Mobile Money Snapshot:
PROSHAR *Cash for Work Program*

USAID promotes increased access to and usage of mobile financial services in order to deepen financial inclusion, accelerate broad-based economic growth, and instill transparency into funding flows. These snapshots describe the experiences of USAID- and non-USAID-funded organizations that have begun to replace cash with digital payments so that others can apply their lessons learned to their own transition to digital payments.

Overview

Through USAID's Program for Strengthening Household Access to Resources (PROSHAR) project, ACDI/VOCA is working to improve the living conditions of ultra-poor and deprived populations by increasing their income, improving maternal and child health, improving nutritional status by producing nutrient-fortified agricultural products, and increasing peoples' knowledge of natural disasters. The project is working in the southern belt of Bangladesh—particularly in the Khulna, Norail and Bagherhat districts of the Khulna division.

The Cash for Work program, which falls under PROSHAR, is a joint initiative between USAID and the Government of Bangladesh. It has three primary goals: i) to produce agricultural products to meet the food demand in the region and beyond; ii) to create local employment through direct and indirect employment generating opportunities; and iii) to improve the nutritional status of the region by promoting the production and consumption of nutrient fortified agricultural products. The target group is day laborers involved in the agricultural sector who work in the catchment area of the project, which consists of three upazillas in Khulna division.

Types of Transactions Being Made

ACDI/VOCA has disbursed over BDT 50,000,000 (approximately USD $666,667) to over 5,000 laborers in the last two and half years using mobile payments. Each laborer receives BDT 250 (approximately USD $3.33) for each day worked. The laborers use the mobile money they receive to cash out and purchase household products, as well as to transfer funds to their family and friends. In addition to this, money is occasionally transferred to field staff for special needs, such as for workshop or training-related expenses. Field staff either cash out the mobile money to pay vendors, or where possible, pay them directly via mobile money.

ACDI/VOCA's Journey to Mobile Money

ACDI/VOCA's decision to move to cashless solutions was inspired by UNICEF, from whom they first heard about mobile money. Before moving ahead with using mobile money, ACDI/VOCA discussed, evaluated and negotiated with different service providers. They eventually decided to partner with bKash based on their determination that bKash had a solid past track record, wide coverage and customized service delivery.

Since not all of the laborers they work with had their own phones, ACDI/VOCA distributed SIM cards through their field offices to any laborers without one. This was possible because all of the laborers had access to a mobile phone, even if it was not their own, which meant that they could still use their account. Local bKash

agents then helped laborers open their accounts. SIM cards issued in laborers' names serve as a method of identification that enables project staff to easily track them and their work.

Major Challenges Faced by ACDI/VOCA with Mobile Money

One of the obstacles that ACDI/VOCA faced while adopting mobile money was the initial upfront costs. SIM cards had to be purchased from GrameenPhone because at that time bKash accounts could not be accessed from all mobile networks; although bKash has since expanded to be accessible on all mobile networks. Second, because laborers occasionally denied receipt of payment, additional management and monitoring was required from project managers and bKash to verify the claims. Third, the absence of mobile literacy coupled with limited knowledge on how to use bKash made it necessary for ACDI/VOCA to conduct field trainings on mobile money and how to use a bKash account. Finally, since bKash's central office does not transfer large disbursements over the weekends, ACDI/VOCA's head office was unable to make last minute requests to send payments on these days to their field offices and the laborers. They eventually overcame this by developing a disbursement plan for sending all of their requests in advance of when they were needed.

Major Benefits of Mobile Money for ACDI/VOCA

Using mobile money has enabled ACDI/VOCA to better manage the project's financial disbursements. They have found it to be a transparent, secure, and convenient form of making payments to the field. In addition, it has also served as a tool to ensure that transfer amounts, recipients, and timing are correct. This has enabled ACDI/VOCA to eliminate ghost laborers and has given them virtual access from their main in office in Dhaka to monitor the payments to laborers within 24 hours. From a macroeconomic perspective, ACDI/VOCA believes that the initiative has also improved the lifestyle of the laborers and significantly increased their financial literacy.

Key Takeaways from ACDI/VOCA's Experience

ACDI/VOCA's initiative mirrors the experience of others: the use of mobile money can be successful without significant extra effort, particularly when people are already willing to switch from cash. Limited experience with mobile money, however, means that projects will likely have to provide training on how to use the services, as well as provide SIM cards in some cases. Some mobile financial service providers will provide trainings to customers, so that may also be an option as long as their content and methodology is sufficient to meet the needs of the individuals an organization is working with. Finally, as demonstrated by ACDI/VOCA's experience, mobile money can increase the financial inclusion of project beneficiaries, giving them an easy way to transfer money, make purchases, and save money in their mobile wallet.