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## DRAFT Meeting Minutes – Cash and Shelter TWG

June 9<sup>th</sup>

### Agenda

1. Experience using mobile money in Gorkha District – ECO Nepal / Danish Church Aid
  2. Shelter Cluster Update on CGI
  3. AOB
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### Experience using mobile money in Gorkha District – ECO Nepal / Danish Church Aid

- ECO Nepal, with the support of Danish Church Aid, recently distributed cash in Gorkha District, using the ‘Hello Paisa’ mobile money system.
  - This was ECO Nepal’s first time doing cash distributions and they found it to be a very easy process.
  - Target of 2500 cash distributions of 15,000 NPRs for shelter support
  - Individual’s ID cards and citizenship was provided to Hello PAiSA (the partner) along with the beneficiary’s mobile number.
    - This external partner developed the cash transfer system.
      - The platform sends an SMS confirmation to the beneficiary and another to the agent/bank staff.
    - Beneficiaries without mobile phones are given printed vouchers.
      - They go to the VDC office, show ID card, and receive the printed voucher.
    - Even in remote areas, 83% had mobile phones and only 17% without.
  - 3 VDCs were assigned based on number of target households.
  - DDRC provided the beneficiary information and household selection as to avoid duplication.
  - Why was the mobile platform beneficial?
    - Quick delivery
    - Connects people to financial institutions for the future.
    - Can track easily to give a level of accuracy.
  - Hello PAiSA can connect with many different banks / financial service providers.
    - They were provided a list of beneficiaries and mobile numbers. They have an agreement with mobile networks and use those to send out the SMS.
    - Then, through their networking with banks / FSPs, they connect villages to a local bank / FSP.
    - Citizens receive their message, show it to PAiSA, and the money is instantly available.
    - PAiSA takes a 3% fee.
  - Challenges
    - Some VDCs have poor mobile coverage.
    - Sometimes 2-4 households share a phone.
    - Common understanding can be difficult.
  - For households that did not have a mobile phone, a printed voucher system was used instead. It was suggested that the benefits of using Hello Paisa are not obvious, and that it is an expensive solution given the transaction
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costs. DCA / ECO Nepal informed that for them the mobile money system was seen as useful for preventing fraud and duplication, because of the online monitoring provided, and as a step towards financial inclusion for future. It was also raised that whilst 'cash in envelope' type distributions do not have transaction costs, the logistical costs of such distributions would likely exceed the transaction cost for the mobile money system.

- For the distributions organised by ECO Nepal, Hello Paisa worked through Prabhu Bank and they organised for the bank to send a mobile bank to the VDCs where the distributions were taking place as these VDCs are a three hour drive from the nearest bank.
- Some issues and challenges around identifying households to receive cash distributions, but this was not discussed in detail – will be discussed further in the next accountability, targeting, and inclusion TWG
- ECO Nepal informed that they will carry out post distribution monitoring in 2 weeks as part of a household survey to identify recovery needs. There was discussion around the data collection and post distribution monitoring systems provided by Hello Paisa in comparison to barcode companies. Red Rose presented their system which uses a 'smart card', where the cost of each card is \$1 and the expected transaction cost is 2%. Vendors are trained using the android/smart card system. Business is funnelled through them and all data is collected to give info of what each individual purchased. Bar code scan can also be used for one-off distribution.
- The appropriateness of such solutions for remote areas was discussed, and ECO Nepal informed that the small number of ppl who did not receive their text through the Hello Paisa system due to issues with the network were still able to receive the cash distribution once Hello Paisa checked their mobile number and ID card. Red Roses' system can be set up so that no cash is required and the reporting can be managed offline.
- It was highlighted that in Nepal 52% of the population are not included in the banking system and this is the start of a very important process. As this is the case, it would be a good idea to monitor the value chain and to capture the impact of the cash. Most of the tools for this kind of monitoring that exist are for food security. There is a need to capture information on this now in order not to miss too much data. It was suggested that support on this be requested from the CCG.
- The CCG have requested a presentation on shelter perspective on cash, it was suggested that this could be a joint effort from the TWG in order to capture a variety of experiences

### Shelter Cluster CGI Update

- There have been several issues / challenges around CGI recently
- Quality – advised to measure thickness as there is confusion around gauge. Lower thickness recommended for ease of transport
- Production in country is high, but has now been purchased, so delays in procurement. Import tax remains on CGI for agencies that wish to import.
- Q: What happens if there is no delivery by the cutoff date?
  - A: Currently it is varying from district to district.
- Q: What is the SC position on supplementing the GoN 15,000 with the in-kind package?
  - A: The SC recommends either the government package OR the shelter cluster package. There should not be any overlap or supplementation.
- Q: Is the GoN not doing blanketed coverage with cash?
  - A: No, GoN has identified certain VDCs to target. They are not covering each and every VDC.

#### AOB

- Representative from Hulas Steel.
  - Nepal Investment Bank who is willing to waive all transaction costs on mobile money cash distributions. In this case the only fee would be the SMS cost, but there is also potential for the phone companies, NCELL and NTC, to waive the SMS cost.
  - Nepal Bank has very good infrastructure and has many branches in remote areas. Hulas Steel has a deal with Nepal Bank and they have a branch next to every Hulas production or distribution facility.
  - It was suggested that cash distributions should be given to women to ensure that they are used for the needs of the household

#### Action Points

- Follow up with CCG to gain greater understanding of cash distribution methods that are being tested, and to compare transaction costs, appropriateness for remote areas, etc.
- Request support from CCG to monitor cash distributions for shelter, especially around areas such as personal debt, remittances, etc.
- Prepare presentation on shelter perspective on cash for CCG meeting on 19<sup>th</sup> June, Jim Kennedy (IOM) to lead on this, presentation to be finalised during meeting next week

**The next meeting of the 'Cash and Shelter' TWG will be held on Tuesday 16<sup>th</sup> June at 4pm, location TBD.**