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Mobile Money Snapshot:

Save the Children: Rehabilitation & Early Recovery Support to Mahasen Affected Families in Barisal Division Project

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 the European Commission Humanitarian Aid Office (ECHO)-funded *Rehabilitation and Early Recovery Support to Mahasen Affected Families in Barisal Division* project, Save the Children Bangladesh is working in partnership with the government to improve the livelihoods of disaster affected people residing in the coastal belt of southern Bangladesh. The eight month long project started operations in November 2013.

Its primary goals are to (i) effectively respond to early recovery and rehabilitation needs of families in the districts of the Barisal division most affected by Cyclone Mahasen, which made landfall in May 2013; and (ii) ensure short term food security, facilitate livelihoods recovery, and improve living conditions for affected families through timely cash-based and in-kind early recovery and rehabilitation assistance.

The project targets most affected families and provides stipends to the women of those families. Cash stipends are provided to ensure that most affected families are purchasing and consuming nutrient-rich food, and are investing a portion of the funds towards income generating assets, such as the purchase of domestic animals or setting up a small shops.

Types of Transactions Being Made

As of May 2014, Save the Children Bangladesh has disbursed about BDT 18,000,000 (approximately \$240,000) to 1,800 women using mobile money. The project plans to disburse an additional BDT 600,000 (approximately \$8,000) to another 600 affected families before it ends. In addition, a total of about BDT 11,900,000 (approximately \$158,667) of cash was disbursed to 1,190 beneficiaries that did not have mobile money accounts.

Save the Children's Journey to Mobile Money

At the onset of the project, Save the Children Bangladesh considered disbursing stipends in cash. After conducting a cost-benefit analysis of the different options, however, they decided to use mobile money as the primary method to transfer funds. The cost-benefit analysis highlighted the benefits of mobile money, including averting risks associated with cash transactions and faster fund disbursement times. The project evaluated multiple mobile financial service providers and ultimately decided to partner with bKash to handle their bulk disbursements. bKash deployed special agents in the project area with adequate cash liquidity to ensure smooth cash outs. In addition, they also opened mobile money accounts for beneficiaries who owned or had access to mobile phones. The remaining beneficiaries without access to a mobile phone received their stipends in cash under the supervision of the regional office and partner NGOs.



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Major Challenges Faced by Save the Children with Mobile Money

The project's most significant challenge was establishing special camps to disburse cash to beneficiaries. Even though bKash deployed dedicated agents to manage the disbursements, mobile network failure on the day of disbursements sometimes complicated payments. Due to these network issues, bKash had to track all disbursements manually using a paper ledger, which they later posted to their system. In addition, since not all beneficiaries had access to a mobile phone, Save the Children Bangladesh had to disburse funds using both mobile money and cash, further complicating their ability to track transactions. They also noted that there are no reduced service charges for transfers made for emergency and humanitarian purposes. Since the goal in these instances is to get money quickly to as many people as possible, lower fees would have enabled them to reach more families.

Major Benefits of Mobile Money for Save the Children

The key benefit for Save the Children Bangladesh in piloting mobile money for disbursements in this project was the timely disbursement of funds from the head office to beneficiaries, both in urban and hard-to-reach areas. Mr. Mostak Hussain, Save the Children Bangladesh's Humanitarian Director, mentioned that based on this experience they would try to incorporate mobile money into other projects, scope permitting.

Key Takeaways from Save the Children's Experience

This project reflects how mobile money can allow organizations to reach remote and hard-to-reach areas within a short time, and transfer funds without many of the risks associated with cash disbursements. In essence, much of the risk is absorbed by the mobile financial service provider and their agents; a portion of the service charges consumers pay is to cover this risk. Save the Children Bangladesh's experience also highlights some of the benefits associated with using mobile money to transfer funds quickly during an emergency and in disaster areas; these benefits are even greater if the target beneficiaries already have mobile money accounts. It is worth noting that using a mobile financial service provider to only manage cash transfers may mean that beneficiaries will miss out on some of the added benefits of mobile money, such as using it for savings or to make purchases of goods and services.

To learn more about using electronic payments, including mobile payments, in emergencies, read The Cash Learning Partnership's (CaLP) *E-transfers in emergencies: implementation support guidelines*, available online at <http://www.cashlearning.org/downloads/e-transfer-guidelines-English-20-12-2013.pdf>.

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