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# Electronic cash grants in emergencies

## APPROACHES AND LESSONS LEARNED

### OVERVIEW

Cash distributions in an emergency: A concept that seems so obvious today yet has only recently gained recognition within humanitarian response programming for its speed, efficiency and—above all—effectiveness. This document provides a snapshot for humanitarian response peers on best practices, lessons learned and recommendations for electronic cash distributions during an emergency response. Based on a pilot project carried out by Catholic Relief Services/Caritas in Jordan for Syrian refugees and vulnerable Jordanians, the following principles and practices can be adapted in diverse contexts.

### CASH GRANTS: A SMART APPROACH TO RECOVERY

Cash grants, where possible, offer people a dignified way to receive cash in times of crisis. When people receive cash directly or through electronic means like a debit card, they have the ability to buy the items they need the most. That decision-making ability offers an element of control in a context where people's choices and control have been severely hampered by disaster of some sort. The infusion of cash into local markets also helps local shop owners and the broader local economy to recover and stay in business. Over the past few years, electronic payments have been seen to offer improved security and monitoring benefits. However, the lead time required to negotiate with local banks and service providers can be months.

### PILOT PROJECT IN JORDAN: PREPAID DEBIT CARDS FOR SHELTER SUBSIDIES

For newly arrived Syrian refugees in Jordan, and for vulnerable Jordanian families, CRS introduced **SWIFT prepaid Visa cards** in a project that had been providing three months of rental support by way of a check written to the landlord. Replacing the check method in December 2014, the SWIFT prepaid card allowed the participants to get the cash themselves using a debit card, and to pay the landlord directly.



## HOW IT WORKED

The participants received an orientation on how to use the cards, as well as a pamphlet in the local language with pictures demonstrating how to use ATMs. They also learned how to use a hotline to ask questions and relay feedback. After getting their cards, and for the following two months, they received SMS messages to alert them when the cash was available. They were then able to go at their convenience to a local ATM to withdraw their funds. CRS/Caritas staff followed up with all beneficiaries, via phone survey, to ensure that they were able to access their funds without problems and to conduct post-use monitoring.

## MONITORING RESULTS AND FEEDBACK

The SWIFT prepaid debit card proved to be appropriate and efficient. While 90 percent of beneficiaries had not used a debit card before, all reported a high level of ease with the cards after the project. Only 5 out of 298 beneficiaries reported any security concerns. The participants also highlighted the added layer of privacy and sense of dignity that using the cards offered, instead of mechanisms that made it obvious to others that they were receiving assistance. This was considered a personal benefit as well as a form of protection.

## PROMISING PRACTICES

- The use of SMS as a mechanism to inform participants that cards had been activated and loaded was efficient and appreciated.
- The local hotline was essential in the roll-out of the system and in ensuring acceptance by beneficiaries.
- The ability to provide real-time information on the use of the cards, using the online account management system from SWIFT, and/or any challenges was essential for addressing issues quickly and efficiently.

## LIMITATIONS, LESSONS LEARNED AND RECOMMENDATIONS

The pilot project showed that the potential for the use of products like the SWIFT prepaid debit cards in the earliest stages of emergency response is possible and that the product is flexible enough to work in an emergency context and in communities with limited previous experience of ATM/credit cards.

### Limitations

- It can take time to set up the program (orienting beneficiaries, training staff on systems).
- It is not possible to use SWIFT prepaid cards in countries on the Office of Foreign Assets Control list and countries without a dependable Visa network.
- The current contract with SWIFT does not refund unused funds on cards, which requires careful calculations, and instructions to participants to ensure they have sufficient funds to cover fees and that they do not leave large amounts of funds on the cards.
- Currently, the PIN number is located on the cards—making them less secure, but so far preferred given the experience of people losing PIN numbers.
- Longer-term access to the system for local partners is limited, which hinders sustainability.

- Each card number must be entered individually to monitor details of the account. This system is not feasible for financial management in a large-scale project.
- The fees are significantly higher than those of local banks.

### Lessons learned

- Adjust the funding amount available to align with the button amounts on ATMs.
- Schedule activities to make sure that staff and SWIFT representatives are available to troubleshoot at the time of loading and activating the cards.
- Ensure the person managing the PIN numbers is also the person distributing the cards to limit the number of people with this information.
- Use a cloud-based database for registering hotline calls to better share information.
- Roll out the distributions in stages rather than to large groups all at once, to spread responsibilities more evenly and allow households in early distribution tranches to access cash sooner.
- Look for a hotline number with an answering service and established hours of operation to minimize disruptions to staff after hours.

### Recommendations

- SWIFT prepaid cards are best for use in a rapid onset disaster—when there is no time to set up a local option—or for long-term projects, when additional monitoring is more important than issues of exchange rates and higher fees.
- The flexibility of having cards with or without the PIN number on the card is important for different security contexts. The PIN number on the card is acceptable for single-use cards in secure contexts. In other contexts, and especially for multi-use cards, having a separate PIN is important for people's safety and security.
- Provide branded and unbranded cards for different needs, security and acceptance.
- CRS should support interested partners to work with SWIFT directly to establish a relationship.
- Coordinate with local government and banks on the use of the cards to ensure that there are no legal concerns, and to establish strong relationships to ensure that local authorities are aware of the legality of the cards.
- To avoid customs issues, have SWIFT directly ship cards to country offices.
- To minimize start-up time, develop guidance for finance and administrative management of the cards and the online platform, including the establishment of a system at the headquarters level to manage cards to allow staff to focus on the programming side in the field.

### SWIFT prepaid card fee structure

Action	Fee
Withdrawal (ATM)	\$3.95 + 2% of total amount withdrawn
Purchase (PoS)	2%
Balance check	\$0.75
Overdraft fee	\$0.75
Bad PIN	\$0.75
Cancellation of card	\$10
Card issuance fee	\$1
Card load fee	\$1

