

# Partnering with Mobile Network Operators in Zimbabwe to deliver humanitarian cash transfers

A case study by CARE International



CASE STUDY

This programme is the first large-scale provision of humanitarian cash transfers through mobile money in Zimbabwe.



## Acknowledgements

This report was compiled by Donald Chauke (Gender Officer, CARE), Brighton Bhanzi (Field Supervisor, CARE), Emily Abel (Field Officer, CARE), Lindiwe Gabella (Cash Officer, WVI) and Cecilia Chawatama (Cash Officer, WVI) from Zimbabwe. It was edited by Clayton Mafuratidze (Monitoring and Evaluation Manager, CARE), Abel Whande (Team Leader, CARE) and Ciara O'Malley (Senior Cash and Markets Advisor, CARE).

## Acronyms

CARE	CARE International
DFID	Department for International Development
GPS/GIS	Global Positioning System/Geographical Information System
GSM	Global System for Mobile Communications
KYC	Know Your Customer
MFS	Mobile Financial Services
MNO	Mobile Network Operators
NGO	Non-Governmental Organisation
PIN	Personal Identification Number
POTRAZ	Post and Telecommunications Regulatory Authority of Zimbabwe
P2P	Person-to-Person
SIM	Subscriber Identification Module (SIM card)
WVI	World Vision International

© CARE International 2017

### Photos

Front cover: Cash Transfer Programme beneficiary Letwin Chisorochengwe buying food using her mobile wallet

(© Sally Cooper/CARE 2017)

Page 14: Cash Transfer Programme beneficiary Tsungirirai Madziro checking her mobile phone

(© Cynthia R Matonhodze/CARE 2017)

Back page: Mobile wallet agent Dorothy Shumba (right) and her employee Fungai Hove (left)

(© Sally Cooper/CARE 2017)

# Contents

<b>1</b>	<b>Introduction</b>	<b>4</b>
1.1	Background	4
1.1.1	A time of crisis in Zimbabwe	4
1.1.2	Why cash in Zimbabwe?	4
1.1.3	Programme design	4
1.1.4	MNOs' prior experience of delivering humanitarian cash transfers in Zimbabwe	5
1.2	Justification for the study	5
<b>2</b>	<b>Methodology</b>	<b>6</b>
<b>3</b>	<b>Implementation</b>	<b>6</b>
<b>4</b>	<b>Main implementation challenges in the first phase of the programme</b>	<b>6</b>
<b>5</b>	<b>Main findings</b>	<b>8</b>
5.1	Motivation for partnership from Econet/NetOne and CARE/WVI	8
5.2	Selection and contracting of MNOs	8
5.2.1	Selection of MNOs	8
5.2.2	Contracting of MNOs	8
5.3	What worked well in the partnership	8
5.3.1	Division of tasks within MNOs	8
5.3.2	Joint working and communication between CARE/WVI and the MNOs	9
5.3.3	MNO and CARE/WVI roles and responsibilities	10
5.3.4	MNOs' strategies to deal with the national liquidity crisis	10
5.3.5	Single contracting with the MNOs meant simplified and efficient engagement	11
5.4	Challenges in the partnership	11
5.4.1	Adaptation time and adequate allocation of resources	12
5.4.2	Line registration challenges	12
5.4.3	MNO reporting	12
5.4.4	Compliance with POTRAZ regulations	12
5.5	Other potential opportunities	13
5.5.1	Use of Nostro accounts	13
5.6	Opportunities created from MNOs' experiences	13
5.6.1	The story of Econet	13
5.6.2	The story of NetOne	13
<b>6</b>	<b>Conclusion</b>	<b>14</b>
<b>7</b>	<b>Recommendations for future programmes</b>	<b>15</b>

# 1 Introduction

## 1.1 Background

### 1.1.1 A time of crisis in Zimbabwe

In 2015-17, Zimbabwe was facing severe drought driven by one of the strongest El Niño events of the last three decades. The drought reduced households' subsistence production and income, constrained livelihood options and severely limited access to food as well as resulting in livestock deaths. During the course of the programme, a national liquidity crisis emerged, resulting in a depletion of hard cash nationally and a consequent rise in mobile money. Despite this context of multi-dimensional crisis, the cash transfer programme achieved significant impact at both the individual and the community level.

### 1.1.2 Why cash in Zimbabwe?

Worsening food security status and projections of crop deficits indicated the need for a food assistance intervention in Zimbabwe's southern provinces. CARE's decision to use cash transfers was based on an initial market assessment, evidence that Zambia would have an exportable surplus and analysis that food aid delivered as in-kind aid had been inappropriate in previous responses. In Zimbabwe, food aid has traditionally been delivered in the form of in-kind assistance by various humanitarian agencies. Whilst there are other agencies that have delivered humanitarian assistance as cash transfers, this has been primarily (but not exclusively) delivered using cash-in-transit.<sup>1</sup> Cash transfers are defined by the Cash and Learning Partnership as: "The provision of assistance in the form of money (either physical currency/cash or e-cash) to beneficiaries (individuals, households or communities). Cash transfers as a modality are distinct from both vouchers and in-kind assistance."<sup>2</sup>

### 1.1.3 Programme design

The Emergency Cash-First Response to Drought-Affected Communities in the Southern Provinces of Zimbabwe programme, which will be referred to as the cash transfer programme in this report, was implemented in four provinces (15 districts) across southern Zimbabwe. It was led by CARE International and also delivered by World Vision (WVI), with support from the UK Government Department for International Development (DFID). The programme's objective was to address the immediate food needs of vulnerable women and men, boys and girls by providing unconditional, multi-purpose cash transfers

that aimed to cover up to 70% of the household food basket. Each beneficiary was issued with a SIM card if they did not already own one. Their phone line was activated and their number registered on the mobile cash wallet platform. Recipients could use their e-wallets to 'cash out', transfer money to another person, make a purchase with a registered merchant and purchase airtime. The monthly transfer to each household was initially US\$5 per household member; this increased to \$7 in August 2016, with households on average receiving \$554.68 (total budget/direct recipients) through 17 payments.<sup>3</sup>

The programme began by supporting 67,200 households in the first phase and increased over time, eventually reaching 73,718 households (400,279 individuals) by May 2017. Despite a severe drought, a national cash crisis and a severe lack of physical cash, the programme succeeded in transferring an estimated \$40.9m (\$25.7m in the second phase) to 73,718 households (400,279 individuals) through mobile money, reaching households that had been selected through community-based targeting, including drought-affected areas. With over one million payments, **it is the largest ever humanitarian cash transfer programme to be carried out in Zimbabwe.**

The districts covered by the programme were Lupane, Nkayi and Umguza in Matebeleland North Province; Beitbridge, Gwanda, Insiza, Matobo and Umzingwane in Matebeleland South; Gokwe North, Gokwe South, Mberengwa and Shurugwi in Midlands Province; Gutu, Masvingo Rural and Zaka in Masvingo Province. Econet/EcoCash covered all 15 districts. In Lupane and Insiza districts, coverage was shared between NetOne and Econet. WVI covered the districts in Matebeleland North and Matabeleland South provinces while CARE was responsible for Masvingo and Midlands provinces.

The cash was delivered using mobile money, thus CARE entered into partnership with Mobile Network Operators (MNOs) Econet and NetOne to transfer monthly assistance to beneficiaries on the EcoCash (Econet) and One Wallet (NetOne) mobile money platforms. Both agencies worked closely with EcoCash and One Wallet to promote electronic purchases (e-purchase) where individuals could purchase food and other services such as school fees through making transfers from their e-wallets to merchants' e-wallets. Informally, individuals made person-to-person (P2P) transfers for exchange services. The objective of the programme, to meet immediate food needs, was met in spite of the liquidity crisis. It also showed the versatility of mobile cash transfers, further justifying use of this transfer mechanism.

<sup>3</sup> All references to \$ in this report are to US dollars.

<sup>1</sup> A form of cash transfer that involves physical transfer of money (bank notes) to beneficiaries.

<sup>2</sup> CaLP Glossary of Terminology for Cash Transfer Programming; found at <http://www.cashlearning.org/resources/glossary#Cash Transfer> (accessed June 2017).

### 1.1.4 MNOs' prior experience of delivering humanitarian cash transfers in Zimbabwe

The MNOs had limited experience of working with humanitarian agencies in delivering mobile money services at the scale proposed under this programme. Econet started working in the mobile money services arena in September 2011 with the introduction of the EcoCash platform. This offered services such as P2P transfers, merchant payments, bill and international payments as well as cash in<sup>4</sup> and cash out.<sup>5</sup> According to Oxford Policy Management, who carried out an external evaluation of this programme: "Econet is the MNO in Zimbabwe with far and away the most mobile money experience and most extensive payment infrastructure."<sup>6</sup> Econet worked with Save the Children on a humanitarian cash transfer programme prior to partnering with CARE/WVI for the emergency cash transfer programme. Although this programme was similar in concept, it was much smaller, with less than 10% of the case load of the CARE/WVI programme. NetOne initially launched the One Wallet mobile money platform in 2010; however this only became operational after a relaunch of the product in 2013. NetOne did not have any prior experience in humanitarian cash transfers.

## 1.2 Justification for the study

The provision of unconditional<sup>7</sup> and multi-purpose<sup>8</sup> mobile cash transfers to provide humanitarian assistance on a large scale is a promising development in the humanitarian sector. A number of international humanitarian organisations are increasingly opting for this way of working instead of the conventional in-kind aid. The cash transfer programme is the first such programme to be carried out on a large scale in Zimbabwe. Unconditional and multi-purpose cash transfers enable aid recipients to choose how to prioritise their own needs and allocate the assistance accordingly; these transfers also facilitate opportunities

for financial and technological inclusion for the rural poor participating in the programme. However, working in partnership with the private sector to deliver humanitarian cash transfers can at times be challenging on both sides as the different parties often have different objectives and ways of working. With that in mind, this case study seeks to investigate and document the following:

- The process of engagement between MNOs and CARE
- Clarity of roles between CARE/WVI as implementing agencies and MNOs
- Successes and challenges in the partnership between CARE/WVI and the MNOs
- Measures taken to manage the impact of the liquidity crisis on the programme's objectives
- Lessons learned for future cash transfer programmes.

---

<sup>4</sup> Cash in – depositing cash onto the mobile wallet using a mobile cash agent.

<sup>5</sup> Cash out – redeeming hard cash from a mobile wallet through a mobile cash agent.

<sup>6</sup> Oxford Policy Management (2017) *Zimbabwe 'Cash First' Humanitarian Response 2015-17*.

<sup>7</sup> Unconditional cash can be defined as cash that is given without any conditions attached, other than the beneficiary needing to meet the targeting criteria. Typical conditions imposed for conditional cash are carrying out public works, building a shelter, or attending school or a course.

<sup>8</sup> Multi-purpose cash can be defined as a cash transfer (either regular or one-off) corresponding to the amount of money a household needs to cover, fully or partially, a set of basic and/or recovery needs.

## 2 Methodology

Relevant primary and secondary data from the programme was reviewed including monthly reports, quarterly reports and minutes of monthly meetings with MNOs at national, provincial and district level. Commodity price and cash liquidity tracking reports, which analyse people's ability to transact and cash out, as well as market performance, were used to inform this case study. An end-of-programme lessons learned workshop was also held in April 2017 drawing together representatives from the MNOs, WVI and CARE. Notes about the partnership, made at this workshop, were also used to inform this case study. In order to complement the data, purposive sampling was used to identify key informants from two districts, Lupane and Masvingo Rural. These district key informants included staff from CARE and staff from WVI who were directly involved with the implementation of the programme. In addition, interviews were held with management staff from CARE and from the MNOs. Interviews were also carried out with key regional personnel from the two MNOs. At a community level, interviews were carried out with mobile money agents and merchants who provided direct services to beneficiaries. Two beneficiary focus group discussions, which combined both men and women, were also carried out. The purpose of the focus groups was to gather information on experiences and challenges that the beneficiaries encountered in using Econet and NetOne as the selected platforms for receiving aid. In addition, an independent external evaluation was carried out, the findings of which have also contributed to feeding into the reflections and analysis in this case study.

## 3 Implementation

Using mobile money e-wallets, programme beneficiaries could use the cash transferred to them in multiple ways. They could cash out from their e-wallets at various EcoCash/One Wallet agents located at business centres in the wards, transfer money to another person (P2P), or purchase goods/services with a registered merchant by transferring money from their wallet to the merchant's wallet. However, as a result of the cash crisis, cashing out became more difficult and this led to an increase in direct payments to merchants. Merchants often provided change in the form of hard cash, on the condition that a certain proportion of the total cash received in the e-wallet was used to purchase goods/services in their shop. EcoCash/One Wallet agents, whose way of working is to provide cash in/cash out services, also shifted to acting like merchants when the national cash crisis deepened, by selling goods/services in order to support their liquidity and thereby making cash outs conditional

on the purchase of goods, even though they don't hold a merchant's licence. Key informants from Econet pointed out that there was overwhelming adaptation to e-purchases, with rural districts like Zaka recording higher rates of e-purchases compared to urban districts such as Mbare in Harare. This showed that beneficiaries continued to access priority goods and services through mobile money purchases.

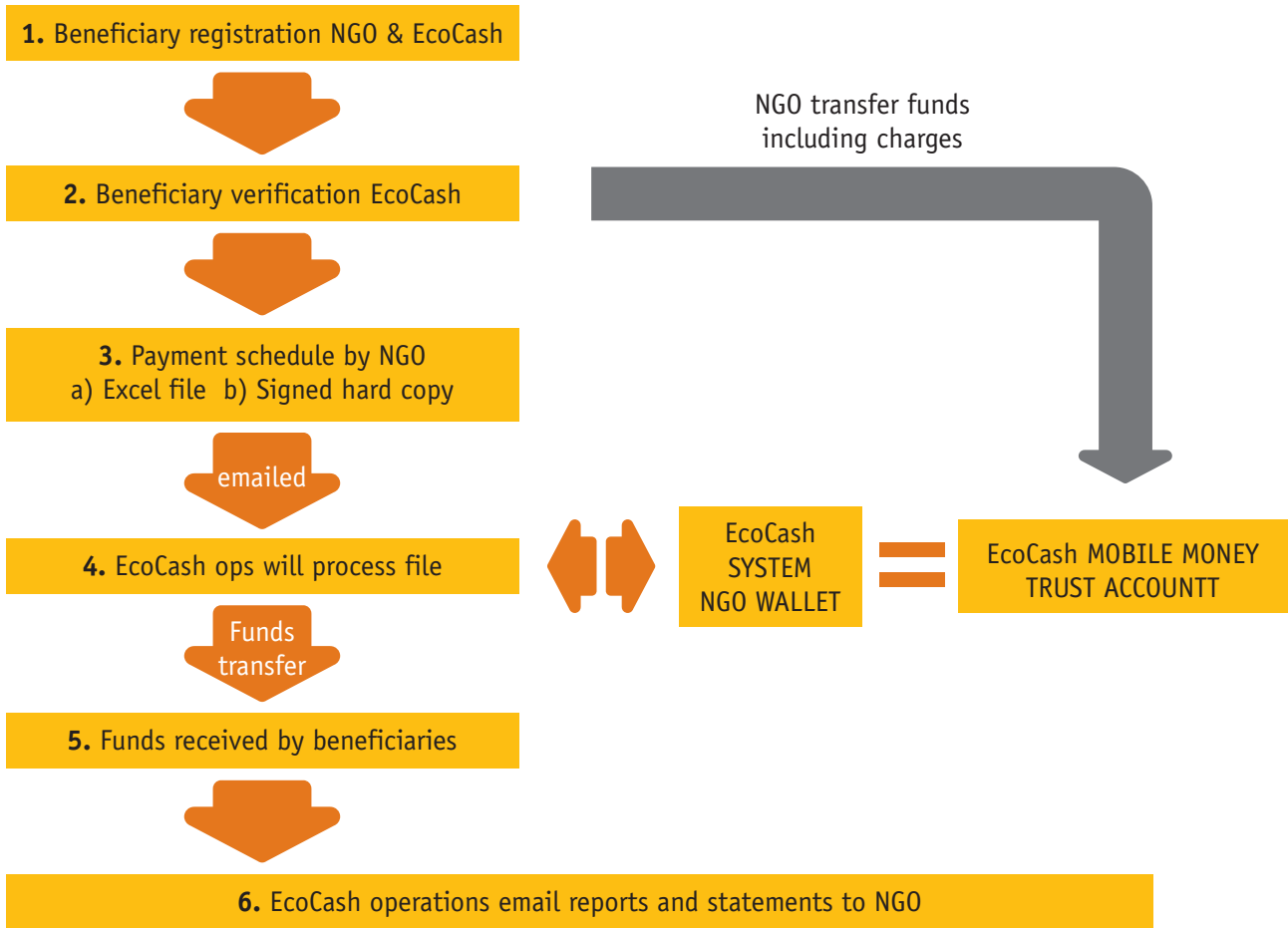
Figure 1 illustrates how cash transfers were administered through EcoCash (the process was very similar under NetOne).

## 4 Main implementation challenges in the first phase of the programme

During the first phase of the programme, the main challenges faced in accessing payments were registration-related challenges, 'recycled' SIM cards leading to failed transactions (this phenomenon is discussed in Section 5.4.2) and blocked SIM cards resulting from multiple PIN entries, as illustrated in Figure 2.

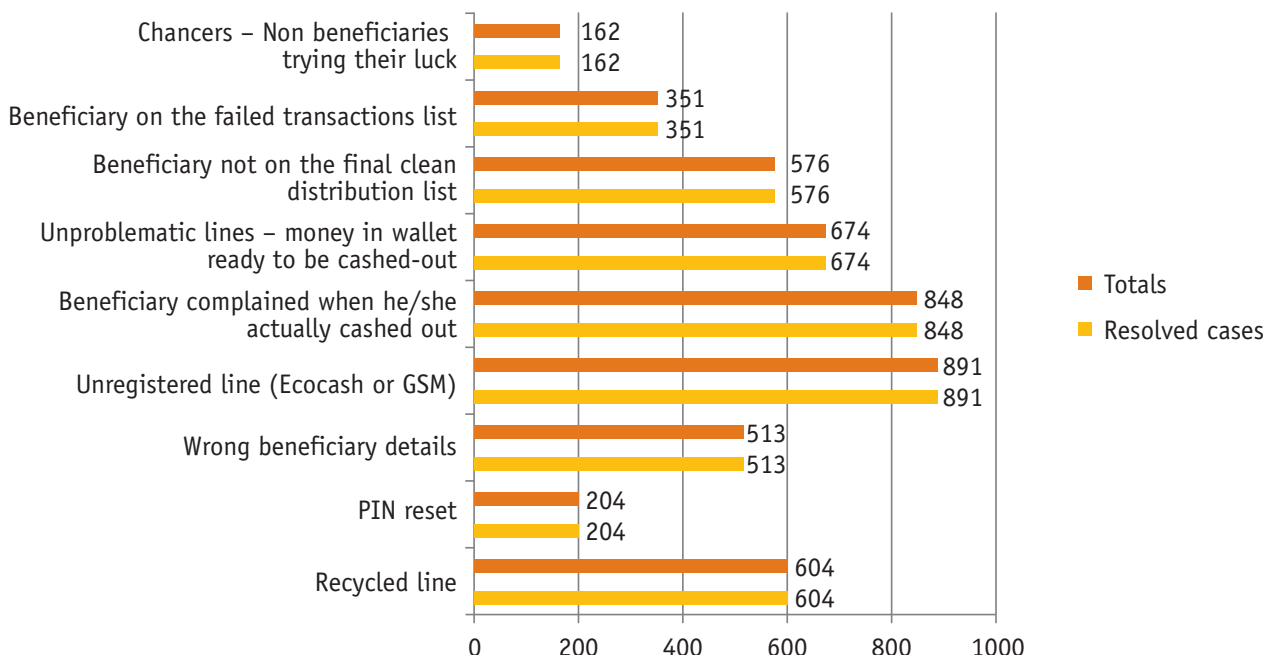
There was a marked decrease in the number of complaints as a result of better knowledge and understanding about the key requirements for registering clients on a mobile platform. In addition, staff training and increased involvement of MNOs in addressing issues through the programme complaints response mechanism also improved the experience of both agencies and partner MNOs, as did beneficiaries' increased knowledge about mobile money.

**FIGURE 1: MOBILE CASH TRANSFER ADMINISTRATION**



Source: Adapted from the Econet Due Diligence Report 2015

**FIGURE 2: BENEFICIARIES' COMPLAINTS BETWEEN JANUARY AND MARCH 2016**



## 5 Main findings

### 5.1 Motivation for partnership from Econet/NetOne and CARE/WVI

During the due diligence process, it was clear that the MNOs recognised the potential business opportunities presented by the cash transfer programme. It offered the MNOs the opportunity to grow their subscriber base and help their rural market penetration. The provision of SIM cards at such a scale meant that their platform to interface with their customers was enhanced. For NetOne, this was a great learning experience since this was the first time the company had engaged with bulk payments on this scale. It also meant improved revenue for the MNOs as they levied a bulk payment charge on the monthly transfers. According to Oxford Policy Management, who conducted the external evaluation of the programme:

*CARE approached NetOne to gauge the options for providing mobile money in those areas. NetOne was fine-tuning its mobile money platform One Wallet, and saw the partnership as an opportunity to deploy their product as well as develop relationships with NGOs for future potential business. NetOne rather quickly created a payment ecosystem – registering shopkeepers and even schools in the intervention areas as NetOne merchants, as well as wholesalers that shopkeepers purchased from.<sup>9</sup>*

From CARE's side, CARE wanted to transfer a large volume of money in a manner that was secure, had an audit trail, was easily accessible to targeted communities, familiar to communities and offered them the flexibility to use the money for what they wished, as per their own self-prioritisation of needs. Target communities were familiar with mobile money as they often use it to receive remittances from family members, but less familiar with how to use the e-wallets to pay for goods/services. However, it was recognised that there was enough familiarity and trust by communities in mobile money to mean that partnering with MNOs was a viable option for CARE.

### 5.2 Selection and contracting of MNOs

#### 5.2.1 Selection of MNOs

In 2015, the country had three MNOs: one private (Econet) and two quasi-government MNOs (NetOne and Telecel). Based on the design and scope of the cash transfer programme, the capacity of all three MNOs was assessed in July 2015 by CARE's Procurement Committee

using the NetHope assessment tool. Econet was the sole MNO initially selected in July 2015 to work with the programme due to their geographical reach and previous experience in humanitarian cash transfers. The first transfers were delivered at the start of October 2015 for approximately 5,000 households. However, once the programme was under way, it became clear that network coverage was unequal between districts. A rapid assessment was therefore undertaken between August and September 2015 in the districts with problematic coverage to determine which major MNOs had the most coverage in those areas. As a result, the programme signed a second contract with another MNO, NetOne, to take on a smaller caseload and address coverage gap issues in some wards in Lupane District; and later on, this was expanded to parts of Insiza District.

#### 5.2.2 Contracting of MNOs

CARE contracted Econet, and a month later, NetOne, to facilitate the payment of cash transfers via mobile money through the Ecocash and One Wallet products. The first transfers commenced on 3 October 2015 to an initial 5,389 cash recipients out of a total target of 67,200 recipients. Even though CARE/WVI recognised that registrations were not completed for all 67,200 recipients, it was felt that due to the programme's humanitarian nature, it was important to start transferring cash to those successfully registered on the platform. The MNOs showed some flexibility in adapting their operations in order to facilitate CARE's needs. From the outset of the programme, Econet reduced the price of SIM cards from \$1 to \$0.25 for programme beneficiaries who required new lines, while NetOne provided free SIM cards for all beneficiaries in the two districts they operated in. Participants in the two focus group discussions in Lupane and Masvingo rural districts agreed that this went a long way towards ensuring that villagers without an income were able to acquire lines and participate in the programme.

The cash transfer programme underwent a learning curve in understanding Econet's structure and the roles of the different departments involved. In particular, decisions on entering into new legal agreements were not made by the head of EcoCash, with whom CARE had engaged, but by the management of the parent company, Econet Wireless (Private) Limited at their head office.

### 5.3 What worked well in the partnership

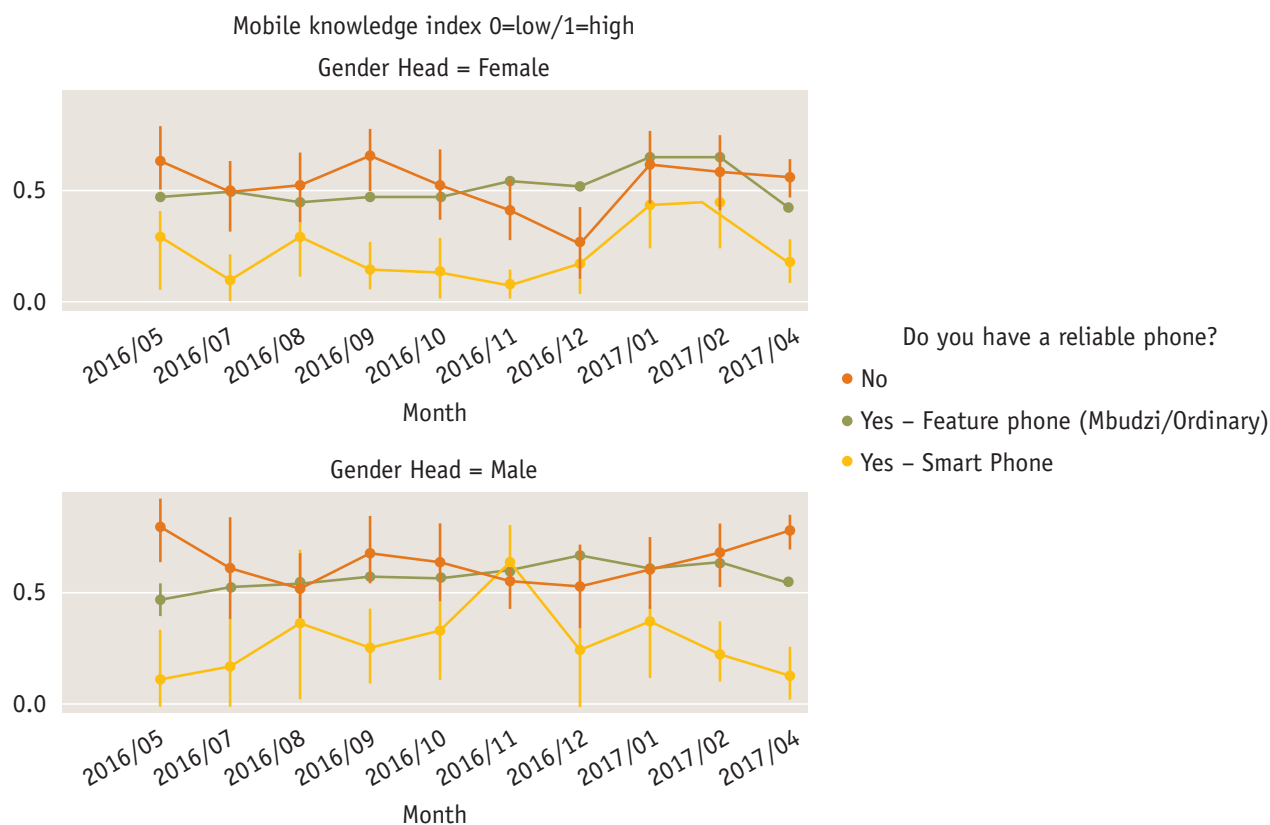
#### 5.3.1 Division of tasks within MNOs

There was a clear division of responsibilities by both MNOs from the onset, as outlined in the agreement documents. For Econet, the account manager was generally responsible for overseeing the programme at

<sup>9</sup> Oxford Policy Management (2017) *Zimbabwe 'Cash First' Humanitarian Response 2015-17*.



**FIGURE 3: MOBILE PHONE OWNERSHIP**



Source: CARE (2017) *Cash Transfer Programme (CTP) II Phase Zimbabwe: Internal Final Evaluation*

national level. Registration was run by regional sales teams led by the regional account manager and sales managers assisted by brand ambassadors who did the actual registration on the ground. In phase two, data validation (three-way matching)<sup>10</sup> was done by the technical team, while payments/transfers were handled by operations. Regional Econet shops carried out beneficiary education.

For NetOne, the mobile financial services (MFS) manager based at the national office oversaw the programme and was responsible for contract negotiations and day-to-day management. The MFS administrator oversaw reconciliation and administration of staff. The regional account manager oversaw operations on the ground. One Wallet representatives carried out community education.

<sup>10</sup> Three-way matching involves ensuring that every cash recipient provides their: 1) full name as per their birth certificate/ID; 2) national ID number; 3) mobile phone number, which must be activated on both the Global System for Mobile Communications (GSM) system for voice calling, and the EcoCash platform.

### 5.3.2 Joint working and communication between CARE/WVI and the MNOs

As the programme evolved, Econet appointed an account manager under EcoCash to help to resolve challenges and offer support to both CARE and WVI. This was beneficial to the programme as the assignment of an account manager made it quicker and easier to resolve problems. Subsequently Econet went on to assign individuals at regional level in Masvingo, Midlands, Matebeleland North and Matebeleland South with whom CARE/WVI would interact to solve challenges at that level. The above arrangement also helped to shape the relationship between CARE and NetOne as NetOne also assigned a regional focal person to work closely with WVI, who were responsible for managing programme activities in Lupane and Insiza districts. These appointments led to an improved working relationship and set-up between the partners which were better for addressing the challenges noted earlier.

CARE and WVI had structured monthly meetings with both MNOs at provincial and national level. CARE would share feedback from the field based on challenges faced by beneficiaries and teams operating on the ground.

Issues addressed included cases related to blocked lines, failed transactions, limited availability of merchants/agents, staffing requirements, support required during registration, and provision of cash tracker reports after payments. This helped the operators to take immediate measures to address the challenges and improve the service. Both operators provided immense support during registration by providing brand ambassadors. Although it was initially agreed that Econet would provide transportation for their brand ambassadors, this was not always available so it was agreed that CARE/WVI would support them with this.

The concept of a mobile money platform was new, to an extent, to beneficiaries. According to the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), there was a high rate of mobile phone penetration with nearly 85% of the adult population connecting to mobile services,<sup>11</sup> and many were familiar with mobile money to an extent as a way to receive remittances. However, people were not familiar with using the e-wallet for making transactions. As a result, there were initially high incidences among beneficiaries of blocked lines (lines being blocked because of multiple PIN entries); tampering with SIM cards; forgotten PIN numbers; and lost SIM cards by those few without mobile handsets. More significantly, there was limited knowledge on the registration requirements by both staff and beneficiaries and this caused a lot of mismatches, resulting in failed transactions. However, to overcome these challenges, both MNOs and CARE/WVI embarked on a rigorous beneficiary education process focusing on frequently asked questions about how to use the mobile wallet platforms. This was done through awareness campaigns conducted during community public meetings, the distribution of fliers in local languages, and individual door-to-door campaigns by community-selected gender and accountability focal points.

End-user sensitisation on how to use the platforms was carried out by both CARE/WVI and the MNO brand ambassadors during community meetings. The brand ambassadors were very strong on the technical issues related to mobile money, whereas CARE/WVI were strong on the humanitarian aspects of the programme, thus this joined-up working was highly complementary in terms of skills. To complement this, CARE and WVI staff/community gender and accountability focal points were trained by the MNOs on technical issues related to mobile money and were able to pass this information down to the beneficiaries; this improved the accountability system required to resolve basic technical issues. Both CARE and

WVI also provided after-sales support relating to handling queries and complaints and relaying them to Econet. The MNOs also regularly updated CARE on software upgrades whenever these took place. The partners also showed a willingness to learn which helped strengthen the partnership.

### *5.3.3 MNO and CARE/WVI roles and responsibilities*

See the table in Figure 4 for a breakdown of CARE, WVI, Econet and NetOne roles and responsibilities.

### *5.3.4 MNOs' strategies to deal with the national liquidity crisis*

Cashing out worsened with the onset of the cash crisis and became very difficult in some areas, starting in November 2016. MNOs had to quickly find ways to respond to the crisis. Both Econet and NetOne embarked on a massive recruitment of merchants. This was a resounding success, especially in Lupane (Sibombo and other NetOne operational wards) where merchants were previously non-existent. MNOs provided financial support to some merchants/agents; however, this wasn't a sustainable solution due to the scale of liquidity shortages. As hard cash was scarce, there were also intense efforts to promote the culture of e-purchasing through beneficiary education in various platforms.

Rural shop owners also struggled with re-stocking because they didn't have hard cash to buy from wholesalers. At the peak of the cash liquidity crisis, Econet introduced merchant lines at wholesaler level so rural shop owners could buy goods from wholesalers using their e-wallets in order to re-stock their shops. Subsequently, rural shop owners started accepting e-wallet payments from beneficiaries. This transformed the supply chain as it transitioned to an e-purchasing model. In turn, CARE/WVI sensitised communities to buy goods using their mobile phones. This allowed the programme to be adaptive to changes in the external environment.

For a person to register as an agent they needed to have 'Know Your Customer' (KYC)<sup>12</sup> documents (national ID, proof of residence), an active bank account with statements not more than three months old, and a float amount of \$500. To penetrate the market, Econet relaxed the registration requirements for agents. In particular, they waived the float requirement of \$500 to nil, especially for shop owners; instead, shop owners only had to produce trader licences. CARE and WVI thus sensitised business communities on this new development and encouraged them to register as agents or merchants.

<sup>11</sup> POTRAZ (2016) *Postal and Telecommunications Sector Performance Report First Quarter 2016*.

<sup>12</sup> Know Your Customer (KYC) is the process of a business identifying and verifying the identity of its clients.

**FIGURE 4: MNO AND CARE/WVI ROLES AND RESPONSIBILITIES**

Activity	Responsible partner			
	CARE	WVI	Econet	NetOne
Community targeting	Field staff	Field staff	No	No
Managing the complaints response mechanism	All programme staff (mainly country director, team leader, accountability officer)	All programme staff (mainly programme coordinator, accountability monitoring and evaluation facilitators/officer)	Regional managers, account manager, account executives	Regional managers, account manager, account executives
Beneficiary list management	Database administrator, monitoring and evaluation manager, team leader	Database administrator, programme coordinator		
Community education on the platform	District field staff	District field staff	Brand ambassadors	Brand ambassadors
Distributing SIM cards	No	No	Brand ambassadors	Brand ambassadors
Transferring funds to beneficiaries	No	No	Account manager, account executives	Account manager, account executives
Ensuring the terms of the contract are being met	Assistant country director	No	Account manager, account executives	Account manager, account executives
Resolving blocked lines	District field staff, accountability officer	District field staff, programme coordinator	Account executives, brand ambassadors	Account executives, brand ambassadors
Resolving recycled lines	District field staff, team leader, accountability officer	District field staff, programme coordinator	Account executives, brand ambassadors, account manager	Did not have the challenge of recycled lines

Agent and merchant mapping (using GPS/GIS<sup>13</sup>) helped in identifying the location and density of merchants/agents in the programme areas. This helped CARE to lobby the MNOs for more agents/merchants in the affected areas. From the post-distribution monitoring reports, at the start of the programme there were 190 agents and 97 merchants. By the end of the programme, there were 346 functional agents and 174 merchants.

### 5.3.5 Single contracting with the MNOs meant simplified and efficient engagement

The contract to deliver the cash transfers was between CARE and the MNOs, therefore CARE assumed responsibility for also delivering World Vision’s transfers. According to the external evaluation conducted by Oxford Policy Management:

*[This] simplified the programme’s engagement with MNOs in Harare (compared to CARE and World Vision each working with the MNOs) and reportedly caused no problems for assisting the World Vision beneficiaries. As a result, World Vision’s main working relationship with NetOne and Econet was in Bulawayo and focused on resolving technical issues faced by recipients – such as registering lines, unblocking SIMs and providing training. CARE meanwhile managed these issues for its own recipients as well as working with the MNOs for payment delivery and reporting.<sup>14</sup>*

## 5.4 Challenges in the partnerships

All the partners that were involved in this programme went into this arrangement open to learning, given that it was the first time CARE had carried out cash transfers using mobile money and delivered humanitarian cash

<sup>13</sup> GPS (Global Positioning System) is a satellite-based location system which links to the GIS (Geographical Information System) software program to display location-based information.

<sup>14</sup> Oxford Policy Management (2017) *Zimbabwe ‘Cash First’ Humanitarian Response 2015-17*.

assistance on such a scale in Zimbabwe. Likewise, it was the first time Econet and NetOne had been part of a large-scale humanitarian programme. This meant that the partners anticipated that there would be challenges given that this programme was being implemented for the first time in Zimbabwe on a large scale. This section aims to illustrate some of the challenges that were faced and how they were resolved. One important thing to note is that the programme's duration allowed challenges to be resolved by all partners. Most of the challenges faced by CARE in dealing with the MNOs, and faced by the MNOs themselves, were encountered during the first phase of the programme, between August 2015 and March 2016.

#### **5.4.1 Adaptation time and adequate allocation of resources**

MNOs took time to adapt to humanitarian emergency programming. Research findings revealed that the other challenge initially experienced was the speed with which the MNOs were working: this was not fast enough to meet the demands of the programme's objectives, scale and deadlines. At the outset, MNOs did not have enough staff and other resources (such as vehicles) to undertake registration exercises alongside CARE/WVI across the districts. MNOs had underestimated the volume of data to be processed and did not have enough data capturers to meet demand, which delayed the registration process. As a result, this registration process took two and half months as opposed to the month it was expected to take, although this expectation was probably over-ambitious from the NGOs' side as well.

However, as the programme evolved, MNOs appointed regional level focal persons to address the challenges encountered, including supporting the resolution of lengthy registrations and failed transactions. Econet also recruited more brand ambassadors, who took part in beneficiary registrations and conducted beneficiary education on how to use the Ecocash platform, and addressed any transfer issues, during community sign-off meetings. In hindsight, there is more that CARE could have done to sensitise the MNOs on the capacity and resources needed for a large-scale humanitarian cash transfer programme. However, given that this was a new experience for CARE, CARE also did not fully realise the extent of the resources required to support the programme from the MNOs' side at that time.

#### **5.4.2 Line registration challenges**

During the first quarter of the programme, it was noted through the complaints and feedback system that there were problems with some of the lines that were being issued by Econet. Oxford Policy Management also noted the issue of recycled lines in their evaluation

report. Recycled lines are dormant lines which become deactivated from the Global System for Mobile Communications (GSM) after they are not used for 90 days. After this period, they are then allocated to new customers. The challenge with these lines is that they would have the new owner's details on GSM and the old owner's details on the mobile wallet platform. This would then mean that the new owner would not be able to access or use the mobile wallet platform to carry out any transactions. The final evaluation report indicates that the issues related to recycled lines caused problems for payments if the former owner was registered on the mobile wallet platform.

A total of 3,648 feedback points, questions and complaints were received from the programme's 15 districts during the first quarter. Of these, 76% of the complaints were related to recycled lines. However, all of the lines were successfully registered in due course and complaints of this nature reduced significantly. In phase two of the programme, all lines were subjected to three-way matching before cash distributions, which greatly mitigated the risk of failed transactions as a result of mismatched information. A respondent interviewed by the evaluation team stated:

*There are rarely any failed transactions now that Econet took care of the recycled lines and World Vision is now meeting with [beneficiaries] monthly to see how things are going.<sup>15</sup>*

#### **5.4.3 MNO reporting**

Initial transaction reports provided by the MNOs to CARE did not contain all of the previously agreed information. CARE/WVI had to work to overlay this report against their database information in order to determine successful recipients and failed transactions. However, over time, after engaging with the MNOs on the importance of receiving reports with the required information, they adapted their internal processes in order to meet CARE's requirements. This made it easier and faster for CARE/WVI to resolve failed transaction issues. However, even with this resolution in cash transfer reporting, CARE was still unable to get the breadth of reporting it would have liked due to privacy regulations. In hindsight, it would have been worthwhile to consider having beneficiaries sign a waiver to allow their transaction data to be tracked and used only for programme monitoring purposes.

#### **5.4.4 Compliance with POTRAZ regulations**

POTRAZ regulations dictate that mobile users should fully comply with regulations. A SIM is regarded as properly

---

<sup>15</sup> Oxford Policy Management (2017) *Zimbabwe 'Cash First' Humanitarian Response 2015-17*.

registered when the owner's personal details match with those on their National Identification Card; a national ID is necessary to have a SIM line. The physical address of the individual has to be known and supported with proof of residence either in the form of utility bills, affidavits or other documentation. Four months into the programme's implementation, the government reinforced POTRAZ regulations and deregistered all non-compliant lines. As of March 2016, the Reserve Bank of Zimbabwe expressed concern about the number of lines registered without IDs. CARE/WVI worked jointly with the MNOs' brand ambassadors to engage with local councillors to produce a standard letter. Councillors would sign this and add an official stamp confirming that the beneficiaries were resident in their areas of jurisdiction. This would then be accepted as official proof of residence. The MNOs and CARE/WVI also worked together to ensure that beneficiaries submitted certified copies of their national IDs for full compliance. Learning from this, CARE recognises the importance of investing in thoroughly understanding the processes involved for a beneficiary to register to receive money on the EcoCash platform, particularly the KYC requirements and three-way matching processes. To reduce the number of failed transactions, a sufficient level of technical training should be carried out with NGO field staff, and enumerators in particular, to ensure accurate data is captured when entering beneficiary information during registration or verification.

## 5.5 Other potential opportunities

### 5.5.1 Use of Nostro accounts

When the liquidity crunch worsened and government restrictions on transferring funds outside Zimbabwe were put in place, Econet engaged CARE and its other partners in discussions on the use of their Nostro<sup>16</sup> account as a response to the liquidity crisis. This would have entailed CARE paying into an Econet-nominated offshore account. In turn, Econet would then have arranged to have the currency physically brought into the country, giving a cash availability guarantee to the end users (programme beneficiaries) through their Zimbabwe partner bank, Steward Bank. EcoCash agents would regularly collect the hard cash from Steward Bank as part of the process. CARE/WVI would mobilise beneficiaries to go to these agents and conduct cash outs. Econet staff interviewed felt that the liquidity crisis would have been better managed if CARE had agreed to their proposition to transfer funds from CARE International UK into the Nostro account of Steward Bank, also under the Econet

Holdings stable. CARE was concerned about the risks: that this arrangement would further delay payments, and that there was no guarantee that Steward Bank, the sister bank of Econet, would deliver the cash in-country, in time. Additionally, it was also not clear how EcoCash would select districts/wards and agents to receive the cash to address the liquidity issue. However, after careful consultation with DFID, CARE expressed interest in piloting this process with a portion of funds, ie to transfer to one of the 15 districts. CARE needed to be assured of the time it would take for the cash to reach the hands of EcoCash agents in the area, and in turn the programme beneficiaries. However, Econet did not wish to pursue this pilot, but the usage of Nostro accounts could be considered as a future liquidity risk mitigation measure.

## 5.6 Opportunities created from MNOs' experiences

### 5.6.1 The story of Econet

Econet noted that although the cash transfer programme with CARE is one of its biggest bulk payment programmes in Zimbabwe, there have not yet been new business opportunities/programmes of a similar scale that are attributable to this experience. Other programmes are smaller-scale. However, they noted that the programme had led to an increase in the number of agents and merchants in the areas covered by the programme, thereby increasing Econet's competitive advantage in terms of coverage. One respondent from Econet pointed out that:

*The programme went a long way in improving financial inclusion to the rural poor and elderly who previously had no access to banking and cell phone. They managed to engage authorities in the rural areas to relax regulations in awarding of Rural Trader Licences, which is a key document in registration of a merchant. This is in line with our motto 'Inspired to Change your World.' (Econet representative)*

### 5.6.2 The story of NetOne

On the other hand, NetOne reported that this was their biggest such programme and that it had positioned them well for subsequent new business opportunities. For example, NetOne has since been engaged by the government to deliver some of their payments using their One Wallet mobile platform. NetOne have also partnered with two other humanitarian organisations to implement similar programmes in Matebeleland North and Matebeleland South provinces.

---

<sup>16</sup> A bank's offshore bank account, held with another bank in the currency of that bank, to facilitate international payments and transfers.



## 6 Conclusion

Econet and NetOne were the two main MNOs with wide enough network coverage in rural communities. However, implementing a humanitarian cash programme at such a large scale in Zimbabwe was a learning process for both CARE/WVI and the MNOs, which explains the challenges experienced at the beginning. The issue of timely provision of key adequate resources to meet programme timelines was initially a challenge for the MNOs. Coupled with CARE's underestimation of the resources required from all parties, this initially proved problematic in the setup of the programme. Part of the resources required was availing adequate new lines across the 15 targeted districts, ensuring the programme had enough brand ambassadors to support the registration process, and having sufficiently-trained registration enumerators on the KYC requirements. Yet what stands out from the data gathered is the keen interest in the programme from both EcoCash and One Wallet, which ultimately led to stronger collaboration with CARE/WVI at district, regional and national level. This consequently ensured effective collaboration in resolving challenges through regular feedback meetings.

Throughout the course of the programme, many good practices emerged in the partnership, such as

collaborating and at times jointly delivering activities in the communities in ways that best utilised the programme stakeholders' specific expertise. The operational model of delivering through a partnership between CARE and WVI, with the contractual arrangements/delivery of the cash resting between CARE and the MNOs, also proved to be effective in streamlining functions.

Of major interest to CARE/WVI and DFID is the resilience of cash transfers as a form of delivering aid. The Zimbabwean experience provides a classic example of this. From September 2015 to approximately June 2016, beneficiaries could easily get hard cash from agents. However, from approximately June 2016, the cash crisis began to bite and it worsened, meaning that beneficiaries could no longer access hard cash. This led to increased beneficiary education on electronic payments as an alternative to using cash. Joint efforts between the MNOs and CARE/WVI to alleviate some specific challenges communities were facing due to the national liquidity crisis proved to support the development of a conducive environment, which allowed for beneficiaries to transition more from cashing out to transacting electronically, thereby still meeting the programme's objectives of accessing food and meeting basic needs.

## 7 Recommendations for future programmes

- 1 Aid agencies should invest in understanding how the private sector operates and its organisational culture, in order to support strong partnerships.
- 2 Strong engagement and continual collaboration between humanitarian agencies and MNOs to provide regular updates on system changes and regulations are key in order to ensure that challenges encountered are addressed promptly.
- 3 Aid agencies should try to recruit some key personnel who are already experienced in working with private sector MNOs to deliver humanitarian cash transfers using the proposed cash transfer mechanism, and this experience and these skills should be passed on throughout the programme team.
- 4 For future partnerships, it is important for humanitarian organisations to get training on key statutory KYC requirements, for example the POTRAZ Act, to avoid the challenges caused by line de-registrations. It is critical that this training reaches registration field enumerators.
- 5 MNOs are strongly encouraged to consider simultaneous registrations of SIM lines on both the GSM and mobile wallet platforms. Furthermore, it is recommended that they merge the GSM database and mobile platforms.
- 6 For any future partnerships, MNOs should use brand ambassadors to assist in the field to ensure smooth registrations and quicker resolution of challenges. MNOs must critically assess the level of resources needed from the outset in order to meet commitments. This includes human resources, as well as the provision of logistical support for these human resources.
- 7 It is imperative that there is a strong complaints response mechanism in place from the outset of the programme, and that this mechanism is de-centralised for non-sensitive complaints in order to facilitate a quick response.
- 8 Community gender and accountability focal points play a vital role in the provision of basic, timely technical support at a community level in relation to basic mobile issues. They also are a preferred way for communities to communicate their challenges, questions and feedback. The gender and accountability focal points should be provided with technical training on the usage of the mobile platforms and in how to resolve basic technical issues from the outset of the programme. This training should then be refreshed on a regular basis. Focal points should also be equipped with information and educational awareness-raising materials such as information leaflets, to support their role.
- 9 MNOs should consider opening up a free phone line for beneficiaries to facilitate smooth operations, and facilitate the reporting of complaints, and the timely addressing of challenges.
- 10 MNOs should identify and appoint focal persons at national, regional and district levels for efficient resolution of failed transactions, and to strengthen communication with aid agencies.
- 11 Usage of an MNO bulk payment system should be considered, and weighed up with the risk of reducing segregating of duties. Transaction volume and frequency would be a key consideration in this decision-making.
- 12 Aid agencies working in consortia should consider the transfers being delivered through the lead agency in order to streamline functions and communication with the MNOs.
- 13 Aid agencies should use GPS/GIS to map mobile agents/merchants, in contexts where this is suitable from a security perspective. This information can then be used for engagement in dialogue with the MNOs on agent/merchant coverage gaps.

# CASE STUDY



## CARE International UK

89 Albert Embankment  
London SE1 7TP

T: +44 (0) 20 7091 6000

[www.careinternational.org.uk](http://www.careinternational.org.uk)

Registered charity number 292506

## CARE International in Zimbabwe

8 Ross Ave  
Belgravia  
Harare

T: +263 4 708 047