



THE USE OF CASH AND VOUCHERS TO ASSIST MIGRANTS IN TRANSIT IN MONTENEGRO

FEASIBILITY ASSESSMENT AND ANALYSIS REPORT

October - November 2023



CONTENTS

Executive Summary	3
Objectives and Methodology	4
Limitations	5
Introduction	6
Global Route Based Migration Programme	6
Country context	6
CVA in Montenegro	8
Migrant profiles	8
CVA Feasibility	8
Desirability - Needs and preferences of migrant	8
Acceptance of cash transfers by Government	13
Delivery Mechanisms and Service Providers	14
Montenegro Red Cross CVA capacity	17
Cost benefit analysis	18
Risks and mitigations	18
Monitoring	19
Conclusion on the feasibility of the use of CVA to assist migrants in transit in Montenegro	19
Recommendations for GRBMP	20
Annexes	21
Endnotes	26
Acronyms	27

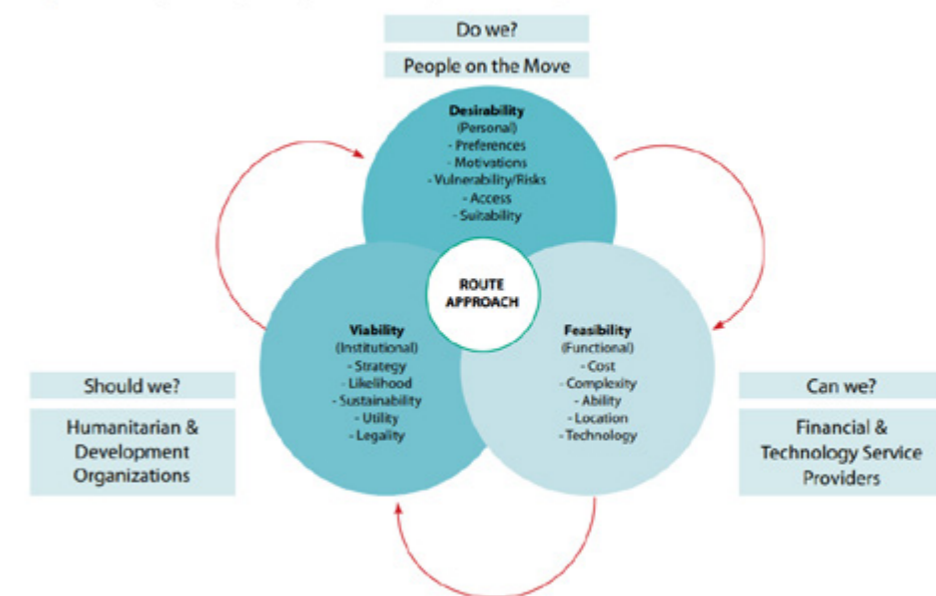
1. EXECUTIVE SUMMARY

The Red Cross Red Crescent Movement's (RCRCM) recognises the unique challenges faced by practitioners in the use of Cash and Voucher Assistance (CVA) in migration and displacement contexts. Consequently, its cash agenda key priorities include adapting the use of CVA to respond to migration crises and support people on the move.

This report focuses on the initiatives of the Red Cross of Montenegro (RCM), a participant in the IFRC's Global Route Based Migration Programme (GRBMP). It highlights key findings on the feasibility of appropriateness for the use of CVA within Montenegro, as well as outlining some of the key opportunities, barriers and risks that may apply to countries with similar contexts and GRBMP activities.

Drawing upon data gathered through direct key informant interviews with RCRCM and external stakeholders, as well as community engagement and analysis of prior research and secondary data, this report concludes that use of CVA is feasible.

From the migrant perspective, cash is desirable and a preferred type of assistance. The viability of CVA is clear, given the significant investments RCRCM has made both to CVA in the region as well as to GRBMP. While there are challenges to overcome with relation to the feasibility of financial services and products, this is well within the ability of RCRCM.



Source: CALP, Mapping a Route-Based Approach to CVA: Feasibility in select contexts in the Americas

Based on findings, the report puts forth the following recommendations:

- CVA is desirable to migrants. Regular validation of needs assessments in GRBMP participant countries is crucial to ensure that the assistance provided continues to align with the evolving needs and preferences of migrants.
- The GRBMP presents a unique opportunity to leverage presence along the Balkans migration route for a joined-up approach to CVA delivery. In a context with similar needs and characteristics of beneficiaries, the programme design could be adapted to respond in a consistent manner to those needs in countries along the route, facilitating migrants' access to similar assistance using cash. This could build on experience of regional and global framework agreements.
- Ongoing country level CVA preparedness must continue and take advantage of the regional programme to build peer to peer experience, exchange and support.
- Piloting CVA at country level is recommended, with consideration given to how scale up can be done within the region. For example, delivery mechanisms and transfer value decisions would be impacted by a country vs regional approach.

- Evidence and learning should be collected and used both to increase use of cash in the region and to establish the region as a lead in using CVA in migration contexts with a route based approach within RCRCM.

Additional considerations:

- Information as aid is a key deliverable to migrants in transit, which could be supported through GRBMP activities such as distribution of sim cards, publicly available mapping of HSPs and the assistance they offer.
- Community engagement and accountability should be conducted to ensure continued community cohesion in areas of operation.
- Continued engagement with protection, gender, inclusion (PGI) can support mapping of existing assistance and protection offered by external entities, ensuring safe referral mechanisms are in place.

2. OBJECTIVES OF THE REPORT AND METHODOLOGY

This report explores the practical and political barriers that may challenge a shift to delivery using CVA as well as to offer potential solutions in the framework of the GRBMP

Alongside this, guidance has been produced by the Cash Hub (which is the RCRCM resource on CVA) to support National Societies (NS) that establish and operate HSPs. This guidance will be published as part of the [Humanitarian Service Points Toolkit](#).

The objectives are as follows:

1. Inform the feasibility of appropriateness of CVA directed at migrants in transit through HSPs in Montenegro based on assessment conducted in October 2023
2. Outline broader trends, challenges, risks and opportunities for GRBMP use of CVA as a regional approach

Methodology

The information in this report has been collected using multiple methods between July and October 2023.

A comprehensive desk review was conducted, tapping into secondary data from government and UN sources, as well as internal and external documents by RCM and other movement components including national societies (NS) in the region and IFRC.

Primary data was collected through a series of key informant interviews (KIIs) and surveys in Montenegro. Internal KIIs involved stakeholders primarily from RCM, with contributions from IFRC and other NS in the region. External KIIs were held with UN representatives and financial service providers (FSPs).

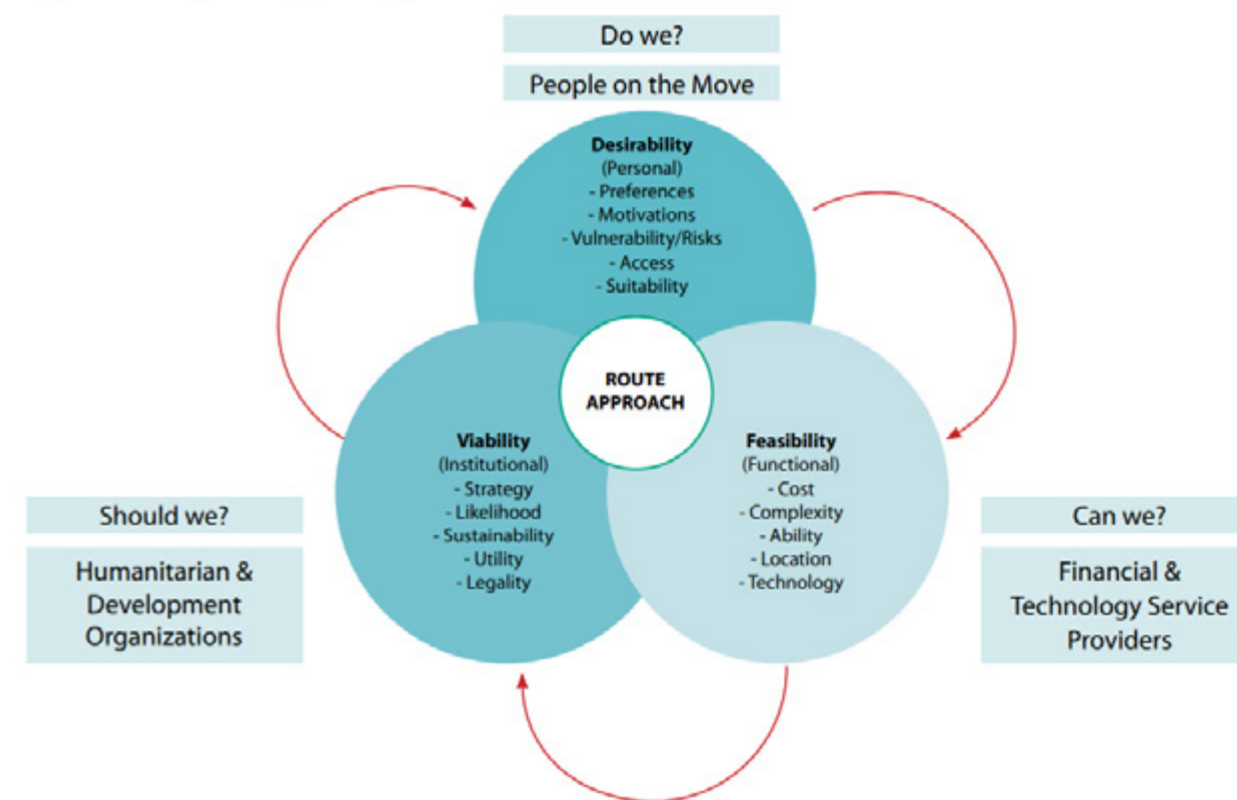
A survey was developed using KoboCollect and volunteer enumerators from Bozaj, Niksic and Rozaje, which are locations in which RCM operates were trained to collect data. Bozaj is a government run border point and reception centre in which RCM provides assistance, whereas Niksic and Rozaje are branch locations of RCM who deliver assistance through outreach. The survey was aimed at understanding the needs and preferences of migrants in transit. Survey data was collected in Bozaj, a total of 30 surveys were submitted by teams working there over the period of one week. Surveys were also collected in Niksic (34) and Rozaje (10).

Focus group discussions (FGDs) were viewed as a feasible data collection method in Bozaj and Spuz reception centres, given migrants would be in centres for a reasonable amount of time to take part without disrupting their planned activities. These were not deemed feasible in transit locations RCM serves (Niksic and Rozaje) as contact with migrants is often limited to distribution of information and aid at bus stops or other points

where migrants are present for very limited time.

A September 2023 report published by the CALP Network presented an adapted IDEO 'three lenses of innovation framework' in which feasibility of a route based approach was assessed on the basis of feasibility, desirability and viability¹. This report makes use of that framing, specifically seeking to answer:

- Desirability: whether CVA is desirable by migrants who are reached by GRBMP activities, in line with their needs, preferences and safety.
- Viability: whether RCM and to some extent the GRBMP has the ability and willingness to deliver CVA.
- Feasibility: what external barriers and opportunities exist to delivery of CVA, specifically looking at coordination with UN/NGOs and the offer of financial service providers. Consideration of government position will also need to be considered.



Source: CALP, Mapping a Route-Based Approach to CVA: Feasibility in select contexts in the Americas

Limitations

RCM reached out to NGOs that work in the country, however, either no responses were received or agencies decided not to participate.

Although FGDs were planned in Bozaj, there were no migrant crossings on the day that the data collection team was present. However, teams working at Bozaj collected data through surveys.

It is worth noting that Montenegro held an election in June 2023 and as of the time of writing, the Government has yet to conclude this process. Consequently RCM felt government engagement should take place only once new arrangements are in place, which is expected toward the end of 2023.

3. INTRODUCTION

3.1 IFRC Global Route Based Migration Programme in Montenegro

Migration and displacement pose some of the biggest humanitarian challenges of our time, with the number of forcibly displaced people reaching an estimated 108.4 million by the end of 2022². IOM's 2022 Annual Report on Migration Trends in the Western Balkans noted that, "2022 was a paradigm shifting year for migration in the Western Balkans. More migrants arrived in the region, but transited rapidly through, spending fewer and fewer days in each country or territory before attempting to cross the external borders of the European Union. In 2022, authorities registered 192,266 migrants in the Western Balkans - a 59.5 per cent increase in arrivals compared to 2021 and a 348 per cent increase when compared to 2018³."

People on the move - migrants, refugees, asylum seekers and other displaced populations - face extraordinary risks to their lives, safety, dignity, human rights, and well-being. The Global Route Based Migration Programme seeks to leverage the RCRCM's presence in origin, transit, and destination countries to enhance humanitarian assistance and improve protection for people on the move along migration routes. It draws on the Movement's wide-ranging expertise, opportunities for enhanced coordination and cross-border collaboration along the route.

One of the key modalities of provision of protection and support is through Humanitarian Service Points (HSPs). HSPs are neutral spaces where migrants can access a wide range of humanitarian support and services, regardless of their migration status and wherever they are on their journeys.

Since 2021, RCM has been providing assistance in government run reception centres and through local branches functioning as HSPs. This work has included support to migrants in transit, asylum seekers, those who have received positive decisions for international protection and migrants from Ukraine. The primary recipients of protection and assistance through the GRBMP in Montenegro are migrants in transit, who are reached through activities in Bozaj, Niksic and Rozaje. Ongoing work includes delivery of services (healthcare, psychosocial support, transport) as well as in-kind assistance.

3.2 Country Context

The country has a multi-step asylum process, and while a small percentage of migrants do make claims, the majority enter without intent to claim or make a claim but effectively abandon that claim through onward movement⁴. In 2022, authorities registered approximately 8,000 intentions to claim asylum by migrants in Montenegro⁵, with only 163 applications for asylum lodged within that same period⁶.

Montenegro's location in the Balkans region has established it as a transit country, with migrants typically entering from Albania, moving north toward Bosnia and Herzegovina or East to Serbia, through which most seek to enter the Schengen zone.

The Government of Montenegro has been working to improve their administrative capacities, as well as to bring laws and procedures into alignment to the EU; the latter largely owing to the fact that Montenegro applied for ascension to the EU in 2008. However, the pressures of dealing with mixed migration flows on an increased scale are enormous and with budgetary constraints, challenges remain to ensure that humanitarian need of migrants in the country and the wider region is met.



Location	Services
Spuz & Bozaj Reception Centres	Mol: registers migrants, provides clothing, hot food, shelter (if requested), transport to shelter and healthcare. RCM: provides food and water (on arrival between meals, before migrants move on by request), healthcare and transport (by Mol request).
Niksic & Rozaje branches	Branch volunteers visit local bus stations when transport used by migrants arrive (or through tips from community about persons in need). Migrants are provided with food parcels, information or any other support deemed necessary.
<i>Where RCM lacks capacity, they signpost to other agencies</i>	

3.3 CVA in Montenegro - historical perspective

CVA has not historically been used widely as a response option in Montenegro, less so with migrant populations.

As part of their mandate, UNHCR has partnered with the Ministry of Labour and Social Welfare to provide cash assistance to refugees for socio-economic integration, and they have also provided some one-off winter cash assistance as well as rental support to refugees, asylum seekers and persons at risk of statelessness/ persons granted statelessness status⁷.

IOM provide cash support as part of their assisted voluntary return programmes, but this is predominately distributed once migrants have made the decision to return to their countries of origin and it is only in exceptional cases paid while they are in Montenegro, with a preference for payment in the migrant's country of origin.

While there is an NGO presence in the country, the majority of efforts focus on provision of advice and legal assistance and advocacy efforts. Caritas is involved in distribution of CVA to Ukrainians.

As of now, there is no established cash working group in the country. Nevertheless, key informants from UN agencies have expressed interest in initiating one and participating in efforts to coordinate programming and joint advocacy initiatives.

3.4 Migrant profiles⁸

In this report, the term migrants are considered to be people who have left their usual places of residence and the term is inclusive of asylum seekers and refugees. The following groups are referenced in this report:

- Migrants in transit: No asylum intention expressed; asylum intention expressed, but abandoned.
- Migrants awaiting an asylum decision (Asylum seekers): Asylum intention expressed application submitted, stateless persons may be present in this group.
- Migrants granted protection: Refugee or subsidiary protection granted. For the purpose of this paper, this would include citizens of Ukraine, persons without citizenship last residing in Ukraine and persons granted international protection in Ukraine.

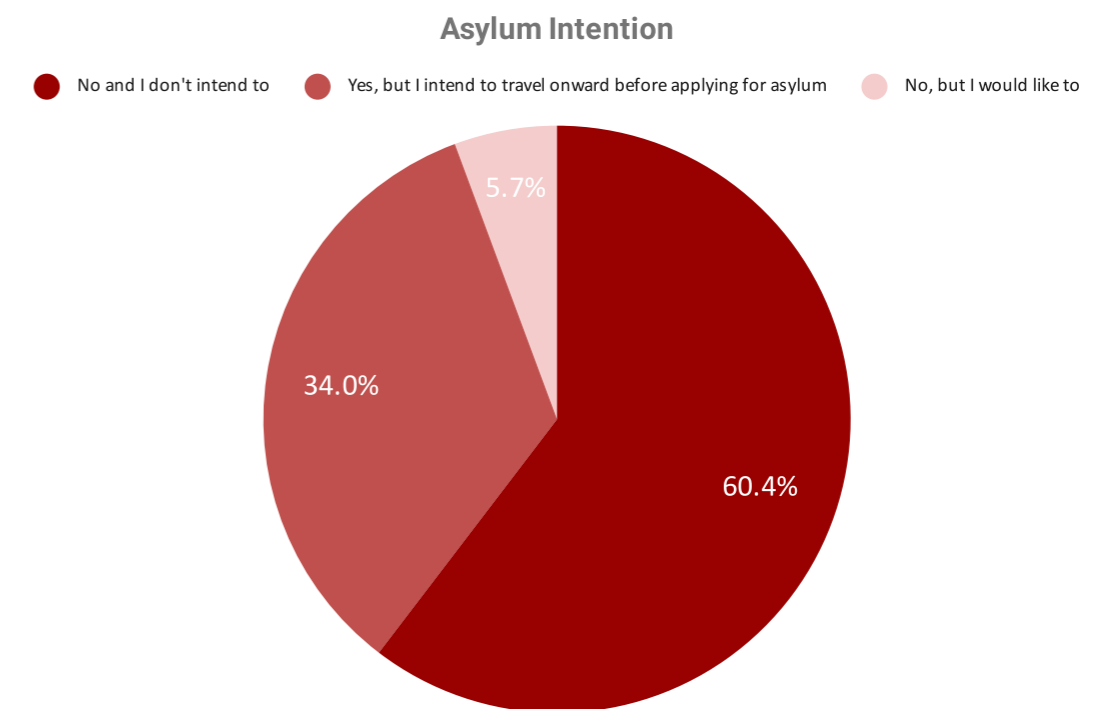
While assistance through HSPs is provided regardless of the migration status or stage of journey, the majority of individuals seeking support through RCM HSPs are migrants in transit. Migrants in transit lack many rights and entitlements in the country which are in principle (though not always in practice) recognised for migrants awaiting a decision or those granted protection⁹. For these reasons, the focus of this report was on migrants in transit.

4. CVA FEASIBILITY

4.1 Desirability - Needs and preferences of migrants

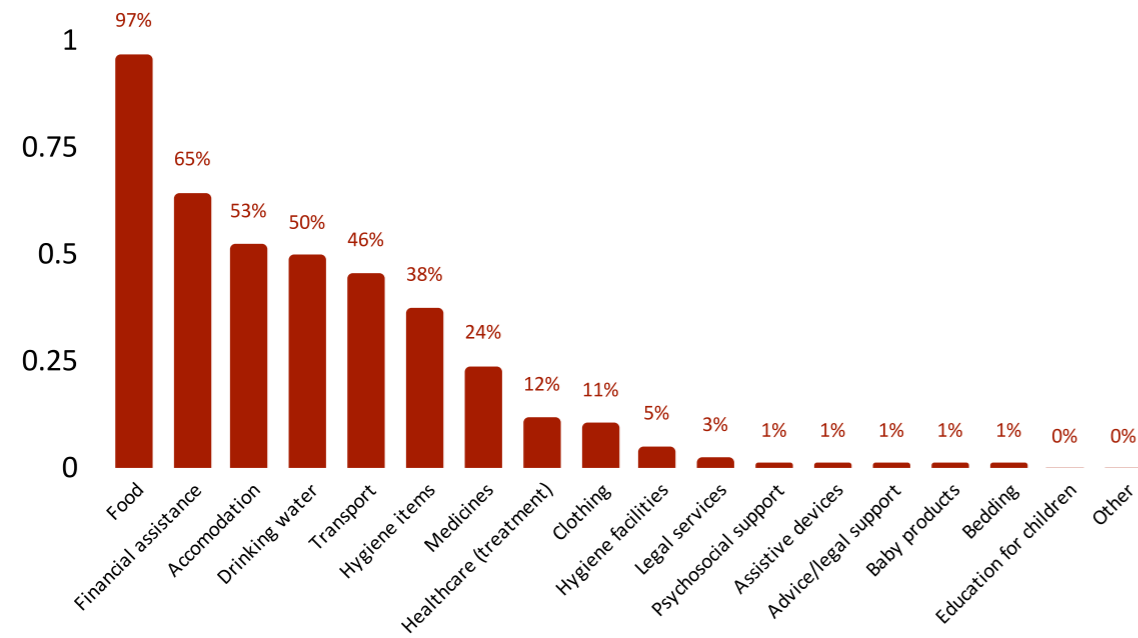
RCM staff and volunteers have worked in close contact with migrants, which affords an insight into the needs of those they serve. Nevertheless, a survey was developed in order to gather information directly from migrants. This survey included questions to better understand migrants' status in country, as well as their needs and preferences regarding assistance. Relevant findings from this survey are detailed below.

Given the fluid nature of migration, needs and preferences can change over time and it must be recognised that migrants are a diverse group with individualised needs, preferences, risk factors and capacities.



It should be noted that of all survey respondents, only 6% said that they would like to apply for asylum, with 94% either not applying at all, or intending to abandon their intention to apply/application. Therefore, the below responses should be considered to be from migrants in transit. Results show a snapshot of the views of those surveyed. Where of potential relevance to the delivery of CVA, trends that differ by factors such as location surveyed, country of origin, sex, age are noted, however, statistical significance has not been assessed.

Reported Needs



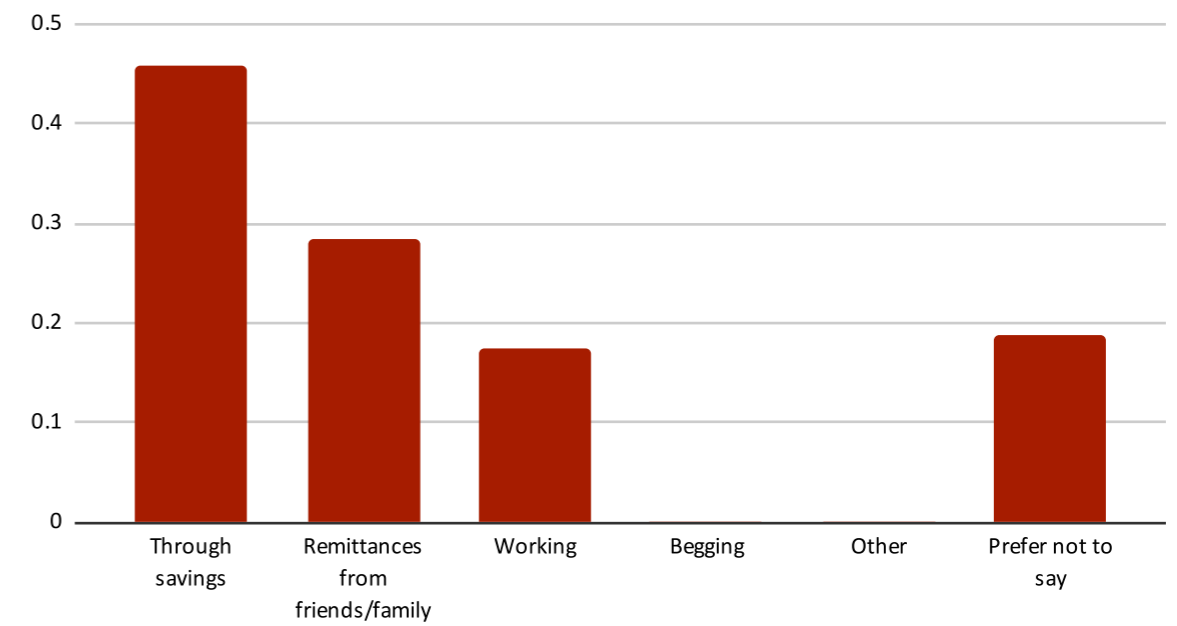
Respondents were asked to indicate their top 4 needs. Food is overwhelmingly the priority need, with 97% of respondents reporting this as one of their top 4. This was followed by accommodation (53%) drinking water (50%) and transport (46%).¹⁰ This excludes financial assistance as this could be used for different purposes but notable this is highly reported as a need.

While 40% of respondents in Bozaj and Rozaje noted accommodation as a priority need, this was 68% in Niksic. Transport was noted as a priority need for 10% of people in Rozaje, 30% in Bozaj and 71% in Niksic. Drinking water was noted as a priority need for 35% of people in Niksic, 50% in Bozaj and 100% in Rozaje.

It is evident that needs vary across location, which could be indicative of the goods/services already provided by other actors, e.g. in Bozaj accommodation is provided and given its proximity to the border, individuals who enter Rozaje may exit the border to Serbia quite swiftly, compared to those in Niksic who traverse the country.

All needs identified as priority by beneficiaries can be met using CVA. The functionality of markets (detailed in section 4.3) also supports the use of CVA. Selection of delivery modality and/or transfer value would need to take into account the needs that can be met through use of CVA. At present, there are no known voucher schemes that would enable provision of accommodation or transport support using vouchers, however, these are accessible using cash or credit/debit.

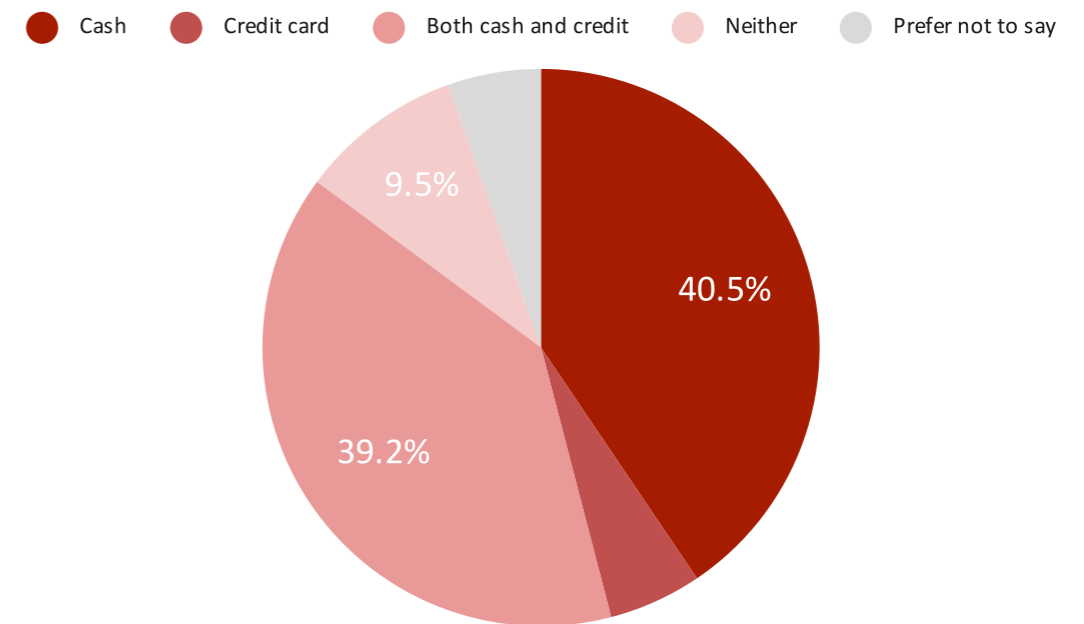
Sources of income



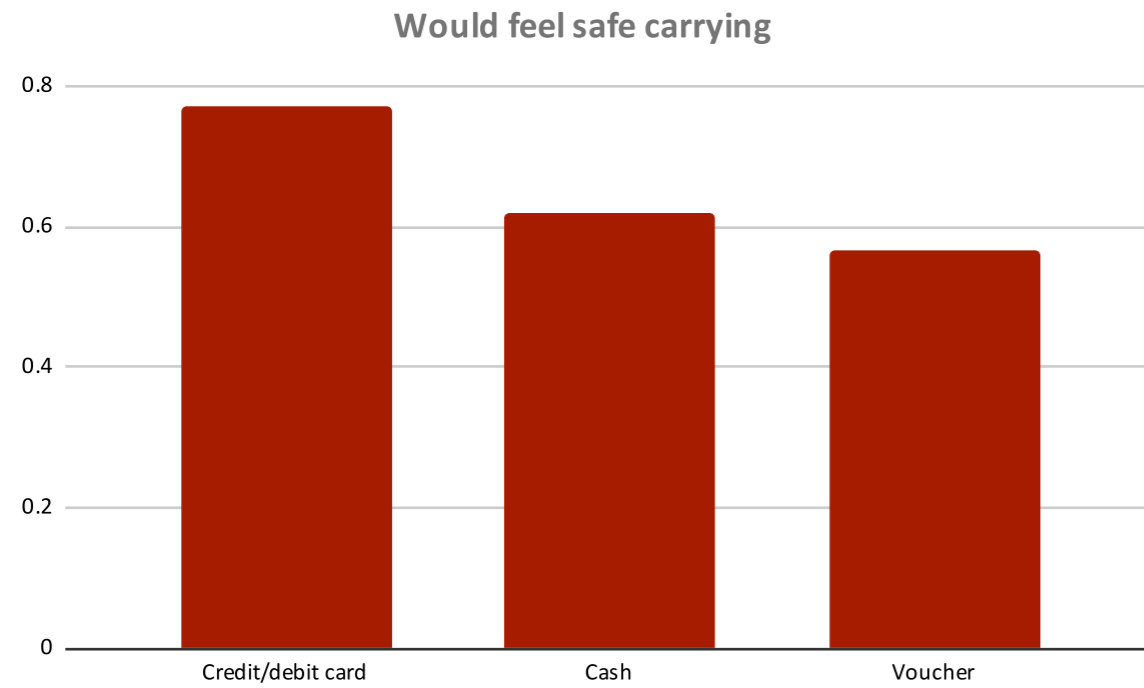
Respondents were asked about their means of sources of income whilst in transit, with 46% reporting they were using savings and 28% receiving remittances from friends or family and 18% working. A high number of respondents (19%) chose not to answer this question, which could indicate the sensitivity of this type of information.

Key informants noted that individuals depending on remittances from family who did not have government issued ID often relied on engaging nationals of the country they were in to take money in their name, paying a small fee for this 'service'.

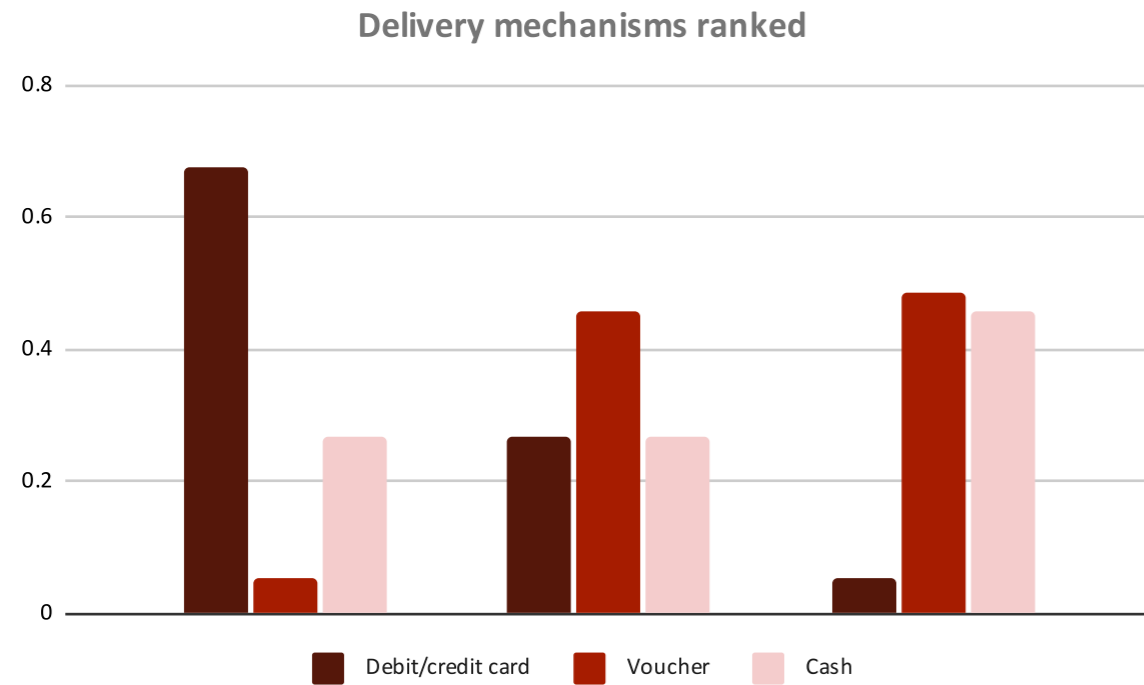
Currently carrying



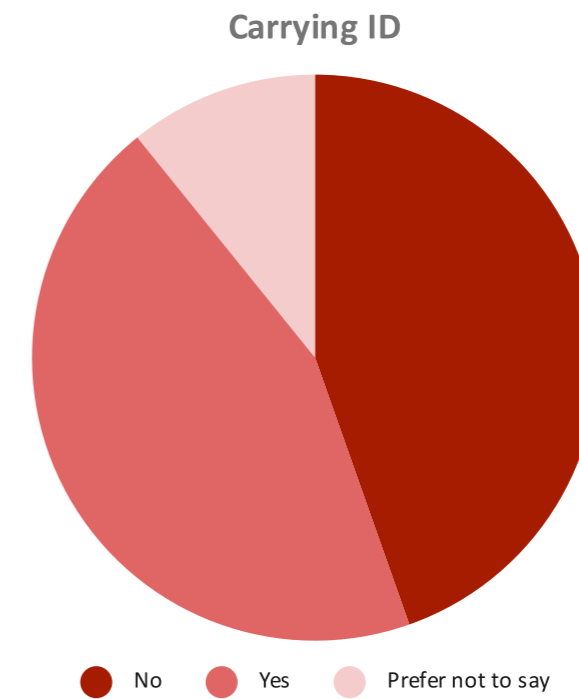
Respondents were asked whether they were currently carrying cash or credit cards, with 80% carrying cash, 44% carrying credit, 39% carrying both and 10% carrying neither. The high number of people carrying credit/debit demonstrates good financial literacy, which would support use of these mechanisms with more limited user support required.



While a high number of respondents were carrying cash, fewer reported they feel safe carrying it (62%) with the highest number of people reporting that they feel safe carrying credit/debit (77%) and the least vouchers (57%).

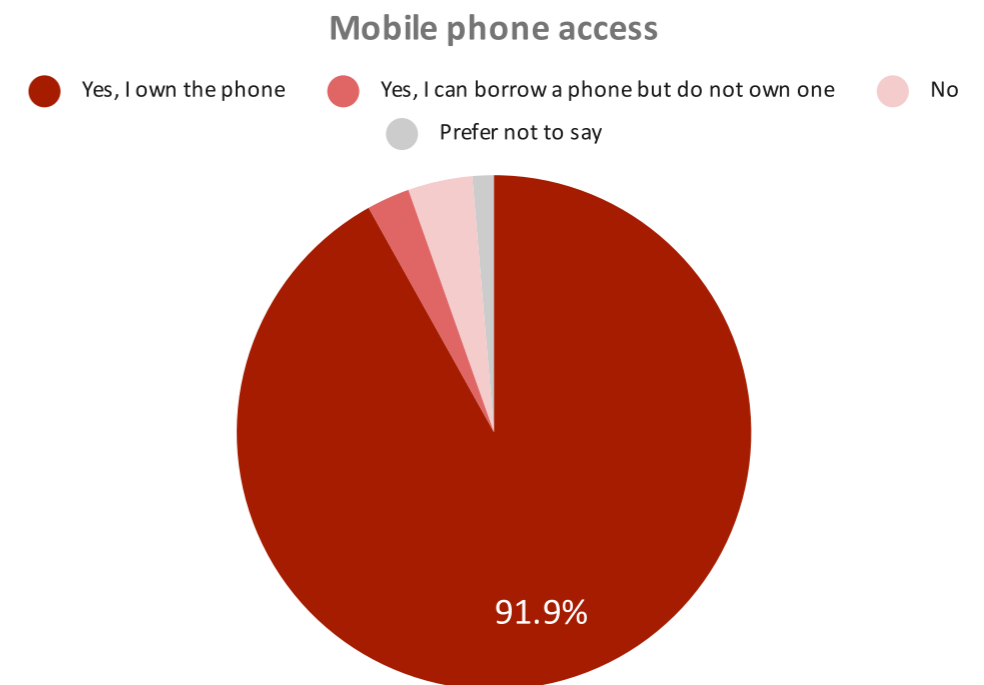


Respondents were asked to rank their preference (1st, 2nd, 3rd choice) between delivery mechanisms. Debit/credit was a clear preference with 50% of respondents ranking this as their top preferred option.



Respondents were asked whether they were carrying identification, with almost half (45%) reporting that they were and a similar amount reporting they were not. Of those carrying ID, 60% were carrying a passport from their country of origin. 60% of women surveyed were carrying ID, 40% of those their passports. 100% of respondents from Iraq and Morocco were carrying ID.

Respondents were asked about the amount of time they had spent in Montenegro, which was on average 4 days. They were also asked how much they expected to spend during their time in the country, which was €36.



A high level of phone access was seen through surveys with 95% of respondents having access to a phone, either because they owned the device (92%) or could borrow one (3%). Of those respondents with access to a phone, all but 1 had a smartphone. In the context of Montenegro, this is relevant as it relates to ways in which beneficiaries could contact RCM for support, speaks to the financial/technical literacy of recipients and supports RCM's intention to design an application to share information about the GRBMP within Montenegro.

47% of respondents did not have mobile data which would work in Montenegro, however, the majority of those respondents were surveyed in Bozaj and therefore would not have had an opportunity to buy credit. RCM plans to begin distributions of sim cards in Bozaj in the coming months, which will give recipients 500GB of data.

4.2 Viability

4.2.1 Acceptance of cash assistance by government

The Government of Montenegro has committed to the provision of financial assistance to individuals who have lodged applications for international protection and to those who have been granted asylum or subsidiary protection. Cash assistance to the former is dependent on the available resources of the Government, which have been limited in recent years, though there is a process in place for this group to apply for limited financial support (circa €20) through the Ministry for Social Work. Therefore it is only those with positive decisions for asylum and/or subsidiary protection who currently receive state support from the Ministry of Interior, into bank accounts they have set up with Montenegrin ID documents received after their positive decisions.

The Decree Promulgating the Law on International and Temporary Protection of Foreigners states that, "Other forms of assistance, through special assistance programmes delivered at the Reception Centre, may be provided by the Red Cross of Montenegro (hereinafter: the Red Cross) and other organisations dealing with the protection of rights of refugees or asylees, or with humanitarian work, with prior approval by the Ministry [of Interior]." The Law on the Red Cross of Montenegro¹¹ states that, "shall implement individual programmes resulting from the principles and Mission of the International Movement".

There is nothing in the Red Cross Law that explicitly prevents RCM from undertaking cash programming. RCM will need to obtain sign off from government, especially from MoI, for projects using CVA that are implemented in reception centres. No permission required for other CVA activities. An election was held in Montenegro in June 2023 and at the time of the report, the new government had not yet been formed, therefore they were not consulted as part of data collection. This will need to be done as part of any project design.

Due to the fact that Spuz and Bozaj are reception centres run by MoI, KIIs noted concerns about the level of scrutiny that may be applied to activities in these locations. While it is imperative to request MoI permission for any activity, RCM KIIs expressed perception that it might be more unlikely to be granted in reception centres.

4.2.2 Delivery Mechanisms and Service Providers

FEASIBILITY OVERVIEW						
	REGIONAL PRE-PAID CARD	IN COUNTRY PRE-PAID CARD	DIRECT CASH	POST OFFICE /MONEYGRAM	CLOSED LOOP VOUCHER	SHOP VOUCHER
MEETS NEEDS	CAN BE SPENT ON ALL PRIORITY NEEDS	CAN BE SPENT ON ALL PRIORITY NEEDS	CAN BE SPENT ON ALL PRIORITY NEEDS	CAN BE SPENT ON ALL PRIORITY NEEDS	CAN ONLY BE USED WITH CONTRACTED PROVIDERS	CAN ONLY BE USED FOR FOOD/HYGIENE
PREFERENCE OF RECEIPIENTS	TOP PREFERENCE	TOP PREFERENCE	SECOND CHOICE PREFERENCE. SOME SECURITY CONCERNS	DID NOT CONSIDER	SECOND CHOICE PREFERENCE	SECOND CHOICE PREFERENCE
MRCs CAPACITY TO DELIVER	REQUIRES AMENDMENT TO IFRC CONTRACT	REQUIRES MRCs ENGAGEMENT WITH FSP RE CREATION OF PRODUCT	BRANCHES DON'T HOLD CASH, SECURITY/PROCESS CONCERNS	MRCs USING FSP, BUT THROUGH IFRC	EXPENSIVE AND TIME CONSUMING TO SET UP	EXISTING VOUCHER SCHEMES USED BY NIKSIC BRANCH
AVAILABILITY TO MIGRANTS	CAN BE USED WITHOUT ID	CAN BE USED WITHOUT ID	NO LEGISLATION PREVENTING USE OF DIRECT CASH	LOW NUMBER OF MIGRANTS WITH SUITABLE ID	RED CROSS WOULD DEFINE ID REQUIREMENTS	SOME SHOPS REQUIRE ID
ACCESSIBILITY TO MIGRANTS	HIGH EXPERIENCE, SOME LANGUAGAGE SPECIFIC SUPPORT ISSUES POSSIBLE	HIGH EXPERIENCE, SOME LANGUAGAGE SPECIFIC SUPPORT ISSUES POSSIBLE	ALMOST ALL HAVE USED, BUT SECURITY A CONCERN	NOT ACCESSIBLE TO THOSE WITHOUT ID AT PRESENT	NOT CONSIDERED	NO SHOPS WITH PRESENCE IN ALL LOCATIONS
COST	HIGH COST IF USED IN 1 COUNTRY, LOWER IF USED IN MULTIPLE	COST OF PREVIOUS PRODUCTS OFFERED REASONABLE, SCOPE TO NEGOTIATE	RELATIVELY LOW FEES	FRAMEWORK AGREEMENT IN PLACE WITH SUITABLE FEES	ANTICIPATED TO BE HIGH (HARDWARE, SOFTWARE, STAFF TIME)	NIKSIC BRNACH USING WITH REASONABLE COST
USABILITY IN ROUTE BASED MODEL	COST EFFECTIVE, AVAILABLE CROSS BORDER	GOOD OPTION IF CARDS CAN BE USED OUTSIDE MONTENEGRO	DIFFICULT TO USE CROSS BORDER DUE TO SECURITY	DIFFICULT TO USE WITH THOSE WITHOUT ID	EXPENSIVE AND TIME CONSUMING BUT POSSIBLE CROSS BORDER	NO CROSS BORDER OPPORTUNITIES IDENTIFIED
	Feasible		Some actions required		Important challenges	

RCM agreements in place

Due to the fact that Spuz and Bozaj are reception centres run by MoI, KIIs noted concerns about the level of scrutiny that may be applied to activities in these locations. While it is imperative to request MoI permission for any activity, RCM KIIs expressed perception that it might be more unlikely to be granted in reception centres.

RCM's work with the IFRC providing financial support to Ukrainians makes use of a global framework agreement held by IFRC on behalf of the Movement with Red Rose, who have an integration agreement with Moneygram. Collection of funds through Moneygram can be done through a digital collection or over the counter, though this requires the recipient to present government issued ID.

RCM also has an agreement with the Post Office, which is the only provider in the country with the ability to deliver cash door to door.

Unfortunately, the agreements in place are with services that limit usability for people without ID, which means that in their current form, agreements would not support delivery of CVA to migrants in transit.

RCRC global and regional prepaid solutions

ONBE: The Europe regional office has previously worked with the IFRC Americas office to procure and distribute pre-paid cards supplied through a contract with ONBE. These were used in the first phase of the Ukraine response in neighbouring countries. These pre-paid visa cards come at a cost of €2 and are reloadable with a cost of €50 to top up. There are significant fees attached to some services, e.g. €4.50 to check balance in an ATM. In addition, the bank provides limited support outside of US hours/languages. While these cards could be considered as a last resort option, their cost and associated challenges do not make them an attractive option for use in the GRBMP.

SKPay: The Europe regional office has been working with Slovakia Red Cross to sign an agreement with SKPay. The contract should be concluded in the coming weeks. The Procurement Delegate in Budapest has agreed to explore a pre-paid card offer by the FSP. In case this option is suitable, a contract amendment would need to be completed. However, online information suggests cards come at a cost of €12. Top ups by payment order are free of charge, there is a €2.50 fee for withdrawals.

Global framework agreement: IFRC currently has a Global Framework Agreement with Red Rose, which offers a data management platform often linked to delivery of CVA. As part of Ukraine and Impacted Countries response operations, IFRC and NS made use of an integration agreement that Red Rose has with Moneygram which enabled Ukrainians with government issued ID to collect funds. IFRC is undertaking a re-tender process for a global framework agreement with other providers. This process is ongoing and expected to conclude in 2024, though there is no information about the requirements that FSPs may have in place.

It should be noted that KIIs and RCRCM evaluations have noted the challenge in attracting interest of FSPs for activities which do not have a significant financial incentive. In the Balkans region, banks have rigorous processes in place, which means that any new ways of working have significant internal requirements, e.g. staff training, that come at a cost. There would be value in exploring the possibility of partnering with other UN/NGOs in the country and/or other RCRCM in the region (in the case of FSPs that are cross border) to advocate for humanitarian financial products; the combined business of multiple entities may be more attractive for FSPs.

Direct cash

There are no regulations that would prevent RCM from distributing physical cash. However, relevant considerations include:

- GRMBP activities in Niksic and Rozaje are led by teams of volunteers. The branches do not have any means to store cash on site.
- KIIs noted that distribution of direct cash is a risk, both in terms of security but also from the perspective of putting in place adequate checks and balances for volunteer teams to manage cash.
- RCM has a financial policy which in exceptional circumstances allows a case worker to provide up to €300 to individuals with particular vulnerabilities and needs. Funds are provided in 2 tranches of €150 each. Cash is withdrawn from the bank and given as cash in hand. 80% of migrants surveyed indicated they are carrying cash. However, when asked whether they feel safe carrying it, only 62% of all respondents said yes. When asked to rank their preferences (debit/credit, voucher, cash), only 27% of respondents ranked this as their most preferred option.

Bank transfers

There are no regulations that would prevent RCM from distributing physical cash. However, relevant considerations include:

Montenegro's banking system has restrictions in place for individuals of some countries to open accounts.

Anti-money laundering procedures¹² require people opening bank accounts to complete a form stating they are not a politically exposed person. The following need to be provided to open a bank account with most institutions:

- A valid ID, in the form of a passport or other government issued photo ID
- Proof of employment in Montenegro if working locally
- Proof of business activities in Montenegro if running a business
- Proof of address, like a lease or the title deed of a property owned
- Many banks require a small deposit¹³

As of January 2023, most banks in Montenegro will not open any bank account for a foreigner without already having a residence permit¹⁴. KIIs noted significant challenges in opening accounts for Ukrainians employed by organisations, despite those individuals holding temporary protection and offers of employment.

It is therefore not considered feasible that migrants without documents would be able to access formal financial institutions at this time or in future without significant systematic changes.

96% of migrants surveyed reported that they did not plan to claim asylum or would abandon their claim. Because of this, none of the migrants surveyed would be able to access bank accounts.

Money transfers using other FSPs: remittances and Post Office

RCM has experience working with MoneyGram and the Post Office through work with Ukrainian migrants. Western Union also operates in the country.

In order to receive money through either MoneyGram or Western Union, recipients need to be able to present the relevant transfer reference number and a valid form of government issued identification.

There are no e-money institutions registered with the Central Bank of Montenegro¹⁵.

45% of respondents did indicate that they were carrying government issued identification from their countries of origin. While MoneyGram and Western Union may accept these as valid forms of identification, further enquiries would need to be made, e.g. about ID in non-english formats. In addition, consideration should be given to whether validity of ID would be an issue; the survey did not consider the number of migrants who have ID that is currently valid. The Post Office has been contacted regarding their requirements on ID, but have not responded.

Pre-paid cards

Two financial institutions in Montenegro offer pre-paid cards, this includes:

Universal Credit Bank (UCB): UCB offers a [visa pre-paid card](#), however, this card can only be purchased by companies for employees or by individuals for individuals. These cards are re-loadable and valid for 48 months. They can be used to make contactless purchases or to withdraw cash at ATMs. UCB asked for additional information about RCM requirements to determine whether they might be able to offer a suitable product, however, no additional information has been received.

Hipotekarna bank: Hipotekarna offers a [mastercard pre-paid card](#). At present, the only cards offered are pre-loaded with a value of €150. The cards are not re-loadable and it is not possible to recoup unspent funds or funds from lost cards. RCM banks with Hipotekarna and they have expressed an interest in working with RCRCM, depending on the predicted volume of business. Hipotekarna was contacted for follow up, but no response has yet been received.

45% of respondents indicated they are carrying debit/credit cards. When asked, migrants they feel safe carrying cards, 77% of respondents said yes. When asked to rank their preferences (debit/credit, voucher, cash), 50% of respondents ranked this as their most preferred option

Gift card/vouchers

Several chain retailers which sell food and non-food items have existing gift card/voucher schemes, this includes Idea, Voli, HDL and Aroma.

While all retailers have outlets in Niksic, Voli is the only retailer with a presence within 3km of all locations (Bozaj (located in border town of Tuzi), Spuz, Niksic and Rozaje).

RCS has experience working with Voli, who in the past have required those presenting vouchers to present identification. In addition, both Voli and Idea require 100% spend of any vouchers provided; while recipients can top up should they spend more than the voucher amount, any underspend cannot be reclaimed which has challenged RCM's reconciliation processes.

The Niksic branch has good collaboration with HDL, through which they provide vouchers to the local population as part of their annual activities. HDL do not require ID and also allow RCM to reallocate unspent balances after a certain period. While HDL has a large shop near the Niksic branch, it is only present in big cities. e.g. not in Rozaje.

Most notably, voucher based assistance by default restricts the decisions by recipients. In the case of Montenegro, it would only be possible to meet food and NFI needs using vouchers, if making use of existing

When asked migrants they feel safe carrying vouchers, 57% of respondents said yes. However, when asked to rank their preferences (debit/credit, voucher, cash), only 5% of respondents ranked this as their most preferred option.

An internal closed loop voucher based system could be explored, which would involve the region contracting with a partner such as Red Rose to create a voucher system. Each national society would need to identify retailers and put in place systems and processes to reimburse providers and conduct regular reconciliation. While this option is available, it would be labour intensive and costly.

4.3 Feasibility - Montenegro Red Cross CVA capacity

RCM has an ambition to increase their CVA footprint. In 2021, 1% of RCM activities were delivered using CVA, compared to over 70% in 2023. This is largely due to ongoing work with the IFRC to deliver cash assistance to Ukrainians in the country. Self-registration is conducted through the [IFRC's Access RC app](#). Each eligible person is entitled to a one-off payment of €120 to pay for increased costs borne over the winter period.

RCM is also receiving support by the IFRC to accelerate their cash readiness through participation in a cash preparedness programme. In the first quarter of 2024, the national society will update their previous CVA plan of action.

Additionally, RCM is developing a cash for education project that will target 300 students with €60 to cover the cost of educational materials such as books and clothing. The target group for this intervention will be a mix of Ukrainian and host community families.

Market considerations

Markets in Montenegro are functional and it is anticipated goods are available in sufficient quantities. The nature of migration makes it difficult to assess markets in the usual way; while those accommodated in Spuz (migrants awaiting decision) would be likely to visit markets in the nearest town, those reached in Bozaj, Niksic and Rozaje (migrants in transit) may choose different routes through the country.

4.4 Cost benefit analysis

RCM recently entered a new agreement with Voli for purchase of food parcels distributed at Bozaj, Niksic and Rozaje. Food parcels include the following items: water (.5 litre), juice (.5l), sardines, bread, tinned meat, soft cheese, packaging. Each parcel costs €3.80 in total without tax, which is the price paid by RCM as they enjoy tax exempt status for items purchased for humanitarian purposes.

While there would be no tax implications on humanitarian transfers to individuals, they would be subject to payment of tax on items procured. With tax included, items would cost €4.47.

That said, any cost benefit analysis should consider the full cost of providing goods/services to individuals (aligned to reflect the needs and consequently objectives of CVA) via each possible modality and delivery mechanism. Cost factors to include would be HR/staffing costs, transport, storage, fees, etc. Such analysis should take into account the total amount of assistance that is procured vs the amount that would end up in the hands of the individual. It is not possible to quantify the non-material or monetary value of providing one over another (aspects such as dignity, empowerment and choice), therefore weight should be given to the preferred modality by migrants themselves¹⁶.

4.5 Risks and mitigations

Documentation held by migrants

The country's border police lacks a biometric system of registration and identification of migrants. This means that it is not possible for the government to prevent migrants from re-entering the country and registering intent to claim asylum.

De-duplication

Consequently, agencies providing support to migrants have no way of preventing duplication of assistance to those who re-enter. At present, RCM does not consider this as a risk in their GRBMP; anyone entering is eligible for assistance regardless of the risk of re-entry and no efforts are made to prevent duplicate assistance. That said, key informant interviews made it clear that CVA may be a more desirable form of assistance, which may change RCM's risk tolerance for duplication.

With MoI permission, RCM could explore using police number on MoI letters as a unique ID, which could be used for de-duplication, noting this would not prevent people from exiting, re-entering and re-registering.

RCM could also explore whether it'd be possible to issue a unique identifier for internal purposes, e.g. a RCRCM card or token. While this would not prevent secondary movement, it may provide some deterrence to double registration.

Data protection

RCM's legal team looked into the possibility of collection of biometric data by RCM, however, this is not deemed feasible as by law biometric data is considered, "special categories of personal data processing" under the Personal Data Protection Law and therefore even if permission was granted to collect, RCM lacks the capacity to meet obligations in terms of collection, storage and other obligations, e.g. deletion of data on request.

Community cohesion

Like many countries globally, Montenegro is facing high rates of unemployment (16.45% as of August 2023¹⁷) and inflation (7.9% in September 2023¹⁸). RCM does not have significant unrestricted funding, relying on primarily on institutional donor funding with and through sister national societies for specific interventions. Several key informants noted the challenge of limited ability to respond to the needs of Montenegrin citizens and the reputational issues that brings. For example, branches have been approached by communities who have challenged CVA to Ukrainians when there are Montenegrin community members in need. KIIs noted that a small percentage of in-kind assistance is currently able to be used with local populations.

RCM should prioritise connecting local communities who are eligible for social protection programmes to that support, facilitating referrals and information to the communities about programmes available and accessible.

4.5 Monitoring

The GRBMP is being delivered in an incredibly challenging and fluid context. While only strictly necessary data should be collected and migrants in transit may have legitimate concerns about collection and storing of their data, it may be necessary to collect additional data due to the requirements of delivery mechanism, donor requirements, etc. At present, RCM collects overall daily figures with no SADD or other information. Post distribution monitoring (PDMs) are not conducted, given the limited contact that teams have with migrants receiving assistance. However, design should consider whether it would be useful to strengthen practice in this area should CVA be piloted.

5. CONCLUSION ON THE FEASIBILITY OF THE USE OF CVA TO ASSIST MIGRANTS IN TRANSIT IN MONTENEGRO

Provision of CVA to migrants in transit in Montenegro is considered to be possible to deliver, due to the desirability by migrants and viability of RCM' delivery of this type of assistance. However, additional action will be required to overcome some of the practical barriers related to feasibility.

Debit and credit is clearly the preferred option by migrants, one that offers the potential to meet a wide variety of needs, to be portable and consequently leverage an initial set up if used as part of a regional GRBMP approach and acceptable to RCM. Two financial products demonstrated potential, one in country (Hipotekarna bank) and one outside (SKPay). RCM should follow up with Hipotekarna and IFRC regional teams with SKPay to determine whether a framework agreement can be established with either of these FSPs¹⁹.

While RCM could consider delivery through vouchers, there are significant limitations to in-country options available. These options are also less desirable, restricting the ability of migrants to meet their needs in full. Additionally, voucher based programming that makes use of in-country options limits the scale up beyond borders, which limits use for the wider GRBMP. This report did not fully consider the use of custom closed loop voucher system given the significant inputs this would require, but this could also be considered if credit/debit is not possible.

The validation of needs exercise highlighted needs of migrants which are not currently being met by the GRBMP. While it may not be possible to meet all needs with CVA and RCRCM cannot expect to meet all needs of all migrants, there is value in regular validation of needs in order to factor into the design of programmes (e.g. taking into account delivery mechanisms, transfer modalities if speaking about CVA, or to build knowledge of what agencies deliver assistance that can be passed on to migrants). All data collection tools that were designed as part of this report will be shared.

Cash coordination

UN agencies expressed particular interest in taking part in a CwG. UNHCR should be approached to set up this group as part of the Cash Coordination Model²⁰. Activities of this group can include coordination of existing activities, but also joint advocacy with FSPs for products and services for humanitarian purposes as well as with government should this be required.

Government engagement is critical and as soon as it is possible and feasible, RCM should consult MoI on any proposed plans.

6. RECOMMENDATIONS FOR GRBMP

GRBMP presents a unique opportunity to leverage presence along the Balkans migration route for a joined-up approach to CVA delivery. Several previous reports that note key challenges about the delivery in migration contexts focus on coordination of assistance between different agencies as a key barrier. In this respect, GRBMP is already overcoming one of the key challenges. GRBMP can continue to support national societies delivering on the Balkans route to deliver coordinated and consistent support, which meets the evolving needs of migrants as they make their way along the route. This could include IFRC providing support to regional and/or global framework agreements for use in the region, supporting consideration of aligned targeting criteria, delivery mechanisms, transfer values and joint monitoring.

Regular validation of needs assessments in GRBMP participant countries is crucial to ensure that the assistance provided continues to align with the evolving needs and preferences of migrants. While there was some evidence from this study that GRBMP activities were meeting the needs of migrants in transit, there was evidence that there were other needs that migrants consider priorities. Regular needs assessment and post-distribution monitoring would enable teams to either re-orient activities as needs change, or to better support making linkages with other agencies as part of a referral mechanism.

Information as aid is a key deliverable to migrants in transit, which should be supported through GRBMP activities such as distribution of sims, publicly available mapping of HSPs and the goods/services they offer. Efforts in Montenegro on this area should be replicated across the region. The GRBMP could consider whether the application being developed by RCM could be expanded for use across the programme.

Ongoing country level CVA preparedness should continue and be complementary to regional investments in establishing framework agreements with providers that offer products accessible to migrants. In country CVA preparedness planning should include prioritisation of establishment and engagement in cash working groups, exploration of local financial products that are accessible to migrant populations. M&D colleagues should be stakeholders in any CVA self-assessments and development of plans of action. Regionally, IFRC should provide support to establish a framework agreement with SKPay or another provider in the region that offers pre-paid credit/debit services as has been established with ONBE in the Americas.

Consideration of piloting CVA as a GRBMP activity is recommended. As data collection was conducted in Montenegro, a CVA pilot there would be appropriate. Evidence and learning should be collected and used both to increase use of cash in the region and to establish the region as a lead in using CVA in migration contexts with a route based approach within RCRCM.

ANNEXES

Annex 1 - Asylum procedure in Montenegro

The asylum procedure in the country is multi-step, outlined below.



Migrants in transit:

- No asylum intention expressed: This would include individuals who entered at border control with valid entry permission, e.g. visa free travel, but who have failed to comply with conditions of stay or abscond or individuals who entered the country irregularly, e.g. through non-border crossing point, concealed in a vehicle, using another persons travel document, etc²¹.
- Asylum intention expressed, but abandoned: This would include individuals who entered at border control and expressed an intention to claim asylum, but failed to continue the process by lodging application

for international protection/asylum, effectively abandoning the claim.

- Returnees: This would include individuals who have successfully transited through Montenegro, entering another country, but have been returned either through a pushback or return through a return agreement with a third country, but it would not include Montenegrin nationals returned from third countries as they would not be considered migrants and receive state support based on their citizenship.
- Stateless persons may be present in this group.

Migrants awaiting decision:

- Asylum intention expressed, application submitted: This would include individuals who entered at border control, expressed initial intention to claim asylum and then lodged all relevant applications for international protection/asylum. However, if at any time an individual from this category leaves a Reception Centre for more than 24 hours without notification or their individual accommodation without prior notification to the Government, they will be considered to have abandoned the claim and would lose any associated rights.
- Stateless persons may be present in this group. However it is notable that there are a number of stateless persons resulting from civil war in the 1990's who are in receipt of state support, either through partnership with Montenegrin citizens or through sustained engagement with the government due to the difficulty of resolving their case.

Migrants granted protection:

- Refugee or subsidiary protection granted: This would include individuals who have received a positive decision in their application for international protection/asylum.
- For the purpose of this paper, this would include citizens of Ukraine, persons without citizenship last residing in Ukraine and persons granted international protection in Ukraine.

Annex 2 - Rights and entitlements of migrants in Montenegro

Rights	Migrants in transit	Migrants awaiting decision	Migrants granted protection
	No asylum intention expressed or - Asylum intention expressed, but process abandoned	Asylum intention expressed, application submitted	Refugee or subsidiary protection granted
Permission to stay in Montenegro	No permission to stay (no asylum intention expressed or 15 days in Reception Centre (asylum intention expressed, but process abandoned))	Will be granted permission to stay in Reception Centre for duration of application period. Many choose to stay in private accommodation, which must be registered with government with cost being borne by asylum seeker. In cases where the government considers the individual to pose a threat, they may be subject to detention in government facility.	Provided for 2 years. In some cases where government lacks funding, UNHCR provides assistance (for approximately 10-12 households per year).

Rights	Migrants in transit	Migrants awaiting decision	Migrants granted protection
Health	Emergency life saving treatment may be provided, however, hospitals would likely call border control	Emergency medical assistance, treatment of diseases and serious mental disorders and pharmaceuticals from list of drugs prescribed at expense of Health Insurance Fund of Montenegro Secondary treatment provision is a challenge, with lack of ID being a key barrier	All rights to health system of Montenegro in line with nationals after one month when Personal Identification Number (PIN) is issued
Primary and secondary education	n/a	Primary and secondary education for minors Language learning programmes provided in principle, but not in practice	Primary, secondary and higher education under same conditions as a national Language learning programmes provided in principle, but not in practice
Information necessary for stay and legal counselling/ free legal assistance	No right, however, UNHCR and NGO Civic Alliance provide	Free legal assistance under same conditions of a national in accordance with law governing legal aid should be given, however, in practice UNHCR and NGO Civic Alliance provide	Free legal assistance under same conditions of a national in accordance with law governing legal aid
Right to work	N/A	9 months after lodging asylum application, requires PIN number Practical barriers such as language remain.	9 months after lodging asylum application, requires PIN number Practical barriers such as language remain.

Rights	Migrants in transit	Migrants awaiting decision	Migrants granted protection
Financial assistance		<p>Entitled to one time financial assistance in law when considered lacking in material or health condition or when funeral expenses are required. The amount of the assistance is determined in line with the situation and in accordance with the material capacities of the state²², but in practice this is not delivered by the state and persons rely on assistance by UNHCR or other NGOs.</p> <p>MOI issued documents do not enable opening of bank accounts²³</p>	

Annex 3 - Key informant interviews

Name	Role	Organisation
Veselin Pajovic	Programme Coordinator	RCM
Kristina Burzanovic	CVA Focal Point	RCM
Tanja Djurovic	Project Manager	RCM
Mina Popovic	PGI Focal Point	RCM
Marina Dobrovic	Finance Manager	RCM
Bojana Bulatovic	Legal Advisor	RCM
Xhida Nushi	CVA Focal Point	ARCS
Azra Bricic	CVA Focal Point RCH BiH	RCH BiH
Jaime Pineda	Regional Procurement Delegate IFRC	IFRC
		UNHCR
		IOM
		ONP BANK

Group discussions were also conducted with mobile teams in Bozaj and Niksic.

ENDNOTES

- <https://www.calpnetwork.org/wp-content/uploads/2023/09/Main-Mapping-a-Route-Based-Approach-to-CVA-English-1.pdf>
- https://civil-protection-humanitarian-aid.ec.europa.eu/what/humanitarian-aid/forced-displacement_en#:~:text=At%20the%20end%20of%202022,Syria%2C%20Ukraine%2C%20and%20Afghanistan.
- https://bih.iom.int/sites/g/files/tmzbd11076/files/documents/WB_Annual_Report.pdf
- See annex xx for details on the asylum process
- [Microsoft Power BI](#)
- <https://www.unhcr.org/refugee-statistics/download/?url=C6ay5J>
- <https://www.facebook.com/unhcr.montenegro/posts/4887432364654397/>
- Additional information about migrant groups is available in annex 3
- A summary of rights and entitlements can be seen in annex 3
- This excludes financial assistance as it could be used for different purposes, but notable this is highly reported as a need.
- <https://ckcg.me/wp-content/uploads/2021/07/Red-Cross-Law.pdf>
- Laws related to the regulatory environment include Prevention of Money Laundering and Terrorism Financing Act (Official Gazette of Montenegro, Nos. 33/2014, 44/2018, and 73/2019) (the "AML Act"); and Articles 28 and 29 of the Prevention of Money Laundering and Terrorism Financing Act (Official Gazette of Montenegro, Nos. 14/2007, 4/2008 and 14/2012)
- <https://www.smartcitizenship.com/how-to-open-a-bank-account-in-montenegro/>
- <https://montenegrodigitalnomad.com/montenegro-blog/opening-a-bank-account-foreigners-in-montenegro>
- <https://www.cbcbg.me/en/core-functions/payment-system/registers/register-of-efmoney-institutions>
- A full cost benefit analysis can be supported using tool M3_1_5_1 Cost-efficiency calculation template at <https://cash-hub.org/guidance-and-tools/cash-in-emergencies-toolkit/response-analysis/>
- <https://tradingeconomics.com/montenegro/unemployment-rate>
- <https://tradingeconomics.com/montenegro/inflation-cpi#:~:text=October%20of%202023.,Inflation%20Rate%20in%20Montenegro%20decreased%20to%207.90%20percent%20in%20September,macro%20models%20and%20analysts%20expectations.>
- In the case of SKPay, a contract amendment would be required as a contract is currently being signed
- <https://data.unhcr.org/en/documents/details/96832>
- Article 67 of the Law on Border control stipulates that a fine of 100 - 1,100 EUR will be imposed on persons crossing or attempting to cross the border outside border crossings or without valid travel documentation
- <https://www.refworld.org/country,,,,,MNE,,55520af44,0.html>
- Montenegro Report 2022.pdf (europa.eu)

Acronyms

CVA	Cash and Voucher Assistance
CVAP	CVA Preparedness
CWG	Cash Working Group
EU	European Union
FGD	Focus Group Discussion
FSP	Financial Service Provider
GRBMP	Global Routes Based Migration Programme
HSP	Humanitarian Service Point
KII	Key Informant Interview
RCM	Red Cross of Montenegro (RCM)
Mol	Ministry of Interior
NS	National Societies
RCRCM	Red Cross Red Crescent Movement
UCB	Universal Credit Bank

THE FUNDAMENTAL PRINCIPLES OF THE INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT

Humanity

The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

Impartiality

It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

Neutrality

In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

Independence

The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

Voluntary service

It is a voluntary relief movement not prompted in any manner by desire for gain.

Unity

There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

Universality

The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.



The International Federation of Red Cross and Red Crescent Societies (IFRC) is the world's largest humanitarian network, with 192 National Red Cross and Red Crescent Societies and around 14 million volunteers. Our volunteers are present in communities before, during and after a crisis or disaster. We work in the most hard to reach and complex settings in the world, saving lives and promoting human dignity. We support communities to become stronger and more resilient places where people can live safe and healthy lives, and have opportunities to thrive.

[https://cash-hub.org/
wp-admin/users.php](https://cash-hub.org/wp-admin/users.php)

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