Using of bKash in enhancing FRIEND’s Cash disbursement to beneficiaries

**Background**

The humanitarian sector has experienced rapid uptake in the use of cash transfers as a tool for humanitarian response in recent years in Bangladesh. And there is advancement in new technology in country means there is growing interest from donors, practitioners and governments as to how technology can best serve humanitarian responses. The demands of transferring money to large numbers of beneficiaries as well as the level of accountability required of cash transfer programmes have also led humanitarian actors to adopt new technological innovations that have potential to benefit humanitarian programming more broadly. Oxfam has initiated Cash Based Response from 2011 and one of major challenge Oxfam faced is ensuring security and timely delivery of cash to targeted beneficiaries. This challenge pushes Oxfam to explore potential alternative technology to transfer Cash.

bKash is a BRAC Bank Initiative which started their formal business in July 2011 with an aim to provide financial services through mobile phones to both the unbanked and banked people across the country. They provides an affordable, reliable and speedy money transmission facility for the transfer of money value from one place to another and from one person to another using the USSD (Unstructured Supplementary Service Data) capabilities of mobile phones.

Oxfam is Implementing Food Security Response Initiatives and Efforts for floods in North Western Districts (FRIEND) Project by Gono Unnayan Kendra (GUK), its Partner, in Gaibandha as a member of NARRI and funded by ECHO. Bangladesh's first mobile financial service provider bKash has been selected as the delivery agent for transferring cash to beneficiaries under FRIEND project. And this is the first time Oxfam is going to initiate Cash Transfer through Mobile System with Support from bKash. This write up elaborates the process with potential risk of this initiative and the strategies to minimise risk.

**FRIEND project and its scope**

The direct beneficiaries of Oxfam’s humanitarian intervention under FRIEND project consists of households that are the most affected by the floods in one 5 Unions of Fulchori Upazilla of Gaibandha District. Under Oxfam’s humanitarian response, all targeted 3371 HHs in Gaibandha district will receive a total of 6,520 BDT from the participation in both CFW & CFT. A separate Unconditional Cash Grant (UCG) activity will focus on the 2% (67 HHs) of affected households who are in a critically vulnerable situation (i.e. elderly/disable/heavily pregnant female headed households unable to move out of their shelter and with no member able to participate in the other cash transfer activities).

**Why bKash**

Using bKash as delivery agent will result in possible reduced corruption and security risks, reduced workload of agency staff (both Oxfam & GUK), greater flexibility for recipients. Regarding cost for service rendered by bKash, the amount is only 2.10% per 100tk which is lowest in the world among same kind of projects undergoing in different parts of the globe. As for resilience, the delivery method is apt to be very effective during emergencies considering little time required to prepare or scale up the capacity to disburse money in project area once it is in place and running. Scaling up can be done rapidly with low or no additional cost. Human resource costs to operate the cash transfer can be controlled easily by the agency (here Oxfam GB).
**Cash Transfer Process**

Oxfam with the help of its implementing partner GUK will distribute SIM to each identified beneficiary. SIM cost will be borne by Oxfam and will be of no cost to beneficiaries. During distribution of SIM to beneficiaries, GUK will make a database of beneficiary along collecting their photograph and other biometric identifications. During payment day under CFW and CFT, beneficiaries will go to designated bKash agent close to them and use agents phone to access the secret PIN sent to each of the beneficiary’s SIM number. A GUK staff will be present to oversee the process and ensure accountability at bKash agent point. The PIN number will then be entered to special bKash authentication software in agent’s phone and upon authentication of the beneficiary the allocated cash will be paid to him/her.

**Probable Risks and corresponding options to counter them**

Major risks have been identified at three stages (or point) of cash transfer to the selected beneficiaries.

1. **Risk in beneficiary Identification methods:**
   - Risk- Identity fraud;
   - **option to counter**- National IDs against government database, electoral.
   - Risk- Recipient lacks required rolls or other databases documentation;
   - **option to counter**- Identification by community members.
   - Risk- Slow process;
   - **option to counter**- train GUK staff to better manage and speed up database creation of beneficiaries.

2. **Risk in authenticating beneficiaries at bKash agent point:**
   - Risk- Identity fraud of beneficiary;
   - **option to counter**- Visual authentication at point of payment, by GUK staff.
   - Risk- recipient cannot retrieve PIN from SIM;
   - **option to counter**- presence of GUK staff at designated bKash point to help beneficiaries.

3. **Risk at Point of payment (PoP)**:
   - Risk- Fraud or corruption by bKash agent;
   - **option to counter**- Can be more or less flexible or convenient to have strong monitoring of bKash agents and complaint system installed for instant reporting to GUK consequently to Oxfam.
   - Risk- Lack of affordable accessibility to bKash agent depending on time and geography in project area;
   - **option to counter**- strategically designate bKash agents in geographic position that will enhance accessibility and ensure long opening hours for cash disbursement to the beneficiaries.

**Steps to increase acceptability of Mobile cash transfer among beneficiaries**

Mobile phones for receiving funds have been shown to be acceptable to recipients if there is adequate training at inception of the project and ongoing support. In this regard, GUK (implementing partner) will provide training and support to beneficiaries. bKash agents designated for cash disbursement under FRIEND will also be sensitize about the scope and challenges of the project to improve the process and ensure accountability. In case of acceptability of such innovative and technology based cash transfer, it has been observed that a cash disbursement seems to provide a strong motivation for recipients to learn how to use innovative technology. There are many examples of recipients who are illiterate but who are more than capable of remembering and using a PIN.