



© © WFP/Saikat Mojumder

TOOLKIT: RESPONSIBLE CASH

Engaging with the private sector

Maximising opportunities in private sector collaboration

What is this document about?

This document offers practical guidance and tools for successful engagement and partnerships with the private sector - focusing on financial service providers and merchants.

The focus is on promoting inclusion, improving transparency, and leveraging private sector innovation and scale to deliver safe, efficient, and user-centred financial services.

What can we do to partner more effectively with financial service providers?

- Financial service providers, such as banks, mobile money providers and fintechs, have become key partners for humanitarian organizations in delivering cash assistance. Even though some projects are already almost fully delivered by them, **we seldomly leverage the full potential of these partnerships.**
- Projects are more likely to succeed when all parties involved are committed and working in partnership. financial service providers **can creatively meet programme-specific requirements when equipped with sufficient resources and a proper understanding of user needs** (see p.66 for examples).
- HOW?** Below are some tips of how to leverage the full potential of the private sector partnership **without compromising on minimum standards** (humanitarian principles, customer protection).

Key success factors identified

- ✓ **Build relationships and engage providers early.** This speeds up project implementation and the private sector may also add **innovation in project design.**
- ✓ **Clearly communicate requirements,** establish clear lines of communication and align roles and responsibilities. E.g. use the simplified [Code of Conduct](#) and [Customer Protection Checklist](#) to help the provider understand humanitarian rules and requirements for their services and reward good practice!
- ✓ Contracting with humanitarian partners may be more difficult than the providers are used to. **Don't overwhelm partners** with lengthy and resource-intensive contracting processes and documentation.
- ✓ **Cut out jargon/adapt language** and help partners understand the '**business case**' for working with unbanked and underserved communities. Keep in mind that in some contexts, humanitarian cash transfer programmes are rarely seen as commercially viable for financial service providers.
- ✓ Have ready-to-use [materials/supports](#) that the partner can easily understand and implement. This includes [training materials such as on Customer Protection](#) but also on other areas such as on making assistance more accessible for persons with disabilities, specific communications around prioritizing women etc.

Meanwhile, **keep operational challenges that are influenced by the local context in mind!** E.g. security situation, access challenges, fuel shortages or challenges posed by national regulatory requirements etc.



What are key areas where we can collaborate with private sector partners?

- Work together **to design products that fit people's needs** e.g. have a look at this [Playbook by D91 for designing financial products for women](#) and the [Better Than Cash Alliance section for companies](#)
- Digital financial inclusion:** In [Somalia](#), mobile money operators saw the opportunity: they developed visual materials and **translated the digital and financial literacy communications materials** into other languages. Private sector partners ran **digital & financial literacy trainings** (incl. on fraud/scams strengthening **customer protection**).
- Mobility and connectivity:** Private sector partners provided **free or subsidized SIM cards or mobile phones** (also pay-as-you-go options) or worked together with humanitarian partners to identify areas where they would **build infrastructure** whether there is no connectivity (such as mobile signal towers, solar-powered ATMs, mobile charging stations etc).
- Joint advocacy with regulators** for people to get [access to IDs or tiered/simplified KYC with regulators](#) where people lack ID.

Why and how to invest in the lower-income, unbanked and hard-to-reach?

Financial service providers may **capture large customer segments of lower-income, unbanked, hard-to-reach customers**, including women, through **offering tailored products and services that are responding to their needs**. For the financial institution this means unlocking significant growth potential:

- Especially **women are known to be excellent customers** - loyal and good borrowers with low default rates. "[We know that when women save and borrow, financial institutions liquidity goes up, and risks go down](#)". Actively address access barriers (e.g. access to functional ID, mobility challenges, social norms).
- Digital financial services, mobile money, and agent banking present **cost-effective means of reaching these underserved segments**, by reducing operational costs and improving service accessibility.
- Early movers in financial inclusion can **differentiate themselves from competitors and establish strong market positioning**. For example, [Jazz Cash in Pakistan](#) recognized the value of providing digital training to customers in rural areas (especially to women), unlocking a significant growth.
- Companies that **provide relevant products** and [excellent customer service/protection](#) that **treats people with respect** can **benefit significantly through word-of-mouth** - communities trust the providers their neighbours had good experiences with. Refer also to the [CERISE-SPTF Management Standards](#).
- **Understanding customers and their needs** is key (e.g. through consultations and disaggregated data).
- Financial institutions should design **innovative solutions** (i.e. subsidized/pay-as-you go mobile phones, provide mobile banking units etc) to make their services more accessible to disadvantaged communities.

Where to start? Offer relevant savings solutions!

Savings products are the most attractive entry point (for both providers and customers), because...

- ✓ For financial service providers funds held through savings accounts are **an unexpensive source of local currency**, facilitating lending and other financial services, revenue generation and offsetting liquidity gaps
- ✓ Savings accounts provide people with a safe place to save (e.g. women are inherent savers). This builds the opportunity and base to build a financial profile required for other financial services i.e. **opportunities for cross-selling**, such as overdraft, micro-insurance, and payment services, as people get more familiar with financial services through savings.

Encourage service providers to use user-centred product and service design

For example, you may use these here from [D91](#) below, resources from the [Better Than Cash Alliance](#) (p.51) and [Women's World Banking resources](#)



1. Accessibility

Provide easy-to-understand information, clear visuals, and timely feedback. Include language options, accessible support and educational resources for a diverse user base.

Accessibility indicators

- Clear & visible communication
- Predictable
- Inclusive & accommodative
- Versatile & adaptable

An inaccessible interface

is non-inclusive and not user-friendly. It may cause frustration leading to user drop-off.



2. Trust

Build user trust through transparent, clearly stated privacy policies. Provide feedback and responsive grievance redressal mechanisms. Incorporate social proof to reinforce credibility.

Indicators of Trust

- Build positive relationships*
- Exhibit expertise*
- Consistency*
- Transparency
- Security

Lack of trust in a platform can lead to poor engagement with the segment, insecurity and drop-off



3. Intuitive

Create an intuitive interface that is scalable and flexible with the user's growing needs. Keep the design simple, user-friendly, and aligned with the user's expectations.

Elements of Intuition

- Familiarity to the user
- Clarity of information & actions
- Offer flexibility
- Minimal cognitive effort

Unintuitive interfaces might make the users internalise, get confused or get frustrated



4. Engagement

Enhance user engagement through clear and compelling calls-to-action, gamification, and personalized rewards. Make the users feel heard by asking for suggestions & feedback.

Indicators of Engagement:

- Personalization
- Feedback
- Micro-animations
- Gamification
- Rewards
- Social sharing & referrals

Lack of engagement leads to unsatisfactory experience and user drop-off.

Need some inspiration? Here are a few examples

EXAMPLE 1: Refugees mean business. Why investing in them pays off for financial services providers

- Rwanda has hosted refugees for over 20 years, creating a need for long-term financial solutions. A [study by FSDA, UNHCR, and AFR](#) assessed both the demand for financial services among refugees and the business case for Rwandan financial institutions to serve them.
- Key findings revealed that 90% of refugee households earn above the median income of Rwandan bank account holders. Expanding financial services to refugees **increased the financial services market** by 44,000 individuals, with strong demand for savings, loans, and insurance products, **as many refugees used financial services before and want to use them again**, perhaps more than Rwandan nationals.
- Similarly, another World Bank/UNHCR study found that the Kakuma Refugee Camp **boosted the Turkana region's economy, increasing gross regional product by 3.4% and employment by 2.9%**, while also raising consumption, incomes, and asset ownership among the host community.
- **Key takeaway:** Investing in financial services for refugees is both a social and economic opportunity, enabling providers to expand their customer base while fostering financial inclusion.

EXAMPLE 2: Using data driven insights to better serve women customers - KCB Bank, Kenya

- KCB Bank, Kenya's largest commercial bank, initially launched a women-focused product that failed to gain traction, reinforcing biases that women were not solid borrowers.
- In 2017, the **bank analysed sex-disaggregated data** and discovered that while women owned 40% of businesses and made up 50% of their MSME customers, only 9% were borrowing.
- By **reengineering its approach** and improving customer engagement, adjusting credit methodologies, and offering non-financial support more **tailored to women's needs and preferences**, KCB saw a significant increase in women borrowing: 26% of women MSMEs now borrow, and customer satisfaction reached an impressive 42%.
- **Key takeaway:** Data-driven insights help financial providers better understand and serve unbanked women, unlocking a major market opportunity.

EXAMPLE 3: Women are creditworthy - Rethinking credit scoring

- Research consistently shows that women receive fewer loans, smaller amounts, and higher interest rates despite strong repayment behaviours.
- To challenge this bias, researchers from Northwestern University and UC Berkeley partnered with a Dominican bank to test gender-specific credit-scoring models.
- The results were striking—when **alternative credit assessment methods** were applied, 80% of women had higher credit scores, proving that conventional models underestimate women's creditworthiness.
- **Key takeaway:** Gender-sensitive credit scoring enables financial institutions to tap into a profitable, yet underserved market while promoting financial inclusion.

EXAMPLE 4: Tailoring insurance to women - AXA's \$1.7 trillion market opportunity

- In 2016, global insurer AXA partnered with IFC and Accenture to assess the women's insurance market - valued at \$1.7 trillion. Through **data analysis and focus groups** across multiple countries, AXA **identified women's unique insurance needs**, including health coverage, pregnancy, business protection, and financial upskilling.
- The result? 26 new tailored products across 17 business units, offering both retail solutions (e.g., life, health, and property insurance) and SME business support (e.g., liability coverage/access to finance).
- **Key takeaway:** Financial providers who invest in understanding women's needs can unlock new revenue streams and increase customer loyalty.

Why is it important?

- **Merchant mobile payments are still not widely used** despite the advantages that e-money payments bring - being safe from theft or fire; being in general cheap and efficient; transparent and easier bookkeeping; merchants can use e-money to pay staff & suppliers, can be used in countries where there is a lack of liquidity etc.
- However, **many merchants do not prefer e-payments for various reasons**, so users still need to carry cash. Both the demand side (cash transfer recipients and other clients) and supply side (merchants) need to be ready, which is often not the case.

What can you do to increase merchant acceptance of e-payments?

- **Sending money to peoples own accounts is often preferred to cash-over-the-counter** because of increased assurance/transparency and the indirect positive outcomes for people (ability to save in a safe/secure place, increased digital and financial literacy, financial empowerment, etc).
- **Advocate with regulators to provide incentives for merchants and customers** taking up e-payments. Governments have a key interest in digitization.
- **Understand the merchants**, their payment flows - how do they operate? Are they registered businesses? Try understand the challenges and barriers that they face and identify solutions.

Here are key reasons stated by merchants that pose barriers and solutions/arguments to e-payments adoption (adapted from [CGAP](#)):



Identified issue/perceived disadvantage	Key counter arguments/messages
Their existing business processes are based on cash and paper	Using digital payments facilitates bookkeeping, adds transparency and the ability to check transactions/balances any time.
Making business payments (or receiving payments) via e-payments may incur a fee - cash doesn't	Advocate with regulators to reduce merchant fees, waiving merchant fees for small merchants or reimbursing merchant fees as incentives.
To get cash, digital merchants have to go find an agent (maybe close shop) and pay a fee - E.g. some whole-sellers require merchants to pay their merchandise in cash	Negotiate with wholesalers, importers to accept digital payments (review the entire supply chain). Try understand the type of actors and problem/benefits for each level.
Used only be a few customers - it's not worth to invest in infrastructure/hardware if cash is used by most customers	Many solutions for merchants are available on mobile phones. Humanitarian organizations can also work with regulators to subsidize POS machines. Work with financial services providers to provide incentives to users - prizes for new customers performing X transactions – to incentivise uptake. <i>NB: Cash Transfer projects bring scale!</i>
Not anonymous - due to digital footprint, merchants are worried that digitizing means also 'formalization' and therefore paying (more) taxes	Engage with regulators on information campaigns to clarify that digitization has benefits, e.g. through offering bonuses for processing a certain number of transactions per month. NB: Digitization is not necessarily lead to negative impacts from formalization/taxes.
Subject to network, device, power, transaction failures - Cash is seen as more reliable and faster to use	Advocate with financial services providers/regulators to ensure network reliability & adequate training. Reiterate positive outcomes.
E-payments are too complex to use, for both customers and merchants – cash is more intuitive	Provide digital and financial literacy training as part of your projects and advocate with financial services providers/regulators on joint campaigns. Reiterate positive outcomes.