

# **I. Sikka in Action**

## **1.1. Sikka Pilot**

Sikka conducted its first field test in **April 2018** in Phulpingkot VDC of Sindhupalchowk District in Nepal with only a few minor programmatic challenges and no technical issues. Sikka was used to distribute payments for 105 beneficiaries under a cash for work program conducted by World Vision International Nepal as a part of the then Nepal Earthquake Response. Out of the 105 beneficiaries, only 73 had registered their own phone numbers and the remaining 32 had registered a proxy phone number (a registered person or a phone number that could receive the funds on beneficiary's behalf). A post pilot analysis of time and costs clearly showed reduction of operational costs by over 78% compared to conventional distribution processes. To add on to that, Sikka also helped cut down distribution time from a whole day (considering time it would take for beneficiaries to head to the banks in district head quarters, receive payments and head back compared to the time it took for them to reach the local financial cooperative for the same) to a few hours. Although this cost reduction is not a blanket figure, and was specifically for this small pilot, it shows the potential of how Sikka can reduce costs for aid agencies to a significant extent.

This was the first time that beneficiaries in Phulpingkot VDC had received payments through SMS on their phones. A feedback form was given to the beneficiaries to collect their reviews in order to get insight on the user experience. The reactions from the beneficiaries were overwhelmingly positive as they wrote that this process made it easier for them to collect payments from the local cooperative. Moreover, beneficiaries said that the process was more reliable as there was less risk of losing a paper based voucher. Since the point of distribution was only a 15–20 minute walk from their village, the women who were to receive payments and who previously used to send their husbands or sons, were able to collect it themselves.

## **1.2. Sikka with DanChurchAid**

An agreement was made between WVIN and DanChurchAid Nepal regarding a collaboration to enhance effectiveness and efficiency in Humanitarian as well as Disaster Risk Reduction efforts. As a part of this overarching agreement, it was agreed that Sikka would be used for cash programs carried out by DCA within their flood response.

The distribution was carried out in Saptari District of Nepal in the last week of December 2019 whereby a total of 385 beneficiaries from a total of 7 wards from Saptakoshi Municipality were able to directly receive Sikka tokens on their phones and get reimbursed with reconstruction materials, as well as cash to help them with recovery from flood. A total of NRs. 38,90,000 (approximately USD 37,048) was redeemed by the beneficiaries through the system. Two vendors, a local financial cooperative and a hardware vendor, were selected for cash and commodity distributions, respectively. While the Sikka team was available in the fields for the most part of the distribution, some of the distributions were carried out by the DCA field Program Team, with the Sikka team providing technical support remotely.

As expected, during the course of the distribution, a few hurdles were met with. The team had to deal with an incident of clashes between the locals sparked by some political issues. Although the team had followed instructions and beneficiary lists as provided by the local ward offices, some locals were disapproving of the list and had complaints about their exclusion from the same. The distribution for the ward had to be postponed to a later date as the two parties couldn't find a common ground. Apart from such issues, the team had to make sure that no technical issue impeded the beneficiaries from receiving allocated cash/commodities. As experienced in previous distributions, the team did face cases whereby the phone numbers were registered incorrectly in the system. Moreover, issues like beneficiaries not carrying registered phones with them, or bringing in phones with damaged displays were among other hiccups that came up.

Among the positives, the distribution helped the team learn that the SMS notification was a robust tool to notify beneficiaries about the details regarding the distribution. Most of the beneficiaries reported that they had received the details of the distribution from the SMS, whereby the other beneficiaries reported being notified by their neighbours based on the SMS they had received. This distribution also gave the team an opportunity to gain a better insight to remote deployments, as the program team was able to carry out distribution themselves with the Sikka team providing support remotely, in some cases.

### **1.3. Sikka in WVIN's 2019 Flood Response**

WVIN decided to use Sikka as a tool for last mile cash distribution for 2019's flood recovery project, Sikka was also previously used during the Nepal Earthquake Response in 2015. Sikka was deployed and

implemented to conduct transactions for a total of 199 beneficiaries in Sarlahi(80), Sindhuli(106) and Udayapur(13) districts of Nepal. The tokens were distributed to a total of 368 beneficiaries Sarlahi(114), Sindhuli(158) and Udayapur(96), but as not all beneficiaries arrived at the distribution point with their mobile phones and due to connectivity issues in some distribution points paper vouchers were used to facilitate transactions for those cases.

Due to limitations of time, orientation to the FSPs and PNGO staff had to be provided just before the distribution and on-the-job training had to be provided to the team during distribution. The field teams were able to grasp the concept and effectively use the system on their own after the distribution for a couple of schemes.

The distribution went well in most parts of Sarlahi and Sindhuli districts but issues in network connectivity, lack of communication with beneficiaries about the system and mistakes during phone number collection causes problems in Udayapur districts. For the beneficiaries lacking mobile phones and in areas with limited network coverage, paper vouchers were used as an alternative. Field team there felt the disconnect between using the paper voucher and Sikka and requested the feature to print and track the paper voucher via Sikka platform itself.