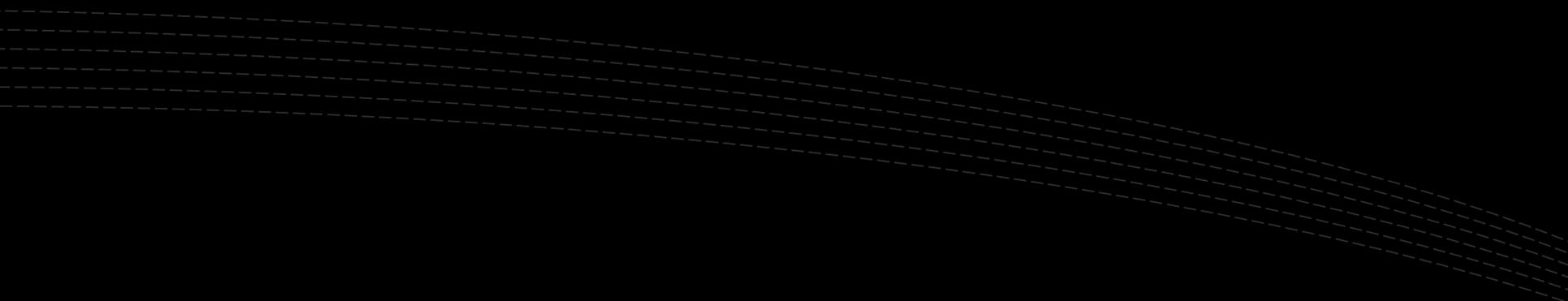




Digital Solutions to Deliver Social Protection in the Time of a Pandemic

- **Jenny C. Aker**
- **The Fletcher School
Tufts University**
- **May 2020**

Source: Concern Worldwide

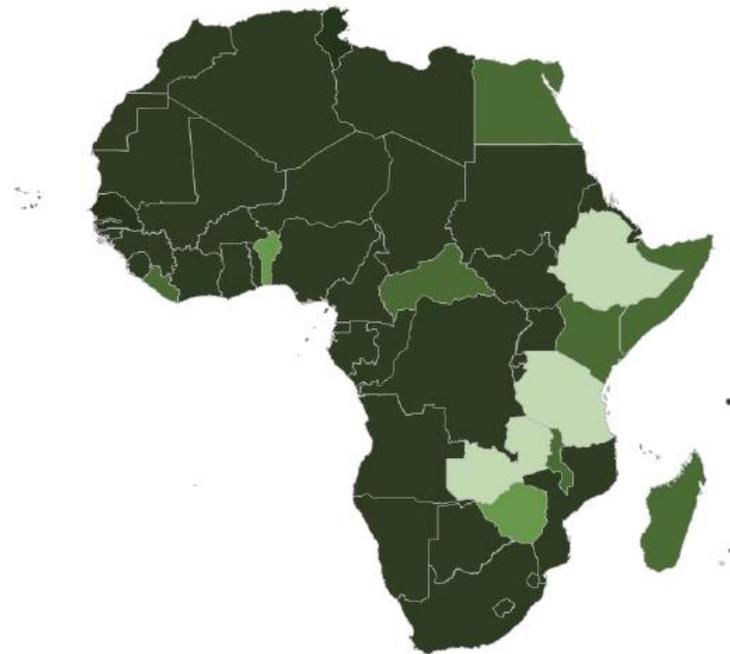


THE CURRENT CRISIS

#1 | Policies designed to limit the spread of COVID-19

43 countries in Africa have closed their borders

Map of Member States that are imposing travel restrictions
(as of 05 April 2020 20:00 EAT)



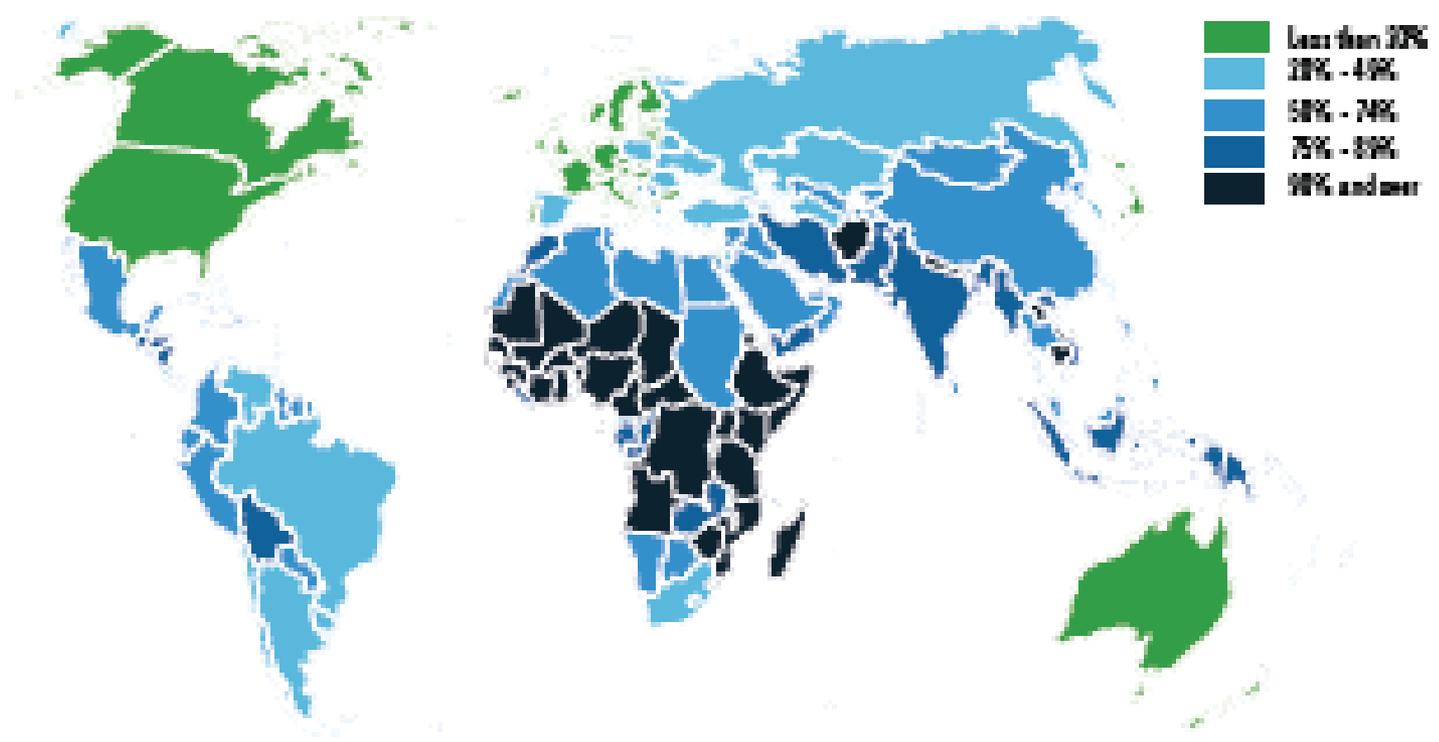
- 1 Some countries still allow cargo, freight and emergency transport into and out of the country; Some MSs will still allow citizens and residents to enter but all borders are essentially closed
- 2 Banning entry or exit of citizens or suspending visa issuance to specific countries

#2 | 60% of the world's poor are in the informal sector

This can result in a “double whammy” for the poor

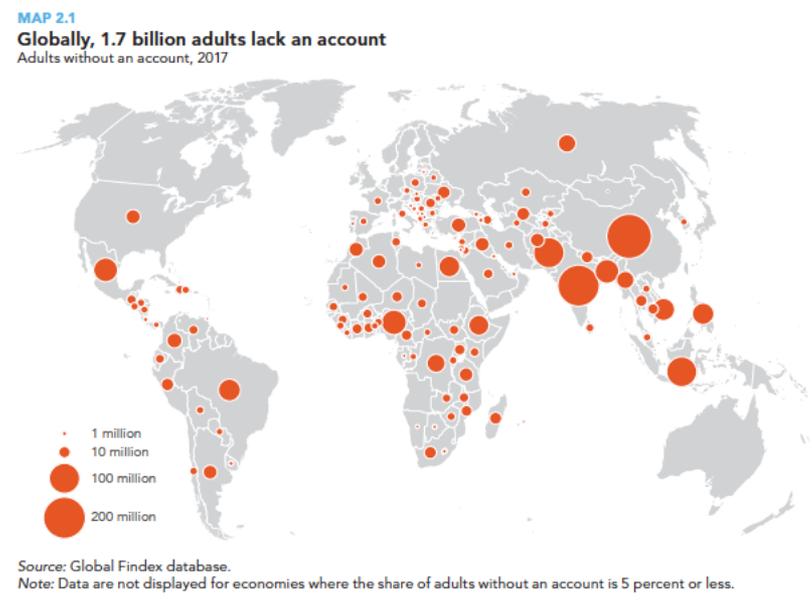
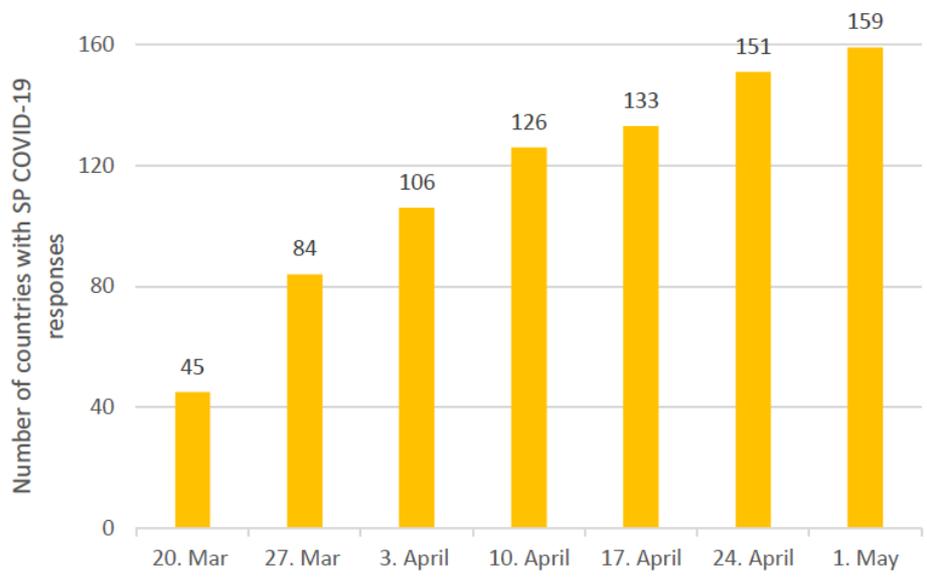
Figure 5. Share of informal employment in total employment, including and excluding agriculture (percentages, 2016)

Panel A. Including agriculture^a



#3 | 159 countries have 700 social protection measures

200 of these are cash-based, although 1.7 billion remain unbanked



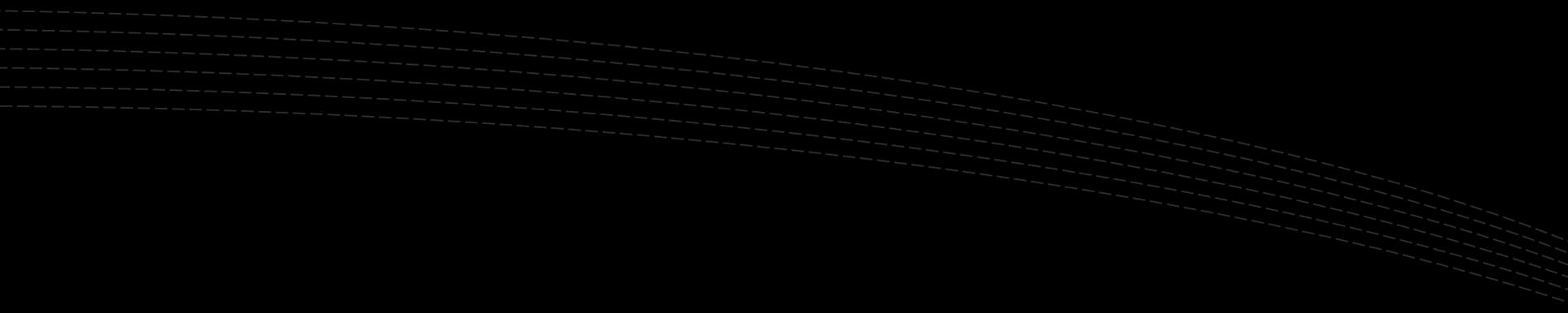
#4 | 100 million adults receive payments in cash

Payments in cash incur significant logistical and security challenges



Jenny C. Aker

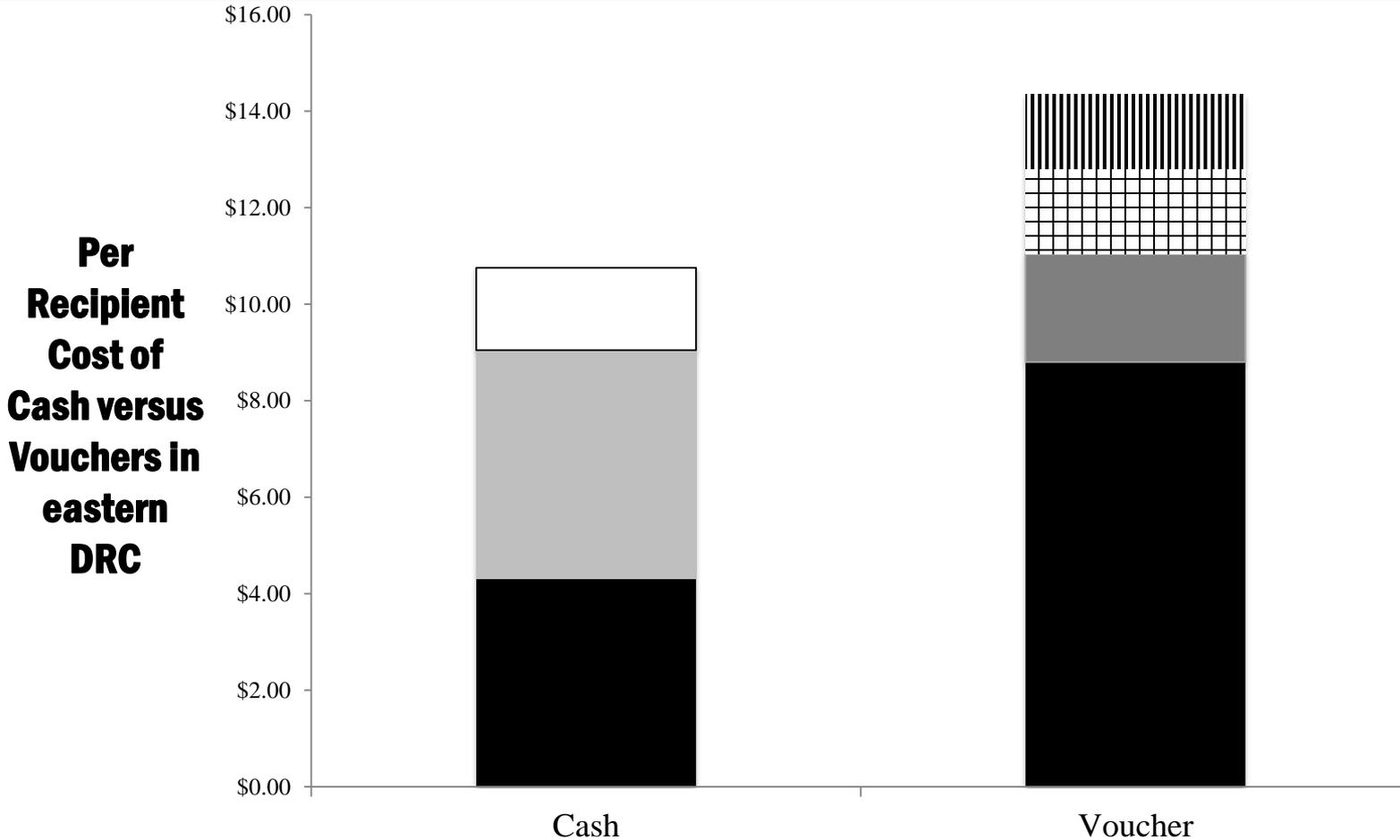
Cash, In-Kind, Electronic, Manual



THE OPPORTUNITY

#1 | Cash is less costly than in-kind transfers

In DRC and across a number of studies



Source: Aker 2016

#2 | 2/3 of unbanked adults have a mobile phone

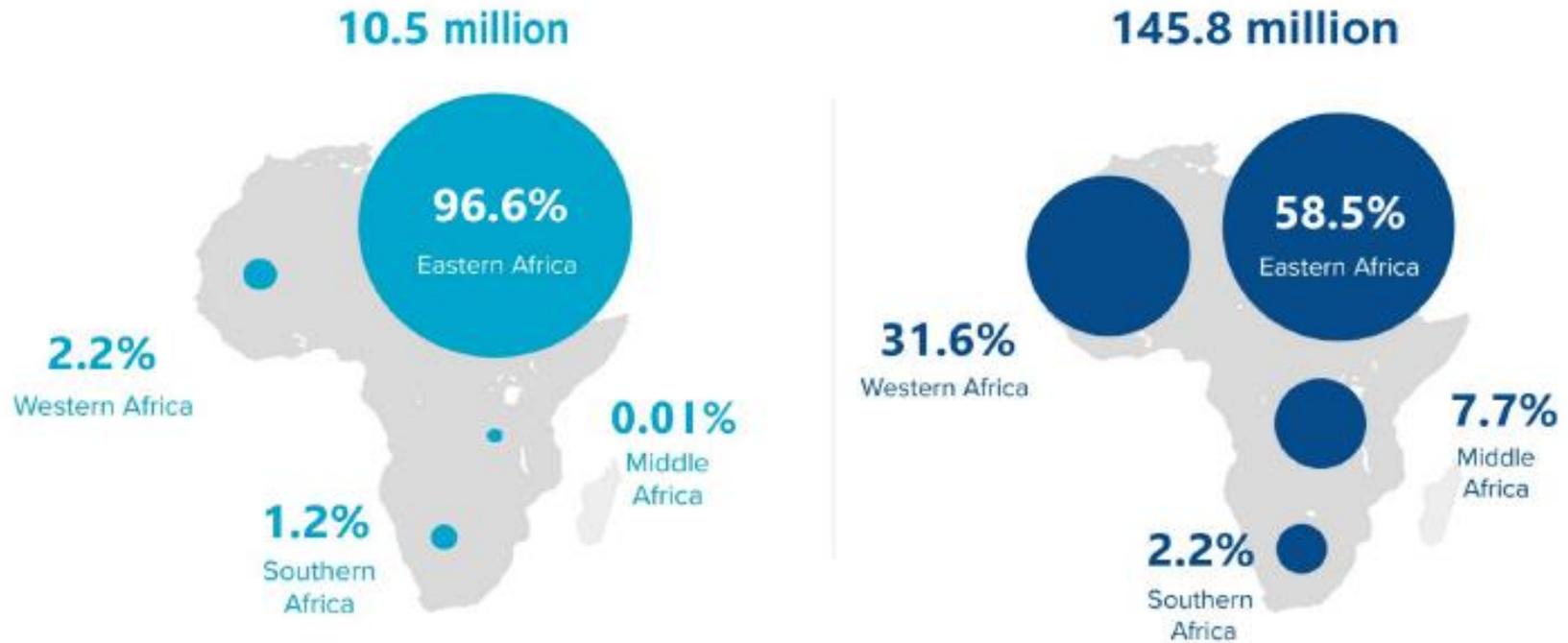
Two-thirds of unbanked adults have a mobile phone
Adults without an account owning a mobile phone, 2017

Source: FINDEX 2017



#3 | Mobile money deployments have increased

300 mobile money deployments across 95 countries with 866 million registered users

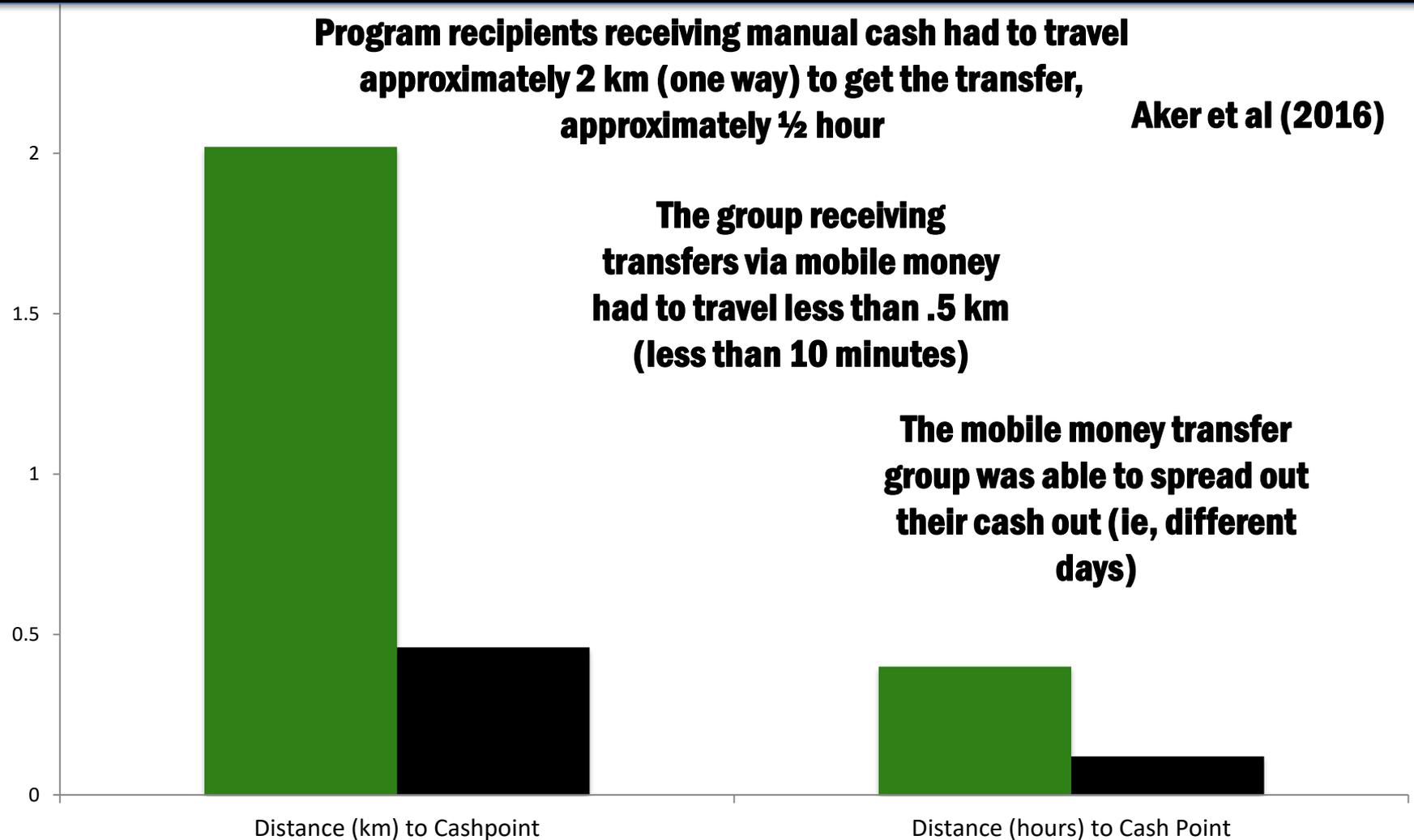


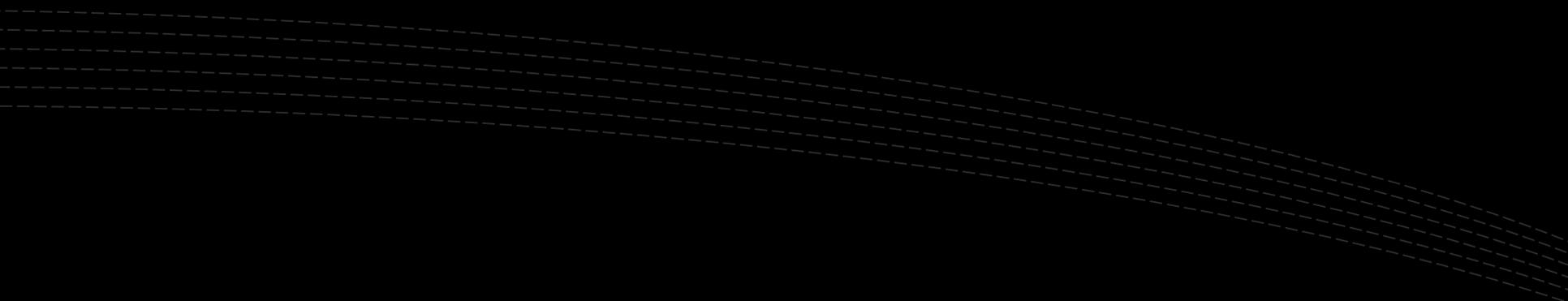
Sub-Saharan African total active accounts 2010 / 2018

Source: GSMA 2018

#4 | Mobile money is less costly than manual cash

Beneficiaries of mobile money cash transfers had to travel shorter distances in Niger

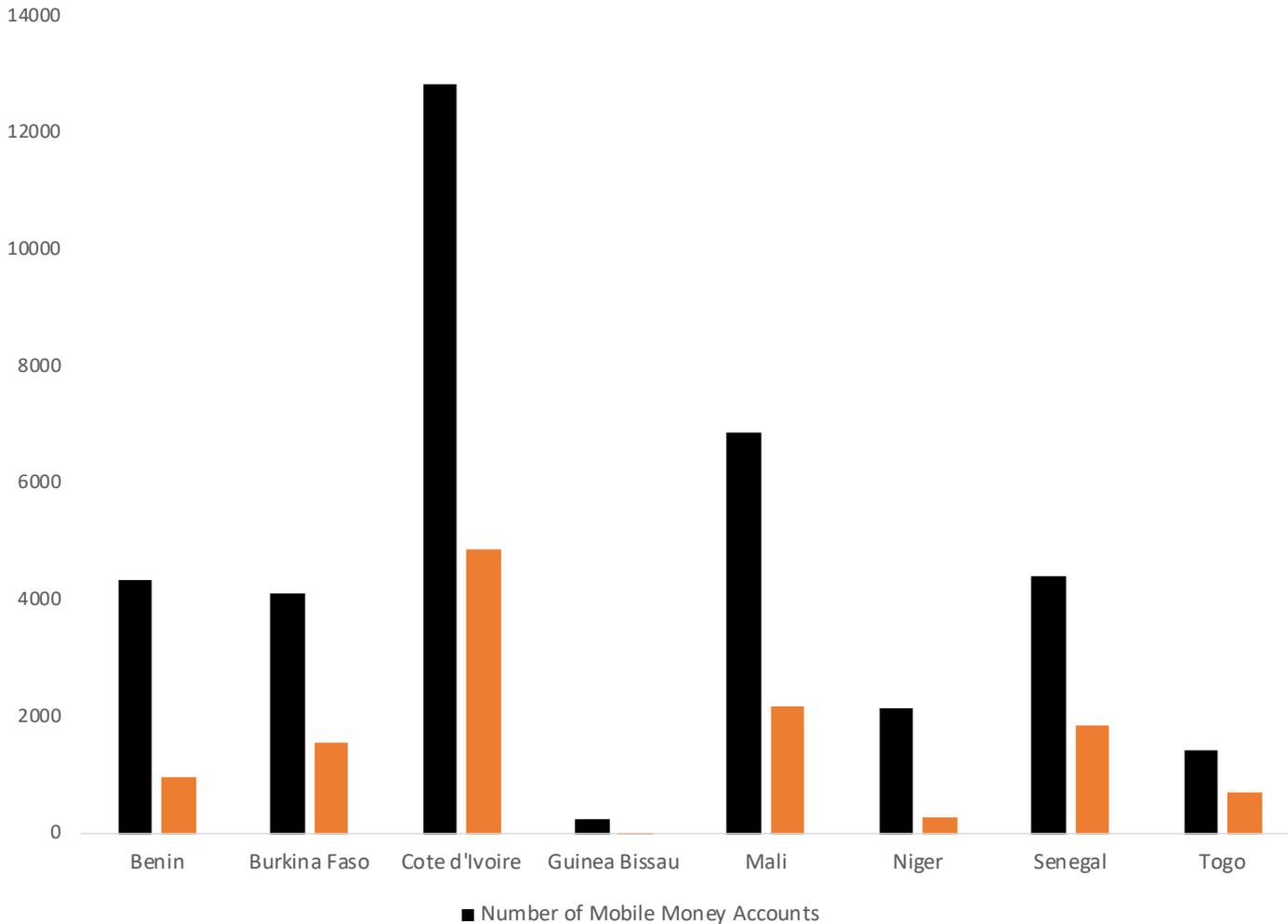




THE CHALLENGE

#1 | Mobile Money Adoption is Heterogeneous

The number of active users is far below total subscribers, and ranges from 1-20% in West Africa



Jenny C. Aker

Cash, In-Kind, Electronic, Manual

#2 | Mobile Money Agent Density is a Challenge

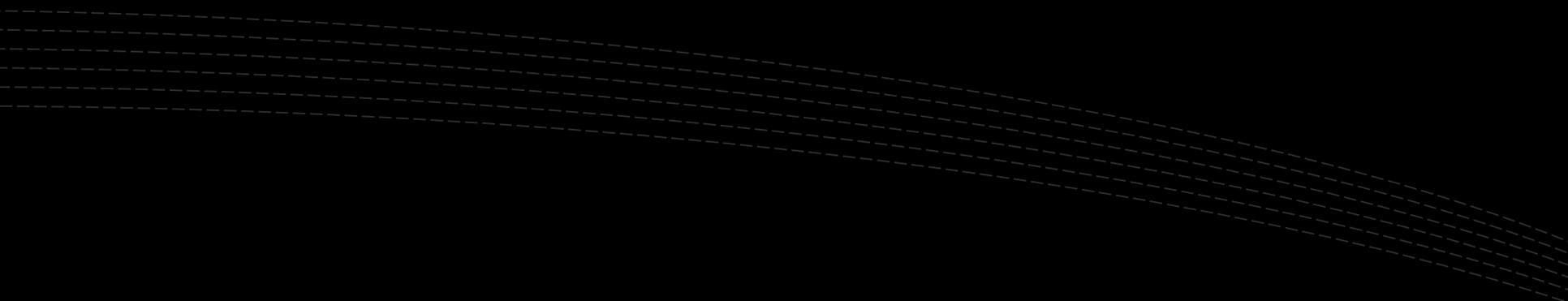
There are 228 agents per 100,000 people in Sub-Saharan Africa, with large differences by country

Mobile money agents have
7x more reach than ATMs and
20x more reach than bank
branches

Per 100,000 adults:

- 11 Banks
- 33 ATMs
- 228 Mobile money agents





WHAT DOES THIS MEAN?

#1 | Adoption, Agents, Timing and Corruption

1. Build or support existing mobile money systems

- Register more agents or different types of agents**

2. Think of creative ways to increase adoption

- Have a more flexible approach to registration or use a technology that allows a user to send money to a non-mobile money user (called “envoie-code”).**

3. Spread out payments to avoid crowding

4. Balance innovation with concerns about corruption and leakage

