

Code to Inspire Pilot Program: Case Study

May 5, 2022

[Project Background and Intervention Summary](#)

Cryptocurrency in Afghanistan

Dubbed a “nascent” cryptocurrency economy in September, 2021 by the Financial Times, a nationwide cash shortage, political turmoil, plunging currency, and rapidly rising prices of basic goods have led to quick growth of crypto adoption throughout Afghanistan, as the Taliban, recently having seized power, continue to seize cash and provoke bank freezes throughout the country.

Facing these concerns, and taking into consideration the needs of young women in Afghanistan, we built a pilot program with Code to Inspire, the first coding academy for girls in Herat, Afghanistan, founded by Fereshteh Forough in 2015.

Based on the data we gathered and the average monthly living cost in Afghanistan, we determined that \$200 a month could aid the beneficiaries to support families of up to five people, pay rent and medical bills, and purchase food and Internet for our students. The selected beneficiaries were the breadwinner of the family, or belonged to a family in which one of the members were the main breadwinner and lost his/her job due to the Taliban takeover. Binance Charity sent 200 BUSD (the equivalent of \$200) per month to each selected student for a period of three months., using Trust Wallet. The beneficiaries were free to use the cryptocurrency according to their needs.

Data Collection Methodology

In order to better assess the results of the program, an anonymous questionnaire was distributed to the beneficiaries via the school founder, Fereshteh Forough. Of the 100 beneficiaries, 65 responded to the survey. Twenty-nine beneficiaries agreed to be contacted for further information.

We received an additional 33 responses from those students who were not beneficiaries of the program, but who are interested in participating in the future.

The questionnaire contained open-ended, close-ended, and Likert scale questions related to the beneficiaries previous knowledge and perception of cryptocurrency, and how it changed after participating in the pilot study. The questions also touched on the perceived benefits and risks to cryptocurrency, and the hurdles the beneficiaries faced in encouraging their friends and relatives to also adopt cryptocurrency. Last, we presented a series of questions about the beneficiaries' future interests in spending their cryptocurrency locally, in order to assess what kind of local merchants could best be onboarded to create a circulating crypto economy in Herat.

Results

Out of 65 respondents, the majority were unfamiliar with or only had very limited knowledge of cryptocurrency before beginning the program. 87.7% of respondents felt that their perceptions of cryptocurrency changed after participating in the pilot program.

When describing how their perceptions of cryptocurrency changed after the pilot program, beneficiaries frequently cited its convenience, transfer speeds, security and safety.

"After participating in this program I knew that it's an easy and good way to exchange money between two wallets. And one of the most tip about cryptocurrency I learned that it doesn't need to pay a lot of tax. But it's an interesting news that people can exchange money everytime and it doesn't have limited time. And people can use it to transfer or exchange their money very fast, in every time specially on holidays and we can exchange money by this way over the world." -Pilot program beneficiary

"Before using Bainance digital currency and subscribing to this program, I had only read or heard about digital currencies that were considered commercial advertisements for me. But after using this digital currency, I changed my mind completely, I was really surprised by the many benefits of these currencies. It was amazing that inside my phone, without having to go to exchange offices or remittances, I transferred money from another country directly to my cash account or backpack. And I was not limited to a certain amount of time to use this money, and in terms of my account security, I am quite collective. And another good thing about using this digital currency was that we had money with the bank and we could withdraw money from this bank whenever needed." -Pilot program beneficiary

A frequent comment was that it allowed for the transfer of money “without fear,” which may be in reference to the Taliban seizures of cash experienced by some beneficiaries since returning to power in 2021.

“At first I thought banks were a better place to save money, but after the regime change in my country and the change in political conditions, I realized that the restrictions on banks are very high and digital currencies make it much easier for people.” -Pilot program beneficiary

Another frequent comment was related to the beneficiaries previous perceptions of cryptocurrency as a “scam” or “fake,” which then changed when able to try the technology out for themselves.

I used to think that all digital currencies were fake. Or our money is stolen. But now we have created a unique facility and we are getting acquainted with the world of technology and enjoying it. -Pilot program beneficiary

Prior to participating in this pilot program, how much knowledge of cryptocurrency did you have?
65 responses

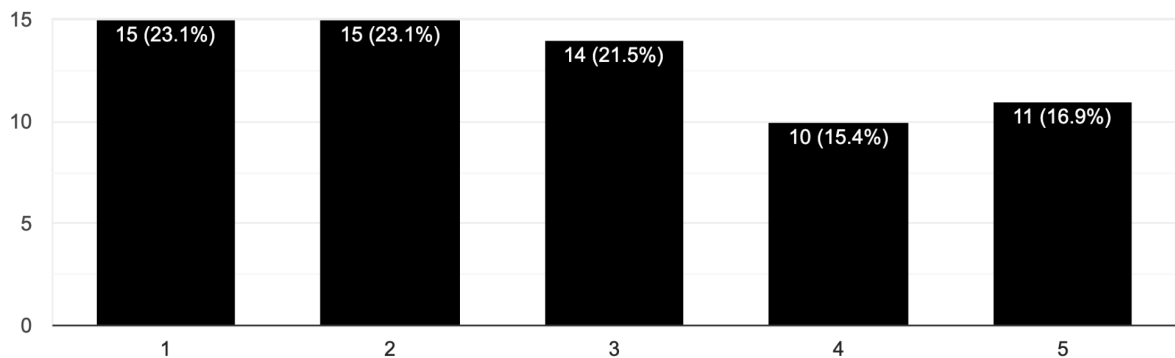


Fig. 1 Percentage of respondents with prior knowledge of cryptocurrency before beginning the pilot program

Did participating in the pilot program change your perceptions of cryptocurrency?

65 responses

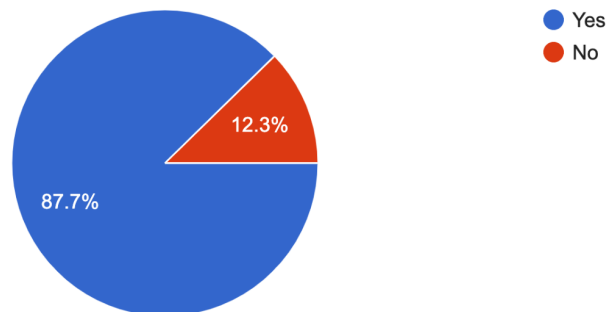


Fig. 2 Percentage of respondents whose perceptions of cryptocurrency changed after participating in the pilot program.

In regards to the challenges faced by the beneficiaries, 40% of the respondents cited cashing out their cryptocurrency as the biggest challenge in participating in the pilot program. To date, two exchange offices exist in Herat, Afghanistan. Code to Inspire Founder, Fereshteh Fourough, was able to devise a system in which each beneficiary was assigned a code that was then verified at the exchange office to validate that they were a part of the program.

Currently in Afghanistan, there are two online grocery stores that accept cryptocurrency: Click.AF in Kabul and Superstan Market. To date, there are no local grocery stores or markets in Herat that accept cryptocurrency as payment.

The second challenge cited was remembering one's wallet information, highlighted by 29.2% of respondents. It is important to note that this pilot study was done using Trust Wallet, a non-custodial wallet, meaning that the users own all of their wallet details, such as private keys and recovery phrases. This benefit here is that users have full control over their wallet. Additionally, they do not need to pass the rigorous KYC needed to obtain a Binance Wallet (custodial wallet). The disadvantage is that no copy of private keys are saved, and the user is solely responsible for remembering their information. A similar system was implemented during the Kenya CARE pilot, in which VSLA members participating in the crypto-based cash assistance pilot were each responsible for one word of the backup phrase, creating a decentralized system in which no password or backup phrases were lost.

What were the biggest challenges (if any) to participating in the pilot program?

65 responses

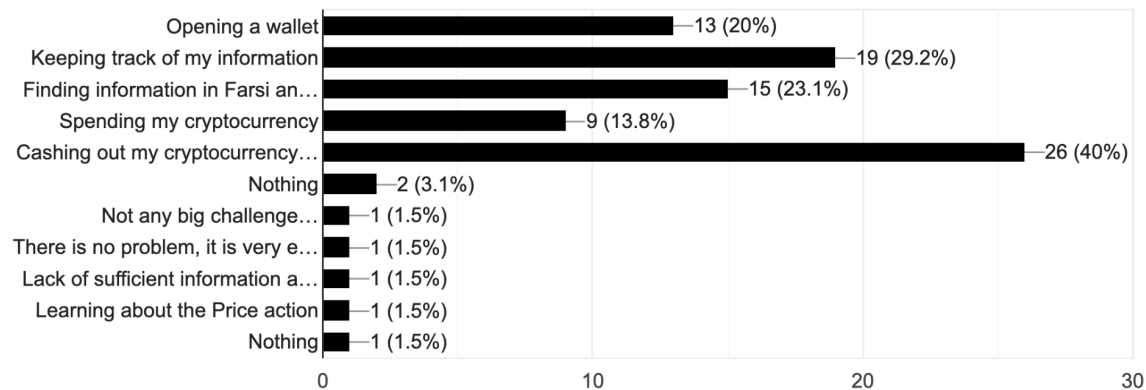


Fig. 3 Challenges to participating in the pilot program

The next most frequently cited difficulty at 23.1% was finding relevant information in Farsi and Pashto. In order to improve the next phase of this study, we hope to work together with previous beneficiaries to implement more detailed information in these two languages, in order to facilitate the onboarding process.

The top benefits cited by the beneficiaries were privacy and security (76.9%); quick transfers between wallets (69.2%); and lower transfer fees (50.8%). Additional responses from the beneficiaries included needing internet access to initiate transfers and transactions:

“The biggest advantage is that you need a little internet to get your money without going anywhere.” -Pilot program beneficiary

After participating in this program, what do you consider to be the biggest benefits of using cryptocurrency?

65 responses

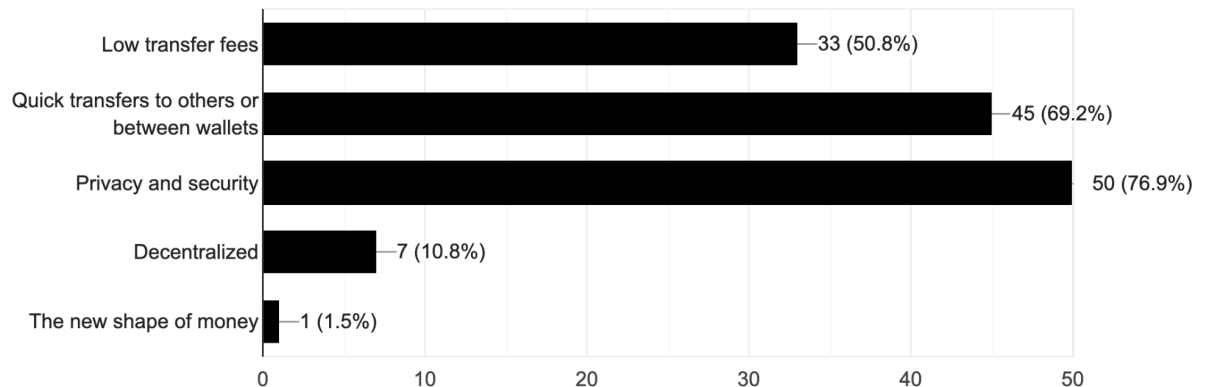


Fig. 4 Users' perception of benefits

Out of the beneficiaries 15.4% bought additional cryptocurrency after the end of the pilot program.

In terms of how the beneficiaries used their cryptocurrency, 47.7% use their cryptocurrency as a safe-haven currency, followed by buying supplies (36.9%) and local remittance (26.2%). Additionally, one respondent shared that she used a portion of the donation to further learn about crypto and trading. 82.6% of respondents answered that being able to spend cryptocurrency locally in their city would make them more likely to continue using it on a daily basis.

"I spent the money I received on living expenses and I still need this help." -Pilot program beneficiary

"I used 85% of money for family need and 15% for trade and learn the crypto." -Pilot program beneficiary

One beneficiary explained how being able to accept cryptocurrency allowed her to accept payment for a remote internship:

"Right now I'm doing a remote internship in a software company. They asked me for a bank account to pay, but due to the current situation in Afghanistan, I could not set up a bank

account, and I asked the payment as a cryptocurrency, and now I receive the payment in cryptocurrency.”-Pilot program beneficiary

In terms of spending, the most desired place to be able to spend is computer and electronic repair shops (87.7%) followed by food markets (47.7%) pharmacies (36.9%) and clothing stores (36.9%).

Additional comments revolved around family and personal life, business ventures, and continuing education:

“I would like to spend for my family and help them in this way.”-Pilot program beneficiary

“I would like to spend my cryptocurrency on my own business or technology company in the future.”-Pilot program beneficiary

“Recently, as far as I know, we can use Binance instead of Ethereum to buy and sell NFT, and I hope so to have this ability to use it.”-Pilot program beneficiary

“I want to use it for teaching, buying books, and attending classes.”-Pilot program beneficiary

When asked to share any final thoughts regarding the program, the responses were overwhelmingly positive, with many beneficiaries sharing how the program had allowed them to make positive changes in their lives:

“Using this digital currency in such a situation that prevailed in Afghanistan was really one of the most extraordinary help that could be done for us, as it was received. Because at this time when most people needed help, especially women, who had completely lost their duties with the change of the regime, it became a hope and an illuminator of our dark path. And we were able to solve some of our family problems in such a bad economic situation. Unfortunately, with the termination of this program, I no longer have digital currency in my account, but if my conditions improve and I get money or a task, I will definitely use this currency. Finally, I would like to thank all the Binance team and the

cooperation of the CTI team for not leaving us alone in such a situation and for giving us hope to continue and deal with the problems.”-Pilot program beneficiary

“I never can forget Binance Charity because it was like a champion in my family for all 7 members of my family.it made a lot of changes in my family and solved a lot of my problems.” -Pilot program beneficiary

“This program has been very useful in supporting Afghan girls in the current situation (coming of the Taliban, unemployment and poor economic situation). Thanks for this pilot program and your support. During this pilot program, we learned about using technology in crypto currency.” -Pilot program beneficiary

“I think this was a great experience and I can now use cryptocurrency as a safe and fast currency. In Afghanistan situation we can not trust any bank. And also I have helped my family.” -Pilot program beneficiary

For both program beneficiaries and respondents who were not a part of the pilot program, the biggest challenge associated with onboarding friends and family to using cryptocurrency is the perceived risks with using crypto (60% and 69%) respectively. Difficulty with using a smartphone accounted for less than 20% of responses, which may be due to the social circle of the beneficiaries being more familiar with smartphones and technology in general.

In order to address the first issue and instill a sense of confidence in the use of crypto, we would recommend the next phase of the project adopting a community-based approach.

Conclusion and Scalability

The positive way in which the beneficiaries responded to the pilot, as well as the aid it was able to provide is considered by Binance Charity to be a success. In order to scale the project further, there are some concerns that need to be addressed:

Firstly, longterm, more merchants that accept cryptocurrencies need to be onboarded, so that beneficiaries do not always need to cash-out their cryptocurrency. Binance Charity is currently in the process of onboarding a pharmacy and a food market in Herat, in order to begin laying the foundations for a crypto-economy in Herat.