



Mobile Money Snapshot: HelpAge International

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: HelpAge International Bangladesh enables the elderly poor to claim their rights, challenge discrimination and overcome poverty, so that they can lead dignified, secure, active and healthy lives. This document provides a snapshot of the organization's experience using mobile money within the [SHIREE](#)-funded Accelerate Livelihood of Left-behind Older Workforce (ALLOW) project, which began in October 2011 and is anticipated to end in September 2014. It is being implemented in partnership with the Bangladesh Institute of Theater Arts (BITA) and Pidim Foundation.

Target group: One of the primary components of the project is the distribution of cash transfers to the elderly poor in the river islands of Kurigram and Lakshmipur districts, which involves the handling and disbursement of significant amounts of cash. The program targets 32 villages spread across eight Unions: Char gazi, Char Borokhiri, Char Ramiz and Char Algi in Ramgati Upazilla, Lakshmipur District; and Danthvanga, Sholmari, Bondhober and Roumari Sadar in Roumari Upazilla, Kurigram District.

Primary activities: The project is focused on a number of activities, including assessments, establishing and building the capacity of Community Support Centres (CSCs), and organizing a variety of different trainings, workshops, and consultations. Where cash had been most prominent in their activities, however, was in the disbursement of their age-friendly income generating activity (IGA) grants and cash transfers to targeted households.¹

Types of Transactions Being Made

Over the life of the project, HelpAge anticipates disbursing grants to 1,000 households, amounting to a total of BDT 15,000,000 (approximately USD \$200,000). Every household receives BDT 15,000 (USD \$200) but the size and timing of the disbursements depend on the nature of the IGA and capacity of the household to handle the cash. Given this variability and the potential risks associated with cash payments, HelpAge decided to explore alternative solutions to cash for processing these disbursements.

HelpAge's Transition from Cash to Mobile Money

Before making the decision to transition away from cash, HelpAge considered security risks, the limited mobility of older people, and both the direct and indirect costs of different payment methods. They initially decided to transfer cash through CSC-based bank accounts, but found that some of the CSCs were unable to open bank accounts, and that using banks to disburse the money was not cost effective. After that experience, HelpAge staff decided in October 2012 to use bKash's mobile financial services to transfer these funds.

¹ The income generating activity grants are in the form of materials and equipment given to small community members (extreme poor beneficiary HHs) to start up small businesses/projects (not only small business but also other IGAs). They encourage community members to embark on economically viable projects that could be sustained in the long run.



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Since not all of their beneficiaries owned mobile phones or had access to one, HelpAge decided to introduce mobile payments through their field offices rather than directly to clients. In total, they opened 22 bKash accounts to facilitate this process. One of the accounts was a mother account held by HelpAge’s main office, which was used to initially deposit cash based on the transfer schedules. The remaining 21 were wallets held by their field offices. To trigger the disbursement of funds, HelpAge administrators send the transfer schedules, including the name of the CSCs and IGAs, the total amount of each payment, and the disbursement date to bKash, who effectuates the funds transfers to the field office mobile wallets. Once payments are transferred, field staff convert the “electronic money” to cash at nearby bKash agents and disburse the cash directly to beneficiaries. To date, HelpAge has transferred grants to 1,000 beneficiaries on 30 different occasions using bKash, totaling BDT 1,500,000 (approximately USD \$20,000).

Challenges Faced by HelpAge with Mobile Money

HelpAge has experienced two major challenges with mobile money payments to date. The first is the limited liquidity (lack of cash) of bKash agents, which is a common problem. In one case, HelpAge had attempted to distribute BDT 3,322,600 using mobile payments, but found that agents had insufficient cash to be able to cash out such a large amount, suggesting that withdrawals of large sums should be staggered or coordinated with bKash. Limited mobile network capacity is another challenge, as it can sometimes take more time than anticipated for cash outs to be processed.

Benefits of Mobile Money for HelpAge

Despite these challenges, using mobile money has yielded important benefits for HelpAge. Grant disbursement via mobile payments is safer and more transparent than using cash. . In addition, the process has turned out to be much easier to manage than cash transfers, which require significantly more paper work. HelpAge considers mobile money payments more convenient, simple, secure, transparent, cost effective, and less resource intense than cash payments. With the time saved by using mobile payments, staff have been able to increase the time they spend on the monitoring and follow up of IGA asset purchases and management, attending CSC meetings, and interviews and discussions with beneficiaries regarding their development and changes in livelihoods.

Key Takeaways from HelpAge’s Experience

HelpAge’s experience with mobile money has yielded two key lessons. First, mobile payment services can be used in lieu of cash even in programs whose beneficiaries cannot all access mobile wallets directly. HelpAge was able to find a creative solution by using its field offices as intermediaries. While this approach does not directly lead to improved financial inclusion for HelpAge’s beneficiaries, it has generated significant savings of cost and time. Second, because large disbursements that will be cashed out in full may strain agent liquidity, it is important to coordinate with the provider in advance to ensure that agents have sufficient cash on hand on those days.

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