be and the greater the resilience of the individuals and communities affected.



### Guidance

#### Craft coordination mechanism that enable and leverage DFS

- Integrate DFS into government-led crisis coordination
- Bring in private sector early and in expanded role
- Integrate digitized G2P payments into preparedness stage
- Work together to develop common, multi-purpose and open DFS delivery mechanisms

#### Make Priority Investments to enable DFS

- Optimize the retail payment infrastructure
- Expand technical capacities for DFS within and across all sectors
- Make sure multi-donor appeals incorporate DFS elements

#### Make necessary modifications to create an enabling environment

- Enable crisis-adaptable KYC requirements for account opening
- Ensure multiple forms of distribution outlets (merchants, POs)
- Ensure adequate access to data bandwidth to all players
- Enhance liquidity through coherent cash management
- Establish clear and effective consumer financial protection

#### Leverage increased access to data for appropriate intervention

- Ensure digital identification for vulnerable population
- Map payment systems and players in preparedness stage
- Build capacity to maximize data for designing intervention

#### Think of recipients as clients, not beneficiaries

- Support financial capability building and the use of DFS
- Increase value to clients with focus on reliability, communications and M&E



### Digital Financial Services for Humanitarian Response

#### Financial Service Providers

- Banks
- Microfinance Institutions
- Post Offices
- Mobile Network Operators
- Remittance Service Providers
- Savings and Credit Cooperative Organization (SACCO)

#### Digital Financial Products/Instrument Options

- Mobile phone operated payments
- Electronic stored value accounts (non-bank)
- Bank accounts (for payments and savings)
- Account-linked cards, linked to e-wallet or bank account
- Pre-paid cards

#### Delivery Channel Options

- Mobile wallets
- Agents
- Merchants
- Bank branches
- ATMs
- POS Terminals



### Success Stories

#### Sierra Leone: Digital payments for Ebola response workers

- Digital Payments saved more than 2000 lives by reducing workforce strikes from 8/month to 0/month

#### Haiti: Mobile money scheme launched after earthquake

- \$6 million in transfers disbursed to more than 24000 beneficiaries via mobile money channels

#### Philippines: Reduced KYC requirements after Typhoon Haiyan

- WFP made 100,000 cash transfers via digitized 4Ps systems within 2 months of the typhoon

#### Kenya: Mobile Money helps quell election violence

- Kenyans sent money via M-Pesa to help friends and relatives sustain during violence since traditional financial service infrastructure was either inoperable or not trusted



## Type and Severity of Disruption

**Man-Made:** Governance | Social Contract | Service Providers

**Natural Disasters:** Physical Infrastructure | Telecom | Electricity

Slow Onset	South Sudan (2013)	Ethiopia (1973)
Rapid Onset	Kenya (2008)	Sierra Leone (2014)
	Man-Made	Natural Disasters



## Stage of Response

### Relief

- Emergency Cash Transfers
- E-vouchers

### Recovery

- Access to bank account or mobile wallet enable direct payment for social safety nets and for staff/volunteers

### Reconstruction

- Link digital payments with credit, insurance and savings
- Ensure Interoperability of platforms and systems
- Link Savings groups to formal Financial Service Providers



## Assessments

- Physical Infrastructure
- Payment Infrastructure
- Security
- Policy Environment
- Deployment costs



## Partnerships

- Greater emphasis on coordination, collaboration and efficient allocation of resources and international responders.
- Broadened scope and scale of private sector partnerships
- Direct partnerships with private sector enable more efficient and direct payments to recipients and a direct linkage to formal financial access
- Integrate and amplify objectives and interventions across the various stages of response



## Institutional Capacities and Preparedness

- Standby agreements between providers and relief agencies
- Digitizing broader functions and systems in the organization
- Technical capacities for management information systems
- Partnerships with Governments and Development agencies
- Pre-crisis mapping of FSPs, products and channels
- Reliable funding stream for DFS deployment strategy
- Monitoring and communication channels



## Recipient Capacities, Needs and Risks

- Understanding of recipient capacity, behaviors and risks affect the success of DFS-linked intervention to strengthen financial inclusion and resiliency outcomes
- Protecting recipient data privacy improves the trust deficit



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## This brief is based on paper that will be released in August 2016



Digital Financial Services in Crisis Contexts:  
 Improving Response, Building Resilience