

# Delivery Mechanism Mapping for Cash Based Interventions (CBI) in Cox's Bazaar, Bangladesh

DECEMBER 2017



Photo: Scenes from Monyaghonar camp in Bangladesh. Photo Credit: Mahmud Rahman, Catholic Relief Services (CRS) 27th October 2017



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## Executive Summary

As of 19<sup>th</sup> December, more than 867,480 Rohingya are estimated to have taken shelter in Bangladesh having fled violence and persecution in Myanmar.<sup>1</sup> Since 25<sup>th</sup> August 2017 alone, an estimated 655,000 Rohingya have arrived in Cox's Bazaar, Bangladesh.<sup>2</sup> The Government of Bangladesh, UN agencies, International, National and Local NGOs, alongside social and religious institutions have been providing humanitarian assistance to the existing Rohingya, new arrivals and host communities impacted by the crisis. This emergency assistance includes, food and Non-Food Item (NFI) distributions, construction of temporary shelters, provision of Water Sanitation and Hygiene (WASH) facilities and services, and access to health services alongside other life-saving activities. Given that it's not clear how long the Rohingya population will remain in these circumstances, humanitarian actors in Cox's Bazaar are planning for short to medium term responses to address the wider needs of the refugee population and host communities that have been heavily impacted.

Given the scale and diversity of needs at the household level, among both Rohingya and local populations, Cash Based Interventions (CBIs) have the potential to make the humanitarian response to the crisis more cost-efficient<sup>3</sup> while addressing a range of different needs. The Cox's Bazaar Cash Working Group has produced a discussion paper, '[Integrating Local Markets in Humanitarian Assistance Can Strengthen the Rohingya Refugee Crisis Response](#)' in December 2017 outlining further the rationale for CBIs in this context, and particularly the need to explore the feasibility of Multi-Purpose Cash Assistance (MPCA) delivery from an early stage in the response<sup>4</sup>. In Bangladesh the use of CBIs to respond to humanitarian needs, such as those caused by cyclones and flooding, is extremely common, with cash transfers often the immediate first response of many actors. However, to date CBIs have not been widely used by humanitarian actors to respond to the needs of the Rohingya population in Cox's Bazaar due to a range of factors. In order to better inform the decision-making around the feasibility of using cash transfers to deliver assistance at scale, the Cash Working Group and relevant sectors, including the Food Security Sector and Shelter Sector, have been gathering assessment information, particularly on market functionality and priority needs. However a shared understanding on the feasibility of different delivery mechanisms remained a key gap.

As part of the Cox's Bazaar Shelter Sector and Cash Working Group's efforts to explore the feasibility of cash based interventions, a delivery mechanism mapping was conducted to document different delivery mechanism options, their feasibility, the potential for delivering cash assistance at scale through these mechanisms, and to further explore potential barriers and constraints as well as protection concerns that would need to be addressed to enable the scale-up of cash assistance as part of the humanitarian response in Cox's Bazaar. The particularities of the situation in Cox's Bazaar, including government appetite for the use of cash transfers to deliver assistance, the status of the Rohingya population, and the scale of needs, required additional exploration specific to the context that any analysis at the national level would not provide.

This mapping was conducted from 12<sup>th</sup> to 23<sup>rd</sup> December 2017 by a 'Cash Champion' deployed from Catholic Relief Services (CRS) with the support of the Global Shelter Cluster and ECHO, and involved consultations with numerous stakeholders including Financial Service Providers (FSPs), agencies delivering assistance in Cox's Bazaar, agencies with operational experience delivering cash transfers elsewhere in Bangladesh, protection actors and donors as well as site visits to Kutupalong and Leda. The mapping explored the feasibility<sup>5</sup> of

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<sup>1</sup> [https://www.humanitarianresponse.info/system/files/documents/files/171219\\_iscg\\_sitrep\\_one\\_pager.pdf](https://www.humanitarianresponse.info/system/files/documents/files/171219_iscg_sitrep_one_pager.pdf)

<sup>2</sup> *Ibid.*

<sup>3</sup> Cox's Bazaar Cash Working Group (Dec 2017), 'Integrating Local Markets in Humanitarian Assistance Can Strengthen the Rohingya Refugee Crisis Response', Available at: <https://drive.google.com/open?id=1qwCiPbjsSno9UkLLZN0tvTm--auC7dHX>

<sup>4</sup> Available at: <https://drive.google.com/open?id=1qwCiPbjsSno9UkLLZN0tvTm--auC7dHX>

<sup>5</sup> Although definitions vary, feasibility considerations would include: 1) market ability to reliably meet demand for required goods and services; 2) presence of safe and reliable delivery mechanisms; 3) ability to effectively mitigate protection-related risks; 4) capacity of actors to deliver at scale; 5) government and key stakeholder acceptance; and 6) cost-efficiency and cost-effectiveness. From the Multi-Purpose Grant Toolkit, pg. 16, available at: <http://www.cashlearning.org/downloads/mpg-toolkit-pdfs/mpg-part1-4.pdf>

different delivery mechanism options including mobile money transfers, other bank transfers, Over The Counter (OTC) options, pre-paid cards, smart cards, cash-in-hand delivery by agencies and third parties and e-vouchers. The main findings of this mapping are enclosed in this report and were presented to the Cox's Bazaar Cash Working Group on 20<sup>th</sup> December 2017. This exercise attempted to map different delivery options and does not imply any preference for specific FSPs. It is recommended that the Cash Working Group update it every 3 months to account for potential new solutions/services and FSPs that may be able to offer the mentioned options.

**Overall, the mapping identified that there are a number of feasible immediate and medium-term delivery options available to the Rohingya and host populations. However, there are a few considerable constraints that need to be overcome before the piloting and scale-up of some of these options, particularly for the delivery of MPCA at scale. For the host population, there are a number of tried and tested solutions, including mobile money, cash-in-hand delivery, bank transfers, and other Over the Counter (OTC) transactions that could be used to provide cash assistance for a range of purposes (e.g. unrestricted, conditional/unconditional), in addition to e-vouchers for restricted transfers. However, the critical issue that restricts a number of these options for the Rohingya population is their lack of appropriate identification that would enable FSPs to comply with Know Your Customer (KYC) regulations set by the Central Bank of Bangladesh (CBB), and a need to clarify what specific financial services the Rohingya population are able to access in line with government policy and regulations. FSPs have demonstrated their ability to design potential solutions to enable Rohingya to access specific delivery options, e.g. pre-paid cards and smart cards, that would not require the application of the established regulations from the CBB related to mobile banking and bank accounts. However, there is still a need for clarity on acceptable and specific KYC for the Rohingya for these services based on identification documents they have access to, and general confirmation that FSPs are able to provide these services to the Rohingya. In addition, humanitarian actors need to prioritize the agreement of a unique identifier to enable effective coordination and scale-up of MPCA, meanwhile inform the above discussions and negotiations with FSPs and regulatory authorities.**

**Given the constraints, in the immediate term, e-vouchers and direct cash-in-hand delivery, either by agencies or third parties, offer a feasible option to deliver assistance to the Rohingya; requiring no clarification on the regulatory environment of the CBB and with demonstrated experience of obtaining government approvals. However, these options are restricted in terms of their scalability and ability to provide MPCA. In the medium-term, there are a number of promising solutions such as pre-paid cards, smart cards, and potentially other financial services if the regulatory environment and KYC restrictions could either be: 1) clarified specifically for the Rohingya population; 2) tiered in relation to different types of financial service; and/or 3) amended to enable access of the Rohingya to financial services generally in Bangladesh. This would offer the humanitarian community the opportunity to deliver MPCA at scale as part of the response.**

The Cash Working Group and relevant Sector Working Groups in Cox's Bazaar's next step will be to define their programmatic objectives, particularly as it relates to transfer value, targeting, frequency and duration. This will be critical in selecting which delivery mechanism option is most appropriate in relation to MPCA and use of cash-based interventions to support sector-specific outcomes as part of the response, as well as supporting discussions with FSPs on development of appropriate solutions, including potential for joint/shared delivery platforms.

The key findings and recommendations of the mapping are as follows:

### **Delivery Mechanism Options**

See [Table 1](#) for a summary of the delivery options and [Annex 3](#) for a more detailed comparative analysis.

- In order to enable the delivery of multi-purpose cash assistance as part of the Rohingya response, there are a number of steps that need to be taken, both by the Cash WG and also at a more strategic level. The most pertinent of these include the need to establish a unique identifier for the Rohingya

population, the need to agree at a strategic level with the relevant regulatory authorities on appropriate alternative KYC for Rohingya refugees and also clarify what financial services will be accessible, as well as more generally ensuring adequate acceptance of cash based interventions as part of the response.

- Once a more enabling environment for unrestricted cash transfers on a larger scale for the Rohingya population (i.e. favourable policy from the government for cash programming<sup>6</sup>) is secured, then it is anticipated that **Pre-Paid Cards and Smart Cards** offer a promising and viable option for delivering MPCA and other cash transfers at scale to Rohingya refugees, provided that the below recommendations, particularly on the Regulatory Environment, can be followed.
- In the **immediate term**, while these steps are taken, the humanitarian community is able to deliver assistance through **e-vouchers** for the **Rohingya population**, which requires no clarification on the regulatory environment and also has been generally accepted by the government as a viable modality to deliver assistance. E-vouchers although restrictive, could potentially offer the option to have a multi-wallet feature in order to support a multi-sectoral approach. In addition, for the immediate term, **direct cash-in-hand delivery by agencies** (for smaller caseloads) **or third parties** (i.e. banks or Post Offices) (for larger caseloads) is also feasible which would offer more flexibility to the Rohingya (e.g. to use the cash without any restrictions at all). Irrespective of which mechanism is used, the Cash WG should continue to lead efforts to promote agreement on an appropriate unique identifier and coordination efforts among agencies to avoid duplication and potentially establish future shared platforms for delivering assistance.
- For the **host population**, there are a range of delivery options available with **mobile money transfers** likely the most secure and appropriate for those with national ID and for programmes intending to provide **multiple transfers over time** (allowing beneficiaries to become more familiar with the delivery mechanism, giving access to additional financial services that may have a longer-term benefit, and also perhaps being a more convenient mechanism for beneficiaries to receive transfers if multiple sectors are planning on providing different cash based assistance<sup>7</sup>). However, for **one-off transfers direct cash-in-hand delivery** remains the most feasible option for smaller scale transfers based on lessons learnt and experience from elsewhere in Bangladesh. **Biometric accounts** offer a **feasible alternative for host populations without access to a SIM or mobile phone** with a simpler 'onboarding' process though coverage of relevant FSP agents offering this service in the target locations needs to be assured given the smaller network of branches/agents compared to Mobile Banking Agents.
- It's preferable for agencies to use delivery mechanism options, and FSPs, that provide the option of **deploying mobile agents/bank staff, tellers, and vendors to the target locations** (e.g. within the makeshift settlements and camps or on the outskirts), removing the need for beneficiaries to travel to fixed agents, offices or branches of an FSP. This is particularly relevant for the Rohingya population who can move freely within the settlements and main camps, but cannot necessarily pass checkpoints on the main roads connecting the main camps to nearby towns and peri-urban areas where there are more bank branches, offices and agents located.
- All agencies beginning to implement pilots for cash or e-voucher delivery should be proactive at sharing lessons learnt with other cash actors. In addition, as agencies engage with FSPs to explore possible solutions (e.g. pre-paid cards, smart cards) it is essential that these opportunities, potential challenges, and outcomes are shared with other actors in order to inform the response going forward (see below recommendations for the Cash Working Group).

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<sup>6</sup> This could include key messages on recognition of the status and rights of refugees, time bound exemption of KYC or adaption of KYC to risk profile, discussion of risk profile with Financial Inclusion Unit of the Central Bank, access to SIM Cards for refugees, 48h review of FD7 and appeal processes, comprehensive strategy to access financial services (direct cash short term under \$ threshold, then mobile money/other for higher threshold on longer term), etc.

<sup>7</sup> Requires coordination among actors to perhaps have one mobile wallet in which beneficiaries can receive assistance from different agencies

## **Regulatory Environment**

- Advocacy and strategic agreement to be reached with the Government of Bangladesh on refugee access to financial services and appropriate adapted KYC for this population.
- Engage FSPs in these discussions with the Central Bank of Bangladesh and Ministry of Finance to agree on an appropriate regulatory framework for Rohingya to access particular financial services, including acceptable forms of identification.
- Cash Working Group to engage with a domestic legal advisor to review the various circulars (1-27) and guidance notes in place from the Central Bank of Bangladesh in order to identify entry points for provision of cash assistance to the Rohingya and ensure compliance.
- Government stakeholder mapping to identify points of influence for general acceptance of Cash Based Interventions for the Rohingya population with the authorities.

## **Beneficiary Identification**

- Strengthen coordination on geographic coverage and assistance packages for e-voucher programmes and cash assistance, particularly if e-vouchers are used to deliver multi-sectoral assistance.
- Given that the Cox's Bazaar Cash Working Group is looking at a scale-up of CBIs as part of the HRP 2018, including the provision of MPCA, agreement of a unique identifier and realistic appropriate identification documents that can be used by actors to verify beneficiaries and coordinate assistance should be reached as quickly as possible to reduce duplication and improve cost-effectiveness.
- Prioritise discussion/agreement on data sharing protocols and minimum standards both between agencies and with FSPs accounting for the additional sensitivities and protection risks specific to this context.
- Coordinated messaging should be developed for both beneficiaries and non-beneficiaries as pilot programmes are rolled out and scaled up, particularly focusing on transfer values, assistance objectives, duration, targeting and eligibility.

## **Programme Objectives and Strategy**

- Defining planned approaches for sectoral and multi-sectoral cash based interventions as part of the HRP 2018 planning process will support in determining the most appropriate delivery mechanism in line with different programme and sector objectives, be that MPCA or other sector-specific assistance.

## **Coordinated Approaches with FSPs and Vendors**

- It is recommended that cash actors try to engage in more coordinated discussions with FSPs and proactively share information on the different solutions proposed by FSPs in order to prevent duplicate discussions and information gathering. Priority should be given to exploring the options for pre-paid cards and smart cards and the detailed technical specifications related to these solutions.
- Cox's Bazaar Cash Working Group could maintain a directory/list of FSPs, services and contact details and incorporate information from agencies as delivery mechanism options are piloted and explored.

## **Cash Working Group**

- It is recommended that the Cash Working Group discuss next steps and formulate an action plan related to the scale-up of CBIs as part of the Rohingya Response considering the information from this mapping as well as other information essential to taking decisions on the feasibility of CBIs (e.g. market analysis, needs analysis, strategic response planning, government engagement etc.).
- The Cash Working Group should also take the lead in providing technical recommendations and establishing minimum standards across CBIs and facilitate discussions on joint programming.

## Acronyms

ACF - Action Against Hunger  
AML - Anti-Money Laundering  
CBB - Central Bank of Bangladesh  
CBI - Cash Based Interventions  
CFT - Combating the Financing of Terrorism  
CRS - Catholic Relief Services  
CTP - Cash Transfer Programming  
CWG - Cash Working Group  
DBBL - Dutch Bangla Bank Limited  
ELAN - The Electronic Cash Transfer Learning Action Network  
EMMA - Emergency Market Mapping Analysis  
FSP - Financial Service Provider  
HH - Household  
HRP - Humanitarian Response Plan  
ISCG - Inter-Sector Coordination Group  
KYC - Know Your Customer  
MEB - Minimum Expenditure Basket  
MFI - Micro Finance Institutions  
MFS - Mobile Financial Services  
MNO - Mobile Network Operator  
MPCA - Multi-Purpose Cash Assistance  
NFC - Near Field Communication  
OTC - Over The Counter  
PIN - Personal Identification Number  
PoS - Point of Sale  
ToR - Terms of Reference  
UCB - United Commercial Bank  
UNHCR - United Nations High Commissioner for Refugees  
UNICEF - United Nations Children's Fund  
WFP - World Food Programme

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# 1. Introduction

## i. Context

In December 2017, the Shelter Sector and Cash Working Group in Cox's Bazaar, Bangladesh mobilized resources in the form of a 'Cash Champion' from Catholic Relief Services (CRS)<sup>8</sup> to undertake a mapping of the different delivery mechanisms available to deliver cash-based interventions as part of the humanitarian response to the Rohingya Refugee Crisis. As of 19<sup>th</sup> December, more than 867,480 Rohingya are estimated to have taken shelter in Bangladesh having fled violence and persecution in Myanmar.<sup>9</sup> Since 25<sup>th</sup> August 2017, and the most recent outbreak of violence, an estimated 655,000 Rohingya have arrived in Bangladesh.<sup>10</sup> The humanitarian community anticipates that the Rohingya will remain in Bangladesh for the foreseeable future while political attempts to secure safe return continue<sup>11</sup>. Meanwhile, urgent needs prevail in terms of food security, WASH, shelter, site management, health and nutrition among settlements and host communities<sup>12</sup>.

Given the scale and diversity of needs at the household level, among both Rohingya and local populations, Cash Based Interventions (CBIs) have the potential to make the humanitarian response to the crisis more cost-efficient<sup>13</sup> while addressing a range of different needs. The Cox's Bazaar Cash Working Group has produced a discussion paper, 'Integrating Local Markets in Humanitarian Assistance Can Strengthen the Rohingya Refugee Crisis Response' in December 2017 outlining further the rationale for CBIs in this context<sup>14</sup>.

To this end, a number of humanitarian agencies have begun to explore and pilot cash assistance programmes, through a range of delivery mechanisms. For example, WFP is beginning to expand its established food e-voucher programme to all newly arrived Rohingya, Oxfam is planning to pilot e-vouchers for complementary food items, including fresh foods, and soap for up to 17,000 HHs, ACF is in the process of scaling up its unconditional cash and Cash for Work interventions, targeting up to 30,000 HHs, UNICEF is exploring the possibility of switching in-kind Non-Food Item (NFI) distributions to e-vouchers through the use of WFP's SCOPE platform, and UNHCR are in the process of rolling out a pilot unrestricted cash programme targeting winter needs for 13,000 HHs. In addition, recommendations from the recent Emergency Market Mapping Analysis (EMMA) conducted by the Shelter Sector on bamboo and timber market chains in November 2017 recommended the use of e-vouchers and conditional cash transfers for shelter intervention delivery.

As part of the Cox's Bazaar Shelter Sector and Cash Working Group's efforts to explore the feasibility of cash based interventions, a delivery mechanism mapping was conducted to document different delivery mechanism options, their feasibility, the potential for delivering cash assistance at scale through these mechanisms, and to further explore potential barriers and constraints that would need to be addressed to enable the scale-up of cash assistance as part of the humanitarian response, including highlighting protection concerns. This is particularly essential in considering the potential for large scale provision of Multi-Purpose Cash Assistance as

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<sup>8</sup> With support from ECHO, the Global Shelter Cluster has received support to strengthen linkages between the global and local coordination of shelter response efforts in emergencies and protracted crises through improved immediate and medium-term surge capacity; pilot innovative approaches to address the commitments made at international fora like the WHS and HABITAT III – including Cash Champions among others. CRS was selected under this two-year project, which includes four deployments/secondments to the Global Shelter Cluster through in country support for market based programming.

<sup>9</sup> [https://www.humanitarianresponse.info/system/files/documents/files/171219\\_iscg\\_sitrep\\_one\\_pager.pdf](https://www.humanitarianresponse.info/system/files/documents/files/171219_iscg_sitrep_one_pager.pdf)

<sup>10</sup> *Ibid.*

<sup>11</sup> 'Most Likely Scenarios – March to December 2018', draft document informing HRP discussions

<sup>12</sup> Humanitarian Response Plan: September 2017 to February 2018, Available at:

[https://www.humanitarianresponse.info/system/files/documents/files/2017\\_hrp\\_bangladesh\\_041017\\_3.pdf](https://www.humanitarianresponse.info/system/files/documents/files/2017_hrp_bangladesh_041017_3.pdf)

<sup>13</sup> Cox's Bazaar Cash Working Group (Dec 2017), 'Integrating Local Markets in Humanitarian Assistance Can Strengthen the Rohingya Refugee Crisis Response', Available at: <https://drive.google.com/open?id=1qwCiPbjsSno9UKLLZN0tvTm--auC7dHX>

<sup>14</sup> *Ibid.*

part of the response. In Bangladesh, CBIs are often the frontline response to humanitarian needs arising from natural disasters such as cyclones and flooding, as well as being a core tool in the delivery of development programming at a national level – particularly in expanding the reach of financial services to the unbanked and improving financial literacy.<sup>15</sup> Responses have utilized a range of delivery mechanisms including mobile money transfers, cheques, Post Office Cash Cards<sup>16</sup>, e-vouchers and direct cash delivery. However, the particularities of the situation in Cox’s Bazaar, including government appetite for the use of cash transfers to deliver assistance, the status of the Rohingya population, and the scale of needs, required additional exploration specific to the context. A national level exercise was undertaken in parallel examining the feasibility of different delivery mechanism options in all locations in Bangladesh excluding Cox’s Bazaar<sup>17</sup>, so this report is intended to focus solely on the specific situation in Cox’s Bazaar but not duplicate other information collected in the national level exercise and therefore should be seen as complementary.

Although a number of agencies involved in the response had individually explored delivery options for cash based interventions, there had, to date, been no consolidation of information and shared recommendations. This report is intended to summarise the key findings of the mapping exercise and bring together information available across different stakeholders in order to inform next steps in the response. The findings are intended to be used by all sectors considering CBIs as a tool to support delivery of humanitarian assistance and most notably to inform the discussion on the feasibility of Multi-Purpose Cash Assistance (MPCA), and therefore have not focused on specific sector programming in its recommendations.

## ii. Objectives of the Delivery Mechanism Mapping

The Terms of Reference (ToR) for this exercise is attached in [Annex 1](#). This report focuses solely on Part 1 of the ToR; the feasibility of different delivery mechanism options to deliver cash transfers at scale for the Rohingya Humanitarian Response. This mapping exercise is intended to inform the Humanitarian Response Strategic Plan and benefit all humanitarian stakeholders considering cash transfers as a mechanism to deliver their humanitarian response activities.

The overall objective was to ‘map out, identify and compare the different available and potential options to deliver cash transfers at different scales in Cox’s Bazaar’. In doing so, comparative criteria have been used including, ‘field level experiences, preference of the people of concern, usability (including one-off and/or monthly installments), security issues, regulatory environment, scalability, timeliness and cost efficiency’ as outlined by the original ToR, as well as infrastructure/service requirements, and advantages and disadvantages. Throughout the exercise, protection concerns were a particular focus, as well as considering the different realities of the target population residing in refugee camps, makeshift settlements, new spontaneous settlements and host communities. The scope of the study was the following:

- Analysis of the delivery mechanisms available Cox’s Bazaar (building on efforts of the National CWG’s for Bangladesh)
- Analysis of the established delivery mechanism infrastructures in Cox’s Bazaar
- Analysis of the regulatory frameworks in Bangladesh, highlighting the constraints on Know Your Customer (KYC) and registration issues for the refugee population

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15 Cox’s Bazaar Cash Working Group (Dec 2017), ‘Integrating Local Markets in Humanitarian Assistance Can Strengthen the Rohingya Refugee Crisis Response’, Available at: <https://www.humanitarianresponse.info/en/operations/bangladesh/cash-working-group>; Parvez, Islam, Woodard (2015), ‘Mobile Financial Services in Bangladesh: A Survey of Current Services, Regulations, and Usage in Select USAID Projects’, Available at: [https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh\\_April2015.pdf](https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh_April2015.pdf); Bailey (2017), ‘Electronic transfers in humanitarian assistance and uptake of financial services: a synthesis of ELAN case studies’, Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11424.pdf>

16 <http://www.worldbank.org/en/news/press-release/2017/02/19/bangladesh-world-bank-cooperate-to-improve-child-nutrition>

17 This exercise was managed by the National Cash Working Group with the final report currently unavailable but expected late January 2018

- Analysis of protection concerns and potential mitigation measures on delivery

The intended deliverables of the study are as follows:

- An analysis of existing payment mechanisms for cash transfer programmes in Cox’s Bazaar, and a mapping of different financial service providers and delivery mechanisms with a clear description of their technical specifications and capacity
- A comparative analysis of different delivery mechanism options based on the pre-defined criteria, including any barriers and concerns related to these
- Recommendations for the way forward
- Final report and short presentation for the Cash Working Group summarising the key findings

These above deliverables are addressed in this report and its annexes, as well as in the summary presentation of findings shared with the Cash WG on 20<sup>th</sup> December 2017 in Cox’s Bazaar.

## 2. Methodology

### i. Overview

The delivery mechanism mapping was undertaken by a ‘Cash Champion’ deployed from Catholic Relief Services (CRS) – a Technical Advisor for Cash and Markets from the CRS Humanitarian Response Department (HRD) and supported by ECHO. The Cash Champion was deployed to Bangladesh from 12<sup>th</sup> to 23<sup>rd</sup> December, with remote work to prepare and analyse findings both before and after the in-country deployment. 12<sup>th</sup> to 15<sup>th</sup> December was spent in Dhaka engaging with Financial Service Providers (FSPs) and national level stakeholders, while 15<sup>th</sup> to 21<sup>st</sup> December was spent in Cox’s Bazaar engaging with operational agencies, key stakeholders and additional follow up with FSPs. The following steps were taking during the exercise:

- Review of the ToR for the delivery mechanism mapping and clarification with the Cox’s Bazaar Cash Working Group Coordinator on the objectives of the mapping
- Secondary data review of relevant assessments, Cox’s Bazaar Cash Working Group meeting minutes, and other background material related to cash delivery in Bangladesh more generally (see ‘References’ for a consolidated list)
- A draft methodology including key questions by stakeholder type was shared with the Cox’s Bazaar Cash Working Group Coordinator prior to the deployment for review and validation
- Key informant interviews and consultations (e.g. information exchange by phone or email) with a range of stakeholders (see [Annex 2](#) for a consolidated list) including:
  - 1) Financial Service Providers (FSPs) – 8 in total<sup>18</sup> covering a range of financial services including Mobile Financial Services, E-Vouchers, Banks, Post Office, Remittance Payments (with secondary information from additional FSPs);
  - 2) Key Stakeholders – 11 in total<sup>19</sup> including donors, Sector and Working Group Coordinators at a national level and in Cox’s Bazaar, protection actors and actors involved in registration/identification processes

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18 Dutch Bangla Bank Limited (DBBL), bKash, United Commercial Bank (UCB), Red Rose, Post Office, BRAC Bank, IFIC, Shimanto. Note: secondary information available on other providers including Trust, Segovia and BRAC Bank were also used to triangulate findings. This is not an exhaustive list of FSPs available in Bangladesh, and therefore should be treated with caution and not definitive in terms of details of the services offered. The Cash WG or individual agencies should obtain additional information from FSPs, including others not consulted, if moving forward with programming. In addition, WFP’s SCOPE platform is not an FSP *per se* but agencies can enter into a service agreement to utilise the SCOPE platform to deliver e-vouchers (with additional support from WFP in vendor contracting) though has not been included as an FSP for the purposes of this exercise.

19 This included: Cash Working Group Coordinator for Cox’s Bazaar, National Cash Working Group Coordinator, Food Security Sector Coordinators at national and Cox’s Bazaar level, Shelter Sector Coordinator in Cox’s Bazaar, Consultant working on the national delivery

- 3) Operational Agencies – 10 in total<sup>20</sup> including agencies operational in cash transfer programmes in Cox's Bazaar or Bangladesh generally, or those exploring the feasibility of cash transfers in Cox's Bazaar as part of the Rohingya refugee response.
- Site visits to Leda and Kutupalong makeshift settlements and camps.
  - Review of secondary information on services available from different Financial Service Providers (FSPs), regulations available from the Central Bank of Bangladesh and Know Your Customer (KYC) information globally
  - Presentation of preliminary findings to the Cox's Bazaar Cash Working Group on 20th December for validation and additional inputs
  - Analysis and synthesis of key findings and report drafting

## ii. Challenges and Limitations

During the exercise there were a number of limitations faced, and therefore the findings included in this report should be considered in light of these and as the operational context evolves:

- There was limited time to engage with more FSPs and to *dig deeper* in to the potential solutions and services they might be able to offer. For example, it was not possible to consult with Micro Finance Institutions (MFIs), though secondary information indicates that this would not be a feasible delivery option, remittance agencies nor cooperatives. Time limitations also meant that it was not possible to gain a detailed understanding of the specific technical requirements and specifications of each FSP. Many options mentioned by FSPs were tailored to the specific context of the Rohingya response and therefore either new (not tried before) or caveated heavily with the need to gain approval from the government or additional directives from the Central Bank of Bangladesh. In addition, outside of a set procurement or tendering process some FSPs were reluctant to share detailed information on prices and technical solutions, therefore it wasn't possible to obtain the same level of information from all FSPs. It is likely that the information shared by FSPs will change based on the political context surrounding the response, so should be regularly reviewed and considered as indicative of potential options for further exploration rather than a definitive list of tried and tested solutions.
- Given the challenges in obtaining price and fee-related information from FSPs, particularly for the potential new solutions mentioned by some FSPs, a thorough cost-effectiveness analysis has not been possible. Where available, indicative costings have been mentioned for different delivery mechanisms as reported either by FSPs or other actors who had discussed or engaged with FSPs previously.
- The FSPs consulted with were selected based on the contacts of different stakeholders and the Cash WG in Cox's Bazaar – this meant that sampling of these was purposive and may have excluded other FSPs who had potential solutions to deliver cash transfer interventions to the Rohingya population. It is therefore encouraged that agencies who are bilaterally engaging with FSPs on the feasibility of different delivery options also share this information with other cash actors for the benefit of the wider response. It could be useful for the Cash WG to maintain a directory of FSPs with relevant contact details and basic information to avoid duplication of efforts among different agencies.
- It was not possible to engage with government authorities due to the sensitivity around implementation of cash transfer programmes in relation to the Rohingya refugee crisis and the perceived concerns of these types of interventions by the government. This meant that one of the most critical barriers - government approval and acceptance of cash transfers - was unable to be explored further. In addition, a key challenge limiting the potential options for delivering cash transfers is the regulatory environment posed by the Central Bank of Bangladesh in terms of access to financial services. It was not possible to engage with the

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mechanism feasibility assessment with the national CWG (by Skype), ECHO, DFID, Central Bank of Bangladesh, Protection/Gender Advisor from NCA and email exchanges with the UNHCR Registration Team. Note: Due to sensitivities, the Cash Champion was directed not to engage with local or national authorities during the mapping.

<sup>20</sup> WFP, UNHCR, Oxfam, IFRC, WVI, DRC, BRAC, UNICEF, IOM, ACF

Central Bank at a more strategic level on this issue in relation to the Rohingya population, but it is recommended that this is done in a coordinated fashion among humanitarian actors and jointly with FSPs (see more in Section 5: Conclusions and Recommendations).

- Given the limited time, and the amount of assessments already conducted or ongoing by a range of different actors, Persons of Concern were not directly consulted on their preferences and access to, and familiarity with, different delivery options. Secondary information from existing assessments and operational agencies provided some information on this, and it is recommended that future Post-Distribution Monitoring (PDM) and other planned assessments should try to continue to capture this information in order to inform the response.
- The national Cash Working Group in Bangladesh was undertaking a similar exercise at a national level on the feasibility and cost-efficiency of different cash transfer mechanisms in areas excluding Cox's Bazaar just before this mapping exercise was conducted. It was hoped that the national level exercise would help direct the Cox's Bazaar exercise in terms of critical issues around the regulatory environment, specific FSPs and delivery options to explore further and also in documenting experiences and lessons learnt from past responses in Bangladesh more generally. However, the findings of the national level exercise were not available during the Cash Champion's deployment in Bangladesh and therefore further triangulation and validation will be needed once the report from the national level consultant is finalised<sup>21</sup> to ensure consistency and also to identify any additional challenges or lessons learnt that may need to be considered.
- The operational context in Cox's Bazaar is still rapidly evolving, and this exercise focused solely on delivery mechanism options – only one piece of the puzzle in terms of the feasibility of utilising cash based interventions at scale, and the potential timescale for roll-out of MPCA. During the presentation of findings to the Cox's Bazaar Cash Working Group, and in a number of consultations, there were multiple discussions on the ability of markets to respond to a scale-up of cash based interventions – an area that has already been examined by a number of actors through various market assessments. Considering this alongside delivery mechanisms was not within the scope of the mapping, but continuous monitoring of market dynamics should be in place in order to explore the general feasibility of cash as a means to meet humanitarian needs in the context of the Rohingya response.

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<sup>21</sup> Expected by end of January 2018

### 3. Key Findings: Delivery Mechanism Options for Cash Based Interventions in Cox's Bazaar

A table analysing each delivery mechanism according to the pre-defined criteria is available in [Annex 3](#). The following section therefore provides an overview of the key information collected in relation to each delivery mechanism during the mapping, including an overview of the mechanism, past experience and lessons learnt in Bangladesh, requirements, key challenges and general conclusions about the opportunities and feasibility of utilising the mechanism at scale in the context of the Rohingya response. There are varying levels of information available on different options, and this should be complemented and updated as the response evolves and more information is gathered, particularly as different delivery mechanisms are piloted by various actors.

#### 3.1 Mobile Money Transfers

##### 3.1.1 Past Experience and Lessons Learnt

Mobile financial services have increased in coverage and accessibility in Bangladesh since these services were first offered in 2011 alongside the launch of Central Bank of Bangladesh mobile money regulations with the aim of increasing access to financial services meanwhile taking anti-money laundering and anti-terrorism precautions<sup>22</sup>. As of October 2017, there were more than 18 banks offering mobile financial services with 774,892 agents nationally<sup>23</sup> with the largest market share held by bKash (a subsidiary of BRAC Bank) and Rocket (the Dutch Bangla Bank Limited (DBBL)'s service). A number of humanitarian agencies have used mobile money to deliver humanitarian, early recovery and development programming in various locations in Bangladesh, including in the Cox's Bazaar region in response to cyclones, flooding and other natural disasters<sup>24</sup>. A case study of ACF's use of mobile money transfers in response to a cyclone in 2016 offers some lessons learnt in the deployment of mobile technologies as part of a rapid emergency response in Bangladesh, including in Cox's Bazaar<sup>25</sup>. To date, agencies have not used mobile money transfers to assist the Rohingya population given the regulations surrounding access to both SIM cards and mobile bank accounts (see below), however actors such as WFP are planning to scale up support to host communities (Bangladeshi nationals) impacted by the Rohingya crisis using mobile money transfers during 2018<sup>26</sup>.

Generally, mobile money transfers are thought to be appropriate and preferable in early recovery and development programming in Bangladesh, with a number of agencies having used mobile money transfers in Cox's Bazaar specifically. In Bangladesh, mobile money offers a secure transfer mechanism, wide network and coverage of agents (even in rural locations), familiarity and willingness of Financial Service Providers (FSPs) to develop partnerships to reach the unbanked and poor with financial services, the ease/speed of delivering regular transfers (after initial registration of beneficiaries) and also the wider benefits of improving access to financial services among previously unbanked populations and increasing the sense of empowerment and ownership as well as financial literacy among target groups. However, it was also found that mobile money transfers were not the most appropriate delivery mechanism for rapid response to emergencies (e.g. in the first month of a response) in Bangladesh given the time required to register SIM cards individually and for FSPs to open/activate mobile money accounts for beneficiaries. This process has been found to take more than one

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<sup>22</sup> Parvez, Islam, Woodard (2015), 'Mobile Financial Services in Bangladesh: A Survey of Current Services, Regulations, and Usage in Select USAID Projects', Available at: [https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh\\_April2015.pdf](https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh_April2015.pdf)

<sup>23</sup> <https://www.bb.org.bd/fnansys/paymentsys/mfsdata.php>, Accessed on 4th January 2018

<sup>24</sup> Examples mentioned by agencies and FSPs included ACF, Oxfam, Caritas, WFP, UNICEF, USAID, IFRC, Plan, BRAC

<sup>25</sup> Bailey (2017), 'Electronic transfers in humanitarian assistance and uptake of financial services: a synthesis of ELAN case studies', Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11424.pdf>

<sup>26</sup> Key Informant Interview with WFP Cash and Voucher Specialist in Cox's Bazaar, December 2017

month, including in Cox's Bazaar, though FSPs have made efforts to reduce this, and once agencies have framework agreements in place with FSPs this can significantly reduce the roll-out time. In addition, challenges have been faced by agencies in ensuring access of agents to remote areas, physical transportation of cash to these areas – particularly in cyclone and food responses, as well as some challenges in isolated areas in terms of mobile network coverage (essential for transactions). These challenges apply to Cox's Bazaar as well as other areas in Bangladesh, and Cox's Bazaar is a cyclone prone area, with many agencies still responding to the aftermath of the most recent cyclone in 2017. It was also reported that mobile money transfers were sometimes difficult to understand and unfamiliar to beneficiaries in the initial transfers, therefore making them more appropriate for multiple transfers where beneficiaries become more familiar with the mechanism and other services offered over time. Finally, and most significantly for the context of the Rohingya response, the requirement of a National ID card (or passport or driving licence) to register both a SIM card and to open a mobile wallet or bank account with a mobile service provider such as bKash or DBBL, has made the service inaccessible for non-Bangladeshi nationals (without a valid visa or work permit) and also caused difficulties for Bangladeshi nationals who may have lost or do not have a national ID card.

### 3.1.2 Description of Services

The services offered by most banks and mobile financial service providers appear similar from a recipient's point of view. In Bangladesh, mobile financial services are a 'bank-led' service, therefore no mobile network operators are able to offer these services. This usually entails the selection of two service providers for agencies – a mobile network operator for the SIM cards (some of which will assist in distribution and registration of SIMs to beneficiaries and waive charges) as well as a bank or financial institution (responsible for the mobile account or wallet creation and the actual cash transfers to beneficiaries). The recipient requires a SIM card (with network coverage in the area of the agents they will use) registered in their name (for which a national ID is required), as well as an active mobile wallet or bank account for this number (for which a national ID and Know Your Customer (KYC) form is required). Once the beneficiaries mobile account or wallet is registered and activated, agencies can credit accounts through bulk uploads – usually by sharing a list of account numbers and the amount to be credited to the selected FSP. Once funds are credited to the beneficiary's account, they can go to any registered agent of the FSP and with their unique PIN code (usually selected by the beneficiary when their account is activated) to access a range of services. These include: 1) Cash out, 2) Cash in, 3) Person to Person transfers (e.g. transferring to another individual with a mobile account), 4) Purchasing of airtime, 5) paying for goods/services at participating merchants, and 6) Receiving remittance payments. Some FSPs offer the ability for beneficiaries to also withdraw funds from their branches, offices and ATMs, in addition to local agents. In addition, a number of FSPs reported the ability to expand their agent coverage in targeted locations, or to deploy mobile agents on specific days for both account registration and cash out to beneficiaries based on agency needs.

Fees vary per FSP, but range from 0.9% to 1.85% of the transaction amount as a transaction fee. This is usually added by the agency to the transfer amount credited to the beneficiary account so the beneficiary does not incur additional costs when withdrawing their assistance. No other costs or fees were reported by the FSPs consulted.

### 3.1.3 Requirements

Mobile financial services in Bangladesh are heavily regulated by the Central Bank of Bangladesh, with specific regulations in place since 2011, and only banks being able to offer these services. In order to receive mobile money transfers, a recipient must have the following:

- 1) Registered SIM card and a mobile handset. To register the SIM card, an individual requires a valid photo ID (i.e. national ID card, passport or driving license) and a passport sized photograph
- 2) Mobile Account with a licensed financial institution. In order to get this, the recipient must have completed the mandatory Know Your Customer (KYC) form and presented the relevant identification

documents specified by the Central Bank of Bangladesh<sup>27</sup> (i.e. national ID, passport or driving license) and a photograph. Banks are responsible for the KYC of their customers according to the Central Bank Regulations.

In addition, banks are responsible for ensuring compliance with various transaction limits to prevent Anti-Money Laundering (AML) set by the Central Bank of Bangladesh. This appears to currently include maximum cash-out amount per day (at an agent) of 10,000 BDT, a maximum of 2 withdrawals per day, and a maximum Person to Person (P2P) transfer of 10,000 BDT per transaction. Some FSPs reported that recipients also need to show their national ID at the point of cash out if they are cashing out more than 5,000 BDT in one transaction. If the recipient cashes out at a branch, then they can withdraw a higher amount (25,000 BDT per day) and pay 10 BDT per withdrawal (as an example from DBBL).

#### 3.1.4 Key Challenges

The following are the most critical challenges when considering the opportunity and feasibility for using mobile money transfers to deliver cash assistance as part of the Rohingya refugee response:

- Know Your Customer (KYC) requirements from the Central Bank of Bangladesh entail that all mobile accounts require a National ID, passport or driving license as part of the registration process. In some cases, citizenship certificate or birth certificate were reported as exceptional cases if there is no National ID available, however this only applies to Bangladeshi nationals and is therefore not feasible for the Rohingya population without a change to the 2011 Regulations from the Central Bank of Bangladesh. In addition, national ID is required to register a SIM card to an individual.
- Cash out from agents is limited to 10,000 BDT per day, which although sufficient for provision of regular multi-purpose cash assistance (as per the current transfer amounts agreed at a national level of 4,000 BDT and even if the Minimum Expenditure Basket [MEB] revision for the Cox's Bazaar area resulted in a slightly higher amount given the relatively higher market prices), however, this would potentially not allow for one time transfers covering specific sector needs. For example, the shelter sector have costed out the cash value for their Upgrade Shelter Kit (USK) which could reach 15,000 BDT per shelter including the kit contents (approx. 10,500 BDT) plus work (approx. 4,000 BDT) plus transportation costs (approx. 500 BDT per day). Transfers could be provided in instalments, but the transaction limit is worth keeping in mind for specific transfers, as sector's update and develop their response plans.
- Even among the host population, current access to mobile financial services is limited (reported by only 3.4% of respondents in the WFP/VAM Market Assessment [November 2017]<sup>28</sup>) and therefore use of mobile money transfer to assist host populations would require orientation and training for beneficiaries in terms of how to access their transfer, as well as other services available through their account. In addition, current access to mobile financial services disproportionately favours men and the non-poor<sup>29</sup>.
- In addition, confirmation on mobile financial service provider capacity and ability to cover the targeted locations also requires further exploration (e.g. arranging mobile agents and cash out services in some settlements may be challenging given the infrastructure and congestion in the sites – particularly where host communities have more or less become part of the settlements established by the latest influx of Rohingya refugees). This would be critical in terms of scale up of this mechanism in the Cox's Bazaar area and also if there becomes an opportunity for Rohingya to access these services as well.

#### 3.1.5 Conclusions and Opportunities

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<sup>27</sup> Available at: <https://www.bb.org.bd/aboutus/regulationguideline/mfsguideline.pdf>

<sup>28</sup> WFP, VAM, Food Security Sector Bangladesh (2017), 'Market Assessment in Cox's Bazar: Implications for MarketBased Interventions Targeted to Rohingya Refugees and Host Communities', Available on Cox's Bazaar Cash Working Group Google Drive

<sup>29</sup> Bailey (2017), 'Electronic transfers in humanitarian assistance and uptake of financial services: a synthesis of ELAN case studies', Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11424.pdf>



- At present, mobile money transfers are not a feasible option for delivery of cash transfers to the Rohingya refugee population given the KYC regulations, they do not have the required documents (national ID) for registering a SIM and also opening a Mobile Account. Please refer below for the suggested next steps.
- Mobile money transfers would be a feasible and scalable option for providing regular or multiple transfers that target host populations as part of the response, provided that they have the required national ID to meet bank KYC requirements. This is particularly the case given the large network of agents, including in the target areas of Cox's Bazar, and the willingness of FSPs to expand their agent network if required and also deploy mobile agents if needed. In advance of the upcoming cyclone season (April onwards) it would also be advisable, in coordination with the national Cash WG, to assess the possibility for FSPs to expand coverage and the timeframe for deployment of additional agents specifically in the Cox's Bazar area.
- Mobile money transfers are probably not the most effective delivery mechanism option for one-off transfers given the time taken to set up SIM registration and Mobile Accounts and also the level of orientation/training needed for recipients to be able to use and understand the system effectively<sup>30</sup>. Therefore it's recommended they are used for multiple / regular transfers (e.g. two or more transfers), though do provide an option for one-off transfers provided that it is not time critical and there is sufficient orientation and support in place for beneficiaries to understand and use the transfer mechanism.
- There is potential to engage with the Ministry of Finance, and subsequently the Regulatory Authority, the Central Bank of Bangladesh, to amend the KYC requirements for Mobile Financial Services (e.g. allow alternative ID for Rohingya, or consider two-tiered KYC based on the range/type of services to be accessed or the transaction amount). However, this would require higher level strategic engagement at the national level – in collaboration with the national Cash Working Group efforts to create a more enabling environment for use of mobile transfers in other humanitarian responses in Bangladesh – and would likely require a long-term process of engagement (i.e. would likely take too long to enable use of mobile transfers for the Rohingya as part of the humanitarian response in the foreseeable future).
- Humanitarian actors should also try to advocate for Rohingya refugees to be able to access SIM cards as an initial step. This would also reduce one of the barriers to refugees being able to access mobile money if there was clarity on acceptable alternative ID for the Rohingya to open mobile wallets or accounts.

## 3.2 Other Bank Transfers

### 3.2.1 Past Experience and Lessons Learnt

Some FSPs and agencies mentioned other types of bank transfer that could be utilised for delivery of humanitarian, or other, assistance. Some FSPs offer a **biometric or 'Agent Banking'** account that enables individuals to open a bank account without the need for a SIM or mobile phone handset. FSPs such as DBBL offer biometric registration and account opening for individuals where the biometric thumbprint of the customer is used during all transactions (e.g. to cash in, cash out the individual's thumbprint is used to verify their identity). In addition, other agencies in Bangladesh have previously paid directly into beneficiary **bank accounts** (i.e. current or savings accounts) to transfer assistance (e.g. DWA, BDRCS, IFRC<sup>31</sup>), but this has usually entailed the agency helping beneficiaries to open accounts prior to transfers being made (e.g. not many beneficiaries have had pre-existing bank accounts given the limited reach of financial services in poor and remote areas of the country).

Generally, the use of biometric or current bank accounts removes the requirement of the beneficiary to have a registered SIM card and mobile phone so could provide easier access to beneficiaries without mobiles. In addition, the same benefits for mobile money transfers exist in terms of providing a safe and reliable

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<sup>30</sup> Bailey (2017) also highlighted that for beneficiaries who received mobile money transfers in Cox's Bazaar following a cyclone response expressed preference for cash-in-envelope delivery over mobile money.

<sup>31</sup> Rahman, Suvro, Ahmad (2016), 'Cash Transfer Programme in Bangladesh: Looking Through the ELNHA Lens', Oxfam, Available at: <http://www.cashlearning.org/downloads/ctp-situation-analysis-in-bangladesh.pdf>

mechanism for transferring cash, as well as providing previously unbanked populations with improved access to financial services and increased empowerment and financial literacy. In addition, once accounts are set-up, the transfer process for agents is relatively quick – with bulk transfers possible by agencies to multiple beneficiary accounts. However, there is still considerable time and human resources required from agencies to support beneficiaries to open bank accounts (biometric or otherwise) in the first instance, and there is a considerably smaller network of bank branches and agents with the required technology to offer biometric account services, than there is for mobile bank account services – requiring beneficiaries to travel further to access branches (although FSPs did mention their willingness to expand the network of agents with the required e-POS devices for biometric accounts as well as deploying mobile agents to carry out these services in specific target areas). It's also been found by agencies that bank accounts opened specifically for beneficiaries to receive assistance transfers improved access to financial services in the short-term but the majority of beneficiaries did not continue to utilise these accounts. Finally, and again most critically for the Rohingya refugee response, the same KYC requirements apply for opening these accounts as with Mobile Accounts, namely a national ID, passport or driving license.

### 3.2.2 Description of Services

Fewer FSPs seem to offer the biometric account (with the focus being more on mobile money services) so the coverage and presence of agents with the required equipment to initiate transactions is lower (only 1500 outlets currently for DBBL vs 121,337 Rocket agents for DBBL's mobile banking services). Services offered by different FSPs vary slightly, and different FSPs will have a different range of coverage of their branches and agents in different locations. In order for agencies to use bank accounts or biometric/agent accounts to deliver assistance to beneficiaries they would likely require a central agreement with the service provider selected that covered the target areas where beneficiaries were residing (to ensure coverage of the required agents/branches in the target areas). After this is established, the agency would work with the FSP to register and open accounts for beneficiaries. The beneficiary requires a national ID and completed Know Your Customer (KYC) form in order to open an account. During the account opening, the FSP would take a biometric thumbprint of the beneficiary which becomes the validation for any transactions on the account in future. The FSP would then perform KYC checks and validate information provided (within 1-2 working days) and open the account. Once the beneficiary account is activated, agencies can credit accounts through bulk transfers in agreement with the FSP. Once funds are available in the beneficiary account, the beneficiary can present themselves at any branch or agent of the FSP with the relevant facilities (e.g. if biometric accounts then the agent must have the required e-POS device enabling biometric thumbprint scanning) in order to access account-related services. This is similar to the services offered by Mobile Accounts, i.e. 1) Cash out, 2) Cash in, 3) Person to Person transfers (e.g. transferring to another individual with a mobile account), and 4) Receiving remittance payments. FSPs reported the ability to expand their agent coverage in targeted locations, or to deploy mobile agents on specific days for both account registration and cash out to beneficiaries based on agency needs. However, for bank accounts there is a lack of information on if it would be possible to deploy tellers to target locations (e.g. outside of bank branches) to open accounts and cash out for beneficiaries (e.g. where they do not normally have an agent network).

Fees vary per FSP, but tend to be lower than that of mobile money transfers. For example, DBBL charge 0.5% of the transaction amount for withdrawals from Agent/biometric accounts. This could be added by the agency to the transfer amount credited to the beneficiary account so the beneficiary does not incur additional costs when withdrawing their assistance.

### 3.2.3 Requirements

The Central Bank of Bangladesh is the main regulatory authority for all financial services. The FSPs consulted mentioned that the KYC requirements for opening a biometric account and for other bank accounts are the same as that of mobile banking, i.e. it requires a national ID, passport or driving license with the accompanying KYC form. The FSPs consulted said there was no way to open an Agent/biometric account for a non-Bangladeshi

national (i.e. Rohingya refugee) unless they have a valid visa and work permit with legal stay in Bangladesh, or specific circular or directive from the Central Bank on the ability of refugees to access these services and what KYC would be required. No FSP reported acceptance of alternative photographic ID, e.g. government issued or UN/NGO issued registration/ID card.

Similar to mobile banking, banks are responsible for compliance with various AML in their implementation of agent banking and other bank services. The transaction limits, however, seem less restrictive for biometric accounts offered by DBBL than their mobile banking services. For example, the maximum cash out amount per day is 50,000 BDT, with a maximum of 2 withdrawals per day, and a maximum Person to Person (P2P) transfer of 100,000 BDT.

### 3.2.4 Key Challenges

In relation to the use of bank transfers, including that of biometric accounts, as part of the Rohingya refugee response the following critical challenges have been identified:

- The same KYC requirements apply from the Central Bank of Bangladesh, e.g. require a National ID, passport or driving license as part of the registration process. Therefore the option of opening accounts for the Rohingya refugee population is not feasible unless the Central Bank's regulations are amended or an exception made for different KYC requirements for Rohingya populations. This would require strategic and higher level negotiations with the Central Bank, involving FSPs to agree on an appropriate unique identifier for the Rohingya population and KYC requirements. Challenges to refugees accessing formal banking services because of these issues are outlined well by Pistelli (2017)<sup>32</sup>.
- As part of preparedness activities for the host population, e.g. in advance of the cyclone season, agencies could support potential beneficiaries to open bank accounts in advance, or gather this information, so that the process for set-up of a cash transfer programme would be quicker. The account opening process should also take less time as it does not require the SIM registration step as with Mobile Accounts.
- There seem to be fewer FSPs that offer the biometric account service and those that do have a much more limited network of branches/agents that offer these account facilities (compared to mobile money agents). Therefore, there is a need to confirm the capacity and ability of FSPs to offer these services in the targeted areas, including their ability to provide mobile tellers/agents with the relevant e-POS devices for biometric accounts in the makeshift settlements and camps. In addition, FSPs would likely require assurance of a certain caseload size (to ensure cost-effectiveness) to enable them to recruit, vet and train agents and equip them with the required technology and infrastructure.
- For regular bank account transfers, the ability of target groups to access bank branches to open accounts and receive their transfers would also need to be explored further. Previous experience suggests that in rural areas beneficiaries face increased transportation costs and challenges in accessing branches, hence why mobile banking is more common as mobile banking agents can perform these services and are usually more accessible to the population in rural areas. This would be particularly challenging for Rohingya (even if they were eventually able to meet KYC requirements) given the restrictions on their movements and the presence of check points on main roads between settlements and neighbouring towns/markets.

### 3.2.5 Conclusions and Opportunities

- At present, bank transfers to bank accounts (biometric or otherwise) are not a feasible option for the Rohingya population as they do not have the required national identity documents to open an account (e.g. to enable the bank to perform the mandatory KYC checks required by the Central Bank of Bangladesh).

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<sup>32</sup> Pistelli (2017), 'Removing Barriers to Expand Access to Finance for Refugees', Available at: <https://www.microfinancegateway.org/library/removing-barriers-expand-access-finance-refugees>

- Biometric accounts may pose a feasible, and in some cases preferable, alternative to mobile money transfers for assisting the host population as part of the Rohingya refugee response as it removes the need for beneficiaries to have a registered SIM and mobile phone – potentially making the account opening process simpler than with mobile money – and also has a higher transaction limit for larger/sector specific transfers (e.g. in the case of the shelter sector). However, this is dependent on beneficiaries having the required national identity documents to meet KYC requirements of the bank, and also on the physical accessibility of the relevant agents and bank branches where accounts can be opened and services accessed.
- Given the limited coverage of agents with biometric account facilities (for example for DBBL) compared to mobile money agents, further exploration with FSPs is required to ascertain their willingness to expand these services in the target areas and potentially explore options of mobile agents/tellers to ensure access of beneficiaries.
- Given the requirements and process to open an account, this option is preferable for multiple transfers, rather than one-off assistance (though coordination among actors is required to determine this across different sector interventions and programmes).
- As with mobile money transfers, there is an opportunity to engage with the relevant regulators to review the KYC requirements for financial services in Bangladesh in general, though this would be a longer-term process, and unlikely to be resolved in the short-term. Alternatively, there is an opportunity to engage in discussions to establish alternative / specific KYC for the refugee population to enable access to certain financial services.

### 3.3 Over the Counter Transactions (OTC)

#### 3.3.1 Past Experience and Lessons Learnt

There are a range of different ‘Over the Counter’ cash transfer options in Bangladesh, all slightly different but none requiring the recipient to have a bank account or account with an FSP in order to receive the transfer, hence they have been considered together for the purpose of this mapping. These include: 1) Bank cheques; 2) Agent to agent transfers (paying out to a beneficiary that doesn’t have a mobile bank account); 3) Remittance agencies (e.g. Western Union, Money Gram or others); 4) Cash out at Vendors (e.g. vendors participating in e-voucher programmes); and 5) the Post Office’s Electronic Money Transfer System (EMTS)<sup>33</sup>. Although the mechanisms for each of these are slightly different, they have been grouped as generally there are similar challenges faced and requirements seem to be similar.

In Bangladesh, some agencies have used bank cheques during humanitarian response work (e.g. Concern Worldwide) to deliver cash assistance to beneficiaries but these seem to have been relatively small-scale pilots (e.g. 200 HHs in 2016). Agent banking is now heavily regulated (since 2013) which has reduced the potential for agents (e.g. those that might be agents for mobile financial service providers) to offer cash out / transfer services to individuals who do not have a mobile bank account. Remittance agencies don’t seem to have been used for humanitarian payments in Bangladesh (or at least no information was available on this from the stakeholders consulted during the mapping), though this could be to do with the ID required, location and accessibility of remittance agency offices and most likely the very high fees usually payable per transfer. Some agencies (e.g. WFP) had explored the option of their contracted e-voucher vendors providing cash out as part of the e-voucher programme (e.g. to complement staple items available with the voucher), however it seems that the same restrictions apply to vendors since the introduction of Agent Banking regulations by the Central Bank of Bangladesh. Any cash out would be considered a financial service, and therefore the vendor should

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<sup>33</sup> Note: there is conflicting information from the Post Office on whether this actually requires the recipient to pre-register and open an account to receive EMTS (as per the Key Informant Interview with the Post Office in Chittagong) or if the recipient only needs to receive the 16 digit unique reference code to their mobile which they can then take to a Post Office branch to collect the payment. The latter is assumed (based on information on the Bangladesh Post Office website)

have the appropriate authorisation/registration to perform that service. Finally, the EMTS offered by the post office appears to be a more efficient alternative to their original manual money order system.

There are limited applications of these mechanisms in the humanitarian sphere in Bangladesh and therefore limited lessons learnt. However, it can be assumed that these mechanisms would be more straight forward for beneficiaries to access (provided they are physically able to access the relevant branch/office of the FSP), and quicker to set-up given that no account or KYC process is required for beneficiaries before the transfer (aside from the organisation's own verification process). However, the main challenges reported by agencies who had used bank cheques to transfer cash previously in Bangladesh were the distance that beneficiaries had to travel to access the bank branches to cash in the cheques, as well as the associated transportation costs, and also the understanding of the process by beneficiaries (who are largely unbanked and may not have interacted with formal financial institutions previously in a similar manner) thereby limiting the number of beneficiaries that could cash in cheques each day due to bank staff capacity and time taken to process each withdrawal.

### 3.3.2 Description of Services

OTC transfers would require the beneficiary to physically access the bank branch (to cash a cheque), vendor (for cash out), agent (for receiving transfers from an agent), post office branch (to receive an EMTS transfer) or remittance agency branch (for cash transfers from Western Union, Money Gram or otherwise).

The identification required from recipients seems to differ depending on the outlet. For example, for cheques cashed in at BRAC Bank, no ID needs to be shown by the recipient when cashing in a cheque of less than 5,000 BDT. For anything over 5,000 BDT, a photo ID is required (national ID, passport or otherwise). To receive an EMTS transfer at the post office the recipient would need to show an ID during payment collection in addition to the 16 digit code that they would receive by SMS once the sender had made the transfer as well as completing a withdrawal form. For remittance agencies, the requirements are not clear other than a 'valid photo ID' needs to be shown at the point of collection, irrespective of the transfer amount (for Money Gram as an example).

In terms of fees, there seems to be no fee for issuing cheques. Remittance agencies appear to have very high fees (e.g. for Money Gram for a transfer between 5,000 to 8,000 BDT, 11 USD is the transfer fee payable by the sender). For the EMTS service of the Post Office not clear.

### 3.3.3 Requirements

More information is needed on the specific contracting process of agencies with different FSPs at a central level for delivery of cash assistance through OTC mechanisms. For example, for bank cheques the only requirement would be that the agency has a main account with the selected bank, however to assure availability of cash in selected branches/locations it might be preferable to sign an agreement if looking at large scale payments to ensure liquidity and capacity in the target areas. For the Post Office, the Post Master General for Chittagong mentioned that a national level agreement would be required to work with the post office to use any of its money transfer services by an organisation, including the EMTS mechanism.

In terms of the regulatory frameworks governing these transactions, the main regulator remains the Central Bank of Bangladesh – for receipt of remittance payments as well as governing agent banking and cheque withdrawals. However the Post Office is regulated under the Ministry of Post and Telecommunications so under a separate regulatory body. For agent banking specifically, there are now regulations set by the Central Bank in place that prevent agents from receiving payments of more than 100,000 BDT per month and 25,000 BDT per day – this is partly to prevent agents transferring cash from one location/agent to another to then cash out to a recipient without an account.

For most OTC transactions, over 5,000 BDT it is likely that a form of identification, fixed address or mobile number would be required from the recipient – though it might be possible to negotiate this with the FSP in question. In addition, irrespective of the usual regulations or practices for these transactions, all FSPs consulted

insisted that even if a national ID is not required at the point of collection, they would still require guidance and approval from the Government to be able to perform these services for the Rohingya population. Therefore, even if there are no explicit regulations from the Central Bank of Bangladesh that restrict these payment options, general authorisation from the government to make payments to non-Bangladeshi nationals would likely be required by the FSP.

#### 3.3.4 Key Challenges

The following are the key challenges in relation to using OTC transfer options as part of the Rohingya refugee response:

- Capacity and presence of FSPs in the target locations (e.g. bank, Post Office or remittance agency branches) and the accessibility of the target population to these locations. For example, the Rohingya face restrictions on their movement which would severely limit where they could travel to in order to collect payments, in addition to the usual challenges of transportation costs and distance. In addition, as mentioned above, the number and coverage of bank branches and post office locations is far fewer than the coverage and reach of mobile banking agents, particularly in rural areas.
- Willingness and capacity of FSPs to scale up staffing and branches to meet increased demand of a cash transfer programme (preference would probably be for increasing agent numbers/locations for other services rather than physical branches).
- Transaction limits for transfers that don't require an ID to be presented upon collection would limit the scope and potential for sector specific/larger transfers (e.g. cheque limit of 5,000 BDT with BRAC Bank)
- Largely manual processes requiring a physical distribution for every transfer (e.g. bank cheque), and potential paperwork for withdrawal slips etc that agency staff would need to assist beneficiaries with, would limit the potential for scale-up and continued support through this transfer mechanism.
- Irrespective of the regulatory environment governing OTC transactions, FSPs are likely to insist on explicit government approval for them to work with NGOs to distribute to the Rohingya population.

#### 3.3.5 Conclusions and Opportunities

- Likely not the most feasible option for host or Rohingya populations given the restrictions on transfer sizes of cheques (e.g. 5000 BDT per cheque with no ID required) and the requirement for recipients to be present in a physical bank branch to cash in cheques. In addition, requires manual distribution for every transfer which would be costly in terms of staffing, logistics and not necessarily scalable.
- There is a possibility to further explore with particular remittance agencies at a national level if they would be willing to reduce transaction fees, and also open additional branches/agents closer to beneficiary locations (e.g. mobile cash out points). If feasible, then clarification would be needed on acceptable forms of 'valid photo ID' and whether an NGO/UN issued photo ID would be acceptable, or temporary government issued IDs (e.g. individual photo cards issued to Rohingya by Ministry of Home Affairs [MoHA]).
- There might be potential to engage with relevant regulatory authorities (e.g. Central Bank of Bangladesh and other relevant regulators) to clarify acceptable photo ID for cheques and remittance payments if needed by FSPs for Rohingya population (e.g. through an exceptional directive related to the Rohingya population). This may be a more likely scenario than the Central Bank making exceptions to wider regulations related to other financial services (e.g. bank account access).
- It may also be worthwhile exploring further the regulatory environment around vendors providing cash out to clarify (e.g. is it possible for them to provide a smaller cash top-up alongside e-voucher programming without having to comply with extensive regulations involved in agent banking).

## 3.4 Pre-Paid Cards

### 3.4.1 Past Experience and Lessons Learnt

A limited number of FSPs seem to offer pre-paid cards in Bangladesh. Both the Bangladesh Post Office and Shimanto Bank<sup>34</sup> mentioned pre-paid card options to deliver cash transfers to individuals in Bangladesh, although there are likely other FSPs that also offer this service. Pre-paid cards are not a common delivery mechanism, and have apparently not been used in Bangladesh previously to deliver humanitarian assistance. However, the Post Office's Pre-Paid Cash Card has been used to deliver services to more than 100,000 individuals through a partnership with the World Bank in development programming in Bangladesh, though seemingly all Bangladeshi nationals.

The Shimanto Bank pre-paid card is a product specifically designed for delivery of assistance to the Rohingya refugee population (e.g. a bespoke product). The information shared was therefore limited and it has never been implemented before so there are no previous experience or lessons learnt. It is likely that the product and services offered by Shimanto Bank could be somewhat tailored to the needs and requirements of humanitarian agencies given the bespoke nature of the product proposed.

The Post Office Pre-Paid Cash Card is a regular product offered by the Post Office to Bangladeshi residents. There are therefore existing regulations and restrictions in place from the Post Office, including the required identification documents needed to access the service, including the requirement that customers must be a Bangladeshi resident to obtain a card.

### 3.4.2 Description of Services

Following beneficiary data collected and shared by the humanitarian agency with the FSP<sup>35</sup>, the FSP would produce personalised pre-paid cards and deliver them to the agency for distribution. The agency would then be responsible for the distribution of the cards to beneficiary households. Beneficiaries would then bring their card to a designated service centre of the FSP for enrolment and cash receipt. The FSP conducts its own enrolment collecting information on the recipient, their photo and fingerprints. This data is then cross checked by the FSP before distribution. Once cross checked, the card is swiped in a PoS machine and the cash transfer provided to the recipient. FSPs are also potentially able to install PoS devices with registered vendors to enable the card to be used for designated goods and services. It is likely that FSPs could deploy agents directly to the camps/settlements with the required equipment for cash out. After the initial enrolment, once balances are uploaded beneficiaries can go to any service point or bank booth to cash out using the PoS devices. There are no available prices or service fees available from FSPs offering this service as of now, so the costs for card production, loading cards, as well as transaction fees or card maintenance fees (if applicable) are not clear.

The Post Office Pre-Paid Cash Card requires registration of the card to an individual, which involves the completion of an application form that requires information about the applicant, including national ID, passport or driving license (see regulatory environment below). Based on this application form, if verified and accepted, recipients would be issued with a personalized card which could be used at any post office branch or local sub-post office that offers the service for cash out. The Post Office are also rolling out the functionality that the card would be usable at ATMs for cash withdrawal as well. There are no fees to load the card, and the card production costs 45 to 150 BDT per card. Pre-paid cards would contain either a magnetic strip or chip.

### 3.4.3 Requirements

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<sup>34</sup> Note: Shimanto Bank were only established in 2016 and are owned by the Border Guard of Bangladesh

<sup>35</sup> The information included here is based on information shared by Shimanto Bank. For the purposes of this mapping it is assumed that other FSPs could offer similar products, even if the technical specifications would be slightly different, in the context of Bangladesh.

For pre-paid cards, there was no specific requirement for KYC by the FSP mentioned, 'since Refugees are not the citizen of the country or customer of the Bank as such there is no required of regular KYC as per Bangladesh Bank guideline'<sup>36</sup>. However, the FSP did mention that they would require authorised personnel of the bank to enroll beneficiaries to their system after verifying the beneficiary based on the data shared by the agency and information they have access to from the Ministry of Home Affairs (MoHA), capturing the beneficiaries finger prints and enrollment. It's not clear if this is because the FSP in question would be able to do their own verification, if other FSPs would be able to agree on specific alternative verification processes for Rohingya, or if humanitarian agencies could assume full responsibility for this verification (unlikely given that FSPs are responsible for KYC checks in relation to other financial services). Therefore it's not clear if the enrolment and verification process of the FSP for the pre-paid cards is an essential step, or just proposed by Shimanto Bank as they have their own access to the MoHA dataset of the Rohingya population from their affiliation to the Border Guard of Bangladesh against which they can validate. Similarly, in order to personalise the card the FSP would require beneficiary data to be shared in advance, i.e. a valid ID / registration card/document from a relevant agency (e.g. UN/NGO) to enable personalization of cards and verification/enrollment by the FSP.

For the Post Office Pre-Paid Cash Card, the recipient is required to be a resident of Bangladesh as per the application form, and must present a National ID, driving license or Passport in order to apply for a card. Although the Post Office are not regulated by the Central Bank of Bangladesh, as it is under the Ministry of Post and Telecommunications, it is unclear what regulations and guidance applies to these services but it is assumed that the same regulatory framework applies for financial transactions as for other banks and financial institutions.

There were no transaction limits mentioned by either FSP for the pre-paid cards mentioned, though the total balance on the Post Office Cash Card cannot exceed 100,000 BDT at any one time.

#### 3.4.4 Key Challenges

- Regulations for FSPs on pre-paid cards and provision of these services to Rohingya refugees are not clear as of yet. It will likely require a specific directive/circular from the Central Bank of Bangladesh to clarify before other FSPs are willing to propose these services and therefore for alternative FSPs to be identified. Following this, it would take time for set-up and piloting of this mechanisms as it would likely be a new service offered in the humanitarian context, including time for agreements with FSPs to be developed and signed, personalisation of cards based on beneficiary data and then subsequent training and orientation of beneficiaries before implementation and roll out.
- More information is needed on the capacity and location/accessibility of post office branches that accept pre-paid cash cards and the potential for an increase in coverage in target locations. In addition, further exploration is needed to determine if alternative identity documents could be accepted by the Post Office to enable Rohingya to have access to the Post Office Pre-Paid Cash Card, particularly considering it is not a bank account and therefore the regulations may be imposed by the Post Office itself rather than a higher regulatory body such as the Central Bank.
- Seems to be a relatively new product type that is not currently offered by many FSPs, therefore there are limited options and alternatives to Shimanto Bank.

#### 3.4.5 Conclusions and Opportunities

- Post Office Cash Card not feasible for non-Bangladeshi nationals (e.g. Rohingya refugees) given the identification requirements, but there is potential to explore for regular transfers to host populations if the Post Office can ensure adequate coverage, capacity and accessibility to relevant services by the local population in target areas

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<sup>36</sup> Email from Shimanto Bank Representative, December 2017



- Pre-paid cards offered by other FSPs warrant more exploration in relation to delivery to Rohingya refugees, and at present (along with Smart Cards) seem to be the most promising feasible option for regular, medium-term delivery, though this would take time to set-up and pilot. Similarly to mobile transfers, pre-paid cards would lend themselves to multiple transfer provision (rather than one-off distributions) but have considerable potential to deliver cash to the Rohingya population at scale.
- In order for pre-paid cards to be considered, it is important to engage with the Central Bank of Bangladesh for clear guidance on KYC requirements for Rohingya population to access pre-paid card, and other, financial services. Prior to this it is advisable for the Cash Working Group, or a member on behalf of the group, to engage with a domestic legal advisor to review the 27 circulars from the Central Bank of Bangladesh and produce a short technical note to guide NGOs on what they need to comply with. This could then inform discussions with the Central Bank, alongside FSPs, and ensure coordinated engagement across different humanitarian agencies (e.g. likely requires engagement with Ministry of Finance prior to discussion with the Regulator [Central Bank]). This could include suggestions of the most appropriate ID that Rohingya would have (e.g. MoHA identity document if issued to all), though consideration is needed on issues such as replacing these IDs (is there this facility if an individual loses their MoHA ID).
- It would be worthwhile exploring with other FSPs if they could offer a similar service as that indicated by Shimanto (to enable competition, and also to explore options of more 'neutral' FSPs). This should also involve more detailed coordinated discussions with FSPs who have potential to offer pre-paid card services to Rohingya refugees on technical specifications and associated costs (e.g. complaint response mechanism, dealing with lost/stolen cards, multiple agencies loading same card and cost/reporting models for this) as well as capacity to deploy mobile tellers/cash out points to different locations that are accessible to target beneficiaries.

## 3.5 Smart Cards

### 3.5.1 Past Experience and Lessons Learnt

As with pre-paid cards, there seems to be no past experience using smart cards to deliver cash assistance in the humanitarian context in Bangladesh. One FSP<sup>37</sup> mentioned this option during the mapping, specifically for the Rohingya population, but it is likely that others have similar technologies/products/services available. For the FSP that mentioned this option (United Commercial Bank [UCB]), they indicated that they could produce a unique plastic 'QR Code Card' for each beneficiary based on data collected and shared by the agency. This card could then be scanned by designated agents using NFC technology and cash disbursed according to the remaining balance information. Agents could be deployed by the FSP to any location therefore beneficiaries would not have to travel to specific branches or fixed agent locations. As this seems to be a relatively new service offered by FSPs, there is potential to design and shape it according to the requirement of agencies. For example, more information is needed in terms of what information would be stored on the smart card to enable verification by the agent prior to cash out or if a PIN code feature could be added to provide additional security for transactions.

### 3.5.2 Description of Services

Following the agreement being signed with the FSP, agencies would submit beneficiary data to the FSP in order to have personalised cards produced each with a unique identifier and barcode. Based on this information the FSP would enable beneficiary wallets on each card. The agency would then be responsible for the distribution of the cards to beneficiaries. Beneficiaries would then present their card at designated agents (in the case of

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<sup>37</sup> United Commercial Bank (UCB) mentioned this option but were unable to share more detailed information in writing outside of a more formal tender process, including for costs/fees.

Cox's Bazaar this would likely be on specific dates/locations as coordinated with the FSP) where their card would be scanned by the agent and cash provided based on the remaining balance.

There is also potential for the card to be used at selected vendors and other agent locations provided that the agent/vendor has the required mobile handset to scan the card and internet connectivity (for example to exchange for goods as well as cash out).

There were no transaction limits reported by the FSP, though this needs to be examined further.

### 3.5.3 Requirements

The FSP indicated that no national ID document would be required to enable a beneficiary wallet. Since it doesn't require the creation of a bank account, the same KYC for mobile money accounts / wallets doesn't seem to apply. However, the FSP did emphasise that there should be appropriate identification and data available on the beneficiaries from the agency or another agency (e.g. UNHCR). The FSP mentioned that they would be relying on the agency/NGO's beneficiary registration and verification process (and therefore, it seems, not doing their own KYC). This implies that KYC obligations are being passed to the humanitarian agency and therefore will likely require: 1) clearer directive from the Central Bank on obligations of the FSP vs humanitarian agency on the level of KYC required for recipients, and 2) agreement among humanitarian agencies on the registration/verification/due diligence required if they are responsible instead of the FSP for the KYC (e.g. to ensure minimal compliance with anti-terror regulations, and agree on common identity documents to enable coordination).

Although the FSP mentioned this as a solution, it seems to still be grey area in terms of what regulations apply and as it is a relatively new service clarification would likely be needed from the Central Bank of Bangladesh on the regulations surrounding this payment option. However, there seems to be much more potential to engage with FSPs in this discussion with the Central Bank to gain clarity, rather than seeking amendments to existing regulatory frameworks for other types of financial services.

### 3.5.4 Key Challenges

- Seems to be a new service that requires clarification on the relevant regulatory framework as well as agreement and confirmation with FSPs on appropriate forms of identification that could be issued by agencies to beneficiaries to enable access to these services, including the data that would be required (and how this would be used).
- Given that this is a new mechanism, it would likely take time for agencies to develop agreements with FSPs, design and tailor the service offered and agree on the implementation and roll out plan allowing sufficient time for the FSP to recruit and train new agents and ensure their capacity to deliver in the target areas.
- It may not be the most feasible option for smaller caseloads as FSPs may not see the added value of establishing new service/system for a small number of recipients (e.g. if it is not financially viable to sign an agreement for small caseload). Therefore it may be preferable for smaller agencies/programmes to access this delivery mechanism through another agency or in consortia (which would have additional set up time and administrative and management requirements).
- If multiple agencies were to use the same FSPs/smart card to deliver assistance (e.g. for different types of assistance or programme objectives) to the same beneficiaries in the event of a scale up, then there needs to be further exploration on the possibility to create multiple/separate wallets on smart cards for each agency (e.g. to ease financial tracking and reporting and reduce costs across humanitarian agencies and avoid multiple cards being distributed to the same caseload)

### 3.5.5 Conclusions and Opportunities

- Smart cards appear to be the most feasible option for regular, medium-term delivery of cash transfers to the Rohingya population. Particularly as they would enable access to unrestricted cash (and therefore provide the most flexibility to beneficiaries as well as enabling delivery of MPCA), distribution would be through agents local to the beneficiaries preventing the need for travel to bank branches or offices, quick/loading of assistance is possible in bulk, and it is a securer delivery mechanism than having agencies provide direct cash in envelopes. However, smart cards warrant more exploration and will require similar steps to be taken as pre-paid cards before this can be implemented (e.g. in terms of clarifications on the regulatory environment, agreement on acceptable forms of ID/verification for Rohingya beneficiaries and also in negotiating and planning with FSPs).
- Similar to pre-paid cards, it is recommended that agencies (with or via FSPs) engage with the Central Bank of Bangladesh for clear guidance on KYC requirements for Rohingya population to access smart card services. This should be coordinated engagement across different humanitarian agencies (e.g. likely requires engagement with Ministry of Finance prior to discussion with the Regulator [Central Bank]) rather than bilaterally.
- Coordinated discussion among humanitarian actors is also needed to identify and agree on an appropriate unique identifier and verification approach for the Rohingya population by humanitarian agencies (to ensure due diligence as well as enable coordination and prevention of duplication if cash interventions scale up)
- Additional exploration with other FSPs to determine which are able to offer smart card services and under what circumstances. This should also involve engaging in more detailed coordinated discussions with FSPs who have potential to offer Smart Card services to Rohingya refugees on technical specifications and associated costs (e.g. complaint response mechanism, dealing with lost/stolen cards, multiple agencies loading same card and cost/reporting models for this). In addition, costings are required to determine cost effectiveness of the smart card option to deliver cash at scale.

### 3.6 Direct Cash Delivery (by Local, National or International Agencies)

#### 3.6.1 Past Experience and Lessons Learnt

In terms of rapid response to humanitarian emergencies, namely natural disasters such as cyclones and flooding, the most common delivery mechanism still used by agencies in Bangladesh is direct cash delivery (i.e. cash-in-envelopes or cash-in-hand). This is often delivered directly by NGO staff, whether that be staff of local NGO implementing partners or staff of National or International NGOs directly. Given the time taken for mobile or other bank accounts to be set up or accessed, and also the frequent loss of the required national identity documents immediately following a disaster, agencies have reported this method as the quickest way to get cash assistance directly in the hands of beneficiaries after an emergency. Transfers are usually limited to one or two instalments at most, before other mechanisms are considered for early recovery and development programming (e.g. mobile money transfers, bank account transfers etc.).

In the context of the Rohingya refugee response, a number of agencies have been using some form of direct cash delivery to pay incentives for volunteers working on site development or site improvement (though not officially deemed 'Cash for Work' and in some cases not targeted based on vulnerability and only providing 1 to 3 days of work for each household) and to pay casual workers. IFRC provided unrestricted cash through cash-in-envelopes to 2000 HHs for shelter assistance in October 2017. In addition, agencies like ACF who have been operating in Cox's Bazaar for a number of years implementing similar interventions, are also using direct cash delivery through a local implementing partner to pay Cash for Work labourers and also transfer unconditional cash payments to targeted beneficiaries. In previous responses, for example in response to the most recent cyclone season, ACF assisted around 4,000 HHs through this delivery mechanism. However they are planning to target up to 30,000 HHs with cash assistance, including both Rohingya and host populations, as part of the

current response to the post-August influx still using this cash-in-hand delivery option – a considerable scale-up.

Despite the benefits in terms of a quick response, not requiring an agreement with an FSP and minimal training/orientation of beneficiaries to understand the payment mechanism, there are considerable challenges in the scalability of such a delivery mechanism. For example, the security risks of transporting large quantities of cash to distribution sites and during distributions, the additional human resources required for manual distributions of each transfer and also the increased risk of fraud/diversion posed by direct cash delivery by agency staff.

### 3.6.2 Description of Services

Few agencies reported exploring the use of a third party or service provider to either transport cash to the distribution site on behalf of the agency or to conduct the actual distribution on behalf of the agency. Agencies reported usually utilising a local implementing partner to transport cash to sites and also to make payments to beneficiaries. Some agencies produce photo ID cards for beneficiaries to present during distributions as a means of verification, but this is based on each agency and seemingly not coordinated (e.g. for use of other agency IDs if available rather than duplicating and the same beneficiary household potentially having multiple IDs). Multiple distribution locations are usually identified by agencies, with some using existing centres (e.g. nutrition centres) to hold distributions. In the context of the Rohingya response, some agencies have opted for more frequent transfers than usual (e.g. two bi-monthly transfers instead of one monthly transfer) to reduce the security risk for beneficiaries.

### 3.6.3 Requirements

There is no regulatory framework in place for direct cash distributions by agencies, therefore direct cash delivery is accessible to all beneficiaries irrespective of ID or documentation of the recipient. It is at the discretion of each agency to determine their identification and verification protocols for beneficiaries and therefore is accessible irrespective of legal status with no clarification needed from any regulatory authority.

However, there seems to be no common approach or standards among agencies for verifying beneficiary identity prior to or during distributions, and this is particularly challenging for Rohingya as there aren't necessarily consistent ID or registration documents available to verify. The date when an individual or household arrived in Bangladesh may also affect what type of identification documentation they possess. In addition, this entails that in the absence of a national ID card, there is no established unique identifier for beneficiaries in order for agencies to coordinate and prevent duplication. This will be particularly relevant if MPCA is implemented at scale.

If international agencies are considering the use of local implementing partners to conduct distributions, then further consideration also needs to be given to the capacity and experience of partners in delivery cash interventions, particularly given the unique (and unfamiliar) operating context posed by the current response, and scale, which is largely unprecedented in Bangladesh in recent years.

There appeared to be no maximum withdrawal limits for agencies to access physical cash from their local banks for distribution as this was largely dependent on advance requests from central bank offices, availability of funds in the agency's account and giving advanced notice to bank branches.

### 3.6.4 Key Challenges

- Direct cash deliver by agency staff is the least secure delivery option and the risk lies entirely with NGO staff in terms of collection from the bank, transportation of cash to the distribution site and cash handling at the distribution site (whether this is by international, national or local NGOs).
- Given the human resource requirements and capacity, security and risk thresholds of agencies, there is likely a limited scale to which cash in hand delivery can be used for repeat transfers.

- The set-up, layout and congestion of many makeshift settlement and camp areas means that identifying safe and accessible distribution points to set up cash delivery is extremely challenging in the current context. Movement restrictions, and also protection concerns raised in previous assessments, for Rohingya also mean that distributions should be organized near to the beneficiary's location.
- Currently, each agency appears to be setting their own internal processes for beneficiary identification and verification before and at the point of distribution. This also means that for scale-up of this delivery mechanism a more common approach, or minimum standards, should be agreed among agencies including identification of a unique identifier to enable better coordination of interventions. This will be challenging if not agreed early on in the response.
- Irrespective of KYC or regulatory requirements being absent, agencies still require governmental approval for all interventions so there still remains a significant challenge of agencies obtaining the relevant approval from the authorities for direct cash delivery to the Rohingya population (and if scaled up this will likely become more challenging to 'keep under the radar' of authorities).

### 3.6.5 Conclusions and Opportunities

- Currently cash-in-hand/cash-in-envelopes appears to be the **only feasible option for the immediate delivery of unrestricted cash transfers** to all populations irrespective of nationality/legal status in country. Particularly while clarifications on the regulatory environment in relation to the Rohingya refugee populations' access to other types of payment mechanisms are ongoing.
- Consequently, agencies should begin discussion on agreeing basic standards and shared approaches to beneficiary identification and verification to enable more effective coordination of assistance going forward (e.g. to prevent overlap between agencies and within households – particularly given the ongoing high levels of movement of households and individuals within and between camps and settlements) and also to demonstrate minimum due diligence to potentially ease the process of government acceptance and in order to inform alternative KYC discussions for other delivery mechanism options for the refugee population.
- Continued use of direct cash-in-envelope delivery may continue to be relevant for regular transfers to smaller caseloads or for the most vulnerable who have specific needs (e.g. to support GBV cases or protection cases, extremely vulnerable individuals targeted for specific financial support).

## 3.7 Direct Cash Delivery (Third Parties)

### 3.7.1 Past Experience and Lessons Learnt

As an alternative to agencies doing direct distributions through their staff or local partner staff, some agencies have begun to explore options to engage with a third party (e.g. bank<sup>38</sup>) to do the cash delivery at agreed distribution points. This is currently planned by UNHCR as the delivery mechanism for their cash for winterisation pilot targeting 13,000 HHs in two zones of Kutupalong settlement. IOM are also exploring options of engaging a contractor to conduct their incentive payments for volunteers engaged in site improvement works (though this isn't confirmed yet). This, however, was not mentioned by other stakeholders as a delivery mechanism used before in Bangladesh, with the vast majority of cash-in-envelope delivery implemented directly by NGO or partner staff. The UNHCR pilot was planned to start at the end of December 2017, and therefore it will be important to ensure lessons learnt are shared on the process, including the negotiation and contracting process with the bank.

In addition, the Post Office also have a traditional paper-based money order system that enables direct cash payments at the recipient's location/residence (e.g. not requiring them to go to a branch as with other OTC

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<sup>38</sup> BRAC Bank has been selected by UNHCR, but no other FSPs mentioned this service during the consultations for this mapping exercise

transfers mentioned above) which could potentially be used to deliver cash to recipients at designated/agreed distribution points<sup>39</sup>.

For the bank proposing this option, most have mentioned it as a one-off or temporary solution (as it relies on a manual process) while clarification on the regulatory environment around other options are explored with the Central Bank. It will be important to see how the UNHCR pilot works to see if the bank in question would be willing to conduct repeat distributions in target areas – for example, if the process is too challenging or costly then they may not be willing to use the same approach for regular transfers or to a larger caseload.

### 3.7.2 Description of Services

The details of how UNHCR will work with the third party/bank to do direct cash delivery on site still need to be clarified as planning was still ongoing during this mapping exercise. It is anticipated that distribution sites will be established in collaboration with the authorities, the bank and UNHCR in the targeted sites or close areas surrounding the camp (UNHCR will cover two zones of Kutupalong). It seems that the bank will rely on UNHCR's beneficiary verification and identification on site, and then the bank will complete the cash transfer to beneficiaries and obtain a signature or record from each individual. UNHCR will be using specific ration cards distributed as a method of verification that will be physically stamped/punched based on the type of assistance they have received (e.g. to try to prevent duplication with households that may have received in kind assistance for winter).

For the Post Office Money Order Service, the Director of Chittagong Region mentioned willingness to deploy post office staff directly to do distributions alongside agency staff (with no fixed address or mobile number of the recipient required from agencies as is usually needed). Agencies would be required to submit a copy of the organization's registration documents, a letter informing the post office of the purpose of the transfer and written government approval. Post Office staff would then distribute cash to beneficiaries and obtain a signature as authentication.

The fees for these services are not clear, as they were not shared by the FSPs or agencies in question, but estimated to be 1-2% of the transfer amount.

### 3.7.3 Requirements

FSPs proposing this solution have not mentioned any KYC requirements for direct cash delivery, though some report reliance on agency verification of beneficiaries, while others propose to do their own enrollment and verification of beneficiaries (e.g. through biometrics or verification of temporary government issued ID) prior to distributing the cash. The responsibilities for verification and regulations surrounding these payments are therefore not really clear as it seems different FSPs are interpreting requirements differently (e.g. if the agency can be responsible for verification, or if the bank is still liable for minimum KYC checks). In the Central Bank's Circular 27, for NGOs specifically, it mentions some restrictions that require NGOs to maintain 'correct and complete information of identification with supporting documents of those customers' that have outstanding loans of 75,000 BDT or more, or outstanding deposit balance of 50,000 BDT, though nothing on individual transaction requirements<sup>40</sup>. In addition, individual transfers of more than 100,000 BDT appear to be required to be made through the banking system. If scaled up, then it is likely that FSPs may want clarity from Central Bank on the ability to distribute to Rohingya refugees. For example, even though UNHCR's FSP has not required this, they have required government approval for the programme in writing before beginning implementation.

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<sup>39</sup> This was indicated as an option with the Post Master General in Chittagong but warrants national level discussions with the post office.

<sup>40</sup> Available at: <https://www.bb.org.bd/bfiu>

For the Post Office's Money Order Service, usually no ID is required during pay out for transfers of less than 10,000 BDT. However, the Post Office did indicate that they would need government approval to be able to provide a tailored version of this service to humanitarian agencies for Rohingya refugees.

### 3.7.4 Key Challenges

- May not be easily scalable if FSPs don't agree to multiple/regular/large-scale transfers. In addition, the capacity and experience of FSP/banks to adequately perform these services still needs to be tested and demonstrated. It still requires significant human resources from the humanitarian agency in organising and managing the distribution and monitoring the process though it does transfer risk away from the agency.
- The operational realities of the makeshift settlements and camps where the majority of Rohingya refugees are residing poses significant challenges for the organization of safe/secure distribution points, particularly in prevention of overcrowding given the population density in these areas.
- Irrespective of KYC or regulatory requirements being absent, agencies still require governmental approval for all interventions so challenges may still be faced in getting approval/acceptance for direct cash delivery to the Rohingya population (and if scaled up this becomes more challenging to 'keep under the radar' of authorities, also with involvement of FSPs they may require more explicit guidance or direction from the Central Bank to enable them to be involved in the distributions)

### 3.7.5 Conclusions and Opportunities

- Stakeholders continue to report that cash-in-hand remains the quickest and most efficient means (in terms of cost, human resources and time) of delivering cash because of delays and other problems associated with registration bureaucracy and regulatory concerns. However, using a third party to do the actual distribution would reduce the risk for agency and partner staff in transporting and distributing cash.
- It's currently a feasible option to enable quick delivery of cash to the Rohingya population (with reduced risk to agency staff) but will require time for identification and negotiations with FSPs who are willing and able to offer this service and further discussions to see if they would be willing to scale this up and provide a continued service over time.
- It would be recommended for agencies who are piloting this approach (i.e. UNHCR and possibly IOM for incentive payments) to share information on the set-up process, FSPs consulted, implementation and any lessons learnt/challenges with other cash actors via the Cash WG – particularly to inform further discussion on scalability of this delivery mechanism.
- Agencies should begin discussions on agreeing basic standards and shared approaches to beneficiary identification and verification to enable coordination (e.g. prevention of overlap between agencies and within households – particularly given the ongoing movement of families within the areas) and also to demonstrate minimum due diligence to ease the process of government acceptance and inform alternative KYC discussions for other delivery mechanisms (within the Cash Working Group). This applies across all delivery options.

## 3.8 E-Vouchers

### 3.8.1 Past Experience and Lessons Learnt

E-vouchers don't seem to have been a common delivery mechanism used in Bangladesh for humanitarian response to natural disasters, but WFP have been implementing e-vouchers for Rohingya refugees prior to 2016 influx, covering initially around 35,000 HHs, and then expanding to include an additional 65,000 HHs from the 2016 influx. WFP are now planning to switch from in kind general food distributions to food e-vouchers (blanket coverage) to include the newest influx of refugees (post-August 2017) and are currently undergoing a mass enrolment exercise using their SCOPE platform across all settlements and camps. In addition, UNICEF are

currently exploring the potential to use the WFP SCOPE platform, and existing shops, to distribute e-vouchers for NFIs (likely from March 2018 onwards). Oxfam are also planning to assist around 17,000 HHs with e-vouchers for complementary food items and/or soap using the Red Rose Platform. Other agencies, including Relief International and DCA, also exploring use of Red Rose for e-voucher provision.

Although e-vouchers do not offer as much flexibility as direct cash delivery to beneficiaries, agencies are considering e-vouchers as a more scalable delivery option for regular transfers in the absence of an alternative delivery mechanism for cash that allows the Rohingya to meet the relevant KYC requirements, and also because e-vouchers appear to be currently more accepted by the Government in relation to the Rohingya population. In addition, e-vouchers although restrictive, could offer opportunity for multi-sector transfers provided a wide enough range of vendors and shops could be included in the programme. Agencies could explore the option of multiple wallets (offered by e-voucher platform providers) to cover a range of needs outlined in the MEB.

### 3.8.2 Description of Services

Following individual beneficiary registration on to the relevant software (e.g. SCOPE, Red Rose platforms), beneficiaries are given a card onto which voucher entitlements can be loaded in bulk by the agency providing assistance. Vouchers are redeemable by beneficiaries at designated shops for a set list of items and credited from the account on a PoS device managed by the vendors. The Red Rose platform, and the SCOPE platform, both offer facilities to choose items, pre-set prices and restrict purchases up to a certain value (for example the Red Rose system will include two wallets, one for complementary food items, and one for soap, for beneficiaries to choose from under the Oxfam programme) as well as requiring a PIN as a verification of the transaction. In all cases, agencies are contracting registered vendors with adequate capacity from outside the camps to establish shops/sales points within the camps/settlements for the duration of the voucher redemption. Agencies would need to sign an agreement with a platform provider, and ensure sufficient time for training of staff, vendors and beneficiaries as part of programme planning.

Although SCOPE isn't really a service provider *per se*, it offers a platform and data management system with which e-voucher, and other, programmes can be managed. Service fees for use of the SCOPE platform were not clear, and fees for Red Rose vary based on the amount transferred (though range from 2-4% of the transfer amount plus costs for production of cards and required technology – e.g. Bluetooth printers for transaction receipts, devices for vendors etc.).

### 3.8.3 Requirements

There are no specific requirements or regulatory factors governing the provision of e-vouchers – targeting and identification of beneficiaries is entirely at the discretion of the implementing agency with some producing beneficiary ID cards with and without photo identification for verification during the programme cycle. Beneficiaries are enrolled/registered onto the platform (for both SCOPE and Red Rose) at the start of a programme which offers a means of verification at the point of the transaction (if required/ chosen by the agency). Operationally, an e-voucher programme will require significant human resources to ensure the regular monitoring of selected vendors during the redemption period, not only during distributions as with other delivery options. Agencies planning to use e-vouchers are contracting with medium to large scale vendors and wholesalers from outside the camps and settlements in order to ensure adequate capacity to meet demand needs as well as ensuring traders had relevant registration from the authorities. Consequently, it seems that the shops/sales points established are only for use by e-voucher beneficiaries (not pre-existing in the camps) which limits the wider benefits for small/petty traders that have established within the settlements and camps. There also needs to be sufficient space and appropriate sites for shops to be established that are accessible to beneficiaries in a context where space for basic services (e.g. for health, education, nutrition, safe spaces) are also scarce.

### 3.8.4 Key Challenges



- Although e-vouchers provide more choice than in-kind assistance, there is still limited flexibility for beneficiaries to address other needs (e.g. debt repayment, access to health services/medication, transportation costs etc.). There have been consistent reports in multiple market assessments of beneficiaries selling in-kind assistance in order to access cash – there is a risk that this will still occur with e-voucher programmes in relation to the items eligible for purchase. For example, WFP’s SCOPE platform supports 20 wallets of 10 items, or 10 wallets of 20 items – thereby only providing limited scope/choice and also restricting the number of agencies that could use this as a shared platform unless approached in consortia.
- Beneficiaries are required to travel to shops to redeem vouchers, which, depending on shop locations, may pose an increased risk for vulnerable groups/those with reduced mobility/movement restrictions in transporting goods back to their shelter.
- The set-up phase of an e-voucher programme can be resource intensive, with agencies reporting significant human resources required for enrolment/registration exercises (currently being done individually by each agency), card distributions, orientation/training of beneficiaries and monitoring of vendors and troubleshooting during redemption periods. Given space constraints in some areas of the camps/settlements to hold larger distributions, Oxfam are planning to distribute and orient beneficiaries in groups of 10, which will take considerable time.
- E-vouchers offer a more secure scalable mechanism, but it also requires consideration and coordination on vendor contracting and selection (e.g. to ensure adequate competition, and capacity to serve increased caseloads as well as to avoid overburdening certain suppliers if multiple agencies scale up).
- Transaction times may be problematic (as reported by Oxfam – though not implemented yet) as vendors have to follow multiple steps to complete a transaction on the e-voucher platform so transactions are not as quick as cash which may further limit the number of beneficiaries that can be served by each vendor per day / require more sales points to prevent overcrowding).
- As with all interventions, despite the absence of specific government regulations, government authorisation is still needed for interventions (e.g. through the relevant FD6/FD7 approvals).

### 3.8.5 Conclusions and Opportunities

- E-vouchers appear to be the most feasible delivery option in the short term that would allow a scale-up of cash based interventions for the Rohingya population as they are accessible to all populations irrespective of nationality/legal status (requiring no clarifications on the regulatory framework). However, e-vouchers may not fully address beneficiary needs given their restrictions. In addition, considering global commitments (e.g. the Grand Bargain) to the scale-up of MPCA and unrestricted transfers, it is preferable that agencies consider e-vouchers as a short-term intermediate solution for needs and as a last option in the event that cash transfers cannot be implemented at scale through any other delivery mechanism.
- E-vouchers would also assure availability of key commodities in the required volumes to meet demand (where there are concerns about the capacity of local markets in certain settlements/camps to respond to cash programmes) provided that strong coordination, and harmonisation among agencies can be secured. There is also an opportunity to advocate for increased development of markets in the camps and also to enable open access for camp/settlement residents to neighbouring larger markets which would enable the involvement of a wider range of vendors in e-voucher programmes. If a wider range of vendors could be included in e-voucher programming then there would be additional benefit for the local economy and host community, particularly if local produced goods were being provided for sale in the contracted vendor shops.
- Given the set-up requirements and vendor contracting process, e-vouchers may not be the most cost effective/appropriate option for one off transfers unless multiple agencies can share the platform to provide different assistance types. Therefore, e-vouchers are preferable for multiple regular transfers.
- E-vouchers would obviously be preferable to in-kind distributions as they provide some choice to beneficiaries. However, they mainly benefit medium to large traders/wholesalers from outside camps who establish shops/sales points inside settlements/camps only during redemption periods. Therefore,

the wider benefits for local markets (i.e. to smaller/petty traders established by Rohingya inside the camps) would be limited. Efforts could be made in subsequent phases by agencies to examine how to make participation in the programme accessible to smaller vendors/traders.

- It would be advisable for agencies to begin discussions on the feasibility of agreeing basic standards and shared approaches to beneficiary identification and verification to enable coordination (e.g. prevention of overlap between agencies and within households – particularly given the ongoing movement of families within the camps/settlements) and also to demonstrate minimum due diligence to ease the process of government acceptance and inform alternative KYC discussions for other delivery mechanisms (within the Cash Working Group). If possible, avoiding the duplication of multiple beneficiary ID cards by different agencies for the same households would also be preferable, and would also make eventual transition to other cash delivery mechanisms, once the regulatory environment allows, easier.
- If e-voucher interventions are scaled up, it would be advisable for agencies to also agree on common communication messaging for beneficiaries and non-beneficiaries on transfer values, targeting, eligibility and geographical coverage.
- The Cash Working Group could also play a role in facilitating discussions among sectors on the harmonization of e-voucher transfer values, selection/choice of items and potentially facilitate wider coordination on vendor selection to prevent issues of overburdening a small number of suppliers. This should also include coordination on coverage of in-kind distributions and e-vouchers to prevent duplication.

### 3.9 Other (e.g. Paper Vouchers, Micro-Finance Institutions (MFIs), Savings Groups and Cooperatives)

**Paper commodity vouchers** were mentioned as a planned delivery mechanism by IFRC for delivery of LPG and stoves during winter. However, this has not been explored as part of this mapping given that they are not really a cash-based intervention and would only be appropriate for one-off distributions. No agencies mentioned **value based paper vouchers**, likely because e-vouchers are entirely feasible in this context.

Previously, some agencies (e.g. WVI) have used **group savings accounts** to transfer cash interventions in Bangladesh as part of their development programming. However, this only targeted Bangladeshi nationals and indications from the Central Bank are that the same national ID requirements are in place for any type of savings account (for all members) as with individual bank accounts.

**Cooperatives** and **Micro-Finance** were also mentioned as financial services accessible either by Rohingya or host communities during the WFP/VAM Market Assessment conducted in November 2017<sup>41</sup>. However, indications from a Key Informant at the Central Bank were that the regulatory framework for Micro Finance Institutions (MFIs) are similar to regular bank accounts (in terms of ID requirements), and given that MFIs are focused on extending credit they have not been considered as a viable option as part of this mapping. In addition, it is assumed that cooperatives have been mentioned as a source of income rather than a viable delivery option for cash transfers at scale (particularly given that only host community respondents mentioned access to these services).

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<sup>41</sup> WFP, VAM, Food Security Sector Bangladesh (2017), 'Market Assessment in Cox's Bazar: Implications for Market-Based Interventions Targeted to Rohingya Refugees and Host Communities', Food Security Sector, November 2017

## 4. Key Barriers and Considerations

### 4.1 Regulatory Environment

The Central Bank of Bangladesh is the main regulator within Bangladesh for all financial services and transactions. In terms of regulations for mobile financial services there are clear requirements for Know Your Customer (KYC) outlined by the Central Bank, including a mandatory KYC form for all individuals to open a Mobile Account. These pose the biggest challenge to allowing any access to financial services among the Rohingya population. Unlike other countries, Bangladesh has not adopted a tiered approach to KYC regulations for opening bank accounts, with the same level of identity verification required for all accounts, irrespective of the transaction size or the functionality of the account. As a result, any individual must provide the same required documentation no matter what services they are going to access/utilize.<sup>42</sup> In the case of Bangladesh, this is a national ID, a passport or driving license. Access to financial services is restricted for non-Bangladeshi nationals unless they have a valid visa or work permit – neither of which apply to the Rohingya population.

It is essential that actors prioritise strategic discussion to agree on alternative KYC requirements for the refugee population as well as discussions on how refugees can access different financial services and make this explicit. It might be challenging to change national level regulations governing financial services in Bangladesh e.g. to make a general amendment on the type of ID required or the KYC checks to be conducted by FSPs. This is entirely interlinked with Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) related laws. However, a clarification or time bound exception for the refugee population (e.g. while they are residing in Bangladesh) on KYC and relevant financial services that they can access should be made a priority. These efforts, with technical support from the Cash WG, could be spear-headed by the ISCG and traditional actors that would normally work on financial access among refugees such as UNCDF and UNHCR.

The consensus from FSPs consulted during the mapping was that they would not be able to offer any services for the Rohingya population without a specific circular or directive from the Central Bank of Bangladesh as the regulator clarifying the requirements in terms of identification and KYC that should be followed for this

#### **What are 'Know Your Customer' (KYC) Regulations?**

'Know Your Customer (KYC) regulations, also known as customer due diligence, are designed to combat money laundering, terrorist financing, and other related threats to the financial system. They refer to the ID checks that financial institutions perform to comply with national financial regulations. Typically, KYC checks take place when customers sign up for an account or conduct a transaction. However, KYC checks can also occur during events less visible to customers, such as creating customer transaction models and monitoring for unusual activity. Humanitarian agencies are not directly subject to KYC regulations. However, the financial service providers (FSPs) they often partner with are. KYC regulations apply to FSPs whether they are based within or outside the country of implementation. FSPs must comply with them or face fines and penalties. As a result, FSPs apply policies designed to meet KYC regulations for all clients, including humanitarian organizations and their program participants, and tend to be risk-averse.'

*The Electronic Cash Transfer Learning Action Network (ELAN)*

<http://elan.cashlearning.org/wp-content/uploads/2016/05/KYC-tipsheet.pdf>

<sup>42</sup> Parvez, Islam and Woodard (2015) 'Mobile Financial Services in Bangladesh: A Survey of Current Services, Regulations and Usage in Select USAID Projects', Available at:

[https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh\\_April2015.pdf](https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh_April2015.pdf)

particular population. It may be more realistic for the humanitarian community to try to influence the Ministry of Finance, and therefore the Central Bank as the regulator underneath it, to issue specific guidance on KYC and services that can be made accessible to the Rohingya as an exceptional case (rather than seeking to change the national regulatory/legal framework). This could be in the form of particular financial services (e.g. smart cards or pre-paid cards rather than bank accounts with the same functionality that is generally available), and in the agreement of what identification documents would be acceptable.

In addition to the regulatory environment determined by the Central Bank of Bangladesh, a significant barrier to the piloting and scale up of CBIs as part of the Rohingya refugee response has been the general acceptance of government authorities of cash assistance. In Bangladesh, agencies require permission from authorities to receive and spend funds from outside the country. There are two processes, one for longer-term development programming (or commonly known as the 'FD6') and another for emergency response programmes requiring less information and having a quicker approval time from the government (commonly known as the 'FD7'). This appears to be the main point of review and authorization from the government for programming by agencies. There is, however, some challenges currently being faced with the length of time taken to receive relevant approvals, as well as the types of activities that are acceptable. Agencies are also facing challenges in understanding the process for approval, as well as the rationale for the acceptance of some interventions by certain agencies but not by others. In addition, a critical gap of this mapping exercise was the inability to consult with authorities on the government's positioning around CBIs for the Rohingya population to gain clarity on these issues. To date, numerous stakeholders mentioned that the government was simply not allowing cash transfers as part of the response – the rationale and source of this information remains quite unclear, but will definitely require a significant effort on the part of the Cash Working Group to build a strong rationale for CBIs, and related evidence of the impact of the limited pilots that are being rolled out, as well as at a more strategic and senior level to engage with and advocate for the use of CBIs with the authorities. Without a strategic agreement on the use of CBIs as part of the response, there will be limited opportunities to influence the regulatory environment and related regulators (e.g. Central Bank) to put in place exceptions to KYC regulations or alternative methods for the Rohingya population. Meanwhile, agencies will likely maintain a very low visibility approach to implementation of any cash programmes for the Rohingya as is currently the case.

Finally, if the above issues could be addressed - general government acceptance of cash assistance for the Rohingya population and additional guidance and direction from the Central Bank for FSPs in serving this population – then the humanitarian community would also need to agree on appropriate due diligence and minimum standards for beneficiary identification and verification across agencies. If these discussions could conclude soon, this would also help in proposing appropriate alternative KYC or verification methods for the Rohingya population to FSPs and the Central Bank. Although humanitarian agencies would not be obliged to follow KYC (as they are not an FSP), there are still minimum standards that would need to be established to ensure verification of beneficiaries (e.g. prevent duplication through unique identifiers) as well as compliance with AML/CTF to prevent diversion of resources to proscribed terrorist organisations. The current duplicate enrollment exercises and production of beneficiary IDs by many different agencies demonstrates an inefficient approach that will make scale-up and harmonization of cash delivery in future more challenging.

## 4.2 Protection Risks

### *Safety and Security of Beneficiaries*

When considering the most appropriate delivery mechanism option it is important to consider the various protection risks, and particularly any implications for the safety of beneficiaries in accessing cash transfers. It wasn't possible to consult with Persons of Concern (PoCs) first hand to gain information in this mapping, however there is some secondary and anecdotal information available from operational agencies. For example, *Oxfam's Rapid Protection, Food Security and Market Assessment* conducted in Cox's Bazaar in November 2017

highlighted considerable challenges for beneficiaries, particularly women, in moving around the camps including an absence of lighting, fear of getting lost and increased risks of sexual harassment and assault when women move around unaccompanied to access markets and collect firewood. It is essential that more marginalised groups, particularly female heads of household and female child heads of households, are consulted during planning of any distributions. This is particularly relevant in considering the location for distribution of any of the mentioned delivery mechanisms (e.g. e-vouchers, smart cards, cheques, opening mobile accounts etc), as well as in planning the location of cash withdrawal/cash out/redemption (e.g. location of mobile banking agents, cash in envelope distributions, vendors participating in e-voucher programmes).

The current layout of the camps is also challenging in terms of organising any large-scale distributions – with high levels of congestion and a lack of available space to establish safe distribution points that would not be overcrowded or require beneficiaries to travel far. Some agencies are opting for more human resource intensive approaches to delivery, for example Oxfam are planning to distribute their e-voucher cards with beneficiary groups as small as 10 in order to provide the necessary orientation on the mechanism and due to a lack of appropriate space for a larger distribution site.

In addition, ACF are planning to conduct their Unconditional Cash Transfers on a bi-weekly basis instead of monthly at the request of beneficiaries in order to reduce risks of having a larger amount of cash, and a lack of safe places to keep it, therefore minimising the loss in cases of theft<sup>43</sup>. It was, however, acknowledged that this may restrict households in terms of when they can purchase certain goods or services<sup>44</sup>. House to house distributions might be more appropriate for some cases (e.g. extremely vulnerable individuals), however this would not be a scalable approach. In addition, there is a need for actors to consider the best approach to targeting child headed households with CBIs, including if it is appropriate to give to the child directly, to a trusted adult, what additional case management services should be provided alongside interventions and what particular monitoring should be done to ensure equitable use of the transfer<sup>45</sup>.

Despite the usual concerns of theft or extortion in any humanitarian cash programme, it is important to consider the cost/benefits of providing cash in these circumstances - e.g. it may reduce other significant risks faced by vulnerable individuals from not having access to the financial resources they need to meet their basic needs.

In addition, some agencies mentioned the tenuous role of the *Mhaji* – a spokesperson/leader for groups of around 100 Rohingya HHs though it's not really clear how they are appointed – who are generally used as an entry point for agencies to collect information on humanitarian needs, identify and target beneficiaries and in some cases to assist in the distribution of assistance. Although the same role is not played by all *Mahji*, it is important that agencies are aware that they hold a potentially powerful position as the gatekeeper to their constituents, and therefore could also, in some cases, exploit this role (e.g. collection of informal taxes, exploitation or retaining a share of assistance). Although not specific to a particular delivery mechanism it's important that agencies monitor and reflect on the role of these gatekeepers during the implementation of their programmes.

#### *Data Protection and Information Sharing*

Another factor to consider in selecting the most appropriate delivery mechanism is around whether or not there are sensitivities or potential persecution that could mean gathering Know Your Customer (KYC) information or sharing such information with an FSP (and where they may also be obliged to share this

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<sup>43</sup> Key Information Interview with ACF Head of FSL and DRR Programmes for Bangladesh, Skype, January 2017

<sup>44</sup> Instead of distributing 4,000 BDT per month in one transfer, ACF are planning to distribute 2,000 BDT bi-weekly despite the additional resources required to do this.

<sup>45</sup> Some agencies were planning to give to a trusted adult on behalf of the child, but close monitoring in cooperation with protection actors should be considered in these cases. Caution should be exercised as there have also been reports of child headed households being cared for by adults they may not know, similarly for single females.

information with government) would place target groups at risk<sup>46</sup>. Agencies are taking differing approaches to collection of personal data from beneficiaries in Cox's Bazaar, depending on their individual policies and procedures. Some agencies are taking biometric information during their enrollment of beneficiaries, whereas others are taking basic information on household members with photographs as optional. On the whole, no agencies reported significant challenges with beneficiaries refusing to share personal data or being concerned about sharing this. However, it may be advisable for agencies to collectively look at conducting a Privacy Impact Assessment (PIA) or risk assessment in relation to the types of beneficiary data that is being collected, where that is being stored, how and with who what data can be shared and also looking at establishing appropriate data sharing protocols between agencies and also guidance on sharing data with FSPs. This will be especially relevant as cash programmes scale up and agencies are required to coordinate to ensure there is no overlap or duplication and to prevent gaps. The Cash WG should play a key role in promoting good practices for data protection and sharing, including limiting the collection of personal data to what information is really needed/essential for programming. FSPs seemed to have their own data protection and sharing protocols in place, with some (e.g. bKash) requiring a signed consent from any recipient/beneficiary in order to share information on their account or transactions/withdrawals with the funding agency. Whereas other FSPs didn't report the same requirements and were more open to sharing data with agencies. It's therefore also recommend that agencies look at more standardized approaches to data protection and sharing policies with FSPs, agree on minimum standards and ensure that this is integrated into any agreement signed with an FSP for the response. For example, it's not clear if FSPs are obliged to make personal information available to the Government of Bangladesh (GoB) which may be sensitive depending on how policy towards the Rohingya evolves in Bangladesh. FSP positioning on this may also impact agency selection of FSPs to partner with on the response.

#### *Social Cohesion and Social Relations*

A number of agencies reported concerns that tensions may begin to increase over the coming months between host community members and the refugee population as local resources are increasingly under pressure. Although the initial phases of the response have seen significant contributions by the host communities, a number of assessments have anticipated an increase in tensions, for example in relation to competition over labour opportunities<sup>47</sup>, and also in perceptions of disproportionate assistance going to refugees without inclusion of already vulnerable host communities that are regularly affected by natural disasters such as cyclones and have pre-existing high levels of poverty compared to other parts of Bangladesh. This dynamic should also be considered in the scale up of cash programming, particularly if more visible mechanisms such as pre-paid cards, cheques or bank-based transfers are utilized at large scale with sufficient attention paid to messaging for host communities as well as beneficiaries themselves on the targeting and purpose of the transfer. Experience from other protracted refugee contexts, e.g. Lebanon, Greece, have demonstrated the importance of this in promoting acceptance and reducing tensions.

### 4.3 Beneficiary Targeting and Identification

#### *Identification*

In order for any delivery mechanism to be effectively scaled up, and also to support future thinking around shared delivery platforms among agencies, it is essential that agencies agree on a unique identifier to enable coordination of assistance, and appropriate targeting.

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<sup>46</sup> ELAN Tip Sheet on Know Your Customer (KYC), available at: <http://elan.cashlearning.org/wp-content/uploads/2016/05/KYC-tipsheet.pdf>

<sup>47</sup> WFP, VAM, Food Security Sector Bangladesh (2017), 'Market Assessment in Cox's Bazar: Implications for Market-Based Interventions Targeted to Rohingya Refugees and Host Communities', Food Security Sector, November 2017

As part of the response, there have been a range of registration, counting, and enrolment exercises conducted by a range of different actors. There was a high level of confusion among many humanitarian stakeholders as to exactly what registration process, and subsequent identifying documentation, Rohingya refugees would have been through, and have access to. There was also confusion as to what refugees who had arrived since August 2017 would have received, compared with what documentation refugees who arrived in 2016 or before would have available. There were some reports that more recent counting exercises may also have included refugees who had been present in Bangladesh for a number of years, with high rates of internal movement within the area by all groups. Therefore, it is not easy to differentiate between the refugee population in terms of their arrival date, where they are residing and their legal status in country. As a consequence, the agencies that were planning to start up CBIs had each conducted their own registration or enrolment exercise each collecting different information/data points from households (e.g. WFP are currently undergoing a large enrolment exercise of all new arrivals in their SCOPE platform, including biometrics and household-level grouping (e.g. immediate family members only, not based on those sharing a shelter), meanwhile Oxfam are undertaking their own beneficiary registration process using the Red Rose platform in particular zones without biometric information, photographs are optional based on the choice of the individual, and collecting information by shelter to inform the targeting of the e-voucher programme). UNHCR with RRRC have also been conducting a family counting exercise for new arrivals, issuing a Family Counting Card (FCN), yellow in colour, with a unique number and two barcodes to each family based on the shelter they are residing in. UNHCR are also distributing a plastic ration card to each household, bearing a barcode and numbers that can be punched, to enable tracking of assistance. WFP are also issuing yellow pamphlet cards for their distributions, and the Ministry of Home Affairs (MoHA) have issued individual white cards with a yellow lanyard to each Rohingya (these correspond to biometric data collected by the government but do not link individuals together in a household unit) – originally intended to register new arrivals but it is likely some of the previous arrivals (pre-August 2017) may also have been included. The UNHCR/RRRC FCN and the MoHA white card bear individual numbers (UNHCR's per family, and MoHA's per individual) but this data is not linked, nor is the individual biometric data from WFP's enrolment for their e-voucher programme. There appeared to be ongoing discussions among the actors involved, including WFP, about how datasets could be merged to consolidate and have one source of data going forward. However, this didn't seem to have been concluded yet. In addition, some stakeholders highlighted that it would be highly unlikely that the Government of Bangladesh would agree to share any registration data with humanitarian agencies (e.g. the MoHA data base of registered individuals) in order to provide a dataset to verify identities against.

This highlights a significant challenge for humanitarian actors in terms of establishing appropriate ID, and suitable alternatives, for the verification of beneficiaries throughout the programme cycle – particularly in the case of cash distributions. The Electronic Cash Transfer Learning Action Network (ELAN) offers guidance on the importance of registration of program participants to enable verification through the program as well as the type of identification that might be most appropriate for this, and their relative advantages and disadvantages<sup>48</sup>. National government issued ID is not applicable for the Rohingya population, though the individual MoHA card could be used (however this is not linked on a household basis which is usually the mechanism for distributing cash assistance and it's also not clear if all refugees have a card or if they can replace their card if lost/stolen) – this may also be more likely to be accepted as a form of identification by FSPs. Identification issued by another organisation (e.g. UNHCR) may also be appropriate as it would prevent duplicate beneficiary ID cards being produced by different organisations and provide a more widely accepted unique identifier shared across organisations (e.g. as was the case in Lebanon for the Syrian refugee population), though at present it's not clear if all households possess this form of identification and also the process followed (and its quality, rigour) is not entirely clear. It's also not clear if this information would be made available to agencies if data protection and sharing protocols were put in place, and whether this would be considered as an acceptable form of identification for FSPs (though some FSPs have already indicated it could be for specific types of delivery options). It would also be important to ensure that there is a mechanism

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<sup>48</sup> ELAN Tip Sheet on Registration (available on: <http://www.cashlearning.org/elan/elan-resources>)

for data to be updated (e.g. marriage, households no longer sharing a shelter, new births etc.) that may impact the demographic information of the household and subsequent targeting by different agencies.

Ideally, given that the Cox's Bazaar Cash Working Group is looking at a scale-up of CBIs as part of the HRP 2018, including the provision of MPCA, actors should agree on a shared unique identifier to enable the appropriate sharing of information to enable coordination of assistance, prevention of gaps and overlap and also to establish appropriate minimum standards of verification that could inform alternative KYC for Rohingya if this is possible with the Central Bank, even if led by humanitarian actors.

### *Targeting*

Currently actors don't seem to be targeting assistance (e.g. WFP's food assistance remains blanket in coverage) at this stage of the response, though there were indications that during 2018 steps towards targeting assistance would need to be taken due to likely resource constraints – though no tangible discussions had started on this yet. Some agencies (e.g. Oxfam) are conducting basic targeting based on specific vulnerability indicators highlighted during their registration process (e.g. child headed or female headed households, households with disabled members, households with 6 or more members etc.) but it is still anticipated that they would target around 80% of a particular zone's residents with their fresh food e-vouchers. Consequently, agencies are mainly targeting on the basis of geographic location. For example, UNHCR's unrestricted cash for winterisation pilot is focusing on two specific zones with blanket coverage, meanwhile Oxfam will also be focusing its pilot in one specific zone, with plans to scale-up in others based on the success of the pilot. Similarly for ACF, their Cash for Work and unconditional cash transfers are focused in 10 specific zones with targeting based on basic vulnerability criteria. When considering the scale up of cash transfers, it is important that agencies begin to coordinate more on the targeting approaches, and criteria, for different sector objectives. In addition, voucher and cash transfer values appear to not be totally in line with the agreed national level standardised transfer values (e.g. some agencies appear to be determining transfer values for food, hygiene items, NFIs and cash for work/incentive payments largely individually, while others are following the national guidelines in the absence of an updated MEB/agreed amount for the Rohingya response specifically). Therefore, the Cash WG in Cox's Bazaar have begun the process of reviewing the Minimum Expenditure Basket (MEB) for the response in November 2017 in order to provide updated values going forward specific for the response and inform the HRP process. This is anticipated to be finalised by end of January 2018.

For any delivery mechanism, but perhaps more important as different pilots are rolled out and scaled up each utilising different mechanisms, it is important that actors also begin to coordinate communication messaging for beneficiaries and non-beneficiaries in terms of geographic targeting, beneficiary selection, eligibility, rationale for transfer amounts, duration and assistance package to be provided. Given the proximity, particularly of neighbouring zones (which are really arbitrary divisions outlined by humanitarian agencies), it is important that agencies are able to have clear messaging on cash based interventions as it is rolled out.

## 4.4 Programme Objectives and Strategy

Given that the current HRP runs until February 2018, and the next HRP for March 2018 onwards has not yet been finalised, alongside the uncertainty around the Government of Bangladesh's support for scale-up and roll out of cash based interventions for the Rohingya population, there is an apparent gap in terms of a clear programmatic strategy that would inform or influence the choice of delivery mechanism. Although the HRP planning workshop held in December 2017 outlined an initial target of 20% of affected population receiving cash based assistance (5% through multi-purpose cash and 15% through sector based interventions), the duration of this assistance and specific design still needs to be defined. For example, the food security sector is committed to regular food assistance on a monthly basis, however the strategy for multi-purpose cash is still to be defined in terms of coverage and duration. This process is currently in process, and highlights a key step that MPCA is firmly on the agenda so early in a response and the programmatic strategy will be finalised now that MPCA has been integrated into the response plan. At present UNHCR's pilot cash for winterisation is only



a one-off distribution, though there are discussions about continuing a multi-purpose cash intervention based on the outcomes of the pilot (and changes to the enabling environment in general). Other actors, e.g. ACF, have mentioned their unconditional cash transfers (which can be considered as multi-purpose) are only for a two-month duration. The programmatic strategy in terms of target beneficiary numbers, duration, and regularity of transfer is a critical factor in considering which delivery mechanism will be most appropriate, and cost-effective. If agencies are committed to regular monthly transfers to the same beneficiary caseload then investing in coordination and piloting of pre-paid cards or smart cards, and attempting to influence the regulatory environment around this would be the most ideal option (to enable targeting of Rohingya populations alongside host community members). However, if agencies will only be conducting one-off transfers to households as part of initial response activities, in a largely siloed approach, then direct cash distributions will likely remain the most feasible option given that there are no particular KYC requirements and the time taken to set up distributions would be quick.

At this stage with the information available, it appears that for MPCA for the Rohingya population pre-paid cards and smart cards would be the most appropriate delivery mechanisms to be further explored, however this would be dependent on obtaining appropriate clarification on the regulatory environment for these delivery mechanisms including: 1) Rohingya refugee ability to access these services and 2) acceptable and accessible identification documentation for completion of adapted KYC and identification throughout the programme cycle. If these issues are not resolved, then e-vouchers offer a secondary solution if a diverse range of vendors and items can be included. For the host population, mobile money transfers or regular bank transfers would be the most applicable delivery option provided an appropriate network of agents in the target area is in place and agencies can provide sufficient orientation to beneficiaries on how to use and access the mechanism (and potentially pre-registration to ensure they have SIM cards and accounts set-up and ready, for example in advance of the cyclone season, for potential beneficiaries).

#### 4.5 Coordinating Approaches with FSPs and Vendors

During the delivery mechanism mapping, it was often challenging to get detailed information from FSPs on the specifics of their services, technical requirements and also costing and fees. This is likely because they were reluctant to share this information outside of a formal procurement process in which bids would usually remain confidential, and with the need for specifics of programme scale and transfer sizes. If actors are keen to explore further the potential for piloting and scale up of some more tailor-made services, such as pre-paid cards and smart cards offered by some FSPs as potential solutions, it is advisable that cash actors may engage collectively in discussions and information gathering from FSPs (e.g. estimate overall demand for these services, possible transfer packages and durations, and target areas). This would also lend itself to a potential shared procurement process or joint delivery platform for different types of assistance, e.g. one card per beneficiary household that could be used by multiple agencies to deliver a range of cash interventions for different purposes, if feasible.

In addition, there are likely economies of scale at play with many of the larger FSPs. For example, FSPs may not be as willing to develop and pilot new solutions (e.g. pre-paid cards and smart cards) for organizations planning to deliver either one off support, or multiple transfers to a relatively small caseload. Particularly if this requires them to hire new agents in the target areas. Therefore a collective approach to discussion and negotiations with certain FSPs, and coordinated discussions (rather than multiple bilateral meetings as has been the case to date) may be preferable, along with smaller programmes/organization potentially accessing FSPs in consortia or through another agency/implementer.

Considering that a number of actors are planning, piloting or scaling up e-vouchers to enable access to a range of items (e.g. staple foods, fresh foods, non-food items, hygiene items, shelter materials etc.) among the Rohingya population it is important for actors to consider coordinating on the selection of vendors, to monitor continued ability of vendors to meet demand and to avoid over-burdening a smaller number of suppliers (and

equally to try to assure that medium and smaller sized vendors can also participate and benefit). The requirement for registration/licensing from the Government as well as the required technology (e.g. internet connectivity or familiarity with e-POS devices) for vendors may also prevent some smaller vendors from participating. This may also entail appropriate coordination with camp/settlement management and other actors to ensure the relevant infrastructure is in place in the camps/settlements (e.g. appropriate sites for vendors to establish sales points, road access to re-stock and bring in required items).

## 5. Conclusions and Recommendations

Although relevant issues and considerations have been highlighted throughout the report, the most pertinent conclusions and recommendations are highlighted below:

### Delivery Mechanism Options in Cox’s Bazaar for the Rohingya Refugee Response

Table 1: Summary of Available Delivery Options:

Delivery Option	Key Findings	Conclusion
<b>Mobile Money Transfers</b>	<ul style="list-style-type: none"> <li>• Tested approach in Bangladesh</li> <li>• Wide coverage of agents and ability for FSPs to mobilise additional agents in Cox’s Bazaar</li> <li>• Requires National ID to register SIM card and to open a mobile bank account</li> <li>• Can take time to set up (e.g. up to one month)</li> <li>• Wider benefits in terms of improving access to financial services among the previously unbanked and increasing financial literacy</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate for host community if they have access to National ID and a mobile phone</li> <li>• Most appropriate for multiple transfers rather than one-off given time taken to set-up and for beneficiaries to become familiar with the process</li> <li>• Not appropriate for the Rohingya without a change in KYC requirements and national regulations of the Central Bank of Bangladesh</li> </ul>
<b>Other Bank Transfers</b>	<ul style="list-style-type: none"> <li>• Previously used by agencies in Bangladesh (bank transfers)</li> <li>• Requires bank account for each beneficiary</li> <li>• Less coverage of bank branches and offices than mobile money transfers</li> <li>• Solution for those without access to a mobile phone (e.g. through biometric accounts)</li> <li>• Requires a National ID to open an account</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate for host community if they have access to National ID</li> <li>• Most appropriate for multiple transfers rather than one-off given time taken to set-up and for beneficiaries to become familiar with the process</li> <li>• Not appropriate for the Rohingya without a change in KYC requirements and national regulations of the Central Bank of Bangladesh</li> </ul>
<b>Over the Counter (OTC)</b>	<ul style="list-style-type: none"> <li>• Some options previously used by agencies (e.g. bank cheques)</li> <li>• Generally requires beneficiaries to travel to fixed branches/offices of the relevant FSP</li> <li>• Less coverage of offices/branches than mobile money transfer agents</li> <li>• Low threshold for transactions not requiring an ID</li> </ul>	<ul style="list-style-type: none"> <li>• Not the most feasible option for host or Rohingya populations given requirement to access office/branches to access transfers and transfer limits</li> <li>• Potential to explore with some FSPs the possibility of mobile cash-out points in target locations</li> <li>• Transfer fees generally high (e.g. for remittance agencies)</li> </ul>

	<ul style="list-style-type: none"> <li>• Vendors unable to provide cash out without correct registration/authorisation from authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Clarity needed on acceptable forms of identification for Rohingya population to access services.</li> </ul>
<b>Pre-paid Cards and Smart Cards</b>	<ul style="list-style-type: none"> <li>• Not previously used widely in Bangladesh for humanitarian response</li> <li>• Limited range of FSPs reported ability to offer these services to the Rohingya, but some proposed tailored solutions</li> <li>• FSPs able to deploy mobile agents to target locations for cash out</li> <li>• Currently no clear KYC requirements for these services for Rohingya</li> </ul>	<ul style="list-style-type: none"> <li>• Significant potential to provide a solution to deliver cash to the Rohingya population</li> <li>• Need to explore further to identify other FSPs that could offer these services</li> <li>• Need to clarify acceptable forms of identification for the Rohingya and regulations surrounding access to these services</li> </ul>
<b>Cash-in-hand delivery by agencies</b>	<ul style="list-style-type: none"> <li>• Very commonly used by agencies in humanitarian response in Bangladesh (either by local partners or N/INGO staff)</li> <li>• Often the quickest option to get cash to beneficiaries</li> <li>• No KYC requirements and methods of identification and verification of beneficiaries is at the discretion of the agency</li> <li>• Generally poses more risk in terms of security and diversion</li> </ul>	<ul style="list-style-type: none"> <li>• Can be used immediately for delivery to Rohingya population as no clarity on regulatory environment is needed (provided relevant government approval is secured)</li> <li>• Requires agreement on unique identifier and identification/verification processes among agencies</li> <li>• Risk tolerance and agency capacity will be the key determinants of scalability</li> </ul>
<b>Cash-in-hand delivery by third parties</b>	<ul style="list-style-type: none"> <li>• Not commonly used, but beginning to be piloted by one agency in Cox's Bazaar (where the bank is responsible for cash delivery at the site)</li> <li>• Some risk transfer from agencies to third parties</li> <li>• Seen as a one-off option by FSPs while ability of Rohingya to access other financial services is clarified</li> <li>• Still security risks and potentially limited in scalability as relies on manual distribution methods</li> </ul>	<ul style="list-style-type: none"> <li>• Can be used immediately for delivery to Rohingya population, if FSPs are willing</li> <li>• Requires agreement on unique identifier and identification/verification processes among agencies (and responsibilities for verification agreed between FSP and agency)</li> <li>• If agencies responsible for verification of beneficiaries then requires agreement on a unique identifier and minimum standards among agencies</li> <li>• Risk tolerance, agency and FSP capacity will be the key determinants of scalability</li> </ul>
<b>E-vouchers</b>	<ul style="list-style-type: none"> <li>• Used in Cox's Bazaar already and being scaled up for delivery of food and NFI items</li> <li>• Generally vendors outside settlements/camps being engaged to establish temporary sales points for e-voucher beneficiaries</li> <li>• Limits flexibility and choice for beneficiaries (e.g. cannot cover services such as health, repayment of debt etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Can be used to deliver to Rohingya population, if relevant approvals secured</li> <li>• No clarification on regulatory environment required, and no specific identification document required by beneficiaries to access (at the discretion of the agency)</li> <li>• Requires strengthened coordination as more multi-sector transfers increase</li> <li>• Requires agreement among agencies on unique identifier and sharing delivery solutions (e.g. currently duplication in production of multiple beneficiary IDs)</li> </ul>

	<ul style="list-style-type: none"> <li>• Solutions needed on inclusion of smaller vendors</li> </ul>
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- In order to enable the delivery of multi-purpose cash assistance as part of the Rohingya response, there are a number of steps that need to be taken, both by the Cash WG and also at a more strategic level among the humanitarian community. The most pertinent of these include the need to establish a unique identifier for the Rohingya population, the need to agree at a strategic level with the relevant regulatory authorities on appropriate alternative KYC for Rohingya refugees and also clarify what financial services will be accessible, as well as more generally ensuring adequate acceptance of cash based interventions as part of the response.
- Once a more enabling environment for unrestricted cash transfers on a larger scale for the Rohingya population (i.e. favourable policy from the government for cash programming is secured in the coming months<sup>49</sup>) is secured, then it is anticipated that **Pre-Paid Cards and Smart Cards** offer a promising and viable delivery mechanism for delivering MPCA and other cash transfers at scale to Rohingya refugees, provided that the below recommendations, particularly on the Regulatory Environment, can be followed.
- In the **immediate term**, while these steps are taken, the humanitarian community is able to deliver assistance through **e-vouchers** for the **Rohingya population**, which requires no clarification on the regulatory environment and also has been generally accepted by the government as a viable modality to deliver assistance. E-vouchers although restrictive, could potentially offer the option to have a multi-wallet feature in order to support a multi-sectoral approach. In addition, for the immediate term, **direct cash-in-hand delivery by agencies** (for smaller caseloads) **or third parties** (i.e. banks or Post Offices) (for larger caseloads) is also feasible which would offer more flexibility to the Rohingya (e.g. to use the cash without any restrictions at all). Irrespective of which mechanism is used, the Cash WG should continue to lead efforts to promote agreement on an appropriate unique identifier and coordination efforts among agencies to avoid duplication and potentially establish future shared platforms for delivering assistance.
- For the **host population**, there are a range of delivery options available with **mobile money transfers** likely the most secure and appropriate for those with national ID and for programmes intending to provide **multiple transfers over time** (allowing beneficiaries to become more familiar with the delivery mechanism, giving access to additional financial services that may have a longer-term benefit, and also perhaps being a more convenient mechanism for beneficiaries to receive transfers if multiple sectors are planning on providing different cash based assistance<sup>50</sup>). However, for **one-off transfers direct cash-in-hand delivery** remains the most feasible option for smaller scale transfers based on lessons learnt and experience from elsewhere in Bangladesh. **Biometric accounts** offer a **feasible alternative for host populations without access to a SIM or mobile phone** with a simpler ‘onboarding’ process though coverage of relevant FSP agents offering this service in the target locations needs to be assured given the smaller network of branches/agents compared to Mobile Banking Agents.
- It’s preferable for agencies to use delivery mechanism options, and FSPs, that provide the option of **deploying mobile agents/bank staff, tellers, and vendors to the target locations** (e.g. within the makeshift settlements and camps or on the outskirts), removing the need for beneficiaries to travel to fixed agents, offices or branches of an FSP. This is particularly relevant for the Rohingya population who can move freely within the settlements and main camps, but cannot necessarily pass checkpoints

<sup>49</sup> This could include key messages on recognition of the status and rights of refugees, time bound exemption of KYC or adaption of KYC to risk profile, discussion of risk profile with Financial Inclusion Unit of the Central Bank, access to SIM Cards for refugees, 48h review of FD7 and appeal processes, comprehensive strategy to access financial services (direct cash short term under \$ threshold, then mobile money/other for higher threshold on longer term), etc.

<sup>50</sup> Requires coordination among actors to perhaps have one mobile wallet for beneficiaries to receive assistance from different agencies in

on the main roads connecting the main camps to nearby towns and peri-urban areas where there are more bank branches, offices and agents located.

- All agencies beginning to implement pilots for cash or e-voucher delivery should be proactive at sharing lessons learnt with other cash actors. In addition, as agencies engage with FSPs to explore possible solutions (e.g. pre-paid cards, smart cards) it is essential that these opportunities, potential challenges, and outcomes are shared with other actors in order to inform the response going forward (see below recommendations for the Cash Working Group).

## Regulatory Environment

- **Advocacy and strategic agreement to be reached with the Government of Bangladesh on refugee access to financial services and appropriate adapted KYC for this population.** It is essential for humanitarian actors, with strong technical leadership from the Cash Working Group, to engage with the Ministry of Finance, and its regulator the Central Bank of Bangladesh, on access for Rohingya refugees to financial services and tailored KYC specific to the Rohingya population. It may not be possible to change national KYC regulations related to mobile banking or other financial services (though this could be a medium term objective of the National Cash WG working closely with actors such as UNCDF and UNHCR) but instead having strategic agreement on acceptable forms of identity documentation that Rohingya refugees can access as well as explicit guidance on the types of financial services, relevant transaction limits and any other restrictions, should be an immediate priority. Without engagement with the Central Bank on alternative KYC for the refugee population, or for particular financial services, it is unlikely that FSPs will be willing to provide regular financial services to the Rohingya in collaboration with humanitarian actors.
- **Engage FSPs in discussions with the Central Bank of Bangladesh and Ministry of Finance to agree on an appropriate regulatory framework for Rohingya to access particular financial services, including acceptable forms of identification.** FSPs in Bangladesh have a long history of partnering with humanitarian actors to deliver assistance to vulnerable populations, and have equally been forthcoming in proposing new solutions to enable access to certain financial services among the Rohingya population (albeit mainly as part of specific procurement/tendering processes). Therefore it is important that humanitarian actors ensure close coordination and involvement of FSPs in discussions with the Central Bank (via the Ministry of Finance) to obtain clarity on the specific regulations applying to these services, and to develop agreeable solutions that enable implementation of these options as part of the response without being subject to unrealistic KYC expectations (for example acceptance of the MoHA identity card issued to Rohingya as an acceptable form of ID). This might include a specific circular or directive from the Central Bank including relevant clarifications and responsibilities for KYC for these services, the types of services that Rohingya refugees can access, the identification documents that are acceptable and potentially even tiered KYC (e.g. based on transaction value and service type) that would make services more accessible to the Rohingya. With a clearer directive from the Central Bank it is likely that a much wider range of FSPs would be more open to sharing information on proposed solutions for humanitarian actors, and the design of more innovative and creative solutions given the specific constraints in Cox's Bazaar.
- **Cash Working Group to engage with a domestic legal advisor to review the various circulars (1-27) and guidance notes in place from the Central Bank of Bangladesh in order to identify entry points for provision of cash assistance to the Rohingya.** Prior to the negotiations on these requirements, it would be advisable for the Cash WG, or the ISCG, to engage with a domestic legal advisor to review the 27 circulars from the Central Bank governing access to financial services in order to produce a technical note for the humanitarian community on the requirements and opportunities for the Rohingya population specifically. This should then be used, alongside agreement on an appropriate unique identifier/ID documents for the Rohingya population to have, to inform discussions with, and recommendations to, the Central Bank to come to a strategic agreement. In other contexts, UNHCR and UNCDF usually play a critical role in securing access to financial services for refugees.

- **Government stakeholder mapping to identify points of influence for general acceptance of Cash Based Interventions for the Rohingya population with the authorities.** A clearer understanding of the different governmental institutions involved in provision of assistance for the Rohingya is needed in order to design an appropriate engagement plan to influence government appetite for provision of cash transfers (and ultimately access to financial services) among the Rohingya population. Aside from the regulatory framework, the Government of Bangladesh has to date prevented the general use of cash assistance for the Rohingya with some bilateral agreements with certain agencies – though this remains a grey area with many agencies maintaining a low profile for these interventions. It is recommended that a more comprehensive mapping of key stakeholders is conducted to better direct advocacy efforts to influence the Government of Bangladesh to re-think its position on cash assistance for the Rohingya. This will likely require evidence from the Cash Working Group, but the main entry point will be at a more strategic level.

### Protection Risks

- **Given movement restrictions in place for the Rohingya population, selection of a delivery mechanism should consider the physical accessibility and prioritise methods that are closer to the location with the beneficiary resides.** It is preferable to use delivery mechanisms that enable access to cash in the location where the beneficiary resides. For example, options that require beneficiaries to travel to post office branches or bank branches are not feasible at present due to the movement restrictions on the Rohingya population, even for the host community they may have to travel significant distances to access these facilities. Many FSPs, including the Post Office, expressed willingness to establish local distribution points, or deploy staff/tellers for specific distribution days which can be explored further, however the identification of appropriate distribution locations in different sites needs to be further explored to ensure the safety and security of beneficiaries and agency staff.
- **Relevant actors should have more coordinated discussions on establishing minimum standards for the inclusion of child headed households in cash based interventions.** At present agencies are developing their own approaches to dealing with this issue, but it is essential that protection actors are involved in the discussion and that adequate mechanisms are in place (e.g. case management, monitoring, frequency or size of transfer). Age is another consideration that needs to be further explored when considering the use of smart cards or pre-paid cards (in the event that FSPs have age restrictions – though demonstrating age is very difficult for the Rohingya population without valid identity documents).
- **For some groups, even with the eventual scale-up of MPCA through delivery mechanisms such as pre-paid cards, smart cards, or other modalities, it may be most appropriate to maintain house to house delivery of direct cash in hand.** This remains feasible for a smaller caseload and may reduce the protection risks among those who would have difficulties accessing distribution sites and therefore rely on someone else to collect their assistance (e.g. disabled, elderly, female headed households).
- **For agencies using cash-in-hand delivery, it is recommended that Cash and Protection actors work closely together to ensure that this modality reflects, and accounts for, identified protection risks and benefits.** The Cash WG can facilitate this discussion and will be critical to the planned review of appropriateness and scale-up of CBIs as part of the response in June 2018.

### Beneficiary Targeting and Identification

- **Strengthen coordination on geographic coverage and assistance packages for e-voucher programmes and cash assistance, particularly if e-vouchers are used to deliver multi-sectoral assistance.** Given that e-vouchers are being opted for as an intermediate solution it is important that coordination fora focus equally on coordination of these interventions as well as focusing on options for unrestricted cash delivery, particularly in terms of transfer values and geographic coverage. For example, as WFP switches to blanket coverage of e-vouchers for food items (including some fresh

foods) from in-kind distributions for post-August 2017 arrivals, there is potential for some overlap with other actors (e.g. Oxfam's planned complementary food e-voucher), meanwhile UNICEF are exploring the use of WFP's e-voucher platform to delivery NFI and hygiene items on a regular basis.

- **Agreement of a unique identifier and realistic appropriate identification documents that can be used by actors to verify beneficiaries and coordinate assistance should be reached as quickly as possible to reduce duplication and improve cost-effectiveness.** Cash actors to agree on appropriate unique identifier (in coordination with relevant stakeholders (e.g. UNHCR registration team, WFP, authorities)) and also agree on minimum standards for verification of beneficiaries and data points to be collected during agency enrolment/registration exercises to enable coordination for future scale-up of cash interventions. The duplicate large-scale enrolment and registration exercises, and production of multiple beneficiary ID cards, should be avoided as it presents inefficiencies and the potential to make future scale up of harmonised cash delivery, particularly MPCA, more challenging. This should also be used to inform discussions at a more strategic level with regulators such as the Central Bank on alternative KYC that can be performed for the Rohingya population to access specific financial services/transfers. This will also be dependent on information being shared by relevant actors (e.g. UNHCR, WFP, RRRC) on the actual process followed for registration/enrolment, and agreement on appropriate data sharing protocols among actors. In order for any delivery mechanism to be effectively scaled up, and also to support future thinking around shared delivery platforms among agencies, it is essential that agencies agree on a unique identifier to enable coordination of assistance, and appropriate targeting.
- **Actors to begin discussions on data sharing protocols and minimum standards both between agencies and with FSPs accounting for the additional sensitivities and protection risks in this specific context.** In order to lay the ground work for scale-up of CBIs in future as part of the response, particularly with the possibility of shared delivery platforms if MPCA is scaled up, actors should begin to discuss and agree on minimum standards for data protection and data sharing protocols both between agencies and with FSPs. If a specific agency's data will be used as the main identifier for households (e.g. UNHCR or WFP) then it is important to begin discussions on data sharing protocols, and agreements, early in order to ensure timely use of this information to coordinate assistance provision, and eventually targeting. This is particularly pertinent given the amount of internal movement there is between different geographic areas by new arrivals (increasing the risk of overlap and duplication and potential pull factors if there is uneven coverage of cash programming in pilot phases).
- **Coordinated messaging should be developed for both beneficiaries and non-beneficiaries as pilot programmes are rolled out and scaled up.** Targeting is largely blanket and geographically based at present (e.g. distributions covering all residents in one specific zone or area). However the geographic zones, e.g. in the mega-camp, are largely arbitrary with households living in very close proximity to each other and therefore there is potential for increasing tensions for those included in assistance and those not. Additionally, there is significant movement of populations still within the area, so without adequate means to verify the residence of someone in a specific area there is significant risks of 'pull factors' as agencies roll out different pilot programmes. Operational agencies should coordinate on developing shared messaging to explain targeting, eligibility, and the purpose of assistance to enable consistent messaging in close collaboration with Communication with Communities (CwC). Agencies should also be mindful of perceptions of the host community and begin to consider messaging on the rationale for the provision of cash based intervention for the Rohingya if a significant scale-up happens.

### **Programme Objectives and Strategy**

- **Defining the planned approaches for sectoral and multi-sectoral cash based interventions will support in determining the most appropriate delivery mechanism.** At present the target reach, frequency and duration of transfers needs to be defined for sector and multi-purpose cash

interventions as part of the ongoing HRP 2018 process. Anticipating this in light of different operational scenarios will support in determining which delivery mechanism will be most suitable for different programmes, and therefore inform the development of Standard Operating Procedures (SOP) and programme guidelines. If a number of sectors, for example, are planning the provision of unrestricted cash assistance over time, there may be value in discussing the feasibility of shared delivery platforms. In addition, the size of the transfer value will also determine what's feasible. For example, some delivery options (such as mobile money) have a maximum withdrawal limit per day of 10,000 BDT. Therefore, it may not be feasible to use this delivery option for transfers for Upgrade Shelter Kits (USK) estimated at 14,500 BDT, unless provided in instalments.

### **Coordinated Approaches with FSPs and Vendors**

- **It is recommended that cash actors try to engage in more coordinated discussions with FSPs and proactively share information on the different solutions proposed by FSPs in order to prevent duplicate discussions and information gathering. Priority should be given to exploring the options for pre-paid cards and smart cards and the detailed technical specifications related to these solutions.** FSPs were somewhat reluctant to share specific information on their technical specifications, costs/fees and requirements outside of a formal tender process. Equally it was apparent that many had been contacted by a number of actors for the same types of information in terms of feasible options for the Rohingya population. It would be advised for actors engaging in more detailed discussions on specific delivery options (e.g. who have more detailed information on new solutions such as pre-paid cards and smart cards) to share this information with other actors via the Cash Working Group to avoid multiple communications. The Cash WG should continue to work on the scenarios agreed as part of the HRP 2018 planning process in order to unpack in more detail and build specific scenarios in terms of caseload size, targeting, transfer value and duration. This would be essential in order to have capacity discussions with FSPs for the overall roll-out of MPCA and other cash-based interventions.
- **Cox's Bazaar Cash Working Group to maintain a list of FSPs, relevant services and contact details.** It could be useful for the CWG to maintain a directory of relevant FSPs and basic information on possible solutions (if shared bilaterally by different actors) in order to ensure this information is accessible to relevant actors.

### **Cash Working Group**

- **It is recommended that the Cash Working Group discuss next steps and formulate an action plan related to the scale-up of CBIs as part of the Rohingya Response considering the information from this mapping as well as other information essential to taking decisions on the feasibility of CBIs (e.g. market analysis, needs analysis, strategic response planning, government engagement etc.).**
- **The Cash Working Group should also take the lead in providing technical recommendations and establishing minimum standards across CBIs and facilitate discussions on joint programming.** This should include:
  - Ensuring that the cash response delivered by operational partners is coordinated maximising efficiencies across agencies (e.g. promoting common delivery platforms, joint negotiations with FSPs, establishing a system to track unique identifiers, promoting multi-wallet platforms);
  - Promoting discussion and agreeing standards for data protection and data sharing;
  - Providing technical inputs and recommendations to efforts in reaching a strategic agreement with the Government of Bangladesh on appropriate KYC for the refugee population and clarity on access to different financial services.
- The Cash Working Group's unique position within the ISCG structure means that there are opportunities for the Cash Working Group to drive forward some of the key recommendations from this report.



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- XI. WFP (2017), 'Livelihoods in the Teknaf – Ukhia Peninsula: Baseline Study', WFP, July 2017
- XII. WFP, VAM, Food Security Sector Bangladesh (2017), 'Market Assessment in Cox's Bazar: Implications for Market-Based Interventions Targeted to Rohingya Refugees and Host Communities', Food Security Sector, November 2017
- XIII. 'Assessment of Coping Strategies of Rohingyas in two Upazilas in Cox's Bazaar', July-Aug 2017
- XIV. Cox's Bazaar Cash Working Group Meeting Minutes (Available on Cox's Bazaar Cash WG Google Drive)

### Other Useful Resources:

Bangladesh Cash Working Group: <http://www.cashlearning.org/bangladesh-cwg/bangladesh-cash-working-group>

Bangladesh Post Office: <http://www.bangladeshpost.gov.bd/>

BRAC Bank Limited: <https://www.bracbank.com/home.php>

bKash: <https://www.bkash.com/>

Cox's Bazaar Cash Working Group: <https://www.humanitarianresponse.info/en/operations/bangladesh/cash-working-group>

Central Bank of Bangladesh: <https://www.bb.org.bd/aboutus/regulationguidelines>

Dutch Bangla Bank Limited (DBBL): <https://www.dutchbanglabank.com/>

IFIC Bank: <http://www.ificbank.com.bd/>

Price Waterhouse Cooper (PWC) Anti-Money Laundering Reference Guide:  
<https://www.pwc.co.uk/assets/pdf/anti-money-laundering-quick-reference-guide-2015.pdf>

Red Rose: <https://www.redrosecps.com/>

Segovia: <https://www.thesegovia.com/>

Shimanto Bank: <http://www.shimantobank.com/>

Trust Bank: <https://www.tblbd.com/>

United Commercial Bank (UCB): <http://www.ucb.com.bd/>

WFP's SCOPE: <https://docs.wfp.org/api/documents/7e86e5a6a70447aba713e3cd4e759d8d/download/>

# Annex 1: Terms of Reference (ToR): Cash Transfer Delivery Mechanisms Feasibility Mapping for the Rohingya Crisis

## Terms of Reference (ToR)

### Cash Transfer delivery mechanisms feasibility mapping for the Rohingya Crisis

- PART 1: FEASIBILITY COMMISSIONED BY THE CWG FOR THE ISCG (RESPONSE AS A WHOLE)
- PART 2: CASH DELIVERY MECHANISMS FOR THE SHELTER/NFI SECTOR

**TIMEFRAME:** December-January

#### Context and Background:

Violence in Rakhine State, Myanmar, which began on 25 August 2017 has driven an estimated 817, 607 Rohingya across the border into Cox's Bazar, Bangladesh. That day, insurgents attacked army and police posts in Rakhine, resulting in widespread violence, mass displacement of civilians and the suspension of most aid activities. In the following days, people began to flee across the border into Bangladesh.

Bangladesh Government, UN agencies, International NGOs, National and local NGOs, social and religious institutions etc. has been providing humanitarian assistance to the new arrivals since the beginning of the crisis. This emergency assistance includes, food and NFI distribution, construction of temporary shelters, providing WaSH facilities along with other life savings activities. The response recognizes the impact that the movement of refugees can have on host communities where increased populations can overburden already limited resources. Humanitarian actors in Cox's Bazar are planning for shorter term to medium term response to address the wider need of the refugee population.

Cash transfer programming (hereinafter, CTP) in the Rohingya Crisis Response has the potential to strengthen sector's and multi sector strategies to respond to the multiple needs of population in need. It is acknowledged that cash transfers are an appropriate modality to provide the flexibility needed to vulnerable population as well as the potential to benefit to local markets in Cox's Bazar.

The effective and appropriate use of cash transfers requires a strong inter and intra agency coordination and the communication with several stakeholders from different sectors, working groups and private sector engagement. Specifically, this requires working in close collaboration with local authorities to ensure an environment suitable for CTP and which promotes a "do no harm" approach. For this purpose, since October 20th, 2017 a Cash Working Group (CWG) was formed, under the Inter Sector Coordination Group (ISCG) with the support of CashCap. The main goal is to lead an effective inter-sectoral cash coordination mechanism. The CWG aims at harmonizing and improving the quality, timeliness and appropriateness of cash interventions and ensuring systematic and evidence based cash and market programming in the Humanitarian Response. The CWG coordinates with National Cash Working Group based in Dhaka, especially when engaging stakeholders at Dhaka level.

In November 2017, the Shelter/NFI sector with support from ECHO and CRS, is carrying out a market assessment which not only looks at the capacity of the bamboo market to meet the potential shelter needs but will also provide some clear recommendations about market-based and cash-based interventions in the sector. In anticipation that findings of the market assessment will promote at a minimum, a limited market-based or cash-based intervention to complement planned shelter upgrades, it will be necessary to ensure that these modalities are developed in a meaningful and consultative way with the authorities. It is therefore intended that the second component of the ToR will be for the deployed expert to assist the Shelter/NFI sector in developing appropriate CTP or market-based interventions.

## **Aim**

**Part 1:** Have a better understanding on the feasibility of cash transfers delivery at scale for the Rohingya Humanitarian Response. The CWG Cox's Bazar is planning to carry out mapping to identify the most suitable delivery mechanisms for responding to multiple needs in the Rohingya humanitarian Response.

The identified delivery mechanisms should ensure cash transfers are distributed in a timely and quality way, minimizing protection risks and mitigate for any potential obstacles to this type of programming. The information from this analysis will be used to inform the Humanitarian Response Strategic Plan and humanitarian stakeholders to improve CTP quality in the Emergency response. These findings will also improve the knowledge on the various cash transfer payment mechanisms that are currently being used by the humanitarian community of Bangladesh and could fit for purpose in Rohingya Crisis Response.

**Part 2:** In line with part 1 (with particular emphasis on the coordination with local authorities), develop standard operating procedures and/or guidelines for the Shelter/NFI sector to promote cash-based approaches which will complement or supplement in-kind distributions of shelter materials, tools and NFIs.

## **Objectives**

To map out, identify and compare the different available and potential options to deliver cash transfers at different scales in Cox's Bazar. Develop Standard Operating Procedures and/or guidelines for the Shelter/NFI Sector.

### **Part 1:**

- Comparative criteria should be based on field level experiences, preference of the people of concern, usability (including one-off and/or monthly installments), security issues, regulatory environment, scalability, timeliness and cost efficiency.
- Options assessed should highlight protection concerns and impact and ensure minimizing risks and enhancing its benefits.
- Options assessed should consider specific realities of the people in need located in refugee camp and makeshift settlement, new spontaneous settlement and in host communities.
- Options assessed should consider 3 different potential scale up scenarios

### **Part 2:**

- Ensure that authorities are engaged in the design process of any proposed interventions.
- Develop SOPs in collaboration with major shelter sector stakeholders.

## **Scope of the Study:**

Engaging with Government, INGOs, UN, Local and National Humanitarian Actors in Bangladesh, Financial Service Providers, and donors based in Bangladesh and people of concern.

The scope of the study will be the following:

- Analysis of the delivery mechanisms available Cox's Bazar (building on efforts of the National CWG's for Bangladesh)

- Analysis the established delivery mechanisms infrastructures in Cox's Bazar including Govt, Financial service providers, Local and National NGOs, etc.
- Analysis the regulatory frameworks in Bangladesh, highlight the constraints on KYC and registration issues for refugee population
- Analysis of protection concerns and potential mitigation measures on delivery

#### **Expected Outcomes:**

- This assessment will allow to identify delivery payment options, faster delivery of cash and larger payments at less transfer -cost with greater transparency and sensitivity to gender and protection issues and all compliant with host government regulations.
- This assessment will allow to inform the humanitarian response plans for the Rohingya Refugee Crisis for a potential phased scale up delivery
- This assessment will be integrated in Standard Operating Guidelines the Rohingya Refugee Crisis for a potential phased scale up delivery
- Development of contextual and appropriate guidelines for the shelter/NFI sector.

#### **Deliverables:**

- An analyse of existing CTP payment mechanisms in Cox's Bazar that international, national and local humanitarian actors are practising (challenges, benefit and opportunities)
- Mapping of the different financial service providers and delivery mechanisms with a clear description on their technical specifications and capacity
- Make a comparative analysis by expected criteria and highlight concerns
- Share recommendations for way for way forward, geographical area and beneficiary's profiles.
- Share a draft report (Word version) covering the specific objectives of the study the CWG coordinator within the agreed time frame for feedback from the Delivery Mechanisms task force (Part 1) and the Shelter Sector lead (Part 2)
- A short presentation will be shared to the Cash Working Group (CWG) for their feedback (Part 1) and Shelter sector (Part 2)
- Submit the final report (soft copy) incorporating the all the comments/feedback within the agreed deadline.

#### **Reporting Line:**

The Cash Champion will report to and be managed by the Coordinator of the Cash Working Group and subsequently work with the Shelter/NFI Coordinator for part 2 of the ToR and will be under the technical general oversight of the CWG Cox's Bazar coordinator in Bangladesh. S/he will meet and coordinate with the CWG Cox's Bazar 's delivery mechanism task force, and the National CWG team.

#### **Application Qualifications:**

- An individual with national/international experiences in cash transfer program
- Academic qualification preferably in Research, economics or social sciences
- Understanding of CTP in Bangladesh and global refugee contexts
- Understanding of disability and gender inequality and demonstrable experience of capturing

- dimensions in CTP analysis
- Experience in CTP evaluation, using a range of quantitative and qualitative data collection and analysis methods that scientifically approved
- Strong analytical and report
- Demonstrable capacity to deliver high quality outputs within the proposed timeframe.
- International experience in this issue is preferred (especially in Asia)
- Prior experience of CTP payment mechanism study would be an advantage

## Annex 2: List of Respondents Consulted

	Name	Position	Organisation
1	Md. Noor E Alam	Manager – Key Account Management	bKash
2	Nicholas Andrade	CFW Manager	IOM
3	Kavim Bhatnagar	Natioanl Level Feasibility/Delivery Mechanism Consultant (National Cash WG)	Consultant
4	Ashraful Alam Bhuiyan	VP & Head of Information Technology	Shimanto Bank Ltd
5	Tapan Chakraborty	FSL DRR Head of Department	ACF
6	Birendra Chandra Das	Deputy Director, Financial inclusion Department	Central Bank of Bangladesh
7	Graham Eastmond	Shelter/NFI Sector Coordinator	Cox's Bazaar Shelter/NFI Sector
8	Mr. A.B.M. Fajlul Haque	Post Master General - Chittagong	Post Office of Bangladesh
9	S.M. Wahid Ferdous	Senior Executive Officer, Mobile Financial Services Division	United Commercial Bank (UCB)
10	Karl-Friedrich Glombitza	Cash Transfer Specialist	UNICEF
11	Mariano Gomez	Cash and Voucher Advisor	UNHCR
12	Julie Guner	Team Leader	Red Rose
13	Brian Healey	Business Development	Red Rose
14	Emily Henderson	Humanitarian Advisor	DFID
15	Monirul Islam	Head of Mobile Banking	IFIC
16	Ajab-Aram R. Macapagat	Response Lead	World Vision
17	Mehedi Joarder	Executive Officer, Mobile Financial Services Division	United Commercial Bank (UCB)
18	Kelly Joseph	GBV/Protection Consultant	NCA
19	Damien Joud	National Food Security Sector Coordinator	National Food Security Sector
20	Saiful Alam Md. Kabir	SAVP and Head of Financial Inclusion Division	Dutch Bangla Bank Limited (DBBL)
21	Arnel Limpiada	Cash Specialist	IOM / ISCG
22	Randy Loy	Operations	IFRC
23	Zahid Mansur	First Assistant Vice President	Dutch Bangla Bank Limited (DBBL)
24	Rachid Moujaes	Global Emergency Specialist	DRC
25	Khaled Morshed	Programme Manager, Humanitarian Crisis Managemnt Programme	BRAC
26	Albert Muraisa	Food Security Coordinator	World Vision
27	Jimena Peroni	Cox's Bazaar Cash Working Working Group Coordinator	IOM / CashCap
28	Atwar Rahman	National Cash Working Group (NCWG) Coordinator	Oxfam
29	Davide Rossi	Cox's Bazaar Food Security Sector Coordinator	Cox's Bazaar Food Security Sector
30	Shreeju Shrestha	Cash Operations Coordinator	Oxfam
31	Philip Wamalwa	Registration Officer	UNHCR
32	Rehmat Yazdani	Regional Program Officer	ECHO
33	Hazem El Zein	Cash and Voucher Advisor	WFP

## Annex 3: Summary of Delivery Mechanism Options According to Pre-Set Criteria

### Delivery Mechanism Mapping – Summary of Findings

Cash Working Group – Cox’s Bazaar, Bangladesh

The below table summarizes possible delivery mechanisms that might apply in Bangladesh and reflects on their feasibility for use and scale-up in the Rohingya refugee response according to pre-defined criteria: 1) past experience in the Bangladesh context; 2) Preferences of the beneficiary population; 3) Appropriateness for one-off or multiple transfers; 3) Security; 4) Regulatory environment; 5) Scalability; 6) Timeliness; 7) Cost effectiveness; 8) Infrastructure/Service Requirements; 9) Advantages and Disadvantages; 10) Risks and Challenges; 11) Recommendations and 12) Possible FSPs<sup>51</sup>

Criteria	Delivery Mechanism Option									
	Mobile Money Transfers	Other Bank Transfers (e.g. Biometric Accounts or ‘Agent Banking’; Bank Account Transfers)	Over the Counter (OTC) Transfers [no bank account required] – remittance, agent to agent, cheques, cash out by vendors	Pre-paid Cards	Smart Cards	Direct Cash (cash-in-envelopes / cash-in-hand) by local, national or international agencies	Direct Cash (cash-in-envelopes / cash-in-hand) by third party (e.g. FSP/bank)	E-vouchers	Paper Vouchers	Other (Micro-Finance, Cooperatives)
Past experience (lessons learnt/ experience from operational actors)	<ul style="list-style-type: none"> <li>Previously used by multiple actors in emergency response, early recovery and development programming in Bangladesh, including ACF, WFP, Caritas, Oxfam, Plan. This includes cyclone responses in the Cox’s Bazaar region but only to Bangladeshi populations. WFP planning to use mobile money to deliver assistance as part of the Rohingya refugee crisis response to host populations (scale-up planned for 2018)</li> <li>Not used to deliver assistance to Rohingya population either previously or in most recent influx (August 2017 onwards).</li> <li>Generally used by agencies in second phase of emergency response (not immediate) and early recovery programming due to the time taken to set-up beneficiary accounts (e.g. requires two stage process of SIM registration with a Mobile Network Operator [MNO] and then opening of mobile bank account with a Financial Service Provider [FSP] or Mobile Financial Service Provider [MFS]). Operationally, this can take one month or more to establish.</li> <li>Regulatory framework also perceived as extensive and can be challenging given the National Identify Document (NID) required for mandatory KYC (even for Bangladeshi displaced populations if identity documents have been lost).</li> </ul>	<ul style="list-style-type: none"> <li>Not previously reported as being used by humanitarian actors though has been used by some FSPs to increase access of financial services to the poor and unbanked – seems to be a relatively recent service developed by some FSPs for individuals with no access to a mobile phone/SIM card</li> <li>FSP takes a biometric thumbprint of the customer and registers their account through this. In order for the beneficiary to access the same account services as mobile money transfers they only need to present their biometric thumbprint to registered agents with availability of the required e-POS machines.</li> <li>Other agencies have also reportedly paid directly into bank accounts created for beneficiaries (e.g. DWA, BDRCS, IFRC)<sup>52</sup> but this required national ID to open bank accounts (same regulations as mobile banking), as well as a time-consuming process with heavy human resources required from NGOs to support beneficiaries to complete necessary paperwork to open accounts, fill out withdrawal slips etc. and also accounts were often not continued to be used by beneficiaries after cash transfers were complete<sup>53</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>Some agencies (e.g. Concern World Wide<sup>54</sup>) have piloted the delivery of cash transfers through <b>bank cheques</b> in response to a previous cyclone, however this was small scale (approx. 200 HHs), one-off and not clear if it included beneficiaries without national ID (e.g. Rohingya or host) as reportedly no national ID is required to cash in cheques of less than 5,000 BDT. There were apparently challenges for beneficiaries having to travel a long distance to reach the bank branches to cash in the cheque and also a lack of familiarity with the process therefore transaction time for tellers to serve each beneficiary was lengthy.</li> <li>No information on use of <b>remittance agencies</b> to initiate cash transfers in Bangladesh in a humanitarian or development context</li> <li>No information on use of <b>cash out by vendors</b> (e.g. vendors participating in e-voucher programme that can provide cash out to beneficiaries – explored by WFP but requires specific registration/license from vendors to do so as considered a financial service)</li> <li>No information on use of <b>agent to agent transfers</b> (e.g. agent can cash out to individuals who don’t have mobile bank account / individual pays cash to an agent who transfers through his account to another agent and pays to an individual in another location who also doesn’t have a mobile bank account) in humanitarian work, but reportedly more heavily regulated</li> </ul>	<ul style="list-style-type: none"> <li>The Post Office offer a <b>pre-paid cash card</b> that has been used by the World Bank in development programmes in Bangladesh (100,000 + beneficiaries).</li> <li>Shimanto Bank also reported a pre-paid card product specifically for Rohingya that they have been developing and proposing to a number of agencies for deployment in the response (not implemented yet).</li> <li>Post Office Pre-Paid Cash Card requires registration of the card to an individual (see regulatory environment below) and can be used for cash out at any post office branch or local office offering the service (in future will be usable at ATMs for cash withdrawal as well)</li> <li>Shimanto Bank pre-paid card can be used, once registered and activated, for cash out or purchase of goods at registered vendors with PoS device. Shimanto indicated that they can deploy agents to cover cash out with required equipment in all makeshift settlements and camps.</li> </ul>	<ul style="list-style-type: none"> <li>No current experience reported using <b>smart cards</b> in humanitarian or early recovery interventions in Bangladesh, but some FSPs (e.g. United Commercial Bank [UCB]) mentioned this as a possible feasible solution for the Rohingya population.</li> <li>Proposing to produce plastic ‘QR Code Cards’ that would have a unique beneficiary wallet on each (created based on basic data collected by the NGO/agency on each beneficiary) that could include a photo as well as unique beneficiary number. Agents would then be deployed by the FSP to agreed distribution sites and cash out to beneficiaries after scanning beneficiary QR Code Cards (e.g. barcode reader) with mobile handsets.</li> <li>Potential for the card to also be used at selected vendors and other agent locations provided the agent/vendor has the required mobile handset to scan the card and internet connectivity. Also able to offer mobile payment devices to enable beneficiaries to access cash who have limited movement to attend distribution points.</li> </ul>	<ul style="list-style-type: none"> <li>Direct cash delivery through ‘cash-in-envelopes’ or ‘cash-in-hand’ is the most common delivery mechanism used by NGOs, particularly in the first face of an emergency response and in some early recovery settings in Bangladesh.</li> <li>Agencies such as ACF and IFRC have already implemented cash transfers in the Cox’s Bazaar area, both as part of previous cyclone responses and as part of the Rohingya refugee response, through direct cash distributions by their staff or local partners, and other agencies (e.g. IOM) are paying casual workers engaged in site rehabilitation and development activities through cash-in-envelopes.</li> <li>To date direct cash distributions have mainly been limited to one or two transfers per household (not regular distributions), and payment frequency has varied from one-off, to daily payments of incentives, to weekly payments to Cash For Work beneficiaries, and by-weekly payments to unconditional cash beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>There are few examples of agencies using a third party (e.g. bank) to do direct cash delivery at distribution points. This is currently planned by UNHCR in their cash pilot in two zones of the mega camp for Rohingya refugees<sup>57</sup> for 13,000 HHs, and also IOM were exploring options of contracting an external actor to conduct incentive payments to volunteers engaged in site improvement works. This was not mentioned, however, by other stakeholders as a delivery mechanism used before (with the vast majority of cash in envelope delivery implemented directly by NGO or partner staff)</li> <li>The post office also have a traditional money order system that enables direct cash payments at the recipients location/residence (e.g. not requiring them to go to a branch as with other OTC transfers mentioned) which could potentially be used to deliver cash to recipients at designated/agreed distribution points</li> </ul>	<ul style="list-style-type: none"> <li>WFP have been implementing e-vouchers for Rohingya refugees prior to 2016 influx, covering initially around 35,000 HHs, and then expanding to include an additional 65,000 HHs from the 2016 influx. WFP are now planning to switch in kind distributions to e-vouchers (blanket coverage) to include the newest influx of refugees and are currently undergoing an enrollment exercise using their SCOPE platform.</li> <li>UNICEF looking to use the SCOPE platform to distribute e-vouchers for NFIs (March onwards) through WFP shops</li> <li>Oxfam are planning to cover up to 17,000 HHs with e-vouchers for fresh food items and/or hygiene (soap) using Red Rose platform</li> <li>Other agencies, including Relief International and DCA, also exploring use of Red Rose for e-voucher provision.</li> <li>Preferred mechanism than in-kind (as provides some choice to beneficiaries) but mainly benefiting medium to large traders/wholesalers from outside camps who</li> </ul>	<ul style="list-style-type: none"> <li>Some agencies planning paper vouchers (e.g. IFRC) for one-off/commodity (e.g. LPG and stoves for winter)<sup>58</sup></li> <li>Limited other experience or information on paper vouchers in the Cox’s Bazaar context</li> </ul>	<ul style="list-style-type: none"> <li>Some experience of NGOs making transfers to savings group accounts (e.g. through MFIs or Cooperatives) in development programming in Bangladesh (e.g. WVI)<sup>59</sup> but no other information available on use of these mechanisms and seems to be restricted by the same Central Bank Regulations (see below)</li> <li>VAM/WFP market assessment (2017) indicated 5.6% of Rohingya’s reported accessing cash from Micro Finance Institutions (MFIs) however no further information is available on this.</li> <li>Not really appropriate for cash delivery as MFIs evolve around re-payment/extending credit so not a feasible option for cash transfer delivery</li> <li>Central Bank Key Informant also reported the same KYC requirements (national ID) to access savings</li> </ul>

<sup>51</sup> Note: the mentioned FSPs are not an exhaustive list but serve as an indication from the FSPs consulted with and secondary information available which actors mentioned they might be able to offer these services. This should be followed up by more detailed engagement with FSPs and operational actors, including consultation with other FSPs.

<sup>52</sup> Information from Rahman, Suvro, Ahmad (2016), ‘Cash Transfer Programme in Bangladesh: Looking Through the ELNHA Lens’, Oxfam, Available at: <http://www.cashlearning.org/downloads/ctp-situation-analysis-in-bangladesh.pdf>

<sup>53</sup> *Ibid.*

<sup>54</sup> Note: it wasn’t possible to talk directly to Concern Worldwide so information is based on other stakeholders knowledge (e.g. national Cash WG Coordinator)

<sup>57</sup> This was pending written approval from the authorities before the selected bank would begin roll-out (as of 21<sup>st</sup> December)

<sup>58</sup> Note: this is more of an in-kind distribution as only one or two suppliers will be selected to deliver and this will be a commodity voucher

<sup>59</sup> Rahman, Suvro, Ahmad (2016), ‘Cash Transfer Programme in Bangladesh: Looking Through the ELNHA Lens’, Oxfam, Available at: <http://www.cashlearning.org/downloads/ctp-situation-analysis-in-bangladesh.pdf>



			<ul style="list-style-type: none"> <li>with maximum transfers agent to agent of 100,000 BDT per month<sup>55</sup> and heavy monitoring by Government of Bangladesh<sup>56</sup></li> <li>No information on use of Post Office's 'Electronic Money Transfer Service (EMTS)' in humanitarian contexts</li> </ul>			<ul style="list-style-type: none"> <li>Caseloads are of varying sizes, with some agencies in the process of scaling up delivery of unconditional cash transfers and Cash for Work to up to 30,000 HHs</li> </ul>		<ul style="list-style-type: none"> <li>establish shops/sales points inside settlements/ camps only during redemption periods and only for beneficiaries</li> </ul>		<ul style="list-style-type: none"> <li>group accounts, or MFI services</li> </ul>
Preferences of people of concern	<ul style="list-style-type: none"> <li>Evidence from previous responses utilizing Mobile Money Transfers to affected populations indicates a lack of familiarity with services among target beneficiaries and therefore difficulties in utilizing them, particularly among vulnerable, previously unbanked groups. Also, a reluctance among beneficiaries to use other services linked to their account due to a lack of understanding<sup>60</sup>.</li> <li>Mixed information on preferences; Bailey (2017)<sup>61</sup> found a preference in some geographic areas for mobile money transfers, whereas in others (e.g. Cox's Bazaar) the majority said they would prefer cash-in-hand.</li> <li>For the Rohingya population, it is assumed there is no current access to mobile money services (though no information on their preferences if the regulatory environment allowed exists), with zero Rohingya respondents reporting access in the WFP VAM Market Assessment (p. 28)<sup>62</sup>, and only 3.4% of host community respondents reporting access.</li> </ul>	<ul style="list-style-type: none"> <li>No information available related to biometric or 'Agent' banking specifically in terms of PoC preferences due to limited experience using in humanitarian contexts. It is assumed, however, that this mechanism might be preferable to beneficiaries as it removes the need for a registered SIM and mobile phone, as well as removing the risk of losing the SIM/phone or PIN as verification is purely by biometrics.</li> </ul>	<ul style="list-style-type: none"> <li>No information available on preferences of PoCs for cheques though there are reports from operational agencies that distance travelled to cash in cheques and access bank branches was excessive<sup>63</sup>.</li> <li>No information available on preferences of beneficiaries on remittance agencies (though would require travel to physical branches so potentially concerns over movement restrictions)</li> <li>No information on preferences of <b>cash out at vendors</b> (though presumably most convenient if vendors/shops are local and already accessible for other items)</li> <li><b>Agent to agent</b> (e.g. cash out at agent with no account required) not explored as financial limits mean it's unfeasible.</li> </ul>	<ul style="list-style-type: none"> <li>No information available on preference of PoCs for pre-paid cards but likely that the majority are unfamiliar given this is a relatively new delivery mechanism in Bangladesh (e.g. Shimanto card not piloted before, and Post Office Cash Card only provided to limited number of beneficiaries previously and only to Bangladeshi residents), but assumed that if FSPs could deliver services (e.g. cash out) at designated distribution points (rather than only at ATMs or fixed bank branches) then this would be preferred</li> <li>Same challenges apply as OTC delivery methods in terms of physical access and travel distance/costs required for the Post Office Cash Card as can only be used in branches with the capabilities to accept cash cards</li> </ul>	<ul style="list-style-type: none"> <li>As with pre-paid cards, no information available on preferences of PoCs as it's a new service, but assumed that this would offer a convenient distribution method as it would give access to direct cash through a secure means (e.g. card that's reloadable) without requiring a lot of travel (depending on distribution locations), and has potential to allow cash out based on their convenience (if FSPs establish fixed cash out points in/around settlements and camps).</li> </ul>	<ul style="list-style-type: none"> <li>No specific information available during the mapping on beneficiary preferences, though previous studies, such as Bailey (2017) reported a preference for cash-in-hand over mobile money in the Cox's Bazaar area during the Cyclone Moira response.</li> <li>Obviously cash in hand is the most straight forward delivery mechanisms not requiring any prior knowledge or use of new technologies or services that might be unfamiliar.</li> </ul>	<ul style="list-style-type: none"> <li>5.6% of Rohingya refugees and 51.4% of host community members reported accessing cash through the post office during the WFP/VAM Market Assessment (2017)<sup>64</sup> – this is presumably (at least for Rohingya) linked to the manual money order system which doesn't require any ID from the recipient to receive cash for amounts less than 10,000 BDT</li> <li>No other information available on preferences though assumed to be similar to that of direct cash delivery by agencies.</li> </ul>	<ul style="list-style-type: none"> <li>VAM/WFP market assessment (2017) indicated 78% of respondents preferred a mix of food and cash/voucher modalities (though division of preference for voucher vs cash was not clear)</li> <li>Consistent reports in multiple market assessments of beneficiaries selling in-kind assistance in order to access cash (not clear if this would also be the case for items purchased with restricted e-vouchers as well)</li> </ul>	<ul style="list-style-type: none"> <li>No specific information available (though findings of previous IFRC PDM for shelter unrestricted cash implied that most beneficiaries did not prioritize shelter needs – therefore paper vouchers, particularly commodity, would likely have a similar preference to in-kind given the restrictions)</li> </ul>	
Appropriateness (including one-off vs multiple installments)	<ul style="list-style-type: none"> <li>If accessible (e.g. in terms of regulatory framework), likely that mobile money would only be appropriate for multiple transfers (e.g. regular transfers of 3 installments or more). Given the time taken to set-up (two-tiered process of SIM registration and then mobile account opening), the burdensome registration process (individual paper-based KYC forms) and the training and orientation required for beneficiaries to be familiar with the delivery mechanism, it would not be appropriate for one-off transfers<sup>65</sup>.</li> <li>Unlikely that host populations, have a mobile account already</li> </ul>	<ul style="list-style-type: none"> <li>Similar to mobile money transfer, likely that Agent Banking would only be appropriate for multiple transfers given the time needed to set up beneficiary accounts, to train and deploy agents by the FSP (particularly as the network coverage of agents equipped with e-POS devices are fewer) and to orient beneficiaries on the process for cash out and the services available.</li> <li>Given that this is a less common service than mobile money transfers it is likely that a limited number, if any, beneficiaries would already have registered accounts therefore requiring set-</li> </ul>	<ul style="list-style-type: none"> <li>No real difference in terms of one-off vs multiple installments.</li> <li>Cheques, remittance agencies, and cash out by vendors all require beneficiaries to go to the branch of the FSP in question (e.g. bank branch, remittance agency etc.) and therefore may not be appropriate in terms of potential movement restrictions for the Rohingya population and distances to be travelled as well as associated transportation costs.</li> <li>Likely that beneficiaries would need support during the cash out process initially, so may be more appropriate for multiple transfers so beneficiaries become more</li> </ul>	<ul style="list-style-type: none"> <li>As with mobile money transfer, likely most appropriate for multiple transfers (rather than one-off) given the registration process required for both Post Office Pre-Paid Cash Card<sup>67</sup> and similarly for card registration and activation for Shimanto bank pre-paid cards or similar services</li> <li>Pre-paid cards would be preferred option for multiple transfers/installments for regular assistance provision to Rohingya's for unrestricted cash transfers as allows physical access to cash to</li> </ul>	<ul style="list-style-type: none"> <li>Would require some set-up time and resources, particularly in refining the system as it's a new approach in Bangladesh to deliver humanitarian assistance (so potentially not cost effective for one off transfers unless being done by multiple agencies on the same card)</li> <li>Smart cards would be a preferred option for multiple transfers/installments for regular assistance provision to Rohingya's for unrestricted cash transfers</li> </ul>	<ul style="list-style-type: none"> <li>Can be costly to deliver and manage appropriately for regular transfers. In Bangladesh, tendency has been for one or two monthly transfers by direct cash delivery during humanitarian responses while other delivery mechanisms are set up (namely mobile money)</li> <li>Most appropriate for one-off transfers, and potentially for more discrete targeted distributions (e.g. for extremely vulnerable individuals, small</li> </ul>	<ul style="list-style-type: none"> <li>A number of banks have mentioned the option of distributing directly to beneficiaries on site, though this has been presented as a one-off or temporary solution (relies on a manual process).</li> <li>Depending on how easy it is for FSPs to work with agencies to conduct direct distributions in target areas, there may not be a willingness (if too challenging/costly) to do this on a regular basis at large scale for multiple transfers. Information</li> </ul>	<ul style="list-style-type: none"> <li>Both SCOPE and Red Rose offer e-voucher platforms that enable multiple distributions/reloadable cards that can be restricted to the purchase of any items as defined by the agency provided that vendors can be identified that can supply these goods.</li> <li>Bulk credit/top-up once initial card distributed</li> <li>Given set up requirements and vendor contracting, may not be cost</li> </ul>	<ul style="list-style-type: none"> <li>Only really appropriate for one-off transfers (e-vouchers preferable for multiple installments/transfers)</li> </ul>	

<sup>55</sup> Agent to Agent transfer restrictions limits agents cashing out to individuals with no bank account, although this still reportedly happens there are increasing regulations in place to prevent this from the Central Bank of Bangladesh (limits to 25,000 BDT agent to agent transfers per day, and 100,000 BDT per month) as part of anti-money laundering policies of the government.

<sup>56</sup> Information on regulation of agent to agent transfers in (pg 30): Parvez, Islam and Woodard (2015) 'Mobile Financial Services in Bangladesh: A Survey of Current Services, Regulations and Usage in Select USAID Projects', Available at: [https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh\\_April2015.pdf](https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh_April2015.pdf)

<sup>60</sup> Bailey (2017), 'Electronic transfers in humanitarian assistance and uptake of financial services: a synthesis of ELAN case studies', Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11424.pdf>

<sup>61</sup> Bailey (2017), 'Electronic transfers in humanitarian assistance and uptake of financial services: a synthesis of ELAN case studies', Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11424.pdf>

<sup>62</sup> WFP, VAM, Food Security Sector Bangladesh (2017), 'Market Assessment in Cox's Bazar: Implications for Market-Based Interventions Targeted to Rohingya Refugees and Host Communities', Available on Cox's Bazaar Cash Working Group Google Drive

<sup>63</sup> Rahman, Suvro, Ahmad (2016), 'Cash Transfer Programme in Bangladesh: Looking Through the ELNHA Lens', Oxfam, Available at: <http://www.cashlearning.org/downloads/ctp-situation-analysis-in-bangladesh.pdf>

<sup>64</sup> WFP, VAM, Food Security Sector Bangladesh (2017), 'Market Assessment in Cox's Bazar: Implications for Market-Based Interventions Targeted to Rohingya Refugees and Host Communities', Available on Cox's Bazaar Cash Working Group Google Drive

<sup>65</sup> Rahman, Suvro, Ahmad (2016), 'Cash Transfer Programme in Bangladesh: Looking Through the ELNHA Lens', Oxfam, Available at: <http://www.cashlearning.org/downloads/ctp-situation-analysis-in-bangladesh.pdf>

<sup>67</sup> <http://www.bangladeshpost.gov.bd/PCC01ApplicationForm.pdf>

	created given that only 8% of adults in Bangladesh have active mobile money accounts and the service remains disproportionately accessed by men and the non-poor. <sup>66</sup>	up time in order to deliver transfers.	familiar and subsequently require less hands on support from agency staff. <ul style="list-style-type: none"> <li>Capacity of local branches of FSPs would also have to be further explored (e.g. physical availability of cash, appropriate staffing for cash out etc.) – scale-up of this may be feasible for one-off payments but FSPs may be more reluctant to ensure this on a regular/monthly basis.</li> </ul>	beneficiaries, secure delivery mechanism (managed by FSP) in the location of the beneficiary and quick/batch loading of cards on a regular basis based on the needs of the programme.	as allows physical access to cash to beneficiaries, secure delivery mechanism (managed by FSP) in the location of the beneficiary and quick/batch loading of cards on a regular basis based on the needs of the programme. <ul style="list-style-type: none"> <li>No transaction limits mentioned by the FSPs (though requires confirmation)</li> </ul>	caseloads, cash assistance related to protection cases)	following UNHCR’s pilot with BRAC bank will be helpful in determining the potential of this as a delivery mechanism for multiple distributions.	effective/appropriate for one off transfers unless other agencies may also be sharing the platform to provide other assistance.	
Security issues	<ul style="list-style-type: none"> <li>Considered as a secure and safe means of transfer. Beneficiaries can go to any registered agent to cash out (or access other services such as cash in, remittance receipt, paying for goods, airtime top-up) at their convenience.</li> <li>Transactions are secured/verified by a unique beneficiary selected PIN code.</li> <li>Limited risk of duplication / fraud given that each SIM and mobile account is individually registered to beneficiaries based on strict regulations from the Central Bank.</li> <li>FSPs reported various mechanisms in place to flag discrepancies, e.g. if SIM is put into a different mobile handset this is flagged and the account suspended, an additional ‘check’ digit to prevent transfer of funds to the wrong number (e.g. randomly assigned additional digit at the end of the account number so the account number is not the same as the mobile number), regular monitoring of agents by central offices, cross check of physical agent records of all transactions.</li> </ul>	<ul style="list-style-type: none"> <li>Considered as a secure and safe means of transfer. Beneficiaries can go to any registered agent to cash out (or access other services such as cash in, remittance receipt) at their convenience.</li> <li>Transactions are secured/verified as they require the beneficiary to be present to authorize (through biometric thumbprint scanning)</li> </ul>	<ul style="list-style-type: none"> <li>Depending on the number and location of local bank branches (for cheques), and remittance agencies there could be security issues faced by beneficiaries travelling from the branch (e.g. if there are few branches and its high profile)</li> <li>Would require agreement on appropriate ID verification to be used by FSPs during the distribution process to reduce risk of fraud/diversion (cheques under 5,000 BDT don’t require an ID to be shown by the banks consulted)</li> <li>Requires physical access to branches which may pose additional risks for Rohingya population (e.g. in terms of movement restrictions, check points etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Considered as a relatively secure and safe means of transfer – cash out process managed by an FSP or Post Office</li> <li>Limited risk of fraud (e.g. multiple cards per HH) if adequate unique identification documentation is used during the beneficiary registration process (for pre-paid cards from FSP), and Post Office manages card registration and activation for Post Office Cash Card (though information required is extensive – see below)</li> <li>Card distribution likely to be managed by the NGO/agency for pre-paid card providers such as Shimanto (and potentially for the post office based on national level agreements)</li> <li>Post Office Cash Card requires physical access of the beneficiary to relevant post office branches (therefore same concerns apply in terms of beneficiary safety during travel as OTC mechanisms)</li> <li>Both Post Office and Shimanto Bank solution secured by unique PIN code issued to the beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>Considered as a relatively secure and safe means of transfer – cash out process managed by an FSP</li> <li>Card distribution to be managed by the agency, with wallet creation/activation, verification and cash out managed by the FSP</li> <li>Risk of fraud and/or diversion dependent on the verification methods agreed by agency/NGO and the FSP (e.g. if no photo ID added to the card then unclear if beneficiary data would be accessible on the agent’s mobile device (e.g. once card is scanned) in order to verify identity. No PIN code required (to be confirmed if this could be an added feature to increase security)</li> </ul>	<ul style="list-style-type: none"> <li>Least secure delivery option as risk lies entirely with NGO staff in terms of collection from the bank, transportation to the distribution site and cash handling at the distribution site (international, national or local)</li> <li>Some agencies reported close coordination with the army or local authorities to ensure safe transport of cash and distribution</li> <li>Few agencies had engaged with banks or third parties to explore options of having cash transported to distribution sites by someone other than their staff to reduce risks</li> <li>Some agencies were paying incentives on a daily basis resulting in much smaller payment amounts per day, and others were dividing payments in installments (e.g. bi-weekly instead of monthly) to reduce cash amount distributed (reducing risk for beneficiaries being the main reason)</li> <li>In terms of fraud/diversion – there were differing approaches to identification of beneficiaries prior to and during distributions. Some NGOs were issuing beneficiary photo IDs that are presented by beneficiaries during distribution</li> </ul>	<ul style="list-style-type: none"> <li>More secure than distribution of cash by agency staff as transfers risk to bank/FSP to be responsible for distributions</li> <li>Limited experience reported to date on reality and any security issues faced</li> <li>Still requires joint organization of distribution points by agency and FSP to ensure safety of beneficiaries, agency and bank/FSP staff</li> </ul>	<ul style="list-style-type: none"> <li>Considered a secure and safe delivery mechanism. Beneficiaries can go to any registered vendor/shop to redeem vouchers during a specified time period</li> <li>E-voucher transactions are secured by a PIN selected by the beneficiary</li> <li>Requires regular follow up and monitoring during redemption of vendors (and prices) Red Rose offer facilities to do this digitally through their platform</li> <li>Beneficiaries are enrolled/registered onto the platform (for both SCOPE and Red Rose) offering a means of verification at the point of the transaction (if required/ chosen by the agency)</li> <li>Beneficiaries required to travel to shops to redeem vouchers, may be increased risk for vulnerable groups/those with reduced mobility/movement restrictions in transporting goods back to their shelter</li> </ul>	<ul style="list-style-type: none"> <li>Transfers risk of transporting items and distribution of items to vendors rather than the agency (depending on how distributions are organized)</li> <li>If redemption periods are over multiple days then potentially more convenient for beneficiaries than in-kind distributions on designated days (depending how redemption is organized)</li> <li>Same risks for beneficiaries in transporting items to their shelter as with in-kind / e-vouchers (depending how many redemption points are established) particularly for vulnerable groups/those with reduced mobility/movement restrictions</li> </ul>
Regulatory environment (including KYC,	<ul style="list-style-type: none"> <li>Central Bank of Bangladesh has a range of regulations applying to financial services</li> </ul>	<ul style="list-style-type: none"> <li>Requires the same KYC as mobile banking to open an individual Agent account, i.e. requires a</li> </ul>	<ul style="list-style-type: none"> <li>Rules may differ based on the FSP, but indications are that cheques under 5,000 BDT do not require an</li> </ul>	<ul style="list-style-type: none"> <li>Although the Post Office is not considered as regulated by the Central Bank (under a</li> </ul>	<ul style="list-style-type: none"> <li>Doesn’t require creation of a bank account, so the same KYC for mobile money</li> </ul>	<ul style="list-style-type: none"> <li>No regulatory framework in place for direct cash distributions by agencies,</li> </ul>	<ul style="list-style-type: none"> <li>FSPs proposing this solution have not mentioned any KYC</li> </ul>	<ul style="list-style-type: none"> <li>No regulatory framework in relation to KYC – identification</li> </ul>	<ul style="list-style-type: none"> <li>No regulatory framework in relation to KYC – identification</li> </ul>

<sup>66</sup> Bailey (2017), ‘Electronic transfers in humanitarian assistance and uptake of financial services: a synthesis of ELAN case studies’, Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11424.pdf>

<p>registration requirements, government policies)</p>	<p>(<a href="https://www.bb.org.bd/fnansys/aymentsys/framework.php">https://www.bb.org.bd/fnansys/aymentsys/framework.php</a>) and specifically for Mobile Financial Services (<a href="https://www.bb.org.bd/aboutus/regulationguideline/mfsguideline.pdf">https://www.bb.org.bd/aboutus/regulationguideline/mfsguideline.pdf</a>) established in 2011.</p> <ul style="list-style-type: none"> <li>Opening a mobile bank account or accessing mobile financial services (e.g. opening a mobile wallet) requires two stages (as reported from the FSPs consulted and Central Bank of Bangladesh): <ol style="list-style-type: none"> <li>SIM card registration by Mobile Network Operator to an individual based on validated national identity document (i.e. National ID)</li> <li>Mobile Bank Account opening/registration or Mobile Wallet creation by a Mobile Finance Service Provider or Mobile Banking Institution, including KYC form completion and verification based on national identify document (e.g. national ID, passport or driving license) and passport photo<sup>68</sup></li> </ol> </li> <li>All FSPs consulted said there was no way to open a mobile bank account for a non-Bangladeshi national (i.e. Rohingya refugee) unless they have a valid visa and work permit with legal stay in Bangladesh. No FSP reported acceptance of alternative photographic ID, e.g. government issued or UN/NGO issued registration/ID card.</li> <li>Any access to mobile banking services for Rohingya refugees would entail an amendment to the current KYC regulations (which seems unlikely).</li> <li>Unlike some other countries, the Central Bank of Bangladesh has not adopted a tiered approach to account opening with different requirements or levels of identity verification/KYC based on account functionality or transaction size. As a result, any individual that wants to open an account must provide the same required documentation no matter what services they are going to access/utilize or the transaction size.<sup>69</sup></li> <li>Although the national ID system has been established for some time in Bangladesh, not all low income populations residing in</li> </ul>	<p>national ID, passport or driving license to register/open the account with biometrics and a KYC form.</p> <ul style="list-style-type: none"> <li>The FSPs consulted said there was no way to open an Agent/biometric account for a non-Bangladeshi national (i.e. Rohingya refugee) unless they have a valid visa and work permit with legal stay in Bangladesh. No FSP reported acceptance of alternative photographic ID, e.g. government issued or UN/NGO issued registration/ID card.</li> <li>Any access to Agent/biometric accounts for Rohingya refugees would entail an amendment to the current KYC regulations (seems unlikely).</li> <li>Same considerations apply as Mobile Money Transfers in relation to availability of national ID for Bangladeshi nationals</li> </ul>	<p>ID (national or otherwise) to be shown when cashing the cheque at a bank branch. For cheques more than 5,000 BDT a national ID (or passport/driving license) is required to cash in the cheque.<sup>71</sup></p> <ul style="list-style-type: none"> <li>KYC requirements for remittance agencies (e.g. Western Union) require further exploration in the context of Bangladesh. For banks that offer remittance payments they seem to require the recipient hold an account with the bank (e.g. bKash account for BRAC bank) and for remittance agencies such as MoneyGram, they do not necessarily require the recipient to have an account but they do require a valid photo ID to be presented alongside the collection form.</li> <li>For cash out at vendors, as explored by WFP – vendors would require a particular license or registration with the government to offer this service (e.g. as with mobile money agents) as cash out is heavily regulated as a financial service.</li> <li>EMTS of the Post Office requires a mobile number (to send unique reference number to the recipient for collection) and address of the recipient. Recipient then has to go to collect the payment from the Post Office branch.</li> </ul>	<p>different Government Ministry) the Post Office requires a valid national ID (or passport or driving license) to register Post Office Cash Cards to individuals, as well as fixed address (though this could be negotiable at a central level with the Post Office). Explicitly, in the Card Application Form for the Post Office the recipient must be a Bangladeshi resident</p> <ul style="list-style-type: none"> <li>Pre-paid cards (for Rohingya refugees) are reportedly not subject to the same KYC and regulations as Mobile Money Transfers and Bank Accounts (according to information from Shimanto Bank) as they are not Bangladeshi nationals, and therefore a national ID card/passport/driving licence are not required. However, Shimanto are proposing registration by the agency/NGO and unique identifier which would then be verified/cross checked by the bank during enrollment/activation of the pre-paid card (likely that Shimanto would cross check with data they have access due to affiliations to the Border Guard Agency) and biometric registration directly by Shimanto of the beneficiaries when activating pre-paid cards. Therefore, the specific regulations applicable to this type of pre-paid card is not clear – requires clarification from the Central Bank of Bangladesh and FSPs (likely because it is a relatively new service in Bangladesh).</li> </ul>	<p>accounts / wallets doesn't seem to apply. However, seems to be a grey area as it is a relatively new service so clarification is needed from the Central Bank of Bangladesh on the regulations surrounding this payment option.</p> <ul style="list-style-type: none"> <li>In addition, the FSP that has mentioned this as a solution would be relying on the agency/NGO's beneficiary registration and verification process (and therefore, it seems, not doing their own KYC). This implies that KYC obligations are being passed to the humanitarian agency and therefore will require: <ol style="list-style-type: none"> <li>clearer directive from the Central Bank on obligations of the FSP vs humanitarian agency on the level of KYC required for recipients, and</li> <li>agreement among humanitarian agencies on the registration/verification/du e diligence required if they are responsible instead of the FSP for the KYC (e.g. to ensure minimal compliance with anti-terror regulations)</li> </ol> </li> <li>Potential to negotiate and influence the Central Bank of Bangladesh (as the main financial regulatory authority) via the Ministry of Finance on proposing alternative KYC or establishing clearer regulations (that enable access) for Smart Card recipients. For example, if tiered KYC (based on services to be accessed and/or transaction amounts) could be agreed.</li> </ul>	<p>therefore direct cash delivery is accessible to all beneficiaries irrespective of ID or documentation of the recipient</p> <ul style="list-style-type: none"> <li>No common approach or standards for verifying beneficiary identity prior to or during distributions, particularly challenging for Rohingya as there aren't necessarily consistent ID or registration documents available to verify</li> </ul>	<p>requirements for direct cash delivery, though some report reliance on agency verification of beneficiaries, while others propose to do their own enrollment and verification of beneficiaries (e.g. through biometrics or verification of temporary government issued ID)</p> <ul style="list-style-type: none"> <li>Responsibilities for verification and regulations surrounding these payments not really clear (if it will be scaled up, then likely FSPs may want clarity from Central Bank on ability to distribute to Rohingya refugees). For example, even though UNHCR's FSP has not required this, they have required government approval for the programme in writing before beginning implementation.</li> <li>For the Post Office Money Order Service, the Director of Chittagong Region mentioned willingness to deploy post office staff directly to do the distribution alongside agency staff (with no fixed address or mobile number as is usually required) required from agencies – only submission of the organization's registration documents, letter informing the post office of the purpose of the transfer and written government approval.</li> <li>For Post Office Money Order System no ID is required during pay out for transfers of less than 10,000 BDT (so may not be appropriate for larger sector specific transfers exceeding this amount)</li> </ul>	<p>and verification of beneficiaries is at the discretion of the agency providing assistance (e.g. therefore no set ID required to access assistance)</p> <ul style="list-style-type: none"> <li>Vendors required to have registration with the government (may exclude support to petty traders/smaller vendors that are operating inside the camps)</li> </ul> <p>and verification of beneficiaries is at the discretion of the agency providing assistance (e.g. therefore no set ID required to access assistance)</p> <ul style="list-style-type: none"> <li>Vendors required to have registration with the government (may exclude support to petty traders/smaller vendors that are operating inside the camps)</li> </ul>	
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<sup>68</sup> Some references (e.g. Bailey, 2017) suggest that a biometric thumbprint is also required for account set-up as of May 2016, however this was not mentioned by the FSPs consulted during this mapping exercise. Note, the national CWG consultant differentiated between Mobile Banking (e.g. with a bank account at the back end – DBBL/Rocket) and Mobile Financial Services (e.g. mobile wallet with no bank account – bKash) with apparently differing KYC but similar front end/customer interaction and services. However, all FSPs (including both bKash and DBBL/Rocket) reported the same KYC and regulatory requirements.

<sup>69</sup> Parvez, Islam and Woodard (2015) 'Mobile Financial Services in Bangladesh: A Survey of Current Services, Regulations and Usage in Select USAID Projects', Available at: [https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh\\_April2015.pdf](https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh_April2015.pdf)

<sup>71</sup> Based on discussion at a BRAC Bank branch in Chittagong

	rural locations have the documentation required. <sup>70</sup>									
Scalability	<ul style="list-style-type: none"> <li>Large network of agents available with FSPs<sup>72</sup> and willingness by all FSPs consulted to establish new agents or put in place mobile agents to deliver to any location</li> <li>FSPs have maximum transaction limits for individual accounts, for example bKash limit transactions to 10,000 BDT per transaction (for cash out) and DBBL to 25,000 BDT per transaction/day. For regular basic needs transfers this would likely not be an issue (e.g. even if the MEB is revised upwards based on the context in Cox's Bazaar), however if transfers were provided for specific objectives (e.g. shelter needs) then depending on the transfer amount this may require beneficiaries to cash out on multiple days depending on the FSP used.</li> </ul>	<ul style="list-style-type: none"> <li>Fewer FSPs seem to offer this type of account (with the focus being more on mobile money services) so the coverage and presence of agents with the required equipment to initiate transactions is lower (only 1500 outlets currently for DBBL vs 121,337 Rocket agents for DBBL's mobile banking services)</li> <li>Transaction limits reported by the FSPs consulted in relation to biometric/Agent banking were much higher (e.g. 50,000 BDT for withdrawal per day for DBBL)</li> <li>Capacity of local agents (including liquidity) may limit the scalability given the limited number of agents with required equipment.</li> <li>May not be possible for smaller caseloads as FSPs may not see the added value of establishing new service/system for small number of recipients (e.g. not financially viable to sign an agreement for small caseload)</li> </ul>	<ul style="list-style-type: none"> <li>Further exploration is needed on the physical locations of bank branches (for cheques to be cashed in) and remittance agency offices to ascertain the capacity for serving larger beneficiary caseloads (in terms of branch locations, capacity, staffing and cash availability).</li> <li>Given the manual effort required to fill out withdrawal slips/forms for remittance agencies then additional human resources would be required for agencies to support beneficiaries in this process.</li> <li>Cheques appear to be limited to less than BDT so may not be appropriate for sector specific objectives (e.g. shelter) where the required transfer size exceeds this.</li> <li>Limited number of Post Office branches that offer EMTS service (2,750 nationwide)</li> </ul>	<ul style="list-style-type: none"> <li>Requires further exploration in terms of the capacity and location/accessibility of post office branches (e.g. numbers and coverage of branches able to accept Post Office Pre-Paid Cash Cards) and potential to expand coverage in target locations if required</li> <li>Pre-paid cash cards from FSPs (e.g. Shimanto and potentially others) requires further exploration in terms of capacity and coverage, as well as clarification on Central Bank of Bangladesh requirements. However, seems to be the most feasible option to explore for scale-up of cash transfers to Rohingya populations.</li> <li>No transaction limits reported by FSPs or Post Office (but total balance on the Post Office Card cannot exceed 100,000 BDT)</li> <li>If multiple agencies were to use the same FSPs/cash card to deliver assistance (e.g. for different types of assistance or programme objectives) to the same beneficiaries, then there needs to be further exploration on the possibility to create multiple/separate wallets on pre-paid cards for each agency (e.g. to ease financial tracking and reporting)</li> <li>May not be possible for smaller caseloads as FSPs may not see the added value of establishing new service/system for small number of recipients (e.g. not financially viable to sign an agreement for small caseload)</li> </ul>	<ul style="list-style-type: none"> <li>Requires further exploration with FSPs that can offer smart cards in terms of capacity and coverage as well as clarification on the regulatory environment</li> <li>No transaction limits reported by FSPs</li> <li>If multiple agencies were to use the same FSPs/smart card to deliver assistance (e.g. for different types of assistance or programme objectives) to the same beneficiaries, then there needs to be further exploration on the possibility to create multiple/separate wallets on smart cards for each agency (e.g. to ease financial tracking and reporting and reduce costs across humanitarian agencies and avoid multiple cards being distributed to the same caseload)</li> <li>May not be possible for smaller caseloads as FSPs may not see the added value of establishing new service/system for small number of recipients (e.g. not financially viable to sign an agreement for small caseload)</li> </ul>	<ul style="list-style-type: none"> <li>Given the logistical, human resource, capacity and security factors related to direct cash delivery, it is not necessarily the most preferred option for scaling up transfers.</li> <li>Agencies would need to coordinate closely on both geographic divisions and coordination to prevent duplication of beneficiaries if direct cash delivery was scaled up (unlikely any single agency would have capacity required to cover large % of the refugee population through this delivery mechanism)</li> <li>Range from 100 – 200 HHs that can be distributed to in one day at one distribution site.</li> <li>For small scale caseloads it would be appropriate.</li> <li>If relying on local organisations to do the distribution then capacity issues may pose a limitation on the extent to which this delivery mechanism could be scaled up</li> <li>Doesn't seem to be any limits on cash withdrawal by agencies from their bank accounts, though this is limited by availability of funds in the account and physical availability of cash at the local bank branch level</li> </ul>	<ul style="list-style-type: none"> <li>Although risk transferred to bank/FSP for the actual transportation and delivery of cash, there would still be human resource, capacity and security factors on the part of the agency that might limit scale-up</li> <li>Agencies would need to coordinate closely on both geographic divisions and coordination to prevent duplication of beneficiaries if direct cash delivery was scaled up (unlikely any single agency would have capacity required to cover large % of the refugee population through this delivery mechanism)</li> <li>Possible to establish multiple distribution points, but congestion of sites and layout might limit options for safe/secure distribution points</li> <li>Post Office indicated capacity to distribute to 200-300 HH per day (unclear if this could be negotiated/expanded)</li> <li>This also seems to be a tailored service offered by agencies that is not part of their usual business so unclear if FSPs would be willing to maintain continued engagement in this approach given the costs involved (particularly if pilots prove challenging)</li> <li>Capacity of FSPs to distribute at scale requires further exploration as still mentioned by FSPs as a 'one-off' solution (may not be open to regular transfers w/o KYC circular from Central Bank?)</li> </ul>	<ul style="list-style-type: none"> <li>Scalable, but requires consideration on vendor contracting and selection (e.g. to ensure adequate competition, and capacity to serve increased caseloads) as well as staff capacity to monitor vendors during redemption period (generally more resource-heavy than unrestricted cash distributions)</li> <li>Agencies would need to coordinate closely on both geographic divisions and coordination to prevent duplication of beneficiaries as well as assistance packages (e.g. transfer values and targeting for food e-vouchers, NFI and hygiene items etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Not easy to scale up or to use for multiple transfers (manual distribution process, manual reconciliation process unless barcoded vouchers used [e.g. those offered by Red Rose])</li> <li>Same considerations as e-vouchers</li> </ul>	
Timeliness	<ul style="list-style-type: none"> <li>FSPs can open mobile bank accounts with any Mobile Network Operator (MNO) so there is no need necessarily to provide additional SIM cards if beneficiaries already have one</li> </ul>	<ul style="list-style-type: none"> <li>Contracting process between agencies and FSPs may take time as this would be a new type of service used in humanitarian contexts, and also would depend on the procurement process</li> </ul>	<ul style="list-style-type: none"> <li>No requirement to open an account for individual beneficiaries therefore time needed for set-up would significantly reduce.</li> <li>Agencies would require a bank account with the selected bank in</li> </ul>	<ul style="list-style-type: none"> <li>Not really appropriate for rapid deployment at this stage as requires clarification on regulatory environment as well as set-up time (e.g. for registration of beneficiaries)</li> </ul>	<ul style="list-style-type: none"> <li>As with pre-paid cards, not really appropriate for rapid deployment as will require set up time, including clarification on regulatory environment, registration of</li> </ul>	<ul style="list-style-type: none"> <li>Quickest option to deliver cash transfers, and therefore preferred option for agencies responding to natural disasters in Bangladesh.</li> </ul>	<ul style="list-style-type: none"> <li>Once an agreement is in place with the FSP/bank (time for this would depend on negotiations and agency's procurement processes) then set-</li> </ul>	<ul style="list-style-type: none"> <li>Contracting required with a platform provider – timing will depend on agency procurement procedures (e.g. if</li> </ul>	<ul style="list-style-type: none"> <li>Requires vendor contracting, but printing/ production of paper vouchers quicker than e-vouchers (and would</li> </ul>	

<sup>70</sup> Parvez, Islam and Woodard (2015) 'Mobile Financial Services in Bangladesh: A Survey of Current Services, Regulations and Usage in Select USAID Projects', Available at: [https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh\\_April2015.pdf](https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh_April2015.pdf)

<sup>72</sup> The nationwide outreach of banks is limited to 9,051 branches (as of January 2015) and approximately 6,035 ATMs (as of January 2015), whereas Mobile Financial Institutions (MFIs) have an outreach of more than 18, 000 branches according to Parvez, Islam and Woodard (2015) 'Mobile Financial Services in Bangladesh: A Survey of Current Services, Regulations and Usage in Select USAID Projects', Available at: [https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh\\_April2015.pdf](https://microlinks.org/sites/default/files/resource/files/MFSinBangladesh_April2015.pdf)

	<p>registered to their name (thereby potential reducing set-up time)</p> <ul style="list-style-type: none"> <li>• Past experience in Bangladesh suggests that the set-up of beneficiary accounts for mobile money can take up to one month.</li> <li>• Agencies would also require an agreement/contract with the mobile financial service provider at a central level (depending on agency procurement processes this may require additional set-up time)</li> <li>• Agencies may require an agreement with a particular Mobile Network Operator (MNO) if they will provide SIM cards to all beneficiaries with a network having appropriate network coverage (again, this may require additional time depending on agency procurement processes)</li> <li>• Agencies in partnership with the MNO and FSP would need to ensure delivery and registration of SIM cards, opening/registration of mobile bank accounts and training of beneficiaries prior to any distributions to ensure adequate understanding of the cash out process.</li> <li>• FSPs indicated that they would need around 15 working days to ensure the presence of additional agents if required for scale-up. FSPs are required to conduct vetting and onboarding of agents by Central Bank of Bangladesh regulations as well.</li> </ul>	<p>required by each agency. However, does remove the need to set up a separate agreement with a Mobile Money Operator (MNO)</p> <ul style="list-style-type: none"> <li>• Potentially quicker to set up beneficiary accounts as removes the SIM registration step required for mobile banking services</li> <li>• FSPs would need time to recruit, vet and train agents and equip them with the required technology and infrastructure (e.g. e-POS machines to enable thumbprint scanning)</li> <li>• Agencies in partnership with the FSP would need to ensure opening/registration of bank accounts and training of beneficiaries prior to any distributions to ensure adequate understanding of the cash out process.</li> </ul>	<p>order to issue cheques – unclear if an agreement would be required, and selection of the bank would depend on the location of its branches in relation to beneficiaries.</p> <ul style="list-style-type: none"> <li>• FSP would likely need to train staff and expand staffing depending on the scale of distributions, and would likely require notice at central level to ensure availability of cash at branch level.</li> </ul>	<p>with Post Office and activation of the cards, and similarly for pre-paid cards from FSPs such as Shimanto Bank it requires production of unique cards and registration/activation directly by the FSP following distribution). Indications from Shimanto are around 1.5 months set-up time (after an agreement/contract is in place)</p> <ul style="list-style-type: none"> <li>• Would require agencies to sign a national level agreement with any provider (Post Office or FSP such as Shimanto Bank) which would depend on the agency's procurement processes.</li> <li>• May require expansion of network of branches of Post Office that have facilities to accept Pre-Paid Cash Cards</li> <li>• Would require FSPs to recruit and train staff/agents that can accept pre-paid cards for cash out process in target areas (Shimanto Bank are in the process of opening a Cox's Bazaar branch, but still new to the area)</li> <li>• Similar to mobile and other bank transfers it would require training of beneficiaries on the process</li> </ul>	<p>beneficiaries, production of personalized cards, activation/creation of wallets by the FSP, distribution of cards etc.).</p> <ul style="list-style-type: none"> <li>• Would require agencies to sign a national level agreement with the FSP which would depend on the agency's procurement processes.</li> <li>• Would require FSPs to recruit and train staff/agents that can accept smart cards and mobile devices for cash out process in target areas</li> <li>• Similar to mobile and other bank transfers it would require training of beneficiaries on the process</li> </ul>	<ul style="list-style-type: none"> <li>• No agreement required with an FSP, no account opening or wallet activation process required, no need to share information/data with any third or external parties</li> <li>• No further clarification required on regulatory environment in Bangladesh and therefore can be implemented for all target beneficiaries immediately (irrespective of legal status in country).</li> </ul>	<p>up/roll-out would be relatively quick</p> <ul style="list-style-type: none"> <li>• Likely FSPs would require written approval from the government to conduct distributions even though no specific Central Bank regulations are in place (based on UNHCR experience) which has proven to take some time.</li> </ul>	<p>agency has a framework agreement already in place with a provider such as Red Rose)</p> <ul style="list-style-type: none"> <li>• Once an agreement is in place then should be relatively quick to roll-out – requiring one time enrollment of beneficiaries on the platform, distribution of beneficiary ID cards and e-voucher cards, selection and contracting of vendors, orientation of beneficiaries on the system, and then loading/informing beneficiaries of transfers and redemption periods.</li> <li>• Still requires government authorization for implementation of activities (if not already included in agency's approved FD6 or FD7)</li> </ul>	<p>require minimal training for vendors and beneficiaries)</p>	
<p>Costs / Cost-efficiency</p>	<ul style="list-style-type: none"> <li>• Fees vary from 0.9% to 1.85% of the transaction amount (usually added to the transfer amount by agencies to ensure the beneficiary does not face additional costs/charges)</li> <li>• No set-up or ongoing account maintenance fees reported by FSPs during consultation</li> <li>• Cost of SIM cards and mobile handsets (if beneficiaries do not have access) would also be required – varies based on network provider</li> </ul>	<ul style="list-style-type: none"> <li>• Fees for cash out are 0.5% of the transaction amount (could be added to the transfer value by the agency to prevent the beneficiary incurring this cost) for biometric accounts/agent accounts (DBBL)</li> </ul>	<ul style="list-style-type: none"> <li>• Appears to be no fees related to issuing or cashing in cheques</li> <li>• Fees for remittance agents vary and unclear if this would be negotiable at a central level, but often very high cost. For example, to transfer to Bangladesh for collection, 5000 – 8000 BDT entails a 11 USD fee for MoneyGram for each transfer.</li> <li>• Not clear if there are regulations governing fees that can be charged by vendors doing cash out (but would likely need to be negotiated with vendors with relevant permissions to offer cash out services).</li> </ul>	<ul style="list-style-type: none"> <li>• Card production fees (depends on FSP, Post Office Cash Cards are around 150 BDT per card / 2 USD; other FSPs (e.g. Shimanto) did not share financial information)</li> <li>• Transaction fees apply (could be added to the transfer amount by agencies) though these were not shared by FSPs</li> <li>• Not clear if transaction fees could be negotiated by agencies (e.g. to reduce the rate given the humanitarian nature of the service) nor if fees could be shared/reduced if multiple agencies load the same cards</li> </ul>	<ul style="list-style-type: none"> <li>• No costings available from FSPs (challenging to get information outside of a more formal tender process), but would likely require card production costs and transaction fees.</li> </ul>	<ul style="list-style-type: none"> <li>• No specific costs from agencies available, but would entail additional human resources, logistics (to transport cash), organization of safe/secure distribution locations and verification of beneficiaries to be done all directly by the agency</li> <li>• No limit to transfer size apart from based on security/risk thresholds</li> </ul>	<ul style="list-style-type: none"> <li>• Fees not clear from FSPs (not easy to get prices without formal bids/proposals for tailored services) as this is not a standard service usually offered</li> <li>• Post Office have a few system based on the transfer amount (e.g. first 100 BDT costs 5 BDT to transfer, and then 2 BDT for every 100 after that) – not clear if this could be negotiated and what other costs would be involved (e.g. if they needed to mobilise additional human resources)</li> </ul>	<ul style="list-style-type: none"> <li>• Agencies reported additional human resource requirements for enrollment/registration exercises, card distributions, orientation/training of beneficiaries and monitoring of vendors and troubleshooting during redemption periods</li> <li>• Fees for e-voucher platforms vary based on the caseload size (for Red Rose) – from 2-4% of the transfer amount, plus costs for training of staff and vendors, equipment costs if needed (e.g. PoS devices/ smartphones for vendors) and card production</li> </ul>	<ul style="list-style-type: none"> <li>• Likely no additional fees aside from staffing required and voucher printing.</li> <li>• Red Rose offer a customizable paper voucher template (0.15 to 0.30 USD per voucher)</li> <li>• Agencies would likely require additional human resources for voucher distribution each time, monitoring of vendors during redemption and reconciliation</li> </ul>	

								<ul style="list-style-type: none"> <li>• Card production costs vary (for Red Rose ranges from 1 to 2.4 USD depending on customization and functionality) - could be shared across agencies if well coordinated</li> <li>• A number of agencies had engaged with WFP to understand the SCOPE platform but WFP fee structures for platform users weren't in place yet</li> </ul>	
Infrastructure / service requirements	<ul style="list-style-type: none"> <li>• SIM card registered to beneficiary and mobile handset</li> <li>• Mobile bank account registered to beneficiary</li> <li>• National ID card required for the above</li> <li>• Mobile network coverage in target locations</li> <li>• Agent coverage in target locations</li> </ul>	<ul style="list-style-type: none"> <li>• Agent/biometric bank account registered to beneficiary</li> <li>• National ID card required for the above</li> <li>• Agent coverage (with required e-POS devices and electricity) in target locations</li> </ul>	<ul style="list-style-type: none"> <li>• Physical access to remittance agency or bank branches by target beneficiaries.</li> <li>• Valid photo ID for cheques over 5,000 BDT and all remittance agency transfers (TBC)</li> </ul>	<ul style="list-style-type: none"> <li>• Physical access to relevant Post Office Branches/Offices by target beneficiaries.</li> <li>• National ID of recipient to register Post Office Cash Card</li> <li>• Valid ID / registration card/document from relevant agency (e.g. UN/NGO) to enable personalization of cards and verification/enrollment by FSP (as reported by Shimanto)</li> <li>• Coverage of FSPs in target locations to install agents/tellers for cash out with related Point of Sale (PoS) devices</li> <li>• Likely internet connection required for beneficiary registration/enrollment by FSP when cards are first registered/activated</li> </ul>	<ul style="list-style-type: none"> <li>• Valid ID / registration card/document from relevant agency (e.g. UN/NGO) to enable personalization of cards and activation of beneficiary wallet by FSP</li> <li>• Coverage of FSPs in target locations to install agents for cash out with related smartphone and internet connectivity to enable scanning of QR Code Cards and recording of cash out.</li> <li>• Relies on Near Field Communication (NFC) technology</li> </ul>	<ul style="list-style-type: none"> <li>• Safe/accessible distribution location</li> <li>• Adequate/trained staff</li> </ul>	<ul style="list-style-type: none"> <li>• Safe/accessible distribution location</li> <li>• Adequate/trained staff</li> <li>• If bank requires their own verification of recipients then internet may be required (e.g. if registering and cross checking directly)</li> </ul>	<ul style="list-style-type: none"> <li>• PoS devices for vendors with facilities to access internet connectivity for upload of transaction data</li> <li>• Accessible and safe locations for card distributions and beneficiary orientation (e.g. Oxfam planning to do this in groups of 10 beneficiaries due to congestion in the camps)</li> <li>• Accessible vendor locations with adequate choice of items for beneficiaries to redeem vouchers against</li> <li>• Staffing to monitor redemption and troubleshoot issues</li> <li>• Vendors with capacity and willingness to establish operations in camp/settlement areas (with registration)</li> </ul>	<ul style="list-style-type: none"> <li>• Voucher printing</li> <li>• Safe/accessible distribution location and redemption points/shops</li> <li>• Staffing to monitor redemption and troubleshoot issues</li> </ul>
Possible FSPs available	<ul style="list-style-type: none"> <li>• bKash (BRAC subsidiary)</li> <li>• Rocket (Dutch Bangla Bank Limited [DBBL] subsidiary)</li> <li>• United Commercial Bank (UCB)</li> <li>• IFIC</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Dutch Bangla Bank Limited (DBBL) – biometric account</li> <li>• United Commercial Bank (UCB) through Upay system – biometric account</li> <li>• Sonali Bank – bank accounts<sup>73</sup></li> </ul>	<ul style="list-style-type: none"> <li>• BRAC Bank</li> <li>• Dutch Bangla Bank (DBBL)</li> <li>• United Commercial Bank (UCB)</li> <li>• Other banks (for cheques)</li> <li>• MoneyGram</li> <li>• Western Union</li> <li>• Other remittance companies</li> <li>• Post Office Electronic Money Transfer Service (EMTS)</li> </ul>	<ul style="list-style-type: none"> <li>• Post Office (pre-paid cash card)</li> <li>• Shimanto Bank (pre-paid card)</li> <li>• No other FSPs mentioned pre-paid cards as an option in Bangladesh but requires further exploration.</li> </ul>	<ul style="list-style-type: none"> <li>• United Commercial Bank (UCB) through UPay system</li> <li>• No other FSPs mentioned this option, but should be explored further</li> </ul>	N/A	<ul style="list-style-type: none"> <li>• Brac Bank</li> <li>• Post Office</li> </ul>	<ul style="list-style-type: none"> <li>• Red Rose</li> <li>• SCOPE (not a service provider <i>per se</i> but agencies can sign service agreements with WFP to access the platform)</li> </ul>	<ul style="list-style-type: none"> <li>• N/A (though Red Rose offer printed vouchers with basic security features and barcodes for more automated reconciliation)</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Well established service in Bangladesh used by a range of national and international NGOs and agencies and offered by a range of FSPs</li> <li>• Wide coverage across the country only limited by mobile phone coverage, and physical accessibility of agents to target locations. In addition to agents, beneficiaries can use FSP offices/branches and</li> </ul>	<ul style="list-style-type: none"> <li>• More accessible than mobile banking as removes the requirement for a SIM card and mobile handset registered to the beneficiary</li> <li>• FSPs reported ability to establish new agents in target locations or mobile agents to distribute on agreed dates/times to beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't require beneficiaries to have a bank account to receive payments</li> <li>• Flexible withdrawal system (in terms of beneficiaries going to any branch to cash in cheques or receive payments from remittance agency)</li> <li>• Provides access to unrestricted cash to enable beneficiaries to prioritise multiple needs</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-paid card offered by FSP (e.g. Shimanto) doesn't require a national ID to access a card</li> <li>• Provides access to unrestricted cash to enable beneficiaries to prioritise multiple needs, as well as use at participating vendors with relevant PoS devices (for both</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't require a national ID to access a card or beneficiary wallet</li> <li>• Provides access to unrestricted cash to enable beneficiaries to prioritise multiple needs</li> <li>• Enables multiple batch loading to large caseload once initial card</li> </ul>	<ul style="list-style-type: none"> <li>• No ID or KYC requirement (based on agency decision) therefore accessible to all populations irrespective of legal status</li> <li>• Quick / instant delivery of cash</li> <li>• Provides access to unrestricted cash to</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces risk for agency and partner staff in transporting and distribution cash</li> <li>• Relatively quick distribution of cash to beneficiaries (e.g. no account set up or wallet activation required)</li> <li>• Requires agreement on ID and verification process</li> </ul>	<ul style="list-style-type: none"> <li>• Provides some choice to beneficiaries in the absence of unrestricted cash options.</li> <li>• Can provide more accurate expenditure information (transaction records) to inform programming and modality choice in future</li> </ul>	<ul style="list-style-type: none"> <li>• Depending on the type of voucher (value vs commodity) can provide some choice to beneficiaries</li> <li>• Can reduce logistics required for in-kind distributions</li> <li>• No KYC restrictions (as with e-vouchers</li> </ul>

<sup>73</sup> Rahman, Suvro, Ahmad (2016), 'Cash Transfer Programme in Bangladesh: Looking Through the ELNHA Lens', Oxfam, Available at: <http://www.cashlearning.org/downloads/ctp-situation-analysis-in-bangladesh.pdf>

<p>ATMs to cash out and access other account services.</p> <ul style="list-style-type: none"> <li>• Seems to be limited or no capacity issues of main FSPs (e.g. bKash and DBBL) in terms of liquidity and ensuring availability of agents in the target locations (as reported by them)</li> <li>• Additional services reportedly offered by FSPs, including orientation of beneficiaries on using their mobile bank account by their agents in the field, 24/7 hotline accessible directly by beneficiaries to reset PIN and report lost/stolen phones/SIM cards (though not toll free)</li> <li>• Wider benefits of improving access to financial services and improved financial literacy if used for multiple transfers over time and combined with the right orientation for beneficiaries</li> <li>• Reportedly offers a range of benefits, including feelings of empowerment, particularly among female and marginalized beneficiaries who would otherwise not have any access to financial services</li> <li>• Offers range of financial services to beneficiaries (not only cash out), including cash in (savings), person to person transfers, receipt of remittances, paying for goods at vendors, airtime top-up</li> <li>• Once accounts are set-up for beneficiaries, transfer process is fast and efficient (e.g. bulk transfers) and can be initiated by agencies quickly (either through an online portal of the FSP or email)</li> <li>• Relatively low set-up costs (aside from human resources required to orient beneficiaries and work alongside MNO and FSPs to distribute SIM cards, if needed, and open mobile bank accounts/complete KYC forms)</li> <li>• FSPs willing to work with humanitarian agencies to deliver assistance (added benefit for them to expand their client base), however this only applies if there are clear regulations or exceptions issued by the Central Bank of Bangladesh for the Rohingya population</li> <li>• Ensuring that target beneficiaries have an active and working SIM card could facilitate and streamline information sharing to the refugee population on other services as well as regular contact if movement continues (e.g. currently reports of a lot of regular</li> </ul>	<ul style="list-style-type: none"> <li>• Transaction limits reported by FSPs are less limiting than with mobile bank accounts (and therefore more flexibility for sector specific transfers that may require a higher transfer amount for specific needs)</li> <li>• Wider benefits of improving access to financial services and improved financial literacy if used for multiple transfers over time and combined with the right orientation for beneficiaries</li> <li>• Reportedly offers a range of benefits, including feelings of empowerment, particularly among female and marginalized beneficiaries who would otherwise not have any access to financial services</li> <li>• Offers range of financial services to beneficiaries (not only cash out), including cash in (savings), person to person transfers, receipt of remittances, paying for goods at vendors, airtime top-up</li> <li>• Once accounts are set-up for beneficiaries, transfer process is fast and efficient (e.g. bulk transfers) and can be initiated by agencies quickly (either through an online portal of the FSP or email)</li> <li>• Relatively low set-up costs (aside from human resources required to orient beneficiaries and work alongside FSP to open accounts/complete KYC forms)</li> <li>• Removes the need to coordinate and sign agreements with Mobile Money Operators (MNOs) as may be required for mobile money transfers</li> <li>• FSPs willing to work with humanitarian agencies to deliver assistance (added benefit for them to expand their client base), however this only applies if there are clear regulations or exceptions issued by the Central Bank of Bangladesh for the Rohingya population</li> </ul>	<ul style="list-style-type: none"> <li>• Cheques under 5,000 BDT don't require a national ID at the point of cash out</li> <li>• Minimizes delivery risks for agencies as an FSP responsible for delivery (assuming with appropriate recording of transactions/cash out in place)</li> </ul>	<p>Post Office and FSP pre-paid cards)</p> <ul style="list-style-type: none"> <li>• Enables multiple batch loading to large caseload once initial card distributions have been completed</li> <li>• Possibility to deliver cash directly to beneficiary locations (e.g. distribution points can be established by FSP if infrastructure required is feasible) removing the requirement of beneficiaries to travel to ATMs or bank branches to collect payments (for Shimanto option, NOT Post Office)</li> <li>• Relatively new system so potential to shape according to agency/NGO needs with FSPs, as well as to influence regulations surrounding customer verification.</li> </ul>	<p>distributions have been completed</p> <ul style="list-style-type: none"> <li>• Possibility to deliver cash directly to beneficiary locations (e.g. distribution points can be established by FSP if infrastructure required is feasible) removing the requirement of beneficiaries to travel to ATMs or bank branches to collect payments (as would be required with other OTC options considered here)</li> <li>• Relatively new system so potential to shape according to agency/NGO needs with FSPs, as well as to influence regulations surrounding customer verification.</li> </ul>	<p>enable beneficiaries to prioritise multiple needs</p> <ul style="list-style-type: none"> <li>• Minimal costs for beneficiaries (e.g. transportation) depending on distribution locations established by agencies</li> <li>• Familiar and acceptable to all population groups</li> <li>• No additional requirements of agreement/contract with an FSP or procurement process to follow (and no service fees/transaction fees applicable)</li> </ul>	<p>with the FSP (e.g. if this will be the responsibility of the agency or the FSP) – so potentially can use NGO/agency issued ID card for distributions</p>	<ul style="list-style-type: none"> <li>• No KYC restrictions – identification and verification of beneficiaries is at the discretion of the agency (though still requires same agreement on minimum standards and coordination as programmes scale up). Therefore, accessible to all populations irrespective of legal status</li> <li>• Assures availability of key commodities to meet demand (where there are concerns about the capacity of local markets in certain settlements/camps to respond)</li> <li>• May have some multiplier effects for local population inside camps/settlements (e.g. WFP reported vendors employing casual labourers to assist during redemption, for moving goods etc. that were mainly from the Rohingya population)</li> </ul>	<p>and direct cash delivery)</p> <ul style="list-style-type: none"> <li>• Assures availability of key commodities to meet demand (where there are concerns about the capacity of local markets in certain settlements/camps to respond)</li> </ul>	
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	movement by refugees within the area making it potentially difficult in future to track and monitor beneficiary caseloads for regular transfers)									
Disadvantages	<ul style="list-style-type: none"> <li>Requires a national ID to register a SIM card and also to open a mobile bank account (limited exceptional cases mentioned if individuals have a birth certificate but only for Bangladeshi nationals)</li> <li>Physical accessibility of agents to target locations has been a challenge previously (e.g. in the event of natural disasters)</li> <li>Mobile network coverage required and absence or interruptions to coverage can delay transaction times</li> <li>Takes time to register SIMs (if beneficiary not already in possession of a SIM registered to them) and to open mobile bank accounts for beneficiaries (can take up to a month for this process, and possibly longer depending on the size of the caseload and location of beneficiaries)</li> <li>Potential unfamiliarity of beneficiaries with mobile money and related services – requires more time for orientation and closer follow-up with beneficiaries in the case of lost/stolen SIMs, forgotten PINs, lack of understanding on the cash out process</li> <li>In past experience some beneficiaries have reported having to travel long distances to access agents / cash out points (could be addressed through specific agreements with FSPs to deploy mobile agents to target areas and establish more distribution points to reduce travel time)</li> </ul>	<ul style="list-style-type: none"> <li>Requires national ID to open an account for the beneficiary, including conducting KYC by the FSP</li> <li>Same challenges in terms of physical accessibility of agents to target locations applies</li> <li>More limited network of FSPs engaged in providing this service, and limited network of agents currently equipped with e-POS devices</li> <li>Will take time for recruitment and establishment of additional agents by FSP, and subsequent opening of beneficiary accounts</li> <li>Potential unfamiliarity of beneficiaries with biometric banking services – requires time for orientation of beneficiaries and follow-up in case there is confusion about the process</li> <li>Could require beneficiary travel to agents if infrastructure required is not available in target locations</li> <li>Less utilized by humanitarian agencies so limited lessons learnt and experience of addressing potential challenges</li> </ul>	<ul style="list-style-type: none"> <li>Requires beneficiaries to be able to physically access branches of selected FSP (bank or remittance agency) – challenging for those with movement restrictions (e.g. Rohingya refugees) or particularly vulnerable groups with limited mobility, and also those in remote/rural locations.</li> <li>Cheques above 5,000 BDT require valid photo ID from the recipient</li> <li>Remittance agents require valid photo ID from the recipient for all payments</li> <li>Remittance agency costs/transaction fees are high</li> <li>Requires support from agency to beneficiaries to understand cash out process (e.g. in cashing in cheque and/or filling out relevant forms)</li> <li>Past experience has entailed lengthy process for distribution (e.g. up to 2 months for cash delivery), including challenges faced by local bank branches in having sufficient cash available<sup>74</sup></li> <li>Risks faced by beneficiaries travelling back from bank/agency branches after collecting cash</li> <li>Additional travel costs associated with accessing branches/offices</li> </ul>	<ul style="list-style-type: none"> <li>Post Office Pre-Paid Cash Card only accessible to Bangladeshi nationals with required national ID, passport or driving license</li> <li>Post Office Pre-Paid Cash Card required beneficiaries to be able to physically access Post Office Branches able to accept pre-paid cash transactions (pending roll out to ATMs and other vendors)</li> <li>Pre-paid cards don't seem to be offered by a wider range of FSPs yet (e.g. limited alternatives to Shimanto Bank identified to date)</li> <li>Regulations for FSPs on pre-paid cards and provision of these services to Rohingya refugees not clear as of yet. Will likely require a specific directive/circular from the Central Bank of Bangladesh to clarify before other FSPs are willing to propose these services</li> <li>Given that it's a relatively new service not yet piloted would likely take time to set-up and require a pilot before scale-up</li> </ul>	<ul style="list-style-type: none"> <li>Smart cards don't seem to be offered by a wider range of FSPs yet (e.g. only one FSP, UCB, mentioned this option to date)</li> <li>Regulations for FSPs on Smart Cards and provision of these services to Rohingya refugees not clear as of yet. Will likely require a specific directive/circular from the Central Bank of Bangladesh to clarify before other FSPs are willing to propose these services</li> <li>Given that it's a relatively new service not yet piloted would likely take time to set-up and require a pilot before scale-up</li> </ul>	<ul style="list-style-type: none"> <li>Can be high risk with significant security issues if not appropriately organized, planned or without local authority involvement</li> <li>More prone to corruption, mishandling, diversion</li> <li>More prone to theft (e.g. during transportation of cash by agencies)</li> <li>Not necessarily scalable as limited by risk thresholds, and capacity of agencies doing the distribution</li> <li>Relies on each agency to set own internal processes for beneficiary identification and verification before and at the point of distribution. Potentially more difficult to coordinate/identify a unique identifier for beneficiary households if not planned in from early stages of the programme</li> </ul>	<ul style="list-style-type: none"> <li>Can still be high risk in terms of security issues if not appropriately organized, or planned</li> <li>Potential that FSPs would insist on local authority/army involvement to (risks of affecting neutrality/impartiality of agencies)</li> <li>May not be easily scalable if FSPs don't agree to multiple/regular/large-scale transfers</li> </ul>	<ul style="list-style-type: none"> <li>Restricts items beneficiaries can purchase so limited flexibility and beneficiaries unable to cover other needs that require hard cash (e.g. debt repayment, health services or items not available in selected vendor shops etc.)</li> <li>Likely to provide wider benefit to limited number of registered medium and large vendors/wholesalers from outside the camps which may have limited multiplier effects on local petty traders/Rohingya inside the camps (and therefore suppress development of local markets?)</li> <li>Requires more human resources and intensive monitoring of vendors throughout redemption (in terms of price, availability, quality of items, treatment of beneficiaries etc.)</li> <li>Transaction times may be problematic (as reported by Oxfam – though not implemented yet) as vendors have to follow multiple steps to complete a transaction – not as quick as cash transactions so may further limit the number of beneficiaries that can be served / require more sales points to prevent crowding</li> </ul>	<ul style="list-style-type: none"> <li>Restricts items beneficiaries can purchase so limited flexibility and beneficiaries unable to cover other needs that require hard cash (e.g. debt repayment, health services or items not available in selected vendor shops etc.)</li> <li>Likely to provide wider benefit to limited number of registered medium and large vendors/wholesalers from outside the camps which may have limited multiplier effects on local petty traders/Rohingya inside the camps (and therefore suppress development of local markets?)</li> <li>Requires more human resources and intensive monitoring of vendors throughout redemption (in terms of price, availability, quality of items, treatment of beneficiaries etc.), and also to distribute if used for multiple transfers</li> </ul>	
Risks / Challenges	<ul style="list-style-type: none"> <li>Rohingya refugee population unable to meet KYC requirements (national ID, passport or driving license required) to either register a SIM card or open a mobile bank account</li> <li>Anecdotal reports of vendors being prevented from selling SIM cards to Rohingya refugees by the</li> </ul>	<ul style="list-style-type: none"> <li>Rohingya refugee population unable to meet KYC requirements (national ID, passport or driving license required) to open an account</li> <li>Willingness (and ability) of FSPs to establish mobile agents in camp and makeshift settlement sites unclear</li> </ul>	<ul style="list-style-type: none"> <li>Even if a national ID is not required to cash in cheques below 5,000 BDT, likely that FSPs would need directive from the Central Bank or Government of Bangladesh to enable large scale payments to Rohingya refugees (based on comments from FSPs)</li> </ul>	<ul style="list-style-type: none"> <li>Even if national ID is not required for pre-paid cards issued by FSPs (such as Shimanto Bank), likely that additional clarification would be needed from the Central Bank on KYC requirements for the Rohingya population specifically</li> </ul>	<ul style="list-style-type: none"> <li>Even if national ID is not required for Smart Cards issued by FSPs, it's likely that additional clarification/ authorization would be needed from the Central Bank on KYC requirements and related regulations for the Rohingya population</li> </ul>	<ul style="list-style-type: none"> <li>Capacity, and experience, of local / national organisations in implementing cash transfer programmes still limited (if relying on local actors as the main distributor)<sup>75</sup></li> </ul>	<ul style="list-style-type: none"> <li>Capacity/ experience of FSP/banks to adequately perform these services still unclear</li> <li>Operational realities of the makeshift settlements and camps where the majority of Rohingya refugees are residing</li> </ul>	<ul style="list-style-type: none"> <li>Mostly small traders with limited financial capital in the areas where most refugees are residing. Therefore it will likely be difficult to contract with these types of traders for voucher programmes</li> </ul>	<ul style="list-style-type: none"> <li>More prone to fraud / error due to manual reconciliation process required</li> <li>Same as e-vouchers</li> </ul>	

<sup>74</sup> Rahman, Suvro, Ahmad (2016), 'Cash Transfer Programme in Bangladesh: Looking Through the ELNHA Lens', Oxfam, Available at: <http://www.cashlearning.org/downloads/ctp-situation-analysis-in-bangladesh.pdf>

<sup>75</sup> Ibid.



	<p>authorities, and subsequently of only one MNO SIM card (government TeleTalk) being authorized for sale to Rohingya Refugees</p> <ul style="list-style-type: none"> <li>• Unfamiliarity with mobile banking services among the target population requiring closer follow up and accessible feedback mechanism to resolve issues (e.g. forgotten PINs)</li> <li>• Willingness of FSPs to establish mobile agents in camp and makeshift settlement sites unclear (not discussed given that currently Rohingya refugees cannot access their services)</li> <li>• Actual capacity of agents (liquidity/availability of physical cash) unclear in target areas</li> <li>• Transaction amounts may require multiple cash outs by beneficiaries if larger transfers provided (e.g. for shelter support packages) depending on the FSP used</li> <li>• Not really appropriate for rapid emergency response due to the set up time required</li> </ul>	<ul style="list-style-type: none"> <li>• Actual capacity of agents (liquidity/availability of physical cash) unclear in target areas</li> <li>• Not really appropriate for rapid emergency response due to the set-up time required (but potentially quicker to set-up than mobile money as doesn't require SIM registration step)</li> </ul>	<ul style="list-style-type: none"> <li>• Appears that Rohingya refugees are likely unable to meet ID requirements for remittance agencies</li> <li>• Likely that Rohingya refugees would face considerable challenges travelling to bank branches and remittance offices to collect payments due to check points on main routes to/from main makeshift settlements and camps</li> <li>• Bank branch and remittance office capacities to serve large caseload unclear (e.g. availability of branches in accessible locations, and presence of adequate staff and physical availability of cash)</li> <li>• FSPs may not be willing to offer regular payments to large caseloads given additional pressure it would place on local branches</li> <li>• Accessibility for Bangladeshi nationals/host community to branches/offices might be challenging in rural/more remote areas and familiarity with accessing these services would require additional support from agency staff and FSP staff (therefore limiting the number of beneficiaries that could be served in one day)</li> </ul>	<ul style="list-style-type: none"> <li>• Shimanto Bank is owned by the national Border Guard of Bangladesh, therefore this should be considered in a risk assessment/analysis prior to engagement with the FSP (either collectively by cash actors/humanitarian stakeholders or by individual agencies)</li> <li>• Capacity of FSPs related to pre-paid cards not clear given that this is a relatively new service/approach, particularly in the target locations</li> <li>• Accessibility for Bangladeshi nationals/host community to branches/offices of the Post Office might be challenging in rural/more remote areas and familiarity with accessing these services would require additional support from agency staff and Post Office staff</li> <li>• Would require time to set-up and pilot</li> </ul>	<p>specifically. This is particularly relevant for more FSPs to consider this option as a service they can offer</p> <ul style="list-style-type: none"> <li>• Capacity of FSPs related to smart cards not clear given that it's a relatively new service/approach in the target locations</li> <li>• Would require time to set-up and pilot</li> </ul>	<ul style="list-style-type: none"> <li>• Operational realities of the makeshift settlements and camps where the majority of Rohingya refugees are residing poses significant challenges for organization of safe/secure distribution points. Particularly in prevention of overcrowding given the population density in these areas.</li> <li>• Irrespective of KYC or regulatory requirements being absent, agencies still require governmental approval for all interventions so challenges may still be faced in getting approval/acceptance for direct cash delivery to the Rohingya population (and if scaled up this becomes more challenging to 'keep under the radar' of authorities)</li> </ul>	<p>poses significant challenges for organization of safe/secure distribution points. Particularly in prevention of overcrowding given the population density in these areas.</p> <ul style="list-style-type: none"> <li>• Irrespective of KYC or regulatory requirements being absent, agencies still require governmental approval for all interventions so challenges may still be faced in getting approval/acceptance for direct cash delivery to the Rohingya population (and if scaled up this becomes more challenging to 'keep under the radar' of authorities, also with involvement of FSPs they may require more explicit guidance or direction from the Central Bank)</li> </ul>	<p>and assure supply<sup>76</sup>. In future stages would be beneficial to consider how to expand the type of vendors able to participate.</p> <ul style="list-style-type: none"> <li>• Potentially capacity issues of vendors contracted if not well coordinated among agencies rolling out e-voucher programmes</li> <li>• Logistics of vendors getting supplies into the camps given the infrastructure available and congestion. May be challenging to select shop locations that are accessible for goods as well as beneficiaries while camps remain congested</li> <li>• If multiple e-voucher programmes are established with insufficient coordination on targeting, transfer amounts, and sectoral focus, then there is potential for duplication, inconsistency and also confusion among the target population<sup>77</sup>.</li> </ul>		
Recommendations	<ul style="list-style-type: none"> <li>• Not currently suitable for delivery of cash transfers to Rohingya refugee population unless they have a valid national ID (e.g. potentially Rohingya who have been residing in Bangladesh for a number of decades)</li> <li>• Feasible and appropriate for multiple transfers targeting host populations if they have the required national ID (likely given that they are not displaced or affected by natural disasters that might result in a loss of ID documents)</li> <li>• Additional engagement on data protection policies and requirements required with FSPs (ideally harmonized across humanitarian agencies) to ensure particularities of this context are accounted for and to avoid doing harm</li> <li>• Engagement with Central Bank of Bangladesh (in collaboration with FSPs) on potential adjustments to</li> </ul>	<ul style="list-style-type: none"> <li>• Not currently suitable for delivery of cash transfers to Rohingya refugee population unless they have a valid national ID (e.g. potentially Rohingya who have been residing in Bangladesh for a number of decades)</li> <li>• Potential alternative to mobile money transfers for host populations if they have the required national ID but do not have access to a SIM card or mobile phone handset</li> <li>• Additional engagement on data protection policies and requirements required with FSPs (ideally harmonized across humanitarian agencies) to ensure particularities of this context are accounted for and to avoid doing harm</li> <li>• Engagement with Central Bank of Bangladesh (in collaboration with FSPs) on potential adjustments to KYC requirements (e.g. acceptance</li> </ul>	<ul style="list-style-type: none"> <li>• Likely not the most feasible option for host or Rohingya populations given the restrictions on transfer sizes of cheques (e.g. 5000 BDT per cheque) and the requirement for recipients to be present in a physical bank branch to cash in cheques.</li> <li>• Possibility to further explore with particular remittance agencies at a national level if they would be willing to reduce transaction fees, and also open additional branches/agents closer to beneficiary locations (e.g. mobile cash out points). If feasible, then clarification needed on acceptable forms of 'valid photo ID' and whether an NGO/UN issued photo ID would be acceptable, or temporary government issued IDs (e.g. individual photo cards issued to Rohingya by Ministry of Home Affairs [MoHA])</li> <li>• Engagement with Central Bank of Bangladesh and other relevant</li> </ul>	<ul style="list-style-type: none"> <li>• Post Office Cash Card not feasible for non-Bangladeshi nationals (e.g. Rohingya refugees), but potential to explore for regular transfers to host population if Post Office can ensure adequate coverage, capacity and accessibility to relevant services by the local population in target areas</li> <li>• Pre-paid cards warrant more exploration in relation to delivery to Rohingya refugees, and at present (along with Smart Cards) seem like the most feasible option for regular, medium-long term delivery if the below steps are taken.</li> <li>• Engage with Central Bank of Bangladesh for clear guidance on KYC requirements for Rohingya population to access pre-paid card services. Involve FSPs in this</li> </ul>	<ul style="list-style-type: none"> <li>• Smart cards appear to be the most feasible option for regular, medium-term delivery of cash transfers to the Rohingya population. However, it warrants more exploration and will require similar steps to be taken as pre-paid cards before this can be implemented</li> <li>• Engage with Central Bank of Bangladesh for clear guidance on KYC requirements for Rohingya population to access smart card services. Involve FSPs in this discussion, and ensure coordinated engagement across different humanitarian agencies (e.g. likely requires engagement with Ministry of Finance prior to discussion with the Regulator [Central Bank])</li> </ul>	<ul style="list-style-type: none"> <li>• Currently the only feasible option for immediate delivery of cash to all populations irrespective of nationality/legal status in country (while clarifications on the regulatory environment in relation to Rohingya refugee access to other types of payment mechanisms are ongoing)</li> <li>• Agencies should begin discussions on agreeing basic standards and shared approaches to beneficiary identification and verification to enable coordination (e.g. prevention of overlap between agencies and within households – particularly given the ongoing movement of families within the areas) and also to demonstrate</li> </ul>	<ul style="list-style-type: none"> <li>• Currently a feasible option to enable quick delivery of cash to the Rohingya population (with reduced risk to agency staff) but will require time for identification and negotiations with FSPs who are willing and able to offer this service</li> <li>• Would be good for agencies who are piloting this approach (i.e. UNHCR and possibly IOM for incentive payments) to share information on the set-up process, implementation and any lessons learnt/challenges with other cash actors via the Cash WG – particularly to inform further discussion on scalability of this delivery mechanism</li> <li>• Agencies should begin discussions on agreeing</li> </ul>	<ul style="list-style-type: none"> <li>• E-vouchers are the most feasible option in the short term for scale-up and accessible to all populations irrespective of nationality/legal status (requiring no clarifications on the regulatory framework), however they more not adequately address beneficiary needs given the restrictions</li> <li>• Agencies should begin discussions on agreeing basic standards and shared approaches to beneficiary identification and verification to enable coordination (e.g. prevention of overlap between agencies and within households – particularly given the</li> </ul>	<ul style="list-style-type: none"> <li>• Paper vouchers not really recommended when e-voucher solutions (and potentially other options for delivering unrestricted cash) are available</li> </ul>	

<sup>76</sup> WFP, VAM, Food Security Sector Bangladesh (2017), 'Market Assessment in Cox's Bazar: Implications for MarketBased Interventions Targeted to Rohingya Refugees and Host Communities', Available on Cox's Bazaar Cash Working Group Google Drive

<sup>77</sup> For example, WFP food vouchers are calculated based on the number of individuals in the HH (e.g. amount per individual), whereas Oxfam's fresh food vouchers are provided on the basis of 5 individuals or less, and 6 or more in the household. WFP's vouchers will also cover some fresh food items and will be blanket coverage, whereas Oxfam's fresh food vouchers will be targeted and also cover fresh food items. UNHCR are planning to provide one transfer amount for all HHs for their winterisation cash assistance based on an average HH size of 5-6

	<p>mobile finance service regulations (e.g. acceptance of alternative ID instead of national ID)</p>	<p>of alternative ID instead of national ID)</p> <ul style="list-style-type: none"> <li>Coordinated discussion to explore capacity and set-up timeframes with FSPs if this option will be seriously considered by humanitarian agencies for either delivery to host communities or for delivery to Rohingya refugees (if KYC issue is resolved)</li> </ul>	<p>regulators (via Ministry of Finance?) to clarify acceptable photo ID for cheques and remittance payments if needed by FSPs for Rohingya population (e.g. through exceptional directive for Rohingya population)</p> <ul style="list-style-type: none"> <li>Explore further the regulatory environment around vendors providing cash out to clarify (e.g. could provide a smaller cash top-up alongside e-voucher programming)</li> </ul>	<p>discussion, and ensure coordinated engagement across different humanitarian agencies (e.g. likely requires engagement with Ministry of Finance prior to discussion with the Regulator [Central Bank])</p> <ul style="list-style-type: none"> <li>Coordinated discussion among humanitarian actors needed to identify and agree an appropriate unique identifier and verification approach for the Rohingya population by humanitarian agencies (to ensure due diligence as well as enable coordination and prevention of duplication if cash interventions scale up)</li> <li>Explore with other FSPs if they could offer a similar service as that indicated by Shimanto (to enable competition, and also to explore options of more 'neutral' FSPs)</li> <li>Engage in more detailed coordinated discussions with FSPs who have potential to offer pre-paid card services to Rohingya refugees on technical specifications and associated costs (e.g. complaint response mechanism, dealing with lost/stolen cards, multiple agencies loading same card and cost/reporting models for this)</li> </ul>	<ul style="list-style-type: none"> <li>Coordinated discussion among humanitarian actors needed to identify and agree an appropriate unique identifier and verification approach for the Rohingya population by humanitarian agencies (to ensure due diligence as well as enable coordination and prevention of duplication if cash interventions scale up)</li> <li>Explore with other FSPs if they could offer a similar service as that indicated by UCB (to enable competition)</li> <li>Engage in more detailed coordinated discussions with FSPs who have potential to offer Smart Card services to Rohingya refugees on technical specifications and associated costs (e.g. complaint response mechanism, dealing with lost/stolen cards, multiple agencies loading same card and cost/reporting models for this)</li> <li>Coordinated discussions on pricing structures needed with FSPs for smart card delivery to ascertain cost effectiveness</li> </ul>	<p>minimum due diligence to ease process of government acceptance and inform alternative KYC discussions for other delivery mechanisms (within the Cash Working Group)</p> <ul style="list-style-type: none"> <li>Agree on common communication messaging among actors as cash transfers are scaled up (particularly related to targeting, purpose of the transfer etc.)</li> <li>Feasible for use to deliver cash transfers to limited caseload (e.g. for one off or regular distributions for example linked to protection objectives/GBV cases etc.)</li> </ul>	<p>basic standards and shared approaches to beneficiary identification and verification to enable coordination (e.g. prevention of overlap between agencies and within households – particularly given the ongoing movement of families within the areas) and also to demonstrate minimum due diligence to ease process of government acceptance and inform alternative KYC discussions for other delivery mechanisms (within the Cash Working Group)</p> <ul style="list-style-type: none"> <li>Agree on common communication messaging among actors as cash transfers are scaled up (particularly related to targeting, purpose of the transfer etc.)</li> </ul>	<p>ongoing movement of families within the areas) and also to demonstrate minimum due diligence to ease process of government acceptance and inform alternative KYC discussions for other delivery mechanisms (within the Cash Working Group)</p> <ul style="list-style-type: none"> <li>Agree on common communication messaging among actors as cash transfers are scaled up (particularly related to targeting, purpose of the transfer etc.)</li> <li>Cash Working Group to facilitate discussions on harmonization of e-voucher transfer values, selection/choice of items and potentially facilitate wider coordination on vendor selection to prevent issues of overburdening small number of suppliers.</li> <li>Cash Working Group with relevant sectors to begin discussions on coordination of geographic coverage (seems to have been limited to date) and targeting of assistance</li> </ul>		
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