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Feasibility analysis of the use of Mobile Money for cash transfers in eastern DRC:

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Introduction

The deterioration of the security situation in eastern Democratic Republic of Congo (DRC), marked by the M23's territorial expansion and the increased activity of other armed groups, has severely disrupted financial and logistical chains, triggering an unprecedented liquidity crisis. In M23-controlled areas, bank closures have limited both the ability to conduct cash transfers (CT) and access to cash, affecting households and NGOs. Organizations that previously relied primarily on banking partners for CT are now compelled to diversify their financial service providers (FSPs), turning to those capable of sourcing liquidity locally.

CT remain a preferred modality for humanitarian actors and communities to meet essential needs in the current crisis, which is marked by significant displacement and returns, often in areas that remain unstable. In this context, mobile money appears to be a potential alternative for NGOs wishing to use this transfer modality, allowing them to bypass constraints related to physical cash access. However, mobile money comes with specific constraints and risks that must be considered: current operational, socio-economic, and security conditions demand a rigorous assessment to ensure transfers that respect human dignity, are safe, and tailored to beneficiaries' needs, while rooted in the realities of the DRC context. This modality may also be more costly for organizations and donors, with a possible transfer of risk to beneficiaries. It is therefore not a systematic alternative to other CT modalities.

This note aims to provide a targeted analysis of the feasibility of using mobile money for cash transfers, based on:

- An assessment of the current capacities of FSPs and mobile network operators (MNOs);
- An understanding of the constraints to implementing CT through mobile money;
- The identification of risks and mitigation strategies developed by humanitarian actors.

Mapping and current capacities for Mobile Money

In the fourth quarter of 2024, the mobile money market in the DRC continued its dynamic growth despite a challenging security and economic environment, reaching 29 million active users—equivalent to a penetration rate of 30.5% of the Congolese population[1]. This represents a 14.29% increase compared to the previous quarter, highlighting the growing role of these services as a driver of financial inclusion, particularly in the east of the country.

[1] 30.5% is the proportion of active mobile money subscriptions in the DRC relative to the total population of the DRC. Mobile Money Subscriptions: 29,029,358 and DRC Population: 95,207,000. These figures may be overestimated depending on the calculation methods used in the ARPCT report. Source: ARPTC 2024

The market is shared among four main operators: Vodacom (M-Pesa), Airtel (Airtel Money), Orange (Orange Money), and, to a lesser extent, Africell (Afrimoney). Vodacom maintains its leading position with approximately 51% of M-Pesa subscriptions, followed by Airtel (31%), Orange (17%), and Afrimoney (<1%)[2].

In terms of coverage, North Kivu, South Kivu, and Ituri together account for more than 6.5 million mobile money subscriptions, or 22.5% of the national total[3]—demonstrating the strong presence of these services in eastern DRC. However, this growth is uneven: market concentration remains high, agent commissions have risen sharply due to the liquidity crisis, and network coverage still has significant gaps, particularly in areas on the outskirts of major urban centers.

These technical and operational limitations, combined with low levels of digital literacy, underline that while mobile money is a promising option, its operational feasibility must be assessed at local level and supported by targeted mitigation strategies.

Constraints and challenges

The use of mobile money in eastern DRC faces a unique set of technical and operational challenges, particularly in the context of the M23 crisis and broader security and access constraints. These challenges can be grouped into three categories: technical and infrastructure-related, socio-economic, and operational.

1. Technical and infrastructure-related constraints

- **Network coverage:** Many localities, especially in remote or conflict-affected areas, lack stable mobile network coverage—an essential prerequisite for using mobile money.
- **Low agent network density**: In rural or hard-to-reach areas, mobile money cash-out points are scarce, forcing beneficiaries to travel long distances, incurring transport costs and security risks.
- **Service suspension in insecure areas:** Mobile money cash-out points may be forced to close temporarily, complicating beneficiary access.
- **Lack of technical assistance services:** Financial service providers (FSPs) offer little or no accessible technical support for users, limiting the ability to quickly resolve issues and increasing perceptions of digital vulnerability.
- **Low reliability of telecom operator databases**: In the DRC, procedures for registering mobile money accounts are poorly enforced or inconsistently applied. This results in incomplete or inaccurate databases, making it difficult to verify identities, track beneficiaries, or resolve disputes in cases of fraud or transfer errors.

[2] Ibid
[3] Ibid

2. Socio-economic constraints

- **Low literacy and digital skills**: Many displaced people—especially women, older persons, and those who are illiterate—lack the skills to use mobile money, effectively excluding them from the approach.
- **Low mobile phone ownership**: A significant share of community members do not own a mobile phone, making them dependent on third parties to carry out transactions, which raises concerns about confidentiality and control over funds.
- **Beneficiary identification requirements**: Activating SIM cards or opening mobile money accounts requires valid identification documents. Many beneficiaries—particularly IDPs, women, and older persons—do not have valid official IDs.
- **Distrust of digital tools:** Fears of fraud, financial loss, or technical errors—often fueled by past negative experiences and limited understanding of digital services—remain high.

3. Operational constraints

- **Dependency on cash and cash-out systems:** Most beneficiaries withdraw the full transfer amount in cash immediately, limiting mobile money to its basic cash distribution function. This dependency increases pressure on cash-out agents, creates long queues, and restricts use of integrated payment services.
- **Irregular and limited liquidity supply:** Cash-out agents often have limited liquidity reserves, reducing their capacity to process large amounts. This scarcity places agents in a quasi-monopoly position and can lead to abusive practices, particularly inflated cash-out fees. While official fees are meant to be regulated (split between the operator and the agent), in practice some agents impose higher fees or refuse transactions unless these conditions are met. In past mobile money transfer pilots in the DRC, fees reached up to 20% of the distributed amount.
- **Unfavorable exchange rates:** Due to limited foreign currency availability, agents may refuse withdrawals in the desired currency. In contexts where U.S. dollars are scarcer than Congolese francs (CDF), agents may refuse dollar withdrawals or impose highly unfavorable exchange rates. In monopoly-like situations, agents may apply variable rates for personal gain, to the detriment of users.
- **Presence of unofficial intermediaries:** Informal actors exploit beneficiaries' lack of information to impose unauthorized fees, divert part of the transfers, or manipulate transactions, eroding trust in the system.
- **Fraud risks and limited traceability:** Mobile money use introduces higher fraud risks, including identity theft, transfers to incorrect numbers, or diversion via informal intermediaries. Limited NGO access to transaction data also hampers auditing and verification of fund flows.
- **High volume of complaints:** Technical issues and dissatisfaction among some beneficiaries can generate large volumes of complaints requiring quick responses and technical support.

- **High population mobility:** Frequent movements of displaced people complicate initial registration, data updates, and beneficiary tracking during distributions, leading to blockages or inability to follow up with beneficiaries.
- **Relatively high operational costs:** Costs remain high due to operator fees and additional expenses for beneficiary training, technical support, and complaints management[4].
- **Slow and complex deployment:** Preparatory phases can require hundreds of hours for contract negotiations with providers, logistics organization, and beneficiary registration. These factors not only limit the operational efficiency of mobile money but also reduce its relevance as a rapid-response tool in emergencies.

Opportunities and enabling factors

Despite the constraints identified and the escalating crisis in eastern DRC, the use of mobile money as a humanitarian transfer modality offers opportunities to improve financial inclusion and strengthen the resilience of assistance recipients by giving them access to a range of financial services, including savings, credit, and remittances[5].

Furthermore, the continued growth of the mobile money market in the DRC—reaching 29 million active users nationwide by the end of 2024 (+14% compared to the previous quarter)—creates a more favorable environment than in the past, particularly in urban centers such as Goma, Bukavu, and Buni [6]. The existence of an already structured agent network around major towns, combined with the presence of several operators (Vodacom, Airtel, Orange, Africell), provides opportunities for partnerships and adaptation to local realities.

In addition, the growing willingness of public authorities and donors to support the digitalization of social and humanitarian payments constitutes a major strategic lever. The 2023–2028 National Financial Inclusion Strategy adopted by the government, through the Ministry of Finance with support from the Central Bank of Congo, aims to raise the financial inclusion rate from 38.5% in 2022 to 65% by 2028. It explicitly targets excluded populations such as rural areas, women and youth. One of the six strategic pillars focuses specifically on promoting increased use of mobile money and other fintech services.

Finally, technical and programmatic innovations can help overcome certain barriers: targeted distribution of phones and SIM cards, biometric registration to bypass the need for formal ID documents, partnerships with merchants to strengthen the cash-out network, and digital literacy training to ensure safe and autonomous account use.

[4] A case study of new technologies in cash transfers from the Democratic Republic of Congo
[5] GSMA, Displaced Populations,Humanitarian Cash Tranfers and Mobile Money.January 2025
[6] Source : ARPTC / Observatoire du marché de la téléphonie mobile T4-2024

Feasibility analysis per type of zone

Feasibility varies significantly depending on the type of intervention area. It depends on a combination of factors such as infrastructure, security, agent networks, and more. Three main area profiles are identified below:

Zone	Feasibility	Enabling factors	Main constraints
Urban	**Moderate**	• Good telephone network coverage • High density of mobile money agents • Greater familiarity of the population with mobile money	• Significant informal withdrawal fees charged by agents in crisis situations • Unfavorable and unstable exchange rates • Occasional insecurity and protection risks • Limited absorption capacity of agents for large amounts
Peri-urban and secondary roads	**Low to moderate**	• Partial telephone network coverage • Relative proximity to urban centers	• Significant informal withdrawal fees charged by agents in crisis situations • Unfavorable and unstable exchange rates • Irregular network coverage • Low literacy levels among beneficiaries • Frequent mobility of beneficiaries • Low density of mobile money agents • Very limited absorption capacity of agents for large amounts • Unstable security conditions
Rural and remote areas	**Very low**		• Significant informal withdrawal fees charged by agents in crisis situations • Unfavorable and unstable exchange rates • Very poor or non-existent network coverage • Very low density or absence of Mobile Money agents • Low telephone ownership • Low digital literacy • Significant security and logistical risks for agents and beneficiaries

Risks and mitigation strategies

This section focuses on the risks that could undermine the success of the intervention, even when feasibility is assessed as high, as well as the mitigation strategies identified to reduce these risks.

Risk	Consequences	Mitigation strategy
Protection risks		
Exclusion of the most vulnerable households	Lack of mobile phone ownership, absence of identity documents, limited mastery of technology	Targeted distribution of phones/SIM cards, use of biometric registration negotiated with the FSP, tailored support for the most vulnerable households on phone use and withdrawal procedures
Poor understanding of transfers and limited financial management skills, extortion by third parties	Mismanagement of funds, misunderstanding of fees and conditions, poor understanding of the mobile interface, lack of awareness of the amounts received	Development of tailored training and awareness modules on financial literacy in relation to mobile money; use of visual and audio materials adapted to beneficiaries' literacy levels
Physical inaccessibility to cash-out points	Long distances to withdrawal points, insecurity along travel routes, concentration of agents in urban areas	Strengthening agent networks, partnerships with local merchants to expand geographic coverage, joint analysis with operators to assess capacity and network of affiliated agents
Lack of confidentiality	Sharing of phone or PIN code, manipulation of the phone by third parties, exposure of beneficiaries to intra-family or community pressure	Training and awareness-raising on confidentiality, simple audio/SMS messages, support from trained agents to assist beneficiaries
Operational risks		
Fraud and identity theft	Withdrawals by non-beneficiaries, double registration, loss or theft of SIM card	Adapted registration procedures, stronger collaboration with FSPs to detect fraud, reinforced complaints management mechanisms

Complaints management	Delays in processing complaints, high volume of complaints, feeling of neglect among beneficiaries	Establishment of hotlines, liaison officers, community listening centers, and enhanced case follow-up
Inability to absorb transferred amounts	Agent overload, queues, impossible withdrawal, risk of incidents	Diversification of collection points, coordination with FSPs to strengthen supply, planning of distribution waves
Challenges in tracking and auditing transfers	Limited access to transaction data, inability to verify certain withdrawals, low traceability when phones are shared or numbers are unverified	Inclusion of data access clauses in contracts with FSPs
Financial risks		
Increase in commissions and withdrawal fees	Reduction of the actual amount received by households, perception of unfairness or mistrust	Contractual negotiation with FSPs, regular monitoring of fees applied, strengthened complaints feedback system, integration of additional costs into transfer amounts in advance based on fee rate analysis
Exchange rate volatility	Loss of value of the amount available, reduced purchasing power	Regular adjustment of transfer amounts, transfers made in the locally used currency, market monitoring and community consultation

Conclusion

Mobile Money represents an innovative and promising alternative for facilitating cash transfers in Eastern DRC, but it should not be systematically considered as a substitute for cash in hand or other monetary transfer methods. In certain contexts, it allows for more secure financial flows, faster logistics, and enhanced financial inclusion. Its potential is real, especially in urban centers and areas where telecommunication infrastructure is reliable and providers are well established.

However, this potential can only be realized if certain prerequisites are met: a functional mobile network, a sufficient network of well-stocked cash-out agents, social acceptance of the method, and a good understanding of the system by beneficiaries.

When these conditions are not met—which is still largely the case in many rural or unstable areas—the use of Mobile Money becomes not only more complex to implement but also more costly, slower, and riskier than direct cash distribution. The risk of loss of value for beneficiaries (through fees or exchange rates), errors, fraud, or exclusion then increases.

Thus, Mobile Money as a cash transfer modality should be considered a possible alternative in specific contexts but requires a regulated and gradual implementation. Before scaling up, pilot projects combined with accompanying measures and community monitoring are essential to ensure relevance, security, and effectiveness.

Recommendations

For NGOs wishing to develop the Mobile Money modality:

- **Use Mobile Money in projects aimed at financial inclusion**: When a project integrates financial inclusion or economic empowerment objectives, this modality can offer interesting opportunities to connect beneficiaries to formal financial services.
- **Consider Mobile Money for long-term projects with multiple transfer cycles:** This modality can help offset initial costs and improve logistical efficiency over the medium term. However, it remains essential to assess feasibility at each phase and plan alternatives when minimum conditions are not met.
- **Prioritize testing Mobile Money through pilot projects in urban areas**, after conducting feasibility studies, focusing on areas with generally good network coverage and a larger number of agents.
- **Make decisions based on analysis of fees charged:** Analyses of withdrawal fees charged by agents should guide the adjustment of transfer amounts to enable beneficiaries to withdraw the desired sums. In areas where analyses show fees exceed certain thresholds or where minimum conditions are not met, alternative options should be favored and information communicated with donors.
- **Conduct small-scale pilot projects with enhanced monitoring:** Launch pilot cash transfer projects via Mobile Money with a limited number of beneficiaries, including strengthened formal and informal community feedback tools; notably reinforced accountability mechanisms, post-distribution verification, hotline, community meetings, and physical complaint management offices at distribution sites.
- **Strengthen relationships with financial service providers (FSPs):** Establish dedicated focal points, clear protocols for information exchange, and regular meetings with telecom operators. This will facilitate verification of movements on beneficiaries' accounts and speed up complaint processing, especially related to lost and/or blocked SIM cards and beneficiaries claiming not to have received assistance.
- **Improve digital inclusion of beneficiaries:** Set up simplified digital awareness sessions on Mobile Money use. Distribute phones, SIM cards, and charging means (solar lamps) to unequipped households.
- **Document community risks and abusive practices:** Identify and report fraudulent or abusive practices, notably illegal fees and business brokers, in coordination with relevant clusters.

For humanitarian coordination bodies (e.g., HCT, CWG, OCHA)

- **Harmonize operational approaches and guidelines:** Develop a guidance note on the use of Mobile Money in crisis contexts, including feasibility criteria by area, protection protocols, and acceptable fee thresholds. Promote shared and harmonized tools for cost monitoring, risk management, and complaint mechanisms.
- **Strengthen dialogue with FSPs:** Engage mobile operators in regular consultation frameworks to negotiate standardized conditions, notably regarding service accessibility, security, and service fees.
- **Map capacities and constraints by zone:** Centralize dynamic mapping of FSPs regarding network coverage, withdrawal points, and service costs by area. Regularly update this data and share it with operational partners.
- **Integrate Mobile Money monitoring into analysis platforms:** Incorporate feasibility analysis of digital transfers into humanitarian planning (HNO, HRP). Encourage experience sharing of successes and challenges between agencies via CWG or HCT platforms.

For donors

- **Fund digital inclusion measures within projects:** Allow inclusion of logistical costs related to beneficiary digital equipment based on identified needs, including phone distribution, biometric registration, and support mechanisms for vulnerable populations' digital autonomy.
- **Adopt budgetary flexibility suited to field realities:** Take into account local dynamics, especially for beneficiaries facing Mobile Money withdrawal fees higher than regulatory caps due to informal practices by some agents (commissions reaching up to 20%). Include the possibility to adjust transferred amounts accordingly, while encouraging NGOs to conduct prior feasibility analyses with thresholds beyond which alternatives should be preferred, document these gaps, and implement negotiation, monitoring, and possibly compensation mechanisms to protect beneficiaries' purchasing power.
- **Support investment in digital and mobile infrastructure:** Back exchanges between operators, regulators, and humanitarian actors on improving connectivity.
- **Encourage accountability and regulated experimentation:** Support documented operational pilot projects, even in moderate-risk contexts, to inform collective reflection. Fund community accountability tools related to Mobile Money cash transfers. Budget specific analyses to document outcomes and lessons learned from these approaches.
- **Strengthen inter-agency coordination around payment systems:** Support collective efforts to regulate fees and contractual conditions with FSPs through existing humanitarian platforms.

Crisis Analysis Team - DR Congo

We provide timely, adequate, accurate, and inclusive data-driven analytics to help teams and programs make informed decisions. We identify, explore, and analyze the links between socio-political, economic, and cultural dynamics in crisis and conflict zones in eastern DRC. Our goal is to inform the humanitarian and development community on how to better tailor programming to the needs of the population.

Email: cat-drc@mercycorps.org

Site web: www.rdc-analyse.org

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