

Effectiveness and challenges of using mobile money service in the implementation of the Social Assistance Grants for Empowerment programme in Uganda: A case of Kiboga District.

WORK IN PROGRESS REPORT
PRESENTED
BY

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Research Team

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UGX 23,000 per month

ESP is led by the Ministry of Gender, Labour and Social Development, collaborating with the wider Government sectors.

The five year programme is funded by

- DFID,
- Irish Aid and
- UNICEF

Budget of £41 million.

Currently, government has committed \$50,000 in FY 2011/12 plus in-kind

Support estimated at UGX 6 billion over the programme period of 5 years.

The study concern areas: Establishing and Assessing the Effectiveness and Challenges of using Mobile Money Service in implementing SAGE program

- **OUTLINE**

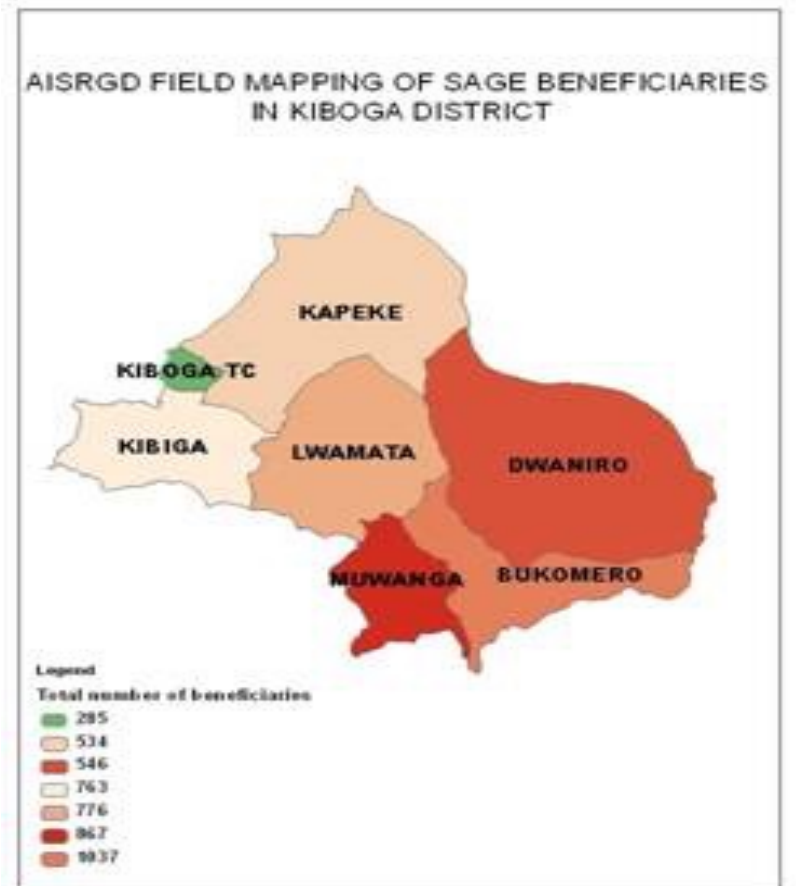
- Map showing Kiboga District
- Overview of Uganda and Social Assistance Grant for Empowerment population
- Distribution of SAGE Beneficiaries per district
- Brief background of the project
- The need for this study
- Research Methodology
- Brief summary of mobile telecommunication in Uganda
- The SAGE and MTN Structure units
- Modes of payment
- Preliminary findings on the challenges faced by MTN mobile money service provider
- Identified benefits OF Using mobile money service
- Dangers of receiving money through mobile money for the elderly
- Conclusion and Recommendations

Country and District Profile

SAGE District coverage -14



Kiboga District - 8 subts



Apac, Kaberamaido, Kiboga, Kyenjojo, Moroto, Nakapiripirit, Nebbi, Katakwi, Amudat, Kyegewa, Kyankwanzi, Zombo, Napak, Kole.

Overview of Uganda and Social Assistance Grant for Empowerment population

Capital city	Kampala
Area	241,550.7 km ²
Population as per 2014 national	39,234,256
Kiboga district population	148,606
Kiboga district Sex Ratio 2014	75,339 Male 73,267 Female
Estimated population of elderly persons.	53% are female 47% are male
SAGE National (N) Population	74,057
Kiboga District SAGE (n) Population	4,808

Distribution of SAGE Beneficiaries per district

National SAGE Beneficiaries by District

• KABERAMAIDO -	6601
• KATAKWI	8243
• KIBOGA	4,808
• KOLE	2,368
• KYANKWANZI	1,427
• KYEGEGWA	2,133
• KYENJOJO	11,695
• MOROTO	4,002
• NAKAPIRIPIRIT	6,269
• NAPAK	2,009
• NEBBI	12,945
• ZOMBO	2,270
Total	74,057

District SAGE Beneficiaries by Sub-county

KIBOGA District

• Bukomero	484
• Bukomero TC	553
• Ddwaniro	546
• Kapeka	534
• Kibiga	763
• Kiboga TC	285
• Lwamata	776
• Muwanga	867
Total	4808

Background of SAGE

- SAGE is the first major social protection initiative by the government of Uganda.
- It is an arm of expanding social protection under the Ministry of Gender, Labour and Social Development.
- With funding from: DFID, Irish Aid, UNICEF and it is supported by Maxwell Stamp, a UK based consulting firm
- SAGE is a five years pilot programme which started on 2nd September, 2011 in Kiboga , Kaberamaido and Kyenjojo but was later rolled out to other 11 districts.

Why this study

- MTN mobile money service was launched in March 2009 and has registered 1,553,770 users.
- This translates into an adoption rate of 64,740 persons per month
- On average the relative market shares of MTN Mobile Money, ZAP, and M-Sente between March 2009 and February 2010 was 89.6 percent, 9.1 percent, and 1.3 percent, respectively.
- Given the history, coverage and capability of MTN Uganda, government opted to hire MTN mobile service to remit funds to SAGE beneficiaries.
- The use of MMS in Uganda is a new achievement in communication industry utilized by individuals, groups, governmental and non-governmental organizations.
- The GoU opted to use MTN MMS to remit the cash transfers to SAGE beneficiaries

Study approach

- Mixed methods (Quantitative & Qualitative) - Creswell & Plano-Clarks (2011)
- Quantitative - regression analysis (Statistical figures, tables and graphs)
- Qualitative - detailed explanation with evidence on their livelihoods

Brief summary of mobile telecommunication in uganda

- There are currently seven mobile telecommunication service providers.
- However, only four provide services on mobile money including; MTN mobile money, Airtel money, m-sente and Ezee money.
- MTN Mobile Money has the largest share of the MMS market in Uganda.



**M-SENTE CONSUMER TARIFFS
EFFECTIVE SEPTEMBER 2014**

Transaction Type (UGX)	Transaction Type And Customer Fee (UGX)	MTN	airtel	UGX
500-1,000	450	345	N/A	180
1,001-5,000	450	400	500	300
5,001-10,000	1,000	800	1,000	800
10,001-50,000	1,000	800	1,000	1,000
50,001-100,000	1,000	1,100	1,000	1,000
100,001-500,000	1,000	1,100	2,000	1,000
500,001-1,000,000	1,000	1,100	3,000	1,000
1,000,001-5,000,000	1,000	1,100	4,000	1,000
5,000,001-10,000,000	2,000	1,100	5,000	2,000
10,000,001-50,000,000	2,000	1,100	10,000	2,000
50,000,001-100,000,000	2,000	1,100	15,000	2,000
100,000,001-500,000,000	2,000	1,100	20,000	2,000
500,000,001-1,000,000,000	2,000	1,100	25,000	2,000
1,000,000,001-5,000,000,000	2,000	1,100	30,000	2,000
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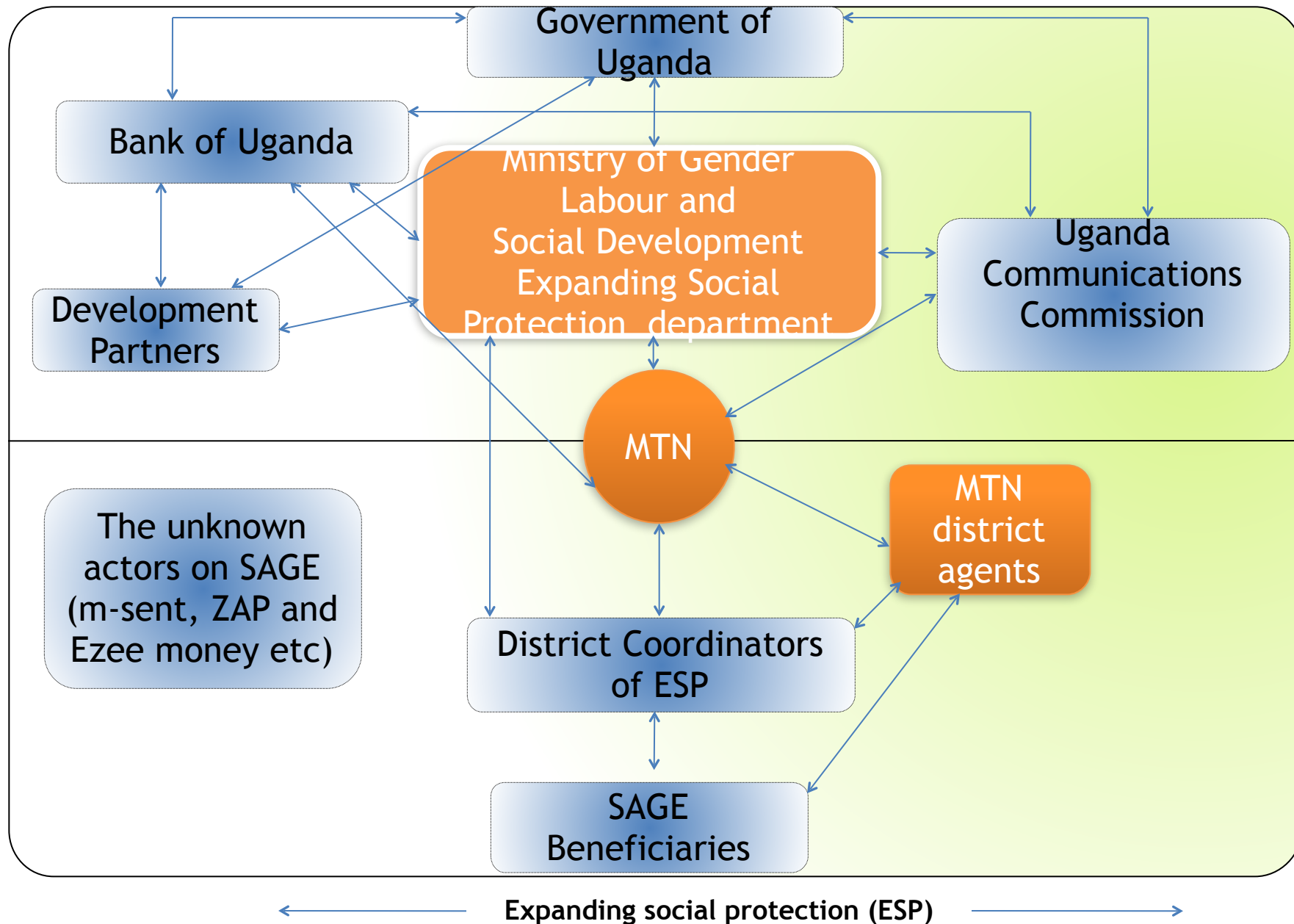
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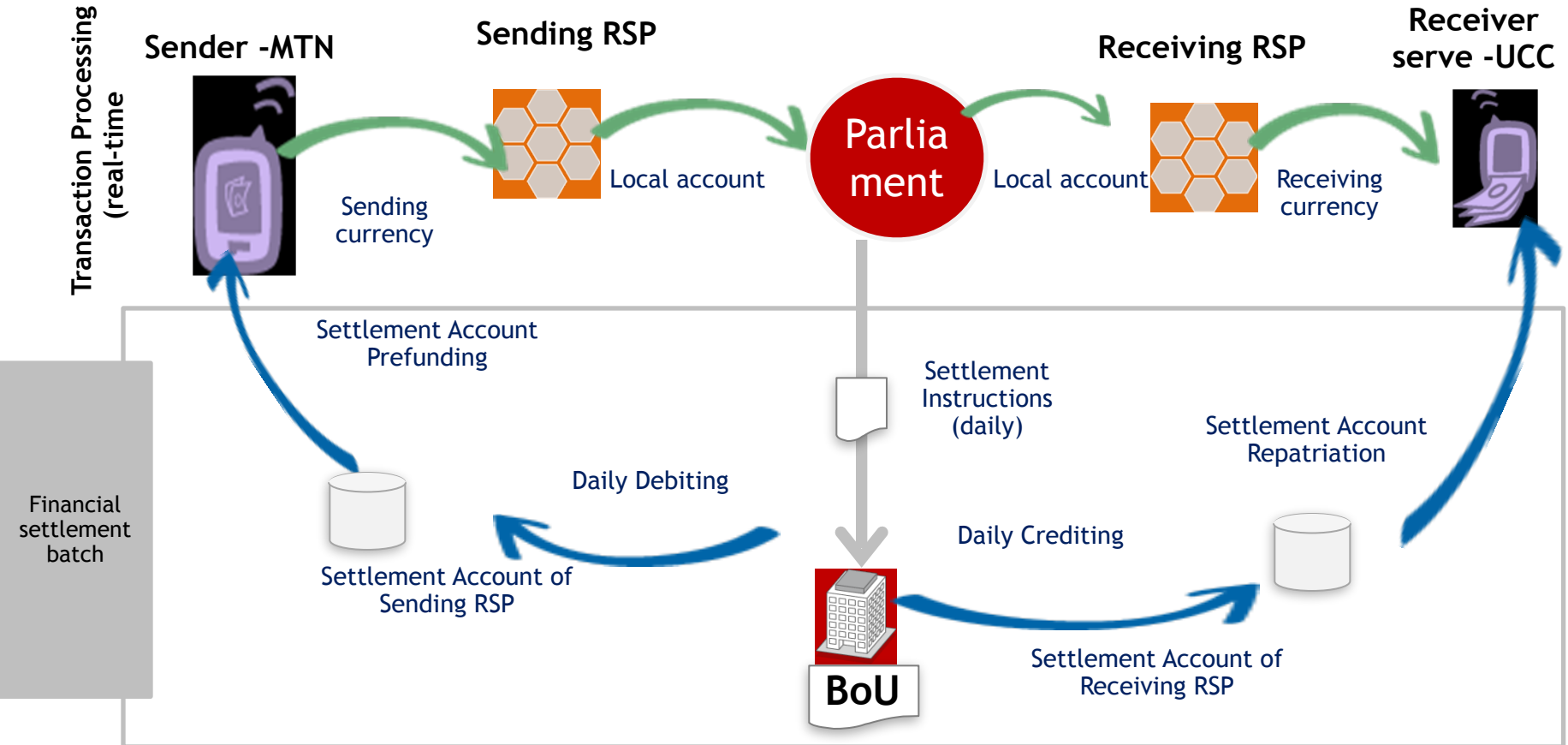


The SAGE and MTN Structure units



How do the Cash Transfer on SAGE Programme Works in Uganda?

SAGE Money transfer between the BoU, MTN sender and receiver is both instant and available. The Remittance Service Providers (RSP) is carried out via existing UCC, banking networks



The Cash transfer model to the SAGE beneficiaries

Manual payment

E



Tentative findings on the challenges faced by MTN mobile money service provider



- ❖ MTN still lacks robust mobile agent presence in Kiboga district.
- ❖ Given the limited network coverage in SAGE target areas MTN agents travel long distance to effect manual payments in areas where mobile network is limited which makes the whole process to be hectic .
- ❖ Slowness of e-payment compared to manual.
- ❖ High risks of agents losing money in transit.
- ❖ Failure to memorize pin numbers by beneficiaries. To this effect “ *John reported that he had not been paid since he lost his card*”

Tentative Finding *Con'd*

- According to Bank of Uganda Annual Supervision Report December 2012, “during 2012, mobile cash transfer services continued to register strong growth. The number of registered customers increased from 2.9 million people in 2011 to 8.9 million in 2012, while the amount of cash transferred by customers rose from UGX 3.7 trillion to UGX 11.7 trillion over the same period.”

- Vulnerability on cash transfer to SAGE Beneficiaries
- Unlawful withdrawals

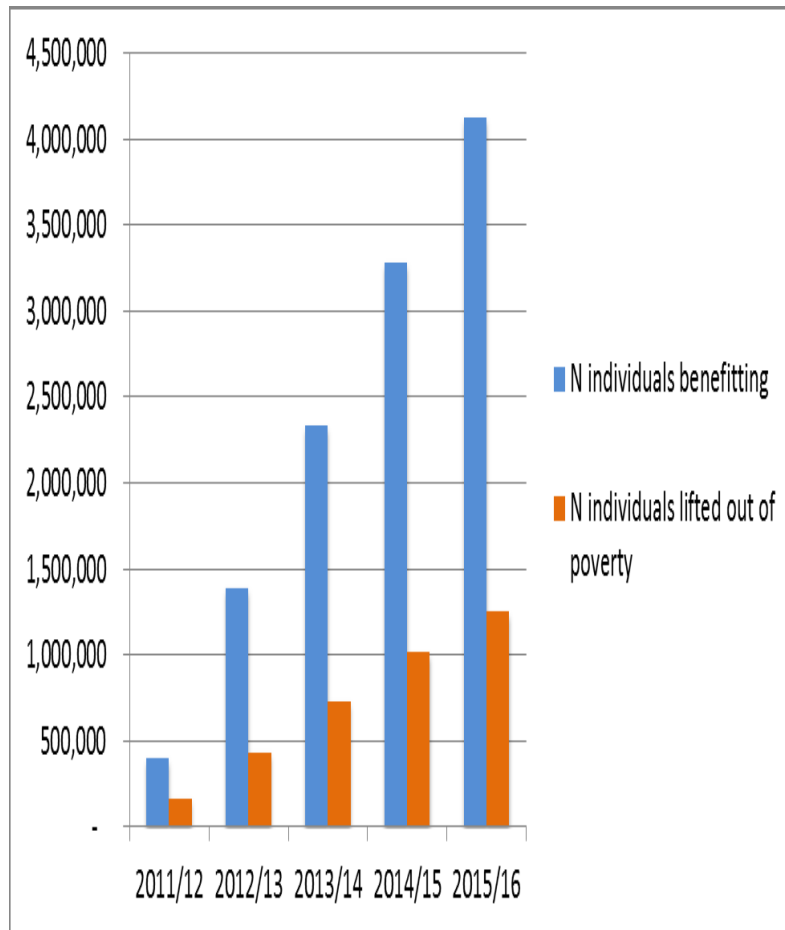
Voice *“A 71 old woman informed the study that money was deposited on her account on 11 march 2013 and was withdrawn on 14th march 2013, I went to pick my money already aware that a the money was withdrawn but I was told the system was down and I had to accept but up to now I have not got that payment.*

- Targeting & Selection of SAGE beneficiaries
- Poor attitude on the MTN by SAGE beneficiaries

“cheat people” “work difficult” “Charges are high”.

Conflict of interest

SAGE Cash transfers on Poverty - *tentative finding* Con'd



Potential Benefits of SAGE Cash transfers to receiving Beneficiaries

- **Cash in hand**

Voice “According to Edisa A 70 years old woman she has not had any issues with the implementer and this has enabled her to start her poultry project”.



- **Women are able to monitor the spending**

Voice Alcohol use has increased and so domestic violence.



Productive Activities



Cost benefit Analysis on SAGE Cash transfers

Calculated benefits

- 1 ACRE = 2500KGS
- 1KG = SHS 350
- 1 SEASON = SHS 875,000
- 2 SEASONS = SHS 1,750,000
- YEARLY INCOME = 1,750,000
- **TOTAL INCOME = SHS 1,750,000**

Sun flower



Some of the Innovations accruing from the programme



Poultry farming for eggs is one of the best daily income earners for women like Edisa

Con't

Pineapples

- 1 ACRE = 12,000 PINEAPPLES
- 1 PINEAPPLE = SHS 400
- 1 SEASON = SHS 4,800,000
- 2 SEASONS = SHS 9,600,000
- YEAR = SHS 9,600,000
- **TOTAL INCOME = SHS 9,600,000**

Land acreage - 2 acres

Maturity period - 2-3 years

No. of trees - 520 trees

Spacing Kgs of harvested oranges -
104,000kgs

Kgs per tree - 200kgs

Price per kg - shs 300

Earning per season 104,000kgs x 300 =
31,200,000

Earning per year

Total 31,200,000 x 2 = 62,400,000/=



Cont'd

Poultry

100 Birds = 90eggs

1Egg = Shs 150

DAILY = SHS 13,500

MONTHLY = 405,000

YEARLY = SHS
4,860,000

**TOTAL INCOME =
SHS 4,860,000**



Con'd

Voice Similarly a 71 year old Salongo & his wife Nakazibwe who takes care of his grand children whose parents passed on as a result of HIV has been able to start a Piggery project out of SAGE cash Transfer



Land acreage - $\frac{1}{4}$ acre

1 pig - 50,000

1 produces - 12 piglets

Each piglet costs - 30,000

Once a year - Shs 360,000

Twice a year - Shs 720,000



Con't

Maize

- Land acreage - 1 ACRE
- Kilograms per acre - 3600Kgs and 4400kgs
- Price per kilo - Shs 100-250
- At 100shs the income per season is :
- $100 \times 3600 = 360,000 =$, and $4400 \times 100 = 440,000 =$
- And at 250shs the income per season is as follows:
- $250 \times 3600 = 900,000 =$ and $4400 \times 250 = 1,100,000 =$
- Per year at 250shs, $900,000 \times 2 = 1,800,000 =$ and

2,200,000=



Dangers of receiving money through mobile money for the elderly

- Elderly are targets
- Pin number
- Distance to the point
- MM Agents
- Network



Project remaining Activities

Activities to be done between January - June 2015

- Submission of the 1st Financial and Project Narrative report **[End of January 2015]**
- Data analysis and production and submission of first draft report **[February, 2015]**
- Submission of draft Policy brief paper and Blog to IMTFI for review and acceptance **[End of March, 2015]**
- Report external review, and submission of the final report **[April to May, 2015]**
- Submission of Final reports (F&NR) Publications **[By the end June 2015]**

THANK YOU

