Introduction

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With 128.6 million people worldwide requiring humanitarian assistance¹, the gap between the ever-increasing need for aid and available funding is growing. It is clear that the humanitarian response must become more efficient and effective in responding to acute needs and to better adapt to the contexts in which it operates.

Cash-based assistance (i.e., a digital or cash payment as opposed to an in-kind transfer, such as food or education) is increasingly recognized as a faster, more effective and more beneficiary-centred way of delivering life-saving assistance by placing choice and prioritization in the hands of those affected by crisis. The Inter-Agency Standing Committee² concluded that cash-based assistance must be significantly scaled, representing a greater proportion of total funds allocated to humanitarian preparation and response. It found that: “Major trends in policy, technology, concentration of people in urban settings, and market integration are creating a more conducive environment for the wider use of cash transfers to meet humanitarian needs and objectives. To capitalize on this, the composition of humanitarian assistance must be rebalanced to reflect the rapidly evolving context.”³

Significant scope exists for the public and private sectors to scale their collaboration to effectively deliver payments in humanitarian contexts. To optimize the efficiency and impact of cash transfers, humanitarian actors need – in many cases – to harness the technology and expertise of private sector partners to deliver cash transfers quickly and efficiently, including in challenging environments, linking poor and often remote beneficiaries into a financial system that can deliver assistance over time.

This paradigm shift towards providing humanitarian assistance through direct cash transfers provides the opportunity to explore markets for long-term financial options and services – particularly low-cost mobile payment systems, branchless banking and the adoption of local agents serving as financial intermediaries.

Digital delivery of cash in humanitarian contexts is already well established and has made a strong impact; consider a Syrian colleague sending money transfers to his family or a Liberian doctor receiving her salary during the Ebola crisis.

Financial innovation along with new forms of partnerships between the private and public sector, supported by
humanitarian actors at the field level, can both revolutionize our ability to meet the basic needs of those affected by crises and, over the longer term, attempt to address the financial inclusion gap, linking poor and vulnerable people into formal financial services that will benefit them.

E-payments can make the delivery of cash disbursements more secure, cost-effective, faster and more convenient. These options can help vulnerable populations better manage risk and access financial services during extended humanitarian crises or post-disaster recovery periods. By stimulating the demand for financial services and the identification of individual beneficiaries (a procedure also known as “know your customer”, KYC), the disbursing of humanitarian aid can contribute to solve some of the historical hurdles in providing commercial financial services to underserved communities.

To fully realize the benefits of new technologies and achieve scale, guidelines on the relationship between humanitarian and private sector actors to deliver digital payments must be developed. They will provide a platform to ensure the safe and efficient transfer of cash payments to crisis-affected populations.

After a call from the UN Secretary-General for innovative thought leadership on better cash-based assistance, the World Economic Forum committed to facilitating the shaping of Principles for Public-Private Cooperation in Humanitarian Payments, as part of the Forum’s System Initiative on Shaping the Future of Financial and Monetary Systems. These principles complement the Barcelona Principles – guidance for the effective use of digital payments in humanitarian response, elaborated by humanitarian and development actors.

Starting in May 2016, the World Economic Forum engaged with a group of core collaborators and global experts from the private sector and humanitarian community to develop and champion a set of principles. These principles will help guide public-private collaboration on the delivery of humanitarian assistance in the form of diverse payments after a crisis.

This report has considered core humanitarian principles, the OCHA-World Economic Forum Guiding Principles for Public-Private Collaboration for Humanitarian Action, and the Barcelona Principles. The report aims to distil, and share, the principles into a flexible and applicable framework to ensure affordable, easy, timely and secure access to resource transfer during humanitarian crises.

The report outlines six core principles for public-private cooperation in humanitarian payments. It is intended to serve as a resource for various audiences:

- Global and regional private organizations partnering to advance financial inclusion and the digitalization of humanitarian payments through multistakeholder approaches
- Humanitarian actors working to streamline assistance processes and procedures
- State leaders and stakeholders working to shape, strengthen and scale international partnerships in financial inclusion and humanitarian aid

The set of principles delineated in this document does not aim to recommend a definite set of “right answers”. The ambition is to deliver key driving principles identified by the Forum that can catalyse an efficient transition to cash-based humanitarian aid and a successful multistakeholder partnership effort within the financial inclusion agenda. It aims to be positioned as a working document, which over time can be customized and refined to attain collaborative and harmonized approaches to effective public-private cooperation in humanitarian action.
Principles on Public-Private Cooperation in Humanitarian Payments

1. Build strategic partnerships pre-crisis to prepare for response
   - Improve the efficiency of humanitarian cash response through pre-crisis partnerships with payment providers. Effective preparedness measures between service providers and humanitarian actors include:
     ✓ Standardized payments infrastructure mapping procedures in crisis environments
     - Payments infrastructure data changes quickly and is rapidly outdated, while much private sector data on payments infrastructure is sensitive due to commercial and security concerns. Despite these limitations, the private sector can support humanitarian-led assessments of payments infrastructure if provided with clear, harmonized and realistic requests for information. These assessments should examine existing payment systems (in particular, G2P/social safety net payment platforms) that may be well-suited to support emergency cash transfers.

     ✓ Pre-positioned agreements
     - Agreements between humanitarian agencies and payment providers at local, regional and/or global levels can significantly reduce contracting and start-up timelines in emergencies. These agreements may take a number of forms, including fully negotiated contracts or looser framework agreements. The latter (framework or stand-by agreements) offer less definition but greater flexibility by outlining available services and terms of engagement without “locking in” either party to a specific commercial deployment.

     ✓ Shared strategies and platforms
     - This can facilitate private sector and humanitarian advocacy on key regulatory issues affecting humanitarian payments, including “know your customer” and customer due-diligence requirements.

2. Design the transfer mechanism
   - Put the programme participant at the centre: prioritize products that are affordable, easy and secure
     ✓ Assess programme participant needs and payment behaviour and design for maximum value and convenience. Cash-based assistance is a people-first approach.

     ✓ Select a transfer mechanism with minimum time, cost and travel demands for clients to access payment service points.

     ✓ Prioritize simplicity when designing the delivery system. Where a transfer mechanism relies on a range of technologies and operators, every effort must be made to ensure this does not complicate usage by the participant. Where local conditions allow, a minimal number of delivery systems used across humanitarian actors and other social assistance programmes should be considered for both simplification and efficiency.

     ✓ Prioritize partnerships delivering multi-channel or linked systems wherever possible

     ✓ Give priority to open-loop systems that connect recipients with a personal account or “wallet” that leverages local markets and ecosystems. Financially inclusive payments offer recipients access to and the ability to use at least one formal transaction instrument that can perform many, if not all, of their payment needs. Features include access to safe storage of value and a gateway to other financial services. They can be delivered via mobile phone or card-linked accounts and are accessible at agents, merchants, ATMs and bank branches.

     ✓ Give preference to financial and payment systems that have a locally accessible presence or partners and are under the supervision of the country’s central bank or relevant regulatory body.

     ✓ Recognize that timeliness of disbursement is key

     ✓ When crises occur in remote areas that are not yet well-served by financial services, both financial service providers (FSPs) and humanitarian agencies should work together to better support the timely delivery of cash transfers in such areas.

     ✓ Collect data to test, monitor, learn and iterate for continuous improvement of the digital payment delivery system. Clearly defined roles and responsibilities with regards to data collection, analysis and response to deficiencies need to be determined in the agreements between the humanitarian agency and the payment provider.

     ✓ Integrate recourse and inquiry/complaint resolution mechanisms, inform customers of their availability and encourage usage.

3. Collect data that is relevant, proportional and standardized/shareable
   - Agree on minimum recipient and programme-related information and data collection requirements for the specified purpose and, where possible, standardize this between providers based on the specific need/objective/use case

     ✓ Data that is collected, stored and processed should be adequate for and relevant to the identified purpose and not exceed this.
Agreements should include stipulations on the deletion of stored data when a programme has ended, a programme participant drops out of the programme, or no longer wishes to use a provider’s services.

Leverage digital identification where possible and appropriate to link to longer-term services.

Key stakeholder groups across sectors have begun efforts to articulate the components of a portable and reusable identity to allow for users to access longer-term services beyond a humanitarian intervention. Implementers and service providers should advocate for the acceptance of new forms of digital identification, including mobile or card-based digital identities, wherever appropriate, to enable such access.

Ensure data subject privacy is respected.

Data subjects should be informed of the nature of the data being collected and its use within the context of a programme. They should be given the opportunity to question the use made of the data and withdraw from the programme if they do not wish their personal data to be used for the purposes described.

Policies and procedures should be in place to respect data-subject privacy and maintain a high level of data security that protects personal data against the risk of accidental or unlawful/illegitimate destruction, loss, alteration, unauthorized disclosure of, or access to it.

Confirm that clear agreements are in place with the recipient(s), stipulating how to use, share, store and delete their personal data across the data/programme lifecycle.

To ensure data integrity and confidentiality, personal data must be filed and stored in a way that it is accessible only to authorized individuals and transferred only through a protected means of communication.

Personal data should not be retained longer than necessary for the purpose(s) for which it was collected.

Data transfer agreements should:

- Address the specific purpose(s) for data transfer, the specific data elements to be transferred and the means of the data transfer, as well as data protection and data security measures to be agreed on and implemented by the respective parties dealing with personal data.
- Require the recipient(s) of the personal data to undertake that their data protection and data security measures are compliant with the protocols stipulated in the agreement.
- Require that any onward data-sharing is for the same defined/specific purpose and is subject to the same personal data protection requirements as the data transfer agreement with the first recipient of the personal data.
- Require the recipient(s) of the personal data to have procedures in place to assess the legality of any government/third party requests to access personal data, and handle such requests in accordance with national legislation.
- Stipulate consultation, supervision, accountability and review mechanisms for the oversight of the data transfer for the life of the agreement.

**4. Protect, empower and serve the customer**

Understand recipients’ needs, behaviour and potential consumer risks when using payment services.

- Analyse recipients’ needs, preferences and livelihoods; know and mitigate the various recipient risks in using payment services.

- Provide accessible and transparent information (e.g., locators, ID requirements) as well as issue resolution and feedback mechanisms for all products and services, with well-defined accountability, timing and progress information for customers.

Select or design payment mechanisms for recipient value and empowerment.

- For products and services, aim to maximize recipient value, choice of payment method and self-service accessibility.

- Prioritize systems with around-the-clock availability and timely service.

- Prioritize open-loop payment systems that use local ecosystems and enable recipients to access a range of other financial services.

Ensure relevant information and training on products and services is provided in the most effective and streamlined manner.

- Confirm that training and information provided to recipients is clear and relevant based on their needs and capabilities. It should seek to build confidence and trust in the device, product, service and system.

- Ensure training is offered by both the programme and the provider. Specific arrangements may be made and agreed on within the contract or terms of reference between the programme and the provider.
5. Encourage coordinated approaches

- Ensure that both humanitarian actors and private-sector partners have access to information on the range of opportunities, solutions and partners available operating within humanitarian responses. Recognizing the wide range of actors, information related to the opportunities and range of cash transfer in humanitarian response should be presented to support an increase in innovation and opportunities for scale and to promote competition. While general information that could support the scale of responses should be increasingly shared, specifics that would speak to individual or joint contractual agreements would continue to be negotiated bilaterally. This information should be tailored depending on context and need but may include:
  - The inclusion on existing portals of information on payment-provider coverage and capacity, and providing information on the scale of current and planned humanitarian cash transfer programmes. These may link also to active requests for proposals (RFPs) where they are published to allow for direct connections to those partners who are open to tenders.
  - The use of existing portals to allow for a wide range of humanitarian partners to present specific programme needs or challenges, to enable payment providers’ development of products or technological solutions to address these (e.g., geographical areas which have limited coverage of FSP delivery options that companies may choose to offer solutions for).
  - Private-sector payment actors – either representative groupings where they exist (e.g., GSMA) or individual organizations – should have opportunities to access humanitarian briefings or updates. These may be provided using information shared through existing portals or via designated meetings or groups where relevant.
  - Lessons from digital-payment programmes, including experience with regulators and government, should be gathered and disseminated as widely as possible to reach relevant stakeholders. This may vary depending on context and may utilize existing information systems (portals or others), existing coordination bodies (humanitarian or government-led) or other mechanisms that would allow for dissemination of these experiences.
  - Information on private-sector payments should continue at all times to respect humanitarian agencies’ procurement rules and guidelines, and should support competitive tender processes.

- Maximize collaboration among private-sector digital financial service providers in emergency/disaster scenarios
  - Coordination between payment providers may include:
    - Leveraging the advantages of client-account interoperability
    - Leveraging open-loop payment systems that enable transfers across multiple platforms in local markets and ecosystems
    - Collaborating with other FSPs to maximize the reach of cash disbursement networks (ATMs, agents, traditional money-transfer operators, etc.).
  - Cash-based assistance should be delivered, where feasible, using shared cash-delivery arrangements or existing government-led systems (which may utilize public or private delivery financial service providers depending on the context) through which all relevant stakeholders have equal and direct access to the financial service provider irrespective of which agency or organization establishes the delivery arrangement.
  - Where possible and appropriate, both parties should seek to build renewable agreements that will allow humanitarian actors to reach the same individuals through the same channels in future emergencies while reducing start-up costs.

6. Build institutional capacity for partnerships

- Seek to build staff capacity among the humanitarian community on understanding digital payments to effectively leverage available technologies and private-sector expertise for humanitarian cash transfers
- Share best practices on enhancing partner capability
- Recruit staff with the appropriate skills, including technical, legal and regulatory knowledge to scale cash-based assistance
- Specific to humanitarian actors, collaborate with financial service providers and digital payment providers while taking care not to duplicate capabilities
- Invest in resources to guide private-sector partners and build awareness on humanitarian principles, operating models and constraints. Attention must be paid to balance business objectives with humanitarian principles and the needs, dignity and rights of programme participants
1. **Cash transfers**: Cash transfers represent social assistance or humanitarian programme benefits delivered to recipients in a financial value as opposed to those delivered in kind, such as food or education. Cash transfers may be delivered electronically or in paper currency.

2. **Closed-loop payment system**: Closed-loop payments typically operate in proprietary systems controlled by one or a small number of providers. For example, ATM cards that can only be used at bank branches of the financial service provider (FSP) that own both the cards and the ATMs, or remittance/money transfer systems which enable the origination and withdrawal of funds from endpoints within the same company.

3. **Data controller**: Data controller means a person who (either alone or jointly or in common with other persons) determines the purposes for which and the manner in which any personal data is, or will be, processed.⁶

4. **Data subject**: A natural (living) person who can be identified or is identifiable by the personal data in question.

5. **Digital payments**: 
   - **E-transfer**: A digital transfer of money or vouchers from the implementing agency to a programme participant. E-transfers provide access to cash, goods and/or services through mobile devices, electronic vouchers, or cards (e.g., prepaid, ATM, credit or debit cards).
   - **E-Cash**: Any electronic substitute for cash that provides full flexibility for purchases. It may be stored, spent and/or received through a mobile phone, prepaid debit/ATM card or other electronic transfer.
   - **E-vouchers**: A card or code that is electronically redeemed by programme participants at a participating distribution point. E-vouchers can represent cash or commodity value and are redeemed using a range of electronic devices, including mobile phones and POS devices.

6. **Financial service provider (FSP)**: An entity that provides financial services, which may include e-transfer services. Depending on the context, FSPs may include e-voucher companies, money transfer organizations (MTOs), financial institutions (such as banks and microfinance institutions), or mobile network operators (MNOs). FSPs include many entities (such as investment funds, insurance companies, accountancy firms) beyond those that offer humanitarian cash transfer or voucher services. Within cash-transfer programming literature, FSP generally refers to entities that provide transfer services.

7. **G2P**: Government-to-person payments, which include the payment of government salaries, pensions and social safety net transfers.

8. **Interoperability**: Interoperability creates a situation where a user of one bank or FSP can exchange a transaction with a user of a different bank or FSP. Interoperability may be achieved by participants all using the same system or through agreements between systems. This also means a situation in which payment instruments belonging to a given scheme may be used in platforms developed by other schemes, including in different countries. Interoperability requires technical compatibility between systems, but can take effect only when commercial and operational agreements have been concluded between the schemes concerned.

9. **Mobile network operator (MNO)**: A company that has a licence to provide telecommunications services through mobile devices.

10. **Open-loop payment system**: A payments network that enables otherwise closed-loop payment systems to share endpoints. For example, a card-based payment system that allows the ATM cards from one bank to be used at another bank’s proprietary ATMs, or a remittance/money transfer system that enables funds deposited with one participating entity to be collected at another entity.

11. **Payment delivery mechanism**: The system used to deliver e-transfers or e-vouchers to programme participants. This system may use specific parts of the national payment system or other means to deliver these transfers.

12. **Payment interoperability**: The business rules and operational practices plus the technology infrastructure that enables one FSP to share data and customers with another. Interoperability may be achieved by participants all using the same system or through agreements between systems. Most frequently this is demonstrated by a customer of an FSP being able to access funds at a cash-out location (ATM, agent, etc.) managed by an FSP different from the customer’s FSP. Interoperability can be sector-limited (only banks or mobile money providers), geographically limited (within the boundaries of a particular country), or by brand association.

13. **Payment service provider**: The public or private sector organization tasked with delivering humanitarian cash transfers, such as a financial institution, post office, mobile network operator, or aggregator.

14. **Payment system**: A set of instruments, procedures and rules for the transfer of funds between or among participants; the system includes the participants and the entity operating the arrangement.⁶

15. **Personal data**: Data which relates to a living, natural individual who can be identified or is identifiable from: 
   a. those data, or 
   b. those data and other information which is in the possession of, or is likely to come into the possession of, the data controller, and includes any expression of opinion about the individual and any indication of the intentions of the data controller or any other person in respect of the individual.⁷
16. **Private sector**: The private sector includes all actors which generate surplus income/profit through their business operations. This includes small individual traders and micro-enterprises, small firms employing temporary labour, cooperatives with numerous “members” or shareholders, through to multinational companies. The absolute criteria for what is/is not the private sector is blurred, as many private firms are owned by governments, and some enterprises – for instance, social enterprises – have business plans that generate a profit which is invested back into society.

17. **Programme participant (and cash transfer recipient)**: The individual intended to ultimately benefit from a cash transfer (this term is used interchangeably with “programme beneficiary”). This term is important to distinguish those cases where the cash transfer recipient and programme participant are different people. For example, in the case of an orphans’ and vulnerable children’s programme, the child is the intended beneficiary while the primary caregiver is usually the recipient. The payment service provider (PSP) is responsible for delivering payments to recipients and the programme must mediate to ensure that funds reach the beneficiary.

18. **Recipient**: This term is interchangeable with programme participant (see above).

19. **Remittance**: Money sent from one person to another, e.g. money sent home from emigrants working abroad.

20. **Social assistance/social assistance transfers**: Repeated, unconditional, predictable transfers of cash, goods or services provided on a long-term basis to vulnerable or destitute households or specific individuals (e.g., the elderly, pregnant women), with the aim of allowing them to meet basic needs or build assets to protect themselves and increase resilience against shocks and vulnerable periods. Usually refers to government assistance provided in cash, but can also refer to in-kind assistance.

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2. The Inter-Agency Standing Committee (IASC) is recognized as the primary mechanism for inter-agency coordination of humanitarian assistance. It was established in 1992 and is a forum involving key UN and non-UN humanitarian partners.
3. The World Bank Group, *Strategic Note: Cash Transfers in Humanitarian Contexts* (June 2016)
4. Unless otherwise stated, definitions have been drawn from documentation produced by the collaborators in this initiative.
5. Ibid, 8