



# **MOBILE WALLET PILOT REPORT – JORDAN**

**INCREASED ACCESSIBILITY & REDUCED  
VISIBILITY**

FEBRUARY 2018



# Project Overview

The distribution or delivery of cash assistance to beneficiaries can be done through multiple channels, such as physical distribution, ATMs, or Hawalas. However, previous research presented from several INGOs at the Basic Needs Working Group show that each of these traditional cash delivery systems have certain disadvantages from a protection standpoint. As such, in order to reduce protection risks, and thus empower vulnerable populations, Mercy Corps Jordan is launching a pilot of an alternative cash delivery system, called 'mitigating protection risks of cash assistance for women and girls through mobile wallet'. The introduction of mobile wallets will 1) create a more accessible and sustainable cash modality system, 2) increase Mercy Corps' knowledge and understanding of its potential for future programs, and 3) harness the use of technological components for development. A mobile wallet is a digitized version of the traditional physical wallet, i.e. a non-cash payment system, which allows beneficiaries to either make purchases or withdraw money using a mobile device, such as a smartphone or tablet, simply by downloading the "Dinarak Mobile App". As such, customers or beneficiaries of the mobile wallet payment system can use their mobile device to make in-store purchases, pay bills, transfer money, and withdraw money from multiple cash out points, in a secure and easy manner.

# Analysis

The goal of this analysis is to increase Mercy Corps' knowledge of the key needs and preferences of the pilot's female beneficiaries from a cash assistance standpoint, and especially how an electronic cash modality system can help to mitigate protection risks, along with getting a better understanding of the various benefits, challenges and untapped potential that exists for mobile wallets.

Mercy Corps frequently undertakes systematic reviews and assessments of ongoing projects through household surveys and focus group discussions. We also conduct multi-sectorial assessments to identify emerging and unmet needs, starting with a review of secondary sources; complemented by key informant interviews, including meeting with local CBOs, institutions and organizations; and field observations. These methods, which have been tested through practice, are used to collect qualitative and quantitative information, and have proven to be culturally appropriate and effective.

The analysis is divided into three parts: 1) needs assessment, 2) focus group discussions, and 3) key informant interviews. The report concludes with a section on registration and training. The quantitative data for the needs assessment was acquired through a survey of 358 female beneficiaries in Mafraq, Irbid and Ramtha. The qualitative data for this analysis was collected through eight Focus Group Discussions (FGDs) - with four FGDs each in Mafraq and Irbid - and six Key Informant Interviews (KIIs) - whereas four KIIs were conducted in Irbid and two in Mafraq. The sessions (FGDs and KIIs) were led by trained Mercy Corps staff. The assessments are designed to ensure that the views and needs of women and girls are represented.

Based on previous data, both primary (surveys, FGDs and KIIs) and secondary (research), traditional cash modality systems (physical distribution, ATMs, Hawalas, etc.) often result in additional protection risks/concerns for female beneficiaries, which is why the respondents of the needs assessment and the participants for the FGDs and KIIs were all female.

# Needs Assessment

The first part of the analysis is the needs assessment, which provided us with valuable information and detailed descriptions about the main needs of the pilot’s female beneficiaries, along with information about where the respondents procure their goods from, how satisfied they are with the provided services, their payment systems and tendencies, and whether the beneficiaries think it would be better to save their money in a mobile wallet (or if not, why).

## Methodology

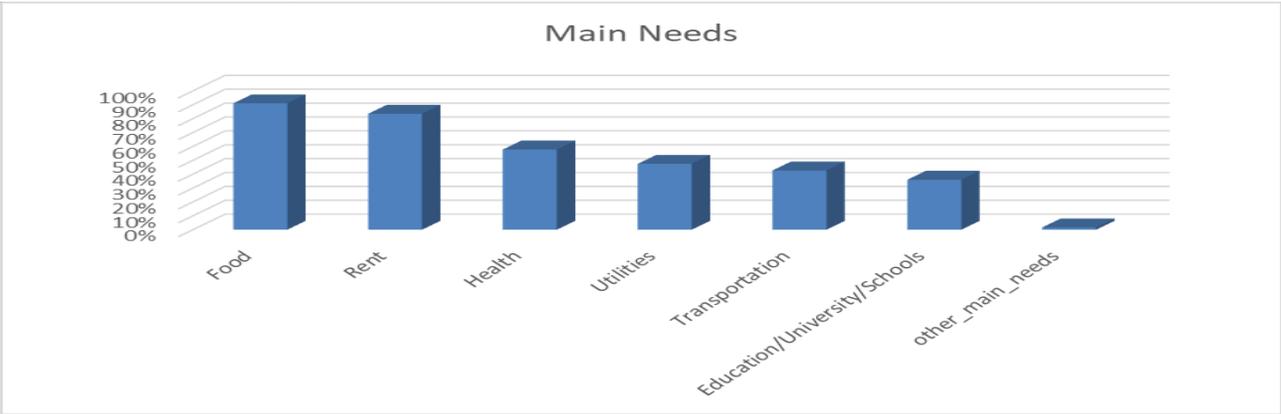
The needs assessment survey consists of 18 questions, along with some follow-up questions, including some demographic information questions. 358 female beneficiaries participated in the survey in Mafrag (177), Irbid (151) and Ramtha (30), in various age groups (18-25, 26-35, 36-45, and above 45). From the 358 Syrian respondents, 69% were female head of households, and 79% had a smartphone and subsequently access to internet.

## Needs assessment participants

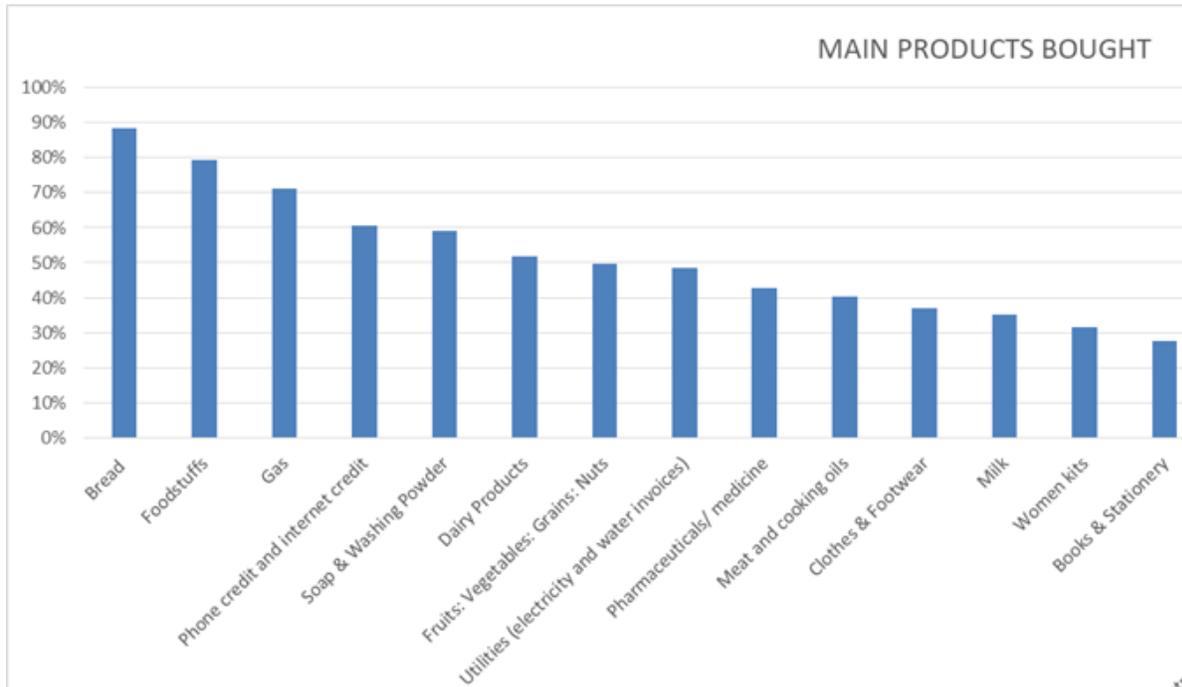
Location	Age				Total
	18 - 25	26 - 35	36 - 45	Above 45	
Mafrag	42	55	41	39	177
Irbid	55	43	26	27	151
Ramtha	5	6	10	9	30
<b>Total</b>	102	104	77	75	358

## Findings

Based on the surveys, food and rent were the two most important needs for the respondents, followed by health, utilities, transportation, and education.



Following up on this, beneficiaries were asked which main products they buy. The following main products were mentioned:

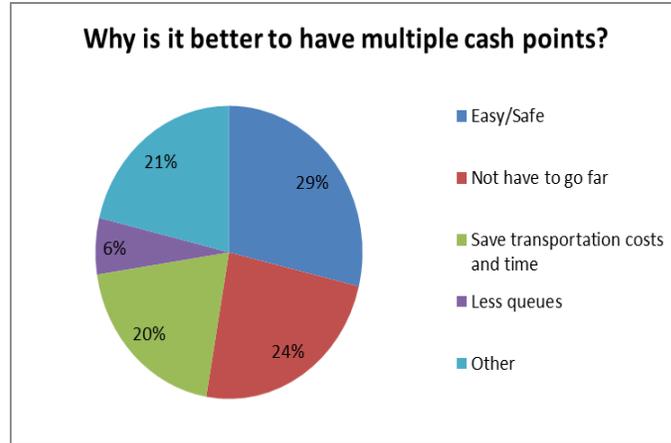


- Bread
- Food
- Gas
- Phone and internet credit
- Soap and washing powder
- Dairy products
- Fruits/ vegetables/ grain/ nuts
- Utilities (electricity and water)
- Pharmaceuticals/medicine
- Meat and cooking oils
- Clothes and footwear

Furthermore, respondents were asked where they procure their goods from, and if in Irbid or Mafraq to specify the name of the store/place. Responses from this question were important in terms of identifying a sufficient number of merchants that can eventually accept mobile wallets as a payment system during the implementation phase, as this pilot will initially be launched only in Mafraq and Irbid. Based on these results, and in collaboration with the mobile money company “Dinarak”, Mercy Corps identified and subsequently agreed on six preferred merchants (three in Mafraq and three in Irbid) to start accepting mobile wallet payments.

Regarding payment methods, the overwhelming majority (95%) of the respondents used cash to buy the aforementioned products, followed by Visa/Mastercard (4%), and online payments (1%). Following up on this, 87% of the participants said that they preferred to have cash on them every time they move locally, including when they go buy products.

Based on survey results, Syrian refugees have to carry cash on them when they go to buy various products, as they have no other means of safely storing or carrying their money. One of the benefits of mobile wallets is that people would be able to safely store their money in their mobile phone, and also be able to withdraw cash from multiple places, compared to having only one cash point. As such, the respondents were asked whether they actually preferred to have multiple cash points (compared to one cash point), and 73% of respondents answered yes. When asked to expand on why, the primary reason respondents mentioned was that it would be easy/safe, followed by not having to go far, saving transportation costs and time, and decreasing the number of queues.



Regarding mobile wallets, 43% of the respondents thought it would be *better* to save the cash in electronic wallets, compared to carrying the cash on them physically. Interestingly, when asked if they would feel *safer* if their money was saved in a mobile wallet, 53% answered yes. The breakdown of reasons for why they would (or would not) feel safer can be seen in the table below.

Would you feel safer if your money was saved in a mobile wallet?	
Yes (53 %)	No (47 %)
Easy to use and safe (31%)	Prefer the traditional way of using cash (20%)
Benefits of privacy in terms of less theft (18%)	Do not know what mobile wallets are and how to use them (15%)
Save time (8%) and money (4%)	

# Focus Group Discussions

Mobile wallet FGDs form the basis for the pilot's qualitative community-level data analysis. This analysis produced an in-depth and detailed examination of mobile wallets, income sources, transfer history, cash modalities, electronic payment system knowledge measurement, along with feedback on the differences (benefits and challenges) between traditional cash modalities and mobile wallets.

## Methodology

Each FGD was composed of 13 to 24 individuals from the communities living in the different geographical locations that Mercy Corps has centers in (Mafraq and Irbid), including refugees and host community members. Mercy Corps conducted eight focus groups discussions, with four FGDs each in Mafraq and Irbid. Similar to the needs assessment, all the participants were female. The female respondents were divided based on age group, in terms of youth (17 – 25 years) and adults (26 – 45 years). There were 28 youth participants and 40 adult respondents in Mafraq, and 45 participants each for youth and adults in Irbid (divided into two sessions).

The focus group discussions were divided into two parts. Part 1 was further divided into five subsections, on income sources, transfer history, (dis)advantages of ATMs/Hawalas, financial decisions, and knowledge measurement of mobile money, which included a brief introduction and walkthrough of the mobile wallet application. This part consisted of 19 questions.

In Part 2, the respondents were told a short story about two women. One of the women receives her cash assistance through an ATM (*Halima*), while the second woman receives her cash assistance through a mobile wallet (*Fatima*). The participants were thereafter asked questions relating to said story. This part can also be divided into further subsections: 1) cash assistance, where the refugees were asked about the potential benefits and challenges of receiving the cash transfer, both in the household and in the community, 2) protection concerns, and specifically how the mobile wallet could possibly help to reduce protection risks that arise from traditional cash modality systems, and 3) reporting violence, where the respondents were asked if they would ever report various types of violence/abuse. Part 2 consisted of 35-38 questions, depending on the age group.

The analysis and findings of the data from the FGDs has been disaggregated by youth and adults, as there were some key differences between the two age groups in their understanding and use of electronic payment systems.

## Part 1 Findings

### Income sources

The female adults mentioned intermittent work as their main source of income, followed by borrowing money and the iris scanning assistance (for some families). The iris scanning assistance is a monthly cash assistance provided to eligible Syrian refugees from UNHCR. As intermittent work is per definition not a long-term employment, the respondents usually receive their monetary compensation (or "salary") from such work on a daily or weekly basis. The youth groups also echoed work, borrowing money, Asylum Seeker Certificate (ASC) cash services, and assistance from the Red Crescent, which they obtain/receive - similar to the adult groups - either on a monthly, weekly or daily basis. Through which format/cash modality they receive such income, the adult beneficiaries mainly said cash, and emphasized that while

they have not dealt with money transfers themselves, they know others who have received income through electronic transfer. The youth participants also primarily stated cash, along with ATMs for money from the Red Crescent and ASC.

## Transfer history

The adult respondents said they know people who receive money transfer through exchange centers/Hawalas from their relatives abroad (who pay the fees for sending the money). Similarly, the youth groups also mentioned cash transfers through exchange centers. One of the youth respondents said that she receives money for her university fees through money transfer from Syria, where the sender pays the fees.



None of the respondents (in neither the youth nor the adult groups) have transferred money electronically, even though they might need to send money to family members in Syria. The youth group from Mafraq mentioned that if they need to transfer money they would use a traditional way by sending physical cash with a bus driver or someone else they know to deliver the money.

When the participants were asked if they have a bank account, all of the adult participants stated 'no'. The reason for this is because they do not have money to save in the bank, and because they did not know that Syrians can own bank accounts. For the youth groups, none of the Mafraq participants had a bank account, while only two of the fifteen respondents in Irbid had a bank account, because - similar to the adult groups - they do not have a fixed source of income so they do not have money to save in the bank. In addition, contrary to obtaining a mobile wallet, opening a bank account requires a valid passport, which many of the Syrian refugees do not have.

## (Dis)advantages of ATMs/Hawalas

The participants mentioned that one of the advantages of these mechanisms is that they can send and receive money from abroad through Hawalas, along with receiving ASC services through the ATMs. However, in regards to disadvantages of such cash modality channels, the respondents mentioned that ATMs and/or exchange centers might be located far away, especially for people in rural areas, which requires transportation costs and time. In addition, the exchange centers and banks are often overcrowded, which can make it extra uncomfortable for females, as they might be exposed to verbal abuse/violence from men. Furthermore, these traditional cash delivery systems have the added disadvantage of bringing increased attention on beneficiaries that receive cash assistance, which might lead to increased tension and conflict in both the household and in the community.

## Mobile wallet

None of the (youth or adult) participants had heard about or used mobile wallet before. Two adult participants from Mafraq, however, mentioned that they had seen it being used in Europe on Facebook, while an additional two youth respondents from Irbid mentioned that they had heard about mobile wallet in a session at their university.

Regarding the potential use of mobile wallet for banking, the answers were mixed. Some beneficiaries thought it would be complex and difficult to use, while other participants mentioned that it would be a good idea and very beneficial, because it would save time, energy and transportation costs, make it easier to pay the bills, and make them feel safer as they are not carrying cash.

On the question 'who are these mobile wallet services aimed at', all of the (youth and adult) groups mentioned women (and especially housewives), followed by university students, youth, people with disabilities, and in general almost everybody. None of the participants were aware of any companies that offer such mobile money services, except for one out of fifteen participants of the youth group in Irbid that mentioned 'Dinarak'.



## Part 2 (Short Story) Findings

*A service provider in Mafraq has selected Halima to be a cash recipient. Halima receives the cash assistance from the service provider at X Bank in Mafraq using the ATM. The service provider calls Halima every month to inform her that the cash assistance has been installed. Fatima also receives cash assistance from a service provider in Mafraq. However, Fatima receives her cash assistance through the mobile wallet.*

The FGD questions for Part 2 were related to the above short story, with a focus on cash assistance in general, and on the potential differences (benefits and disadvantages) between receiving cash assistance through an ATM compared to the mobile wallet.

### Cash assistance

The majority of the participants stated that they would not be able to spend the cash assistance as they wished, as they would have to share (or be forced to give) the money to their family, and especially to the male of the household (husband/father). However, some of the youth participants from Irbid said that they would indeed be able to spend the cash assistance as they wished, while some of the youth respondents from Mafraq mentioned that they would give half of the cash to their father and keep the other half to themselves. Overall, very few of the adult female individuals are able to spend the cash assistance according to their own preferences.

However, after asking beneficiaries how using the mobile wallet would be useful for them, they noted that they would be more likely to spend the money as they please, as significantly fewer people would know that they received said assistance, i.e. there is more privacy/secretcy. As such, the respondents said that they could spend it either on their own private needs, or to cover the needs of their children, as **“some men take the money and never pay anything for the house”**. In general, the cash transfers would

help to cover basic needs (especially the rent), along with reducing tension and pressure between the female and the male in the household.



Regarding external factors that could prevent the beneficiaries from receiving and using the money through traditional cash modalities, the participants mentioned illness (to themselves or to their children) and thus unable to travel, weather conditions, distance, transportation costs, lack of adequate documentation/Ministry of Interior (MOI) card, safety concerns, and the male/husband might prevent them from leaving the house.

The findings show that these challenges are mainly related to traditional cash modalities, such as ATMs, but would be mitigated through an electronic cash delivery system as the beneficiaries could receive the cash assistance without having to leave the house.

## Protection

Women, along with the elderly, have heightened risk of experiencing GBV/violence in the community if they receive cash assistance. These vulnerable groups face several protection risks due to their gender/situation, such as physical violence, psychological and verbal abuse, threats, harassment, theft, and exploitation (especially the elderly and illiterate).

If it became known that female refugees received cash assistance - which is relatively more likely to happen through a traditional cash delivery system such as physical distribution, ATMs, or Hawalas, then it would possibly cause conflict/tension in the household and/or in the community. For example, if the landlord found out about the cash transfer, he/she *“might increase the rent”*, and/or extended family and neighbors could ask for a loan. Some of the potential challenges in the community due to receiving cash assistance is that it might result in jealousy and envy from neighbors, higher rent, pressure to repay debt, and verbal abuse for the most vulnerable families.

Most of the participants stated that it would cause less conflict/tension in the household and/or in the community if they received the cash assistance through the mobile wallet instead of through previous cash modalities, precisely because fewer people would know that they received said assistance, thereby reducing the aforementioned protection concerns. As one group (adults in Mafraq) said, *“how would anyone know she owns money in her mobile phone”*. This was also echoed by the youth group in Irbid, who stated: *“no one will know [that] she has money in her mobile phone”*.

This does not mean that there are no protection risks still present when receiving the cash assistance through the mobile wallet. One such concern is if the male of the household (husband) finds out about the mobile wallet, which can create additional conflict/tension. All cash modality systems have certain protection risks, but the goal is to minimize said risks, which the mobile wallet aims to do by reducing the probability of other people in the household and/or community finding out that potential beneficiaries receive cash assistance.

## Reporting violence

Would the beneficiaries ever report violence/abuse and feel safe/comfortable doing so?		
Type of violence/abuse	If not, why?	If yes, where?
Physical	Fear of abuser; lack of credible help; afraid of enlarging the 'problem'; socially unaccepted.	Family protection; UNHCR; Save the Children; International Rescue Committee; community leaders; security center; family.
Sexual	Avoid "scandals"; socially unaccepted and degrading; "family will tend to treat her badly".	Family protection; UNHCR; Save the Children; police; security center; the abuser's family or relatives.
Verbal	Lack of credible help; avoid enlarging the 'problem'; fear of deportation; fear of violence by the abuser; personal matter.	
Psychological	Fear of deportation; socially unaccepted; lack of credible help.	
Economic	Afraid that abuser might get them forcefully deported; fear of deportation due to lack of work permit; afraid of worsening relations with people.	Community leaders (no work permit) and security center (work permit).

## Key Informant Interviews

### Methodology

Key informant interviews were conducted with six individuals, four from Irbid and two from Mafraq. Similar to the FGDs participants, the KIIs respondents were all female. Two of the four interviewees from Irbid are community leaders, while the remaining two are students. For Mafraq, both respondents are community leaders. The KII participants were asked the same questions as in the FGDs, with the main focus on mobile wallets, which included a brief introduction and walkthrough of the application, along with more general questions on income sources, transfer history, financial decisions in the household, and knowledge measurement of electronic cash delivery systems.

### Part 1 Findings

#### Income sources

The female KIIs participants confirmed intermittent work as people's main source of income, followed by the monthly cash assistance from UNHCR or other INGOs (for some families). The respondents also confirmed that people receive their income in cash, and mentioned that only a negligible percentage (1%) might receive income through bank transfers.

#### Transfer history

The KII participants reaffirmed that some people receive money through Wire transfer (Hawalah) from their relatives abroad either for educational expenses or for regular expenses, where the sender pays the fees. The interviewees also believe that none of the Syrian refugees transfer money electronically, and that they do not have bank accounts because they do not have money to actually save in the bank. One respondent also said the reason for not having a bank account is because she fears being questioned about the money she would keep in her account. In addition, opening a bank account requires several documents (including valid ID), many of which the beneficiaries do not possess.

### (Dis)advantages of ATMs/Hawalas

The KII respondents mentioned that one of the advantages is that they can send and receive money from abroad through Hawalas, along with receiving ASC services throughout the weekend via ATMs. However, in regards to disadvantages of such cash modalities, the interviewees said that neither ATMs nor cash transfer is convenient in terms of accessibility and the high visibility of the modality, but people have no other choice. Syrian refugees are afraid of losing the cash assistance support from UNHCR or INGOs if they get amounts of money transferred from abroad, and ATM costs are very high.



### Mobile wallet

Three of the six KII participants mentioned that they heard of the mobile wallet recently, while the remaining three interviewees stated that they had never heard about or used mobile wallet before. Regarding the potential use of mobile wallet for banking, some of the respondents thought it would be too complex and difficult for the Syrian refugees to use, and especially for the elderly, while the other participants mentioned that it would be a good idea, and would be used mostly by women because it would be safer than carrying money while walking in the street. However, one participant said that people might use it only if they had a fixed income, but they would be scared of losing the ASC service.

On the question of 'who are these mobile wallet services aimed at', the interviewees mentioned women and youth, as they are the groups most likely to understand the concept of mobile wallet. Youth might also use it to pay their university fees. Except for one participant, none of the remaining five KII respondents were aware of any companies that offer mobile money services.

## Part 2 (Short Story) Findings

### Mobile Wallet and Protection

The financial burden that arises from lack of money often causes conflict/tension in the household. As such, cash assistance helps to reduce the occurrence of such conflicts, thereby mitigating protection risks for female beneficiaries. As one interviewee from Irbid stated, *"if there is money available, there will not be any risks"*, while another KII participant from Irbid said that *"it will protect her and reduce problems, because she does not need anybody anymore"*.

However, the act of *receiving* the cash assistance - through various cash modalities - creates some additional protection risks. These protection concerns - from *receiving* the cash assistance - are heightened for specific groups, i.e. vulnerable groups. The KII participants confirmed that women, along with the elderly, are more likely to experiencing GBV/violence in the community if they receive cash assistance. People with disabilities were also mentioned as being a relatively more at risk group. These vulnerable groups face several protection risks due to their gender/situation, such as various types of violence and exploitation.

For female beneficiaries, if the rest of the household found out about the cash assistance, which is more likely to happen through traditional cash modalities, then it would possibly cause conflict/tension within the household. However, this depends on the dynamics within each household and the decision making process between the wife and husband. One KII participant also mentioned that the mother-in-law might try to control or even forcefully take the money. In the community, the cash assistance could result in jealousy from neighbors, along with pressure to repay her debt, which matched the findings from the FGDs. One respondent from Irbid stated that the *“community would want to control her”*, while another interviewee from Irbid stated that the additional income *“would negatively affect the way they [community] treated her”*, in terms of the aforementioned jealousy and pressure that the female beneficiaries would face.

However, if the female beneficiaries received the cash assistance through mobile wallet, it is likely that such protection concerns would be reduced, as fewer people would know that they received said assistance, confirming the findings from the FGDs.

## Reporting violence

Would the beneficiaries ever report violence/abuse and feel safe/comfortable doing so?		
Type of violence/abuse	If not, why?	If yes, where?
Physical	Fear of deportation; socially unaccepted; “bad reputation”; they are foreigners.	Family protection; UNHCR; NGOs.
Sexual	Socially unaccepted; “bad reputation”; fear of deportation; lack of awareness; it would cause more harm.	Police; UNHCR; security center; family protection; International Medical Corps; Norwegian Refugee Council.
Verbal	Lack of credible help; lack of trust; “no one considers it that serious”.	
Psychological	Fear of deportation; socially unaccepted; verbal and psychological abuse.	
Economic	Fear of deportation; enlarging the ‘problem’; socially unaccepted; fear of divorce.	NGOs; UNHCR.

# Registration and Training

Based on the findings in the report, Mercy Corps and “Dinarak” designed and developed a training, by emphasizing the information that will be provided to the beneficiaries on how to use the mobile wallet. Mercy Corps and “Dinarak” worked together on simplifying the training materials and reduced the time needed for the training. Visual materials were developed to make the training accessible for all beneficiaries, in particular elderly beneficiaries. In addition, Mercy Corps and “Dinarak” conducted a demo session, presenting to the beneficiaries live how to use the wallet. During the registration process, Mercy Corps staff and “Dinarak” staff registered beneficiaries one by one. They emphasized to each beneficiary the importance of attending the training to get better idea on how to use the Mobile wallet. Mercy Corps provided a hotline number for all beneficiaries and WhatsApp number service in case they needed support or had questions.

Through Mercy Corps’ Vulnerability Assessment Framework (VAF) assessment, Mercy Corps identified 100 Syrian female refugees - from the 358 individuals in the needs assessment - that were eligible to receive a one-shot unconditional cash transfer of 150 Jordanian Dinars (JOD). These 100 beneficiaries were selected based on various protection and Gender-Based Violence (GBV) risks. Fifty were from Mafraq, and the remaining 50 were from Irbid. The goal of providing this cash assistance is to evaluate how the female beneficiaries adapt to the use of this new electronic cash modality system, and whether they are able to understand and efficiently use its different functions. After the unconditional cash transfer is provided to the 100 individuals, Mercy Corps will conduct Post Distribution Monitoring (PDM).

Previous research has shown that one of the main challenges of using mobile money for refugees is a lack of understanding on its main purpose(s) and how to actually use it, which is why Mercy Corps Jordan has made it a priority to train each of the aforementioned 100 beneficiaries on the different functions of the mobile wallet.

The female beneficiaries were trained individually by two staff members from “Dinarak” - the mobile payment service provider and Mercy Corps’ partner in the implementation of mobile wallets for Syrian refugees in Irbid and Mafraq - on how to use the mobile wallet, with assistance from Mercy Corps staff. The training sessions were held on the 16 and 17 December 2017 in both Mafraq and Irbid. Throughout the sessions, the trained (Dinarak and Mercy Corps) staff made sure that each beneficiary clearly understood the various functions of the mobile wallet and how to properly use it, through a detailed walkthrough of the “Dinarak Mobile Payment Application” and all its different components.

The beneficiaries first had to register for the mobile wallet, which required valid identification (MoI card) and phone number. After the registration process, the beneficiaries were trained on essential mobile wallet services:

- Cash deposits and withdrawals at Dinarak agents.
- Cash withdrawals from ATMs.
- Receive and transfer money from/to any JoMoPay (Jordan Mobile Payment) user.
- Pay for goods and services at retailers/merchants.
- Pay bills (utilities, telecom, etc).
- Manage their account (balance, mini-statement).

## Next Steps

- Mercy Corps will continue the pilot and provide the cash assistance through mobile wallet to 100 beneficiaries who have been trained and registered.
- Mercy Corps, with “Dinarak” will monitor the expenses, including the transaction and cash out/in for all wallets. Mercy Corps will only be tracking if any transactions take place without collecting details about the transaction to ensure beneficiaries’ freedom and privacy in using the mobile wallet.
- Continue advocating for opening more merchants and agents in Mafraq and Irbid.
- Conduct a PDM after one month from the cash assistance distribution to gather more information regarding beneficiaries’ satisfaction with the modality. The PDM will also evaluate the Mobile Wallet partner performance through an assessment that will assess the agents and merchants used during the pilot, the application itself and solicit feedback from the beneficiaries.



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