



Increasing Operational Efficiency and Farmers' Savings: Milton's Story

Sub-Assistant Agricultural Officer (SAAO) Milton Boiragi has been working with USAID's Agriculture, Nutrition and Gender Linkages (ANGeL) project since 2016. In addition to being responsible for providing technical trainings to 25 farmer households on improving their agricultural productivity and promoting consumption of nutrition fortified agricultural products, Milton also processes requests to disburse training allowances to those households.

In 2016, after discussing the feasibility with mSTAR/Bangladesh, the ANGeL project decided to test using mobile payments to pay training allowances to these households directly into mobile financial service (MFS) accounts instead of in cash. In order to promote women's empowerment in making financial decisions, the project also decided to disburse the training allowances into the MFS account of the female member of the household by default.

“Farmers were a little confused at the beginning, but now they are seeing the benefits of using an MFS account.” – Milton

When they first started using mobile payments, Milton shared that some of the farmers were confused about how the money would be transferred into their MFS accounts. Gradually, however, he noted that most of the farmers realized that receiving their money this way was actually more convenient than receiving it in cash.

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Milton mentioned how previously he had to collect training attendance sheets manually and then send them to the Agriculture Policy Support Unit (APSU) area office for verification. Only after that were training allowances disbursed. However, with the introduction of mobile payments, the regional office and the project decided to also test out sending SMS confirmations to instantly verify attendance. Each participating farmer household is provided with a unique code number which Milton sends to the APSU area office via SMS. As a result, Milton no longer needs to collect attendance sheets manually.

Once the APSU area receives the SMS from Milton, they send the code numbers to ROCKET, their MFS provider, and the training allowances are processed accordingly. Milton no longer needs to wait for the attendance sheets to be verified before the payments are made. As a result, farmers now receive their training allowances on the same day of the training. Moreover, this new process now takes Milton less than an hour to complete, compared to the old paper-based system, which could take almost



a whole day. In addition, if required, he can verify that disbursements have been made to the farmers by asking his office to check the disbursement statements provided to them by ROCKET. Thanks to these changes, Milton is now able to spend the time he saves responding to any queries from the farmers he supports.

“Now, farmers do not need to wait to receive their training allowances. They receive it instantly after the training.” – Milton

From the farmer’s perspective, since the allowances are such small amounts (BDT 200/US\$ 2.56¹), when they receive them in cash they tend to spend them immediately on small household purchases. Now that they are receiving them directly into their MFS accounts, some of the participants are storing the allowances as savings rather than rushing to cash them out.

Milton’s story exemplifies how adoption of digital financial services can both increase organizations’ efficiency, while at the same time serving to provide rural farmers with an entry point into formal financial services.

“Farmers now have a formal platform to save their money.” – Milton

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¹ USD 1 = BDT 78