



Responsible Practices
to Address **Seven
Major Risks** in
COVID-19 Digital
Financial Transfers

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The paper was developed as part of the COVID-19 Global Situation Room, convened by the Bill & Melinda Gates Foundation, with contributions from the following members of the Responsible Practices Working Group:

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The goal of this resource is to provide a helpful summary of what we knew in August 2020. It does not represent the views of any of the organizations on the working group.

Photographs

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Introduction

Governments around the world are introducing and/or expanding digital financial transfers¹ in response to the severe damage inflicted by the COVID-19 crisis on economies and livelihoods. These programs include many new beneficiaries² and manage large increases in the volume of payments. The complex implementation challenges of these transfers amplify risks that, if not addressed, will reduce the effectiveness of these transfers. There are, however, useful and easily available resources to help governments to mitigate those risks. The seven major risks and resources are outlined below.

Objective

Our objective is first to identify the greatest risks in delivering COVID-19 digital transfers and second to adapt prior work on responsible practices³ to address those risks. The primary audiences are governments and agencies implementing digital financial transfer programs. Although the COVID-19 crisis raises risks, it also offers an opportunity to improve the implementation of digital financial transfers for the longer run, as well as to boost digital financial inclusion. The urgency of addressing these issues should also recognize the longer-run value of doing so.



Seven major risks for digital financial transfer programs in COVID-19

Based on the experience of working with COVID-19 responses in countries ranging from the least developed to the most developed, we have identified seven heightened risks resulting from the speed and scale of COVID-19 responses. They are in priority order because if the first two risks are adequately addressed, the others will be less serious.

1. Inadequate complaints and feedback mechanisms, and lack of real-time resolution of grievances⁴

The biggest risk is the lack of adequate mechanisms to register non-receipt of the digital transfers, or the lack of a mechanism for other grievances to be redressed in real time. This could lead to unrest, further health issues, and a lack of trust in the program.

There is evidence from surveys that digital financial service⁵ users sometimes struggle to access the complaints and feedback mechanism systems, or to have their problems addressed. This can be due to issues such as a lack of awareness of existing channels, long waiting times, high cost, and poor quality of customer care. The scale of COVID-19 programs poses many administrative challenges, and there is evidence that this has created opportunities for fraudsters seeking to access beneficiaries' accounts. There is a need, then, to develop simple, appropriate, consumer-friendly feedback and complaints processes that are rolled out alongside any COVID-19 program.

2. Low financial and digital literacy among recipients coupled with unclear communication on program details⁶

Where beneficiaries are being onboarded to digital financial services for the first time as part of a COVID-19 program, the rapid rollout of the program combined with their limited experience, or lack of experience, can introduce customer risks. These include challenges with the delivery mechanism, the menu and other elements of executing transactions, a lack of protection of account details, and transaction errors. Initial training and continual support, either remotely or in person, will help to reduce user error or vulnerability and provide swift support. Similarly, customer-friendly user interfaces need to be developed that match the capabilities, needs and technology used by beneficiaries.

3. Exclusion of current and potential beneficiaries⁷

Individuals/households may be excluded from the financial transfer programs due to: (i) the absence of a defined database that can easily identify intended beneficiaries; (ii) beneficiary groups that are geographically dispersed; (iii) invisibility of migrant labor – often a large share of the informal sector workforce; (iv) limited information on eligibility criteria, and how to register for and receive transfers; (v) forcibly displaced people⁸ may also be excluded.

Individuals/households that are not part of the payments ecosystem: (i) the intended beneficiaries who may not yet have digital financial services or for whom digital payments are not possible could be excluded; women in particular are less likely to access digital access portals and register as beneficiaries;⁹ (ii) beneficiaries who do not have access to the payments ecosystem because they live in remote areas or are living with disabilities; (iii) low levels of digital financial platform usage due to poor connectivity; and (iv) limited availability of agents contributes to exclusion too – see points 5 and 6 below.

4. High transaction failure rates¹⁰

Transaction failures for digital financial transfers could be a result of poor connectivity, the weaker system of a payment partner, or a mismatch in biometrics/identities. In one large program with biometric identifiers, the mismatch of identities used by government and individuals has emerged as the largest cause of failures. While this could be due to the poor quality of biometrics captured at enrollment, the matching algorithm, or similar, an easy process that allows users to update their biometrics and personal information can reduce failure rates.

5. Lack of knowledge/information about nearest cash-out points¹¹

Information on cash-in, cash-out points and their geographic spread is often not available to program administrators or beneficiaries. There are some efforts in markets, or by private service providers, but these remain either incomplete or outdated. There is a need for a common platform that maps cash-in, cash-out points (geospatial location, activity, etc.) across various service providers, as well as the



agents who are operating and their operating hours during lockdowns or curfews. Such a platform can become the starting point for identifying locations that should be prioritized for improving reach and also to help providers optimize liquidity level. It could also improve access through user-facing communication to identify the nearest banking point (while factoring in any literacy issues and phone limitations).

6. Overcharging of fees for cash-out and transactions¹²

Rethinking is called for on the operational and business rules (pricing structure and daily transaction caps) for digital payments transactions. Incentives for banks and service providers are not set up to effectively serve the end user. For example, several banks cap the daily number of digital transactions that customers can do. This is driven by the need to limit or minimize interchange and settlement fees. However, in several countries, transaction limits have been raised and some payments have been made temporarily free.

In some markets, last-mile agents continue to charge users unofficially for cash withdrawals. Considering the increased transaction volume, the practical experience

of the user and the ability to cross-sell/cross-subsidize, there is a need to revisit the current pricing structure and other operational rules, such as daily transaction caps, and possibly to monitor and act against the overcharging of customers. Providing adequate remuneration and incentives for providers and agents can ensure good service delivery and reduce overcharging. Similarly, communicating fees and rights to recipients, and offering them a recourse channel can help to prevent unfair treatment and overcharging.

7. Overcrowding and health and safety risks at cash-out points require official health advice

Governments face the challenge of ensuring social distancing in delivering social transfers, and that cash-out points do not pose added risks for beneficiaries. Countries have taken the approach of staggering cash-outs by allocating specific dates or times for beneficiaries. Special attention also needs to be placed on agent networks that service the distribution of transfers. They need to be given clear advice and protective equipment, to avoid risks for both agents and beneficiaries. It is vital that all programs seek and implement official health advice in their respective jurisdictions.

Delineation of roles of key stakeholders, and resources for digital financial transfer programs¹³

Prioritized risks in COVID-19	<i>Responsible digital payments guidelines</i> ¹⁴	Roles of regulators and digital financial service providers ^{15,16}	Role of digital financial transfer programs	Resources to address the risks
<p>1. Inadequate complaints and feedback mechanism, without real-time resolution of grievances</p>	<p>Guideline 8: "Provide client recourse"</p>	<p>Regulators: Set minimum standards for complaints and feedback channels, such as for access points, no cost, turnaround time, and reporting requirements. Require reporting of feedback and complaints records from providers, to monitor trends and warning signs for corrective action.</p> <p>Providers: Develop remote and in-person feedback and complaints channels that work for low-literacy and inexperienced users. Have dedicated women operators on helplines and operators trained in gender sensitivity. Integrate key performance indicators into the responsibilities of management.</p>	<p>Governments and cash transfer programs can set requirements and define responsibilities for real-time grievance redressal solutions with the financial service providers.</p> <p>Governments and cash transfer programs can require feedback and complaints to be tracked, prioritized, and reported daily, including their resolution.</p> <p>If systems and application programming interfaces (APIs) are available, integrate the feedback and complaints systems of programs and providers and establish clear roles and responsibilities. This will give end users a single common interface to lodge their feedback or complaints.</p>	<p>Insights from Better Than Cash Alliance members Ghana, Jordan and Peru on responsible digital payments in COVID-19, focusing on the importance of complaint handling.¹⁷</p> <p>Recourse in Digital Financial Services: Opportunities for Innovation.¹⁸</p> <p>Digital Governance: Is Krishna a Glimpse of the Future?¹⁹</p> <ul style="list-style-type: none"> ■ One integrated complaints system across all benefit programs ■ Standard time for dealing with complaints ■ Ratings on programs and administrative jurisdiction on satisfaction with service delivery. <p>The Government of Togo's NOVISSI cash-transfer scheme for the COVID-19 crisis (https://novissi.gouv.tg) includes a helpline to record and analyze complaints and calls/messages. This information is used to develop a set of frequently asked questions (FAQs), shared through radio and other channels.</p> <p>'Inter-Agency Community-Based Complaint Mechanism', Task Team on Accountability to Affected Populations and Protection from Sexual Exploitation and Abuse.²⁰</p> <p>Awaaz Afghanistan (https://awaazaf.org), supported by World Food Programme (WFP), is a humanitarian helpline. It connects Afghans and refugees affected by conflict and natural disaster with information on assistance through a toll-free confidential hotline that anyone can access. It has received tens of thousands of calls since May 2018. It is open seven days a week with female and male agents available who speak Dari, Pashto, Urdu, English, and more.</p> <p>The Iraq internally displaced people call center is supported by a group of United Nations agencies and nongovernmental organizations for displaced people to access information on humanitarian assistance and provide feedback on the humanitarian situation. It has received more than 400,000 calls since 2017.²¹</p> <p>WFP in Jordan operates a call center that allows beneficiaries to call in and ask for information, or voice their feedback and concerns. Manal Alkhateeb, CFM manager in the WFP Jordan country office: "The hotline allowed us to adapt programmes during COVID based on feedback we received: for instance, most of the calls received were regarding accessibility issues to entitlement due to the full lockdown. In response, the country office expanded ATM coverage to ensure better access to entitlement for our beneficiaries. We also received many 'thank you' calls from beneficiaries because of our availability to provide the information and updates regarding any changes." See an explainer video: https://cdn.wfp.org/2020/covid19-response</p>

Prioritized risks in COVID-19	<i>Responsible digital payments guidelines</i> ¹⁴	Roles of regulators and digital financial service providers ^{15,16}	Role of digital financial transfer programs	Resources to address the risks
<p>2. Low financial and digital literacy among recipients coupled with unclear communication on program details</p>	<p>Guideline 4: “Design for client needs and capabilities”</p> <p>Guideline 9: “Prioritize women”</p>	<p>Regulators: Integrate digital capabilities content into existing social welfare programs and mandate use of locally preferred language for all client communications.</p> <p>Providers: Develop and test ‘just-in-time’ tools to build customer capabilities, such as agent-led training activities, interactive learning content, and peer-to-peer training. Communicate around the cash transfers (when and how it will take place, for how long, how much people should receive, how frequently, etc.). Test if the message has been understood by diverse communities. Take social norms into account in sharing product information, and account for any unintended consequences.</p>	<p>Governments and cash transfer programs, with nongovernmental organization partners and community groups, can create education messages of the top 10 FAQs through national SMS campaigns, short videos targeting specific capacity challenges delivered through national TV, radio or popular streaming mediums among target groups.</p>	<p>Alliance Global Learning Series on Digital Wage Payments in COVID-19 on strategies implemented for clear communication with female garment employees during the crisis.²²</p> <p>Digitize, Direct, Design (D3): Can These Three Principles Help Close the Gender Gap? The Bill & Melinda Gates Foundation’s approach to enhancing women’s economic empowerment.²³</p> <p>Integrating Financial Capability into Government Cash Transfer Programs, World Bank 2018.²⁴</p> <p>Financial Literacy Training Toolkit for Refugees (WFP Uganda and UNCDF).</p> <p>Special design considerations required for the oral segment (MicroSave Consulting).</p>

Prioritized risks in COVID-19	<i>Responsible digital payments guidelines</i> ¹⁴	Roles of regulators and digital financial service providers ^{15,16}	Role of digital financial transfer programs	Resources to address the risks
<p>3. Exclusion of current and potential beneficiaries</p>	<p>Guideline 1: “Treat clients fairly”</p> <p>Guideline 5: “Support client usage through interoperability”</p> <p>Guideline 9 (upcoming update to the <i>Responsible digital payments guidelines</i>): “Prioritize women”</p>	<p>Regulators: Support more limited onboarding or account opening requirements and ensure proper safeguards are in place to protect any relaxation of requirements from abuse. Ensure that all public information, crisis response measures, health and social protection interventions are inclusive, accessible for all, and do not discriminate against people with disabilities. Also ensure that special groups such as women living in polygamous households are not excluded.</p> <p>Providers: Develop new methods for reaching out to new customers and facilitating their assisted onboarding by leveraging locally relevant factors such as agents or community representatives.</p> <p>Ensure the availability of a diverse profile of agents (women, minorities, etc.) to be able to service currently or potentially excluded customers.</p>	<p>For newly poor and migrants:</p> <p>Digitize the building blocks for enrollment:</p> <ul style="list-style-type: none"> ■ Registration ■ Duplication ■ Verification assessment ■ Enrollment. <p>Mobile-based solutions to enrolling and managing newly poor people in resource-challenged rural areas and countries.</p> <p>Advocate the inclusion of refugees in social protection schemes in response to COVID-19. Reach out to more isolated and remote communities.</p> <p>For all:</p> <p>Leverage open and secure technology and tools for connecting cash transfer systems to:</p> <ul style="list-style-type: none"> ■ Identity sources (e.g., civil registry) for verification of beneficiary identity ■ Existing registries such as utility companies, telecoms operators, and tax registries for cross-referencing ■ The financial system, integrating through existing payment rails and payment initiators to maximize choice and distribution reach. 	<p>Alliance member Sierra Leone's lessons from Ebola for COVID-19 on inclusion.²⁵</p> <p>Disability Inclusive Social Protection Response to COVID-19 Crisis (United Nations Partnership for the Rights of Persons with Disabilities).²⁶</p> <p>Alliance member Colombia's public-private collaboration to rapidly pay newly poor, 3 million households, 60 percent headed by women.²⁷</p> <p>COVID-19: Using Cash Payments to Protect the Poor in Pakistan – through innovative use of identity and mobile phones.²⁸ The Ehsaas Emergency Cash Program reached 7 million vulnerable households in May 2020.</p> <p>A Report prepared by the G20 Global Partnership for Financial Inclusion by the Alliance, Women's World Banking and the World Bank Group: Advancing Women's Digital Financial Inclusion.²⁹</p> <p>Know Your Customer (KYC) Innovations, Financial Inclusion, and Integrity in Selected Alliance for Financial Inclusion Member Countries.³⁰</p> <p>Targeting Humanitarian Aid with Machine Learning and Mobile Phone Data: Evidence from an Anti-Poverty Intervention in Afghanistan.³¹</p> <p>A panel discussion on COVID-19 in the Global South: Economic Impacts and Recovery – on how new approaches, based on big data and machine learning, can provide missing and complementary information that, combined with traditional approaches, can help governments more effectively respond to the humanitarian crisis.³²</p> <p>Key lessons, from Namibia COVID-19 cash transfers, recommended for South Africa:³³</p> <ul style="list-style-type: none"> ■ Namibia using civil registration/national ID to register and de-duplicate ■ Mobile-based enrollment and payments by e-vouchers since more people have mobiles than bank accounts. <p>Russia's response to COVID-19 by allowing remote account opening.³⁴</p> <p>Gender Considerations in Balancing Financial Inclusion and Anti-Money Laundering and Countering the Financing of Terrorism.³⁵</p>

Prioritized risks in COVID-19	<i>Responsible digital payments guidelines</i> ¹⁴	Roles of regulators and digital financial service providers ^{15,16}	Role of digital financial transfer programs	Resources to address the risks
<p>4. High transaction failure rates</p>	<p>Guideline 2: "Keep client funds safe"</p> <p>Guideline 6: "Take responsibility for providers of client services across the value chain"</p> <p>Guideline 8: "Provide client recourse"</p> <p>Guideline 9: "Prioritize women"</p>	<p>Regulators: Monitor transaction failure data to intervene and request remedies when providers fall below a specific threshold.</p> <p>Providers: Implement specialized customer care processes to swiftly resolve failed or erroneous transactions.</p>	<p>Cash transfer programs should collect transaction failure rates as part of daily key performance indicators. They should track, with the financial service provider, resolution times, including to restore balances after dropped transactions. With these data, governments and transfer programs can lobby for, and work with regulators and providers to effect change:</p> <ul style="list-style-type: none"> ■ New options where there is poor connectivity resulting in transaction failures ■ System strengthening at providers if failure is due to volumes ■ Regulatory enhancements ■ Design solutions with end recipients' contexts in mind, including non-digital solutions where necessary. <p>Develop contingency plans for systems failure due to increased volume or other challenges.</p>	<p>Transaction Failure Rates in the Aadhaar Enabled Payment System: Urgent Issues for Consideration and Proposed Solutions.³⁶</p>

Prioritized risks in COVID-19	<i>Responsible digital payments guidelines</i> ¹⁴	Roles of regulators and digital financial service providers ^{15,16}	Role of digital financial transfer programs	Resources to address the risks
<p>5. Lack of knowledge/information about nearest cash-out points</p>	<p>Guideline 4: “Design for client needs and capability”</p> <p>Guideline 6: “Take responsibility for providers of client services across the value chain”</p> <p>Guideline 9: “Prioritize women”</p>	<p>Regulators: Mandate reporting of access points by providers and collate into a market-wide database. Expand available cash-in, cash-out (CICO) points by enabling new agents such as existing retail shops. Consider qualifying CICO access points as essential businesses where appropriate.</p> <p>Regulators: Mobilize the payments industry to coordinate and create a neutral, industry-level platform (or one that is managed through cash transfer working groups) that maps CICO points in real time and aids discovery of active cash-out points among users.</p> <p>Providers: Provide up-to-date information to government and offer the ability to check locations for their customers via basic communications channels.</p>	<p>Provide clear information about available cash-out points in a localized manner as part of broader program communications. Where interoperability exists, make clear to beneficiaries information on all available channels in the network for cash-out at participating providers.</p>	<p>Alliance members India, Kenya, and Rwanda on solving last-mile cash-out in COVID-19.³⁷</p> <p>Example of insight2impact (i2i), a global resource center that seeks to improve financial inclusion through the smarter use of data and presently lists data from 37 countries.³⁸</p> <p>Example of a CICO map that can be improved with industry-wide collaboration for real-time information and inclusion of all CICO points: Find My Bank, by the Government of India’s Department of Financial Services.³⁹</p> <p>Unexpected consequences of measures to improve safety at cash-out: South Africa implemented a number of good measures to increase safety at cash-out points, but media reports cite some unfortunate side effects, pointing to the importance of good communications and the risks of hurried changes. Even well-intentioned efforts to facilitate payments and reduce crowding can have unintended effects when implemented in a hurry.⁴⁰</p> <p>Jordan’s Unified Agent Interface (Jordan Payments and Clearing Company, https://uai.jopacc.com/JoPACC-GW/GW).</p>

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<p>6. Overcharging of fees for cash-out and transactions</p>	<p>Guideline 1: "Treat clients fairly"</p> <p>Guideline 3: "Ensure product transparency for clients"</p> <p>Guideline 6: "Take responsibility for providers of client services across the value chain"</p> <p>Guideline 9: "Prioritize women"</p>	<p>Regulators: Require providers to monitor the prevalence of overcharging, and do independent spot-checks such as mystery shopping or customer surveys.</p> <p>Requires customer protection clauses are integrated into agents' contracts.</p> <p>Providers:</p> <ul style="list-style-type: none"> ▪ Raise awareness among agents and customers regarding the prohibition of overcharging, and enforce punishments such as loss of account for agents who overcharge. ▪ Work with government-to-person payment programs to ensure that delivery fees are realistic and transparent, and secure adequate remuneration to agents. 	<p>Governments announce national complaints phone number and website address to report on overcharging and cash-out fees.</p> <p>Governments work with providers on service-level agreements for cash-outs, and corrective measures.</p> <p>Governments and cash transfer programs can undertake 'dipstick' surveys to assess the level and types of overcharging and misuse.</p> <p>Consider temporary support measures for cash-in, cash-out distribution, such as extra fees or tiered fees based on remoteness/exposure, providing protective equipment (masks, sanitizer), and training to inform and empower recipients to protect themselves from unfair treatment; make sure they know authorized fees, their rights, and recourse mechanism to complain when they feel treated unfairly.</p>	<p>Mitigating Risks of Abuse of Power in Cash and Voucher Assistance.⁴¹</p> <p>Mystery Shopping for Digital Financial Services: A Toolkit.⁴²</p> <p>Agent Networks: Vital to COVID-19 Response, in Need of Support.⁴³</p> <p>Rwanda example: reporting overcharging of fees to toll-free number.⁴⁴</p> <p>Microfinance Institution (MFI) Client Awareness Comic on Coronavirus.⁴⁵</p>

Prioritized risks in COVID-19	<i>Responsible digital payments guidelines</i> ¹⁴	Roles of regulators and digital financial service providers ^{15,16}	Role of digital financial transfer programs	Resources to address the risks
<p>7. Overcrowding and health and safety risks at cash-out points requires official health advice in each jurisdiction</p>	<p>Guideline 6: "Take responsibility for providers of client services across the value chain"</p>	<p>Regulators:</p> <ul style="list-style-type: none"> ■ Allow increases in wallet transaction limits to reduce need for cash-out and overcrowding. ■ Remove or reduce transaction fees to encourage keeping funds digital. ■ Engage with providers to consider temporary support measures for agents, such as extra fees or tiered fees based on remoteness and exposure as well to compensate for lost income due to lockdowns and the first two measures immediately above. <p>Providers:</p> <ul style="list-style-type: none"> ■ Ensure agents or third-party agent network managers are provided with requisite resources to ensure health and safety for both themselves and beneficiaries. ■ Consider temporary support measures to ensure that agents remain open to serve customers (due to reduced regular business). 	<p>Governments and cash transfer programs can stagger the pay-out to beneficiaries to avoid long queues and overcrowding at cash points.</p> <p>Additionally, by expanding the number of providers onboarded to deliver transfers, cash transfer programs can ensure broader coverage even in more remote areas, and reduce unnecessary travel by beneficiaries.</p> <p>In agreements signed with providers, include requirements for providing protective equipment (masks, sanitizer), and training for agents and bank staff.</p>	<p>Alliance members Ghana, Jordan and Peru on responsible digital payments in COVID-19.⁴⁶</p> <p>MFI Client Awareness Comic on Coronavirus.⁴⁷</p> <p>The Role of Digital Financial Services (DFS) Agents During the COVID-19 Crisis.⁴⁸</p>

Deep-dive on complaints and feedback/grievance redressal mechanism in COVID-19

Grievance redressal mechanisms or complaints and feedback mechanisms are emerging as a lifeline for poor people across the world, especially for first-time users of digital payments and those excluded. Traditionally in digital payments, the role of ensuring proper recourse is one that has often skewed the burden of solving issues toward the beneficiary/client. Regulators require the existence of a recourse system, but much more collaboration and opportunities exist to define criteria, quality, and accessibility.

For example, when a woman working in a garment factory in Bangladesh receives notice of her wages via a notification on her mobile phone, but the amount the cash-in, cash-out agent outside the factory gives her does not appear to be correct, whom

should she talk to? Is it the digital financial service provider, the agent, or her boss at the factory? This scenario is all too common for many recipients of digital payments across the world and the resulting confusion and frustration can derail efforts to transition from cash to digital payments for payers. As a result, many consumers, especially those new to digital payments transfers, as seen in COVID-19, have little or no awareness of where to go when they have a problem.

In the Responsible Practices Working Group, we have identified some guiding principles to consider for ensuring access to and resolution of grievances in real time in this crisis.

Principle	In practice
Awareness	<p>Users should be aware of the existence of a complaints and feedback mechanism and of their right to report issues without fearing retaliation, and be able to access the information they need at their convenience or speak to someone who can help them. The standardized recourse system should be accessible via multiple channels (e.g., mobile, website, in person, call center).</p> <p>Given the multiple points at which a payment travels from payer to payee – e.g., accounting department, payroll, bank, digital financial service provider, rural cash-in, cash-out agent – the various problems that can arise require interaction with different entities. Processes should be put in place to ensure tracking, transfer, and resolution of complaints where they are passed across different actors or departments.</p> <p>When multiple service providers are involved, this tracking is not only harder to do, but is it even more critical for users, so they do not have different redress experiences depending on the provider selected for their account. Users themselves should not be tasked with having to decipher the payments value chain and determine how to address their problem. They should be able to reach out to one point of contact for resolution of their concerns.</p> <p>What is required, at a high level, is a standard, simplified ‘front end’ for dealing with users, which is able to access all the information systems in a type of collaborative ‘back end’ to address these challenges as needed.</p>
Access	<p>Complaints and feedback mechanisms (CFMs) should be accessible. Accessibility includes different aspects:</p> <p><i>Safety and security:</i> Is it safe for women, men, girls, and boys to visit a helpdesk, to participate in a community consultation, to be in a public space, or to be interviewed alone? Is it safe for individuals of minority groups (cultural, ethnic, religious, sexuality, caste, etc.) to access a CFM?</p> <p><i>Dignity and inclusion:</i> Are all people in the affected population able to access the CFM in a way that ensures respect for their dignity?</p> <p><i>Communication:</i> What means of communication do women have access to? Men? Girls? Boys? What are the literacy levels of women, men, girls, and boys? What languages are spoken, and by whom? Does the CFM ensure access to people with physical, visual, auditory, and intellectual disabilities? Does the CFM meet the localized language requirements?</p> <p><i>Sociocultural norms and practices:</i> Are there any beliefs, customs, or institutions that limit women's, men's, girls', and/or boys' participation?</p> <p><i>Mobility:</i> Are women, men, girls, and boys able to safely and freely travel to or access the CFM? What barriers may people with disabilities face?</p> <p><i>Participation in public forums:</i> What constraints do women, men, girls, and boys encounter in participating in public forums?</p> <p><i>Sharing opinions and ideas in the presence of others:</i> For example, are women free to voice their concerns when men are around? Can a woman be interviewed by a man? Can younger people challenge the statements of their elders?</p>

Principle	In practice
Trust	It is essential to build the trust in the CFM, by ensuring strong processes to ensure the feedback loop is closed on all actionable cases. Cash recipients usually test such systems with simple complaints or feedback before providing more sensitive information. By demonstrating that feedback leads to improved impact, the CFM will help to build trust between the initiators of the digital payments and the people receiving them.
Accountability across the recourse value chain	<p>A responsible recourse system in today's digital payments environment needs to be able to address user issues in a systematic way that technologies can enable within defined rules of privacy and data security, without forcing users to reach out to multiple parties.</p> <p>Critically, the recourse provided must be directly relevant to that user, so that the information needed to fix their problem is available in one spot. Just giving users the bank's or digital financial service provider's customer service number without making sure that those entities have all the relevant information they need to help the users (including when payment was made and for how much) will not help them to get answers to their problems.</p>
Systems interoperability for real-time resolution	Cash transfer programs should work with partner financial service providers to identify and prioritize the top 10 frequently asked questions from beneficiaries. They should also create decision trees for each problem, assign accountability and, to the extent possible, extend into the systems of the various partners involved to maximize interoperability to respond in real time to grievances.

Endnotes

- 1 These include social protection programs and social transfer programs whose payments are sent digitally through digital financial service providers.
- 2 The term 'beneficiaries' is used interchangeably with 'customers' or 'clients' because they are the same set of people for the purposes of this document. Regulators and digital payments providers refer to 'customers' or 'clients', while digital social transfer programs refer to 'beneficiaries'.
- 3 The present document builds on: Better Than Cash Alliance, July 2016, *Responsible Digital Payments Guidelines*, Better Than Cash Alliance, viewed on 1 October 2020 from <https://www.betterthancash.org/tools-research/case-studies/responsible-digital-payments-guidelines>; Aadil A., Gelb A., Giri A., Mukherjee A., Navis K., and Thapliyal M., 2019, *Digital governance: Is Krishna a Glimpse of the Future?*, viewed on 1 October 2020 from <https://www.cgdev.org/publication/digital-governance-krishna-glimpse-future-working-paper>; Innovations for Poverty Action, 9 June 2020, *IPA Launches Consumer Protection Research Initiative*, viewed on 1 October 2020 from <https://www.poverty-action.org/event/ipa-launches-consumer-protection-research-initiative>; United Nations High Commissioner for Refugees, and World Food Programme, n.d., *Mitigating Risks of Abuse of Power in Cash Assistance in Afghanistan*, viewed on 1 October 2020 from <https://data2.unhcr.org/en/documents/download/71142>.
- 4 A sample report that provides evidence of grievance resolution mechanisms as a priority issue in COVID-19: International Monetary Fund Fiscal Affairs, 2020, *Digital Solutions for Direct Cash Transfers in Emergencies*, viewed on 1 October 2020 from <https://www.imf.org/~/media/Files/Publications/covid19-special-notes/en-special-series-on-covid-19-digital-solutions-for-direct-cash-transfers-in-emergencies.ashx>.
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- 6 A sample report that provides evidence of bridging digital and financial literacy as a priority issue in COVID-19: National Development Agency, 14 April 2020, *South Africa's Social Development Sector Response to COVID-19*, viewed on 1 October 2020 from <https://static1.squarespace.com/static/5b7cc54eec4eb7d25f7af2be/t/5e9733107a73576addcdcd2d/1586967318942/NDA-IDinsight+COVID-19+Policy+Brief.pdf>.
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