



THE STATE OF THE WORLD'S CASH

**INNOVATION IN
HUMANITARIAN AID**



PANEL DISCUSSION FROM WORLD ECONOMIC FORUM, DAVOS, JANUARY 2018

Good morning everyone and welcome to this panel live from the World Economic Forum in Davos. I'm Louise James and I'm a managing director at Accenture where I co-lead Accenture Development Partnerships. We focus on bringing the skills and capabilities of Accenture to address social and environmental issues that impact the developing world.

I'm delighted to be joined here today by a fantastic panel to discuss this hugely important topic looking at the state of the world's cash in the context of humanitarian crises.

Firstly, to my left welcome to Kevin Jenkins the President and CEO of World Vision, Tara Nathan, Executive vice president of public/private partnerships in MasterCard, and Robert Opp Director of Innovation and Change Management at the World Food Programme. And a massive welcome to all of you that are joining us through Facebook Live. Please do put your questions through the chat as you're watching this and we're going to leave some time at the end to try and answer as many questions as we can.

So the reason that we have these panelists here today is that they're all part of the Cash Learning Partnership and the Cash Learning Partnership is a partnership of organizations that work in cash in humanitarian crises and we as ADP have been working with CaLP to actually assess the state of the world's cash at the moment in the context of these humanitarian crises. And really where the debate is that today is that we all acknowledge and agree that cash is a hugely important modality in addressing humanitarian crises, but actually there's still a lot of debate and lots to learn about how to deliver cash effectively. If we actually look at the numbers between 2015 and 2016 there was a 40% increase in the use of cash from \$2 billion to 2.8 but actually that's still only 10% of the humanitarian assistance so clearly we've got a long way to go. So today what we're going to talk about is both the opportunities but also the challenges and you'll hear about the experiences that the panellists have in actually making this transition to cash.

So Kevin if I can start with you, World Vision has made a significant commitment around 50/50 in terms of cash, how's it going?

Yes, thanks Louise, well at the World Humanitarian Summit in 2015 we said that we would target to get 50% of our interventions in humanitarian emergencies in cash by 2020. And we're at a learning curve, just as you said, and as the sector is, but you know we don't view it, you called it a modality, we think about it as dignity and so we're today we're, and to be honest we're much further along in using cash where food is the primary issue, and it becomes more difficult in other areas, but last year 2017 two million individuals in humanitarian emergencies we served with cash instead of goods in our work and it's growing, it's slow, it's an ecosystem, as Tara sometimes calls it, and we need to move together.

And what have been some of the challenges that you found in making that transition?

Well you know I talked about dignity of the individual receiving it but it also is a way of doing no harm in the broader community because of course that cash is spent and strengthens, but the broader community may or may not be ready for it.

It's easier in some, you know South Sudan, for example, has been very challenging with the infrastructure and donors want evidence and so we need to build that base and so you know there's one of the reasons we set that star, that target, is to keep ourselves focused on addressing any handicaps we face along the way. Yeah and I think we know how absolutely crucial it is if we look at the increase in crises that are happening in the world and the lack of funding that actually it's an imperative of all of us to try and make that transition happen.

But yeah final question to you, what sort of opportunities do you see going forward to accelerate this transition?

First of all it's worth it, not only is it about dignity, but done properly it's about half as expensive to deliver aid through cash than through other modes and so that means we can help twice as many people. So that's what we have to be focusing on, we need to do it with organizations like the World Food Programme and MasterCard, we need to work together and so we're in coalition's together trying to make sure we're moving forward at pace.

Great thank you, so Robert to turn to you, I mean the World Food Programme is the biggest actor globally in cash but you still use vouchers in some context so tell us, you know, how you make those choices and what makes it relevant to use vouchers over cash.

Yeah well actually the first thing to say is that actually overall in our programs cash based transfers, so unrestricted cash and vouchers, comprise almost 40% of our workload so and that's a about a 53% year-on-year increase since 2012. So, that part of our business is really growing in a major way we're really transforming our operations toward cash. In terms of unrestricted cash versus vouchers, you know the choice is always about the outcome you want to achieve and the context in which you're delivering, so we stay very focused on what are we trying to achieve. So maybe an analogy to use is in-kind food is a modality, vouchers are a modality, and unrestricted cash is a modality, just like transport, so when you come to Davos you take a plane to get to Zurich and then you take a car to get to Davos. They're both modalities of transport but they're used in different contexts for different reasons and so it's really about focusing on the context. So what are you trying to achieve, nutritionally for us what does the context allow you to do? Do you have an ATM structure or how would you distribute unrestricted cash if you had that? What really are you trying to achieve?

So it's about that and the other thing to say about our portfolio is that we're about 49%, this year, of unrestricted cash so we're practically 50/50 in terms of cash, unrestricted cash, and vouchers. And it definitely comes out very strongly in the research about the importance of context and there are actually a series of case studies which show where you might see the same approach but it may be working in one context but not in another, so I think there's a lot that we can learn there.

So when you do deliver cash what are the pressures that you're seeing to actually make it happen?

Well there's a lot of pressures. The first kind of pressure in a way, or constraint in a way, is you know what's happening on the ground and I already mentioned some of the operational constraints. Do you actually have the ability to mount one of those programs locally? Is the program aligned with what the host government wants to do and their policy toward providing assistance? And so sometimes there are preferences or concerns from host governments and then of course, Kevin mentioned this, but there's some different donors that we have that provide us the ability to have these programs, they may have different preferences or they may have different risk appetites and things for these kinds of programs. So it all combines to put pressure on the rollout of those programs, not to mention also the capacity issues.

Yes, and actually that leads me to the final question, which is you know cash programming requires a different way of working so what have you had to invest in, in order to be able to deliver cash?

A lot, is the answer, this is a new business line, so it requires a kind of rethinking of how we do our program decisions. It requires a rethinking of how we do even do our IT, because these programs tend to be digital and that makes them very efficient, but it's also something new, the financial controls, even our legal framework needs to be looked at. So we've really had to look at the entire process chain around this new line of business and revamp everything to be able to do it. I mean not everything, necessarily, but it's a significant shift for the organization.

We also have to look at our capacity of people on the ground to deliver our staff. We've trained I think about 3,000 people across 70 countries to be able to run these kinds of programs and it's just important that you've got the ability to deliver among your staff on the ground.

Yes, and I think that the research highlights that actually local capacity is still a real issue and a lot still needs to be done in order to build it to where it needs to be to be able to function. So, Tara, finally to you, so coming also from a private sector company, at Accenture we very much believe in harnessing the core capabilities of the private sector to help address social issues and one example in the humanitarian context is what we're doing with ID 2020 around blockchain. But tell us a bit about what MasterCard is doing, what products and solutions you're using in this context.

Sure, so MasterCard is a digital transaction company so we lay digital infrastructure, if you will, digital infrastructure around the globe. We're present in 210 countries around the globe. What that digital transaction infrastructure enables you to do is have communications between banks and merchants, between mobile wallets and mobile wallets, around the globe seamlessly, real-time right, so that's our core business. And what we've been doing over the course of the past five odd years is in partnership with organizations around the globe, NGOs, IDOs, is figuring out how we can leverage that capability in digital transaction services, in data security, data analytics, to apply it to humanitarian challenges.

I think here we're talking about the context of cash, I prefer we think of it as digital cash, because that's really when you start to introduce the notions of efficiency, so how do we do this cheaper, how do we bring that cost to deliver food to the end beneficiary down to pennies on the dollar? And this what we do every day, it's what we've been doing for 50 years around the globe in a safe secure and simple way. And what we've been doing is a lot of innovation, innovation to figure out how we can use that in the humanitarian context. And in a way, that can give some of the transparency and accountability and auditability that, you know, Kevin and Robert have mentioned that the donors are looking for.

And we know what's been interesting is that in a way the move to cash has challenged the current organizational structures and business models, and notwithstanding the fact that they're sitting either side of you, but we talk about disintermediation really of certain organizations in the sector and, you know, do you need to work with the likes of a World Food Programme or a World Vision or could MasterCard just be doing it by themselves?

No, I think we all recognize broadly that no one organization can do anything by itself. I mean, if you look at what our core model is at MasterCard, we don't digitize payment ecosystems by ourselves, we bring together stakeholders on all aspects of it. But I think what's really important is this notion of core competency that you bring up, right, I think what's really required for our global system to operate at its most efficient, and its most effective, is for us to go back to say what do we do best, what are we best at, and to focus on that. That's how we're going to drive maximum value to the system as a whole and to individuals.

So in this case, what does MasterCard do best? We lay digital infrastructure, right, and we don't even do all of it, so within the private sector we partner with organizations, you know, around the globe like I said, banks and technology companies and consulting companies and infrastructure companies. But I think that that's sort of how we should look at it. I don't think it's a question of disintermediation, I think it's a question of everyone going back and investigating, you know, what do I do best, what do I do better than anybody else and really focusing on that.

And do you think, Robert and Kevin, that that's happening? Do you think, you know, organizations are looking at saying what is our core capability and how can we apply that in this context?

I mean, I think absolutely, and this has been a journey as well so you know the movement toward cash as we've been talking about has been quite recent and so I think we need to challenge ourselves to constantly look at where our core competences are, and if there can be programs that are more efficient and effective by doing them a different way, we should do that. Because to go back to what Kevin said it's about people's dignity but it's about reaching as many people we can, as well, with the resources that are very finite that we have. Yeah you know it's because of the amount of change involved, and because our core competency is being knowledgeable about the community and understanding where the greatest needs are in the community, it's a huge change for our teams on the ground to say oh we're not handing stuff out anymore. It's actually an incredible opportunity because it's going to free up time for a higher level of work, but you know its transformational change is going to take time.

Yes, and I think the efficiency point is so important, right, in the context of rising demand and still pressures on the actual money coming into the system. And so the actual report has a whole set of priority actions, and I'm not going to read them out because there's a lot of them, but it does pull out three important factors for the enabling environment. One is about the high-level policy commitment, I think there was a strong policy commitment but what we highlight is really the importance of sustaining that. Because this is going to take time, I think we've all said that, this is not straightforward, so that focus and that high-level policy commitment has to stay.

The second is to plan and act collaboratively, and again I think we've touched on that, there are some great examples, and we might get a chance to come to that in the Q&A, about how organizations have collaborated together and leveraged each other's platforms. And that comes to the final one, which is really to try and support a limited set of cash transfer programming infrastructure, so let's not build a hundred systems that do the same thing, let's look at where the best systems are and how we can leverage them.

And so finally before we move to the Q&A, just a final question to each of you. So, the report really talks about the need to integrate cash transfer programming into an organizational structure and process and really the need to innovate, so if I could ask you each for an example about what you're doing to either integrate or innovate or both.

I mean, our innovation, we started on this focus so much on the technology and almost trying to be in the lead and our innovation now is to realize this needs to be people-driven not technology-driven and, it needs, we're only going to be able to go as fast as the whole system with their respective core competencies and so we need to go and partner with others. Our innovation is to be a catalyst in that whole system and both with our staff on the ground and with our partners around the world.

Thanks Kevin, Tara.

I think the example I give is, we have umpteen examples I could give you about digital innovation, you know examples of how we've built tools or solutions to facilitate, you know, cash transfers so digital

payment transfers to enable, you know, more efficient educational systems, to it to enable more effective healthcare delivery, to enable access to power, to water, and things like that, but that's not, I think, the focus. I think if I focus on the word that you used, which is integrate, I'm going to go back to the word that that Kevin brought up which is ecosystem. When we think about one of the findings of the report that you mentioned which is the need to build infrastructure once, use it many times, that's the thing that we're most interested in doing. If you think about the payments infrastructure that we all operate on, it is a robust, interoperable infrastructure that everyone can leverage seamlessly and that's what we're really interested in, is that kind of business model, how do we shift and how do we help implement with our partners like World Food Programme, like World Vision, like others, a smarter way of interacting such that we can all leverage that same infrastructure, so that we do create the resilience, the efficiencies, and frankly, you know, the multitude of benefits that can come from cash transfers. We can't just think about it impacting us from one use case, so today we need to deliver food benefits, or today we need to deliver, you know, a critical life-saving, you know, vaccination but how does that then ladder beneficiaries into livelihoods and resilience? How does that then enable them to get jobs? How does that enable them to get healthcare to get education etc, etc? It's proper inclusion into the broader system.

Great thanks Tara, finally Robert.

I mean, there's not a lot to add, she's said it all, to those two comments, but it is not about the technology, I mean we know that technology is a fantastic way to get greater efficiency and effectiveness, but that is our end, it's dignity of people, efficiency and effectiveness. To get there, of course, there are some technologies, we're using biometrics, is an important one, having digital systems at all because actually we started some of our cash programming even 10 years ago just with paper vouchers and other kinds of, envelopes of cash even in some cases, but those are all moving digital so that allows us to really look at data mining and really understand the analytics of what's going on, try to understand more about what people want and how they purchase things and what that means and so on, so there's sort of that process.

We are experimenting and piloting things like blockchain, as well, but that's with an end to really looking at how to improve efficiency at the same time as increasing transparency and accountability. And so, we have a pilot program, and a voucher program, in Jordan with a hundred thousand Syrian refugees right now, that basically have a back end of the cash voucher program underpinned by blockchain. It's an experiment, to see if it will give benefits and if it does we might do more, if it doesn't we'll do something else. But it's really got to be focused again on what we're trying to achieve. And I think that's actually come out really strongly this week, here at Davos, in terms of technology's great, and digital is great, but let's be clear about what problem we're trying to solve. And as we talked about yesterday, let's put the person at the heart of this in terms of their needs and then think about how technology can help to enable them.

Great thank you so much, so we're going to move to some Q&A, we've got about ten minutes. And so first question which, that's very easy for me, because it says MasterCard in it, so it's clearly for you, Tara ... How does MasterCard integrate cash transfer programming with their financial inclusion goals?

I think I addressed it a little bit, sort of in my earlier remarks, which is I mean we view it is a journey we look at the building of ecosystems as a journey for a citizen for a beneficiary. I don't like thinking about people as beneficiaries, we think of them as citizens, as people, as humans, and how can things like cash transfers or giving them the power of a digital identity, because that's what we do, right, we're in the business of financial digital identities, and how can those tools then enable them to have not just the access to that one-time humanitarian aid, but then ladder them into, you know, access to education, to health, to water, and things like that. It's very integrated into our financial inclusion goals, we've set global goals to include

more than 500 million consumers in to the global economy by 2020. We're more than halfway, 300+ million already, so yeah great part of it.

Thanks, Tara. So probably to yourself Kevin, or Robert, what are the main uses of cash donations by the beneficiaries?

You know, today I don't have the exact percentages but today food would be the main use, is very interesting as a lot of research showing, and this was I think doubted by some even five or six years ago, that in general individuals, especially women, can be relied upon to make good choices so they don't need to be in a little box and here you can only buy this set of things. But we do need to understand it better because we have found, for example, in some areas that that cell phone time is something people want to buy and so as people think about what their needs are, and in this highly connected economy it's changing, and we need to understand how they view their needs as opposed to being serviced directive as we have in the past.

Robert, anything to add?

No just to say our assessments show that between 60 and 70 percent of household expenditures go toward food in the poorer households and the rest goes to, you know, air time winter boots and fits in the season, you know things like that, and that's pretty standard.

Yesterday we were at the launch of the Smart Communities Coalition which is a great initiative by MasterCard and USAID to address this connectivity challenge, right, because as you said Kevin we see that people are choosing to purchase mobile data usage over food and so actually what can we do to make sure that we have, in the refugee context, and what can we do to make sure that people have access to that connectivity. Are there any good examples of coordination in the sector? Maybe I'll come to you, Robert, on that, best examples of coordination that you've seen.

Well, you know, the humanitarian sector does a lot of coordination across any response situation. Specific to cash, I would say that we're seeing a lot of the more, I would say, more experimentation in this place in the Syria regional response, where it's which is really the focus of a lot of cash programs right now. There's a multi-stakeholder platform that's been developed in Lebanon, for example, that is used by a number of different agencies and supported by donors. We see an interesting model in Turkey where there's a collaboration coordination model with Turkish Red Crescent and the Turkish government as well as Echo and WFP and UNHCR, so there's a number of emerging kind of coordination models out there.

Ok, great, Kevin or Tara anything to add?

Yes, I think the Smart Communities is not solely around cash but it's around digitization and kind of recognizing we come with different skills, experience, core competencies, and how do we move together in building those to have the most impact for people in emergencies. I would just add, and I think to me the most innovative thing that I'm excited about, partnering with both of your organizations, both with Accenture with World Vision with others, and with power Africa, is this notion of how can we attract in more private sector actors to share their core competencies, in frankly, areas that are very complex, they're very complex. Even in complex context. So for even for those of us who are in steeped in the technology world, you know the evolving technology around, you know, new modalities whether you know say blockchain or biometrics and whatever, we invest hundreds of millions of dollars in these areas every year, so we really think that this is a great way for private sector to coordinate better with civil society and donors.

Okay great thanks. So probably few more questions and then we'll have to wrap up, but what if the donors prefer providing food rather than cash how can you convince those donors both governments and privates? Who's done the best convincing? Yeah go ahead.

No no. Well, you know, donors in general want to have impact. So, they are persuaded, by evidence, that one approach has more efficiency, more impact on the well-being of people, than another approach. So, I mean, I think we're a long way from food disappearing, I mean there are some contexts where we're going to need food, we know that, and so building the evidence base and is probably the primary way to persuade.

Yeah I can't really offer a better answer than that, it's precisely right evidence, looking at the context, yeah.

Okay great, so who makes sure that ecosystem is available in a refugee camp to allow beneficiaries to use the cash? Will that be the NGO, the government or the private sector? You can all say the government because they're not represented, so Kevin is it you or is it Tara? Is it a combination?

Well, you know, it's not me or Tara. You know being a refugee is being in limbo and so one thing you know for sure it's very unlikely that a government is going to be thinking about how to best make a camp digitally effective for those living there, so it's going to be this ecosystem that we've been talking about, which is why we're trying to work together. Because an NGO isn't going to be able to do it on their own, the World Food Programme can't do it on our own, MasterCard I don't expect to do it on its own but I think together, and in fact we're working right now, we're starting the Smart Communities Coalition is starting in refugee camps in Uganda and in Kenya so that's what we're starting with.

If I can, I'll add to that, I think and what we're very mindful of is that any digital payments or digital capability competency or ecosystem is built in the context of the host country. And so, for us it really is about, it's about digitally enabling disenfranchised and excluded populations, of which I think we believe refugees are sort of, some of those who suffer most. And I think it's just very important to talk about, because you talk about digitizing, you're digitizing a market, you're not digitizing one use case, right, or one capability so for us it's very very crucial to work in partnership with governments, with NGOs, and frankly with all the private and public stakeholders on ground.

Great, so final question, how can we increase transparency of giving from supporter to citizens?

Well from a kind of what's coming up point of view, we are talking about how we would move toward a little bit more of a peer-to-peer kind of structure and whether that would be advantageous. In other words, if you have a private individual who would like to give a contribution how would we give a kind of transparent feedback loop of where the money has gone and how it impacts, so, what's coming out the other end? We have already an individual fundraising platform that's called Share the Meal, available on App Store, and Google Play in every country in the world, that you can please go to and download for free and provide contributions for different campaigns and we're thinking about how we would actually use that as potentially a channel for cash contributions to almost an individual level, of course being very careful to respect privacy and dignity of people. So, it's a place of, or it's an area of, experimentation but I think with the digital means you do have an opportunity to have a lot greater transparency over what happens with an individual contribution of cash.

Absolutely and that's another trend again we've talked about a lot this week around digitization and transparency and what that means. So, I'm going to have to bring this to a close but before I do I would just like to say that the full report will be launched next week on the 1st of February, at the Overseas Development Institute, and there will be a series of launches around the world, so you will be able to

engage and look and follow the debate so please do, it's a fantastic piece of research which actually addresses a very complex question as we've talked about today.

And so, a massive thank you to the panel, to Kevin, Tara and to Robert, and a big thank you to all of you that have been following us on Facebook Live. So, thanks for your attention in this crucially important topic.