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Publication Date

2015-12-14

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Effectiveness and Challenges of using Mobile Money Service in the Implementation of the Social Assistance Grants for Empowerment Programme in Uganda

REPORT

Submitted to

The Institute for Money, Technology & Financial Inclusion, University of California, Irvine

By

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Acknowledgements

The African Institute for Strategic Research Governance and Development (AISRDG) is grateful to the Institute for Money, Technology and Financial Inclusion, University of California, Irvine for the financial support and guidance. We are particularly grateful to Prof. Bill Maurer, Mrinalini Tankha, Jenny Fan, and the entire staff at the IMTFI, University of California for the continuous guidance throughout the project period. We would also like to extend our sincere appreciation to Ministry of Gender Labour and Social Development in Uganda particularly Social Assistance Grant for Empowerment (SAGE) unit for all the information provided and for allowing the research team to interview staff at the Head office and in Kiboga district. We are particularly grateful to Mr. Stephen Kasaija, National Co-coordinator and Moureen Bulungi, District Coordinator, Social Assistance Grant for Empowerment programme for working with the researchers to ensure that they access all the necessary documents and SAGE beneficiaries in Kiboga district.

Sincere thanks to MTN Uganda for allowing us to engage the agents within Kiboga district and staff working on SAGE programme at the Head Office. We are grateful to Bank of Uganda and Uganda Communication Commission for all the materials and statistics provided. Further appreciation goes to the beneficiaries of the Social Assistance Grant for Empowerment programme in Kiboga for sacrificing their precious time towards this study.

This report would not have been possible without the commitment of the researchers¹ who worked tirelessly from conceptual, implementation and completion of the study.

Last but not least, we are grateful to Dr. Darlison Kaija for providing constructive and critical comments on the draft report.

¹ This study was carried out by a research team comprising of Julius Okello, Dorothy Massa and Dinah Mayanja.

Abstract

Since the launch of MTN mobile money in Uganda in March 2009, the development has experienced steep trend growth with four others offering similar services. However, despite the presence of other service providers, MTN mobile money remains the market leader with wider network coverage, larger remittances and bigger clientele. Services offered through MTN mobile money have continued to be utilized and opted for by different social groups rich, middle and poor; young and older persons; state and non-state actors; and for effective and efficient implementation of the Social Assistance Grant for Empowerment programme (SAGE), one of Uganda's governments key social protection initiative. The SAGE out-sourced services to MTN mobile money for remitting money to multiple beneficiaries of SAGE. This study aimed at analyzing the effectiveness of MTN mobile money services in the implementation of the SAGE programme in Kiboga district in Uganda.

Much as SAGE is in its last year of the pilot period ending June 2015, there is no doubt that the programme has attained its set objectives. MTN has maintained high levels of efficiency, transparency and accountability. The services offered through MTN have been received within the stipulated time frame. MTN also scored highly in terms of time spent at pay point, assistance offered to the beneficiaries and customer care. The company has been applauded for minimizing leakages associated with cash and more so corruption, which has marred most of social protection initiatives in Uganda. Much as MTN has played a tremendous role in the implementation of SAGE, MTN has worked amidst many challenges including: changing payment modalities by SAGE which impacted the original rates provided by MTN, high levels of illiteracy among SAGE beneficiaries, poor infrastructure which limits MTN operations more so in rural areas of Uganda, politicization of the programme and fraud. Nonetheless, the technology is believed to be the most viable option in the implementation of the SAGE programme.

In a way of strengthening social protection initiatives in Uganda, Government and development partners should emulate the example of SAGE and MTN if the country is to achieve inclusive growth and financial inclusion. Additionally, the government should work towards creating an environment suitable for mobile money, which involves having a prudent regulation in place and ensuring security for mobile money operators as well as their clientele. Though the roll-out of the SAGE programme at the national level is in its final stages, it is however, not clear whether the Payment Service Provider (MTN) will continue rendering services in the event of the roll-out of SAGE scheduled after June 2015

Abbreviations and Acronyms

AISRGD	African Institute for Strategic Research Governance and Development
CDO	Community Development Officer
DFID	Department for International Development
E-payment	Electronic payment
FGD	Focus Group Discussions
HSNP	<u>Hunger Safety Net Programme</u>
ID	Identity Card
MMT	Mobile Money Transactions or Transfers
MGLSD	Ministry of Gender, Labour and Social Development
MTN	Mobile Telecom Network
PSP	Payment Service Provider
SAGE	Social Assistance Grant for Empowerment
TC	Town Council
UCC	Uganda Communication Commission
USH	Uganda Shillings
USD	United State Dollar

1.0 Introduction and background to the research questions

1.1 Introduction

The introduction and proliferation of mobile money transfer (MMT) and its adoption in most Sub-Saharan African (SSA) countries including Uganda is not a surprising one. In SSA where traditional banking is being hampered by various infrastructure problems has about 80% of its adult population with no formal bank account (Asli Demirgüç et al, 2012:7). However, with the rapid proliferation of MMT in SSA has seen mobile banking expanding at 16% of the market. Further, inadequate documentation is a commonly cited reason for younger adults in SSA and distance from a bank is an important barrier for adults living in rural areas. Fixed fees and high costs of opening and maintaining accounts seem to be particularly important in Eastern and Southern Africa. For example, findings from Kenya shows that 68% of the adults used MMT, Sudan 52%, Gabon 50%, Algeria 44%, Congo, Rep 37%, Somalia 34%, Albania 31%, Tajikistan 29%, Uganda 27% and Angola 26% respectively (Demirguc-Kunt, et al, 2012:3).

It is against this background that, African Institute for Strategic Research Governance and Development (AISRGD), thought a financial assistance from the Institute for Money, Technology & Financial Inclusion at the University of California, Irvine (IMTFI) to conduct an assessment study on the effectiveness and challenges of using mobile money service in Uganda. The study aimed at establishing the effectiveness and challenges of using mobile money service in the implementation of Social Assistance Grants for Empowerment programme. This research was conducted in Kiboga district located in mid-western Uganda as part of the broad research initiative and objectives IMTFI. The penetration of mobile banking especially in East African Countries (Kenya, Uganda and Tanzania) is relatively common with Kenya taking the largest share of about 61%, Uganda 42% and Tanzania 39% of mobile owners using their devices for transfer of money using mobile devices.

In the analysis and discussions of the findings that form the basis of this report, we adopt a position and definition provided by the United States Agency for International Development (USAID) on the use of electronic payments as a replacement to physical cash in order to catalyze financial inclusion, transparency, and efficiencies in payment and revenue streams in the developing world. USAID defines Electronic payments as card based payments, electronic fund transfers between banks, cloud based payments, or funds that can be held and disbursed via a mobile phone (USAID, 2012:7).

1.2 Background

Uganda is a landlocked country with a total surface area of 241,550.7 square km. Uganda borders Kenya in the East, Tanzania, and Rwanda in the South, South Sudan in the North and the Democratic Republic of Congo in the West. The country is sub-divided into 112 districts that fall within 8 sub-regions namely; Central I and II, East Central, mid and South West; West Nile, Mid North; North Eastern and Mid Eastern region (RoU, 2014:4). Since her independence in 1962, the Republic of Uganda has experienced intermittent cycles of intra and inter-state conflicts of varied magnitudes and intensities. The history of Uganda is sporadically dotted by high levels of poverty among the vulnerable poor especially the senior

elderly citizens, widows and child headed households due to limited access to social protection services, corruption with impunity, unbalanced growths and development. In recognition of the above and the challenges faced by the poor and unattended vulnerable households, the Government of Uganda (GoU) with support of development partners introduced social protection programmes which are currently being implemented under the Ministry of Gender, Labour and Social Development (MGLSD). The programme is expected to reach around 600,000 people by end of June 2015. The SAGE is a £50 million programme implemented with funding from the GoU, DFID and Irish Aid. Much as the programme has successfully been implemented in the pilot districts, the roll out of the programme at national level is politically debated based programme to win votes from the electorates.

The Ministry is responsible for the implementation of Social Assistance Grants for Empowerment (SAGE) programme of vulnerable households through cash transfers. The cash transfer programme aims to address household vulnerability to poverty by providing social cash transfers to the poorest especially the elderly persons and other vulnerable household member in the selected districts. SAGE is a five year programme that was approved by cabinet in July 2010 and launched in September 2010. It has two components namely; (1) Senior Citizen Grant (SCG) for persons aged 65 and above (60 years for Karamoja region); and (2) the Vulnerable Family Support Grant (VFSG) for households with limited labour capacity. SAGE is currently being piloted under the broad theme of expanding social protection programme (ESPP) in the 14 districts² of Uganda (ESPP, 2010:9).

Mobile money banking service in Uganda is still a new phenomenon to most people in the country especially among the elderly persons. In 2009, mobile money transfer system was launched in Uganda by Mobile Telecom Network (MTN), a South African based company. Currently, Uganda has nine mobile network operators namely: MTN Uganda, Africel, Airtel Uganda, Uganda Telecom Limited, Smile Telecom, Sure Telecom, K2 Telecom, Smart Telecom and the latest being Vodafone Uganda. The development of mobile money by MTN in Uganda has followed a steep trend with other mobile network providers introducing similar services. These include: MTN, Warid, Uganda Telecom, Airtel and Africell. Mobile money is the term used to describe tools to perform banking and financial transaction services using mobile phones or devices (International Financial Corporation, 2011). Mobile money can serve as a platform for bill payment, person-to-person transfers (P2P), government-to-person (G2P) transfers, and payment of services such as public transport among others (Gutierrez, et al, 2014:2).

The Social Assistance Grants for Empowerment (SAGE) programme is GoU first major cash transfer initiative, targeting senior citizens and vulnerable families. The Expanding Social Protection (ESP) agency under the Ministry of Gender, Labour and Social Development (MGLSD), with funding from the United Kingdom's Department for International Development (DFID), Irish AID, and the United Nations Children's Fund, designed the unconditional payment scheme with several core objectives in mind: reliability, cost effectiveness, transparency, scalability, and financial inclusion. Social protection including social transfer is a topic that has gained more social, cultural, economic and political debates in Uganda since the GoU included expanding social protection interventions to vulnerable groups in its 2010/11 to 2014/15 National Development Plan (NDP).

² Northern region (Nebbi, Apac and Kole); Eastern region (Kaberamaido, Katakwi, Napak, Moroto, Amudat and Nakapiripirit); Western region (Kyenjojo and Kyegegwa); Central region (Kiboga and Kyankwanzi,) and West Nile (Zombo) .

1.3 Demographic

Uganda is a multi-ethnic country with about four major ethnic groupings namely the Bantu, Nilotes, Hamites, and Nilohamites categorized according to the languages they speak. People hold allegiance to their clans and some tribes have strong traditional and cultural institutions. According to the provisional national housing and population census results conducted by Uganda Bureau of Statistics (UBOs) the country has a total population of 34.9 million persons with 16,935,456 constituting males and 17,921,357 constituting females (UBOS, 2014:6). It is estimated that 80% of that population is dependant and predominantly derive their livelihood from agriculture. The Uganda National Household Survey (UNHS) Report 2005/06 estimated the population of older persons at 1,200,000 of which 53% were female while 47% were male.

This population increase has profound consequences at individual, community and national level. Population size varies across the different regions with the Eastern region having the highest population (8.9m); followed by central region (8.7m); Western region (8.4) and Northern region (7.9m). Uganda's high population is attributed to the persistently high fertility rates over the years (6.9 in 1995 and 2002, 6.7 in 2006 and 6.2 in 2011). There are significant variations between rural and urban fertility rates at 7.1% and 4.4% respectively. There are also regional variations in the fertility rates with the Eastern region having the highest at 7.5% (UBOS,2011). Majority of Uganda's population is rural constituting about 86.7% (World Bank, 2011). Continued population pressures have the potential to negatively impact on the poverty reduction efforts and hinder economic growth. Uganda has a young population with more than half of the population aged less than 18 years (56.1 %).

The political economy

Since Uganda got independence from British rule in 1962, the country has undergone a number of political regimes, which have had significant implications of the political, social and economic set of the country. Uganda's independence followed years (1966 – 1985) of political turmoil and civil war that affected several parts of the country causing loss of lives, property and general breakdown in the social service provision (Kanyehamba, 2002). When the new government (National Resistance Movement) came into power in 1986, peace and security returned in most parts of the country while other regions namely the Acholi, some parts of West Nile in Northern, Karamoja, Teso in Eastern and some parts of the Western region (Kasese and Budibungyo districts)remained insecure. Civil war in Northern Uganda lasted over 27 years. These wars have had negative implications on the social and economic status of people in these areas.

The economy

Uganda overall economic performance as measured by the Gross Domestic Product (GDP) is reported to have declined from 6.7% in 2010/11 to 3.2% in 2011/12 indicating a 3.5% decline in growth rate (UBOS, 2012; Ministry of Finance, Planning and Economic Development (MOFPED, 2012). The decline in the growth rate is attributed to both external and internal shocks relating to high global oil and commodity prices, drought in many parts of the country, power shortages, exchange rate volatility (that undermined the business confidence and investment in the industrial and service sectors) and weak external demand {ibid}. The shocks have further led to a decline in agricultural productivity. Uganda's economy is predominantly agricultural accounting for over 80% of the workforce; 43% of the Gross Domestic

Product (GDP), 85% of the export earnings and provides raw materials to most of the agro-based industries in the country (Namulonge Agricultural Research Institute, 2003; Forum for Women in Democracy (FOWODE, 2012). According to FOWODE (2012) 72% of all employed women and 90% of all rural women work in agriculture compared to 53% of rural men. Majority of the rural population (85%) derive their livelihoods from food and cash crops, livestock (either as purely subsistence or with little commercial farming) (Ibid) The majority of subsistence farmers are poor men and women faced with many constraints that keep them poor such as lack of knowledge and skills, lack of credit, lack of information about what to produce and how to produce to earn more money, HIV/AIDS, malaria, insecurity and poor yields as a result of use of rudimentary technology (Ibid). There is a sizeable amount of fishing and hard wood industry in the country. Uganda also has mineral deposits of copper, cobalt, limestone and salt and newly discovered oil and gas in the Albertine Graben region.

Poverty and Livelihood among special interest groups

Poverty is defined as a situation in which a person lacks the necessary abilities and entitlements to satisfy his or her basic needs and aspirations (Lalima, 2009). On the other hand, livelihood is a set of parameters, involving securing basic necessities like water, food, medicine, shelter, clothing and the capacity to acquire these necessities working either individually or as a group by using endowments (both human and material) for meeting the requirements of the self and his/her household on a sustainable basis with dignity. Generally, the rural where the majority of marginalized population live, agriculture is the main source of livelihood for most people, notwithstanding the susceptibility of this source to climatic changes and fluctuations in product price. In urban areas begging and petty trade like shoe mending and tailoring is the bedrock for survival of a small but significant number of PWDs who migrated from rural areas. In most parts of Uganda *boda-boda* riding is the mainstay livelihood activity for the male youth, especially in urban areas. Other activities like fishing, carpentry and charcoal burning are also common in many parts of the country. There is a tendency for the predominant activities in the area to be the major income generating activities for any category of people living there. For example in Busia and Malaba, where cross border trade thrives, even PWDs especially those with physical disability and have tricycles are cross border traders.

The Elderly

The programmes and policies for older persons are enshrined in the 1995 the 1995 Constitution of the Republic of Uganda (Article 32), which states that, “The state shall make reasonable provision for the welfare and maintenance of the elderly persons”. Older persons in Uganda are also catered to in the Equal Opportunities Act, 2006 and the National Policy for Older Persons. Older persons of today were the younger persons of yesterday, while the younger persons of today shall be the older persons of tomorrow. According to the United Nations, an older person is one who is aged 60 years and above. The Uganda National Population and Housing Census indicates that 4.5% of Uganda’s population is made up of older persons (approximately 1, 101,039 persons). It was projected to be 6.5% by 2006 and 20% by 2020. Further, publications show that 85% of older persons in rural areas are living in absolute chronic poverty (TAFU 2008). In Uganda like in the rest of Africa, the family is still the most central institution for caring for older persons, supplemented by kinship networks and mutual aid societies.

Older persons are generally too weak to perform productive work and are economically dependent on others, i.e. children, relatives and neighbors among others to survive. Some of them face challenges of isolation and elder abuse (rape and property grabbing) and they are often tasked with looking after grandchildren especially orphans. Nearly, 50% of orphaned grandchildren stay with their grandparents (ibid) and this forces them to sell their property, do casual labour, and avoid hospital admissions, scavenging on garbage or begging to meet their needs. This leaves the elderly in Uganda in a precarious condition and they therefore need to be protected by the Government against adverse shocks of life so that they can live meaningful lives and equally contribute to development.



Access to Microfinance by Women

Mobile penetration has far outstripped banking penetration as mobile users become more accustomed to the practice of cash transfer, bill payments, and airtime transfers; there is an increasing demand for more advanced transfer and payment services. The penetration for such advanced mobile services in Uganda will reach and empower the unbanked money of the rural communities by way of storing and keeping their money in handheld phone devices. Currently MTN is capable of doing that on the supply-side for providing mobile payments service. Drawing on the current coverage network, and established relationships and trust between users and mobile operators to generate additional revenues and to reduce turnover, MTN has established a distribution network of agents for prepaid top-up sales that it can leverage as a base to build an agent network for mobile banking sector in Uganda. The majority of older persons live in rural areas where poverty is rife, economic opportunities are limited, ill-health is common and health services are inadequate. They work in the agricultural sector, which is characterised by fluctuations in agricultural produce prices, irregular income and low returns to labour. About 85% of the active older persons are engaged in crop farming with no social security, rendering them totally vulnerable. Their economic situation is worsened by the burden of looking after orphans and other vulnerable children left by the youth who have perished in the HIV/AIDS pandemic. The UNHS 2005/06 report also indicates that 13.7% of children or 2.1 million children who would ordinarily have been raised by their parents are under the care of older persons.

Government and development agencies have of late increasingly recognized the key role elderly person's play in household livelihood activities and wealth creation. It is against this background that now the Government and Development partners developed the SAGE Policy to promote empowerment among the elders as a tool for poverty alleviation among rural households. Logically effort and resources should be invested in agriculture, which is the backbone of the mostly rural economy and where women and men play a dominant role. Unfortunately there are few opportunities for low-income rural elderly persons to access financial services. It is reported that altogether Uganda microfinance institutions reach less than one percent of the elderly women and men in Uganda (World Bank, 2011). The top five microfinance institutions in Uganda are: BRAC Uganda, Pride Micro, FINCA Uganda, Opportunity Uganda and Finance Trust, have a more pronounced focus on the poor and serve between 50 and 70 percent of women, but have yet to reach sufficient scales to make a sizable impact on the rural market (Lakwo,

2006). To effectively target and serve rural women and men customers, it is important for the microfinance sector to have a deeper understanding of the roles elderly men and women play in both the economy and the rural household.

The study site

Kiboga District was formerly Ssingolo County of Mubende until 1991 when it got district status. At its creation, the County remained the boundaries of the district with five sub counties, but later expanded to 13 sub counties and one Town Council until June 2010, when it was reduced to one Constituency of Kiboga-East with Six Sub-counties and One Town Council. The District is made up of one County, Kiboga, whose boundaries are the same as those of the higher local Government. Then it is sub-divided into 6 Sub-counties 2 Town Councils with only 41 Parishes and 257 Villages. Kiboga district is located in the Central region of Uganda about 120 Kms from Kampala by road. The district lies approximately between 1°30' North and 32°14' East. It borders with the districts of Kyankwanzi in the North, Nakaseke in the East, Mubende in the West and Mitanga in the South.

Demographic Characteristics

The total population of Kiboga district according to the 2002 Population and Housing Census was 108,897 of which, 55,229 are males and 53,668 females with a 4.1% growth rate and average household size is 4.4. More than 70% of the populations are under 18 years of age with a population density of approximately 58.9 per Sq. Kms. The district has a fertility rate of 7.4% compared to the national average of 3.4%. The current projected population (2010) is estimated at 151,500, of which 77,000 are male and 74,500 female.

The Settlement Patterns

The district is naturally divided into two geographical areas that respectively support pastoral and crop cultivation along the right and left hand side of the Kampala-Hoima road. In the Kiboga District Local Government (KDLG) five year plan 2010/11 -2014/15, the basic source of people's livelihood is derived from agriculture with over 85% of the population engaged in farming and of which the women constitute the bigger percentage. 82.4% of the households are thus involved in agricultural activities. 94.0% are directly involved in crop husbandry while 53.2% are involved in animal husbandry. 0.6% of the communities are involved in fish farming a newly introduced farming alternative. However, 0.5% is generally involved in agricultural activities Kiboga District Local Government (KDLG, 2012:3). Heavy settlement is in valley bases and along rivers with fertile soils suitable for agricultural production, the highway and the hilly areas of Muwanga, and Kiboga, whereas pockets of sparse settlement exist in the grassland parts of Lwamata, and Kapeke.

A number of factors; Infrastructure and transport and communication, land reforms, productivity of land, vegetation, water supply, and presence of diseases, people culture and economic activities have influenced settlement patterns and distributions in Kiboga District. The majority of the population in the district (94.8%) lives in rural areas. Heavy/nucleated settlement is common in valley bases and in trading centers/ towns of Lwamata, Bukomero and Kiboga Town Council. Along the highway (Kampala-Kiboga - Hoima road) and other roads a linear type of settlement is common. In the hilly areas like Muwanga and some parts of Bukomero, a scattered type of settlement is common. Scattered settlements also occur in

encroached wetland areas, forest reserves and the cattle corridors of Kapeke and Ddwaniro. In sparsely populated sub counties with scattered population, the population density is 7 persons per sq. Km, while in the densely populated areas like Kiboga Trading centre there is a density of 92 people per Sq. Km.

1.4 Study problem statement

Mobile handsets are increasingly becoming more than just tools for voice communication and short messaging; they allow generation, storage and transmission of multimedia content and fast access to the internet (CIPESA, 2011), and tools to transact businesses to improve efficiency of service delivery. Among the developmental aspect of telecommunication today is money transfer through mobile money, which has increased chances for the unbanked to participate in the banking sector. As a stellar achievement in the telecommunication industry, services offered through mobile money include among others; cash deposits, cash withdrawals, person to person cash transfers, purchase of airtime, remittance of funds across international boundaries, and payment of bills amongst others (Ndiwalana, et.al, 2010). Despite all the services delivered through mobile money, there is no clear regulatory framework governing the operations of mobile money transactions (Ssonko George Wilson , 2010) and still little progress has been made in regulating electronic transactions since the adoption of the National Information Communication & Technology Policy in 2003 (Kakooza, A. C., 2008). He further observes that the status of regulatory provisions is wanting in many aspects.

Shinyekwa, (2013) argues that the Bank of Uganda and the Uganda Communication Commission face a dilemma of regulating the innovation to protect consumers from fraudulent practices (Shinyekwa Isaac, 2013). Regardless of challenges of regulation by both institutions, mobile money services are utilized by individuals, groups, governmental and non-governmental organizations in a variety of ways: person-to-person transfers; business-to-person or Bulk Payment Services; person-to-business or Bill Pay Services; Mobile Banking and International Money Transfer. Government of Uganda in implementing the SAGE programme opted to use MTN mobile money service to remit money to SAGE beneficiaries. This study therefore sought to deepen the understanding on the effectiveness of the GoU's choice to use MTN in implementing and remitting SCG under the SAGE programme, in terms of user friendliness, convenience as well as the impact of SAGE on empowering elders to escape poverty.

1.5 Study objectives

- i. Establish the symbiotic relationship between the government of Uganda and MTN mobile money service provider in improving SAGE beneficiary's ability to handle the setbacks and structural conditions that pull them into vulnerability;
- ii. Examine the infrastructure, capacity and challenges encountered by SCG beneficiaries in accessing money through mobile money services; and,
- iii. Analyze regulatory framework governing mobile money services and usage to map a way forward for policy makers and service providers in expanding the potentials of mobile money as a tool for service delivery.

1.6 Research questions

- (i) What challenges have been encountered by SCG beneficiaries in accessing money through mobile money services?

- (ii) What governance mechanisms does the GoU and MTN put in place to ensure that SCG beneficiaries receive their money?
- (iii) What interventions are in place to address fraudulent practices and meet the expectations of SCG beneficiaries?

1.7 Policy Relevance of the Study

The results from this study are expected to inform policy-makers and implementers of SCG under the GoU broader expanding social protection in Uganda. The results of this study add to our knowledge about what other mobile money operator are available out there, whom they serve, and the gaps in those services. It also includes information about who is benefitting from available SAGE services and who is left out. Such information is useful in designing both universal and targeted interventions in the area of social protection. The findings have further generated lessons about the effectiveness of using mobile money transfers in service delivery for most vulnerable and marginalised groups. In a context where state provided services suffer from grave problems of inefficiency, corruption and lack of responsiveness and sustainability, there can be a lot to learn from successful involvement of non-state providers of social protection services including telecommunication companies. Funders and other supporters of poverty reduction and household empowerment including civil society organizations may use the results of this study to design pro-poor interventions for social protection providers.

2.0 Review of related literature on mobile money and social protection

2.1 Theoretical Framework

The high rate of mobile phone adoption and usage has attracted attention from many researchers world over. For instance, studied mobile phone appropriation are increasingly noting that mobile money can serve as a general purpose technology platform on which other services can develop (Jennifer B, et.al, 2004:314). A study conducted in various SSA represents a new way to promote financial inclusion by “building the payment ‘rails’ on which a broader set of financial services can ride on” (Mas, I., et.al, 2010:357) using a mix of three perspectives, that is, Information and Communication Technologies for Development, Sustainable Livelihoods Approach to Poverty Reduction, as well as Innovation, Adoption, and Technology Appropriation. Indeed, the Kenyan Safaricom-operated mobile money standard is increasingly being adopted for services such as interest-yielding bank accounts, customer-to-business payments (such as electricity bills or tickets), and even insurance and credit services all of which require an understanding of the payment behaviours in Africa (Kendall, J., et.al, 2012).

According to Sadana (2011), the existing evidence on adoption of mobile money services beyond peer-to-peer transfer is mixed (Sadana, M., et.a, 2011), it is clearly not a marginal influence on the financial inclusion activities. This section presents current debates surrounding mobile money transaction (MMT) activities in the provision of social protection and in the implementation of SCG under SAGE in the Ministry of Gender Labour and Social Development (MGLSD). The literature review is based on the country specific and international policy and academic literature on MMT and SAGE implementation. The effectiveness of using mobile phone in transmitting money or in cash transfer to the target SAGE beneficiaries taking into consideration its challenges to the users was reviewed. The literature acknowledges that there are both formal and informal transfers of SAGE benefits under SCG.

Although the increase in the growth of mobile money expertise in Uganda is a phenomenon that has been particularly remarkable and welcomed by both the urban and rural users largely because of the prepaid service model. As a result, almost classes of society now have access to financial services as people become increasingly familiar with a mobile-money service system. In fact, mobile technology, is viewed as a payment or banking channel, has the potential to allow two important questions to be addressed at the same time: on the demand side, it represents an opportunity for financial inclusion among a population that is underserved by traditional banking services (Eduardo et.al, 2001-2011:3). On the supply side, it opens up possibilities for financial institutions to deliver a great diversity of services at low cost to a large clientele of the poorest sections of society including the elderly persons (ibid). Therefore, the use of mobile money in Uganda is a cosmological achievement in the communication industry utilized by Individuals, groups, state and non state actors (NSAs) in different ways. The growth of mobile money in Uganda, and in other east African countries (EAC) in general is phenomenal.

This growth is expected to continue as Government of Uganda is currently implementing social assistance grants for empowerment (SAGE) programme through the MTN mobile money service to remit money to different selected beneficiaries across the country. The success of mobile money in countries such as Kenya and Tanzania is due to its inclusiveness – ability to reach and tap into the rural population. With about 80% of Ugandans said to be living in rural areas, of which 50% own a mobile phones. It is easier to access mobile money services compared to banking services, especially for the village folk. That is why

mobile money has experienced phenomenal growth in Uganda and hence attracting the interest of different stakeholders which did not spare the GoU. It enables easy and cost effective transfer of money from urban to rural areas as people in the village are net recipients of mobile money.

According to Bank of Uganda (BoU) Annual Supervision Report December (BoU,2012), “during 2012, mobile money transfer services continued to register strong growth. The number of registered customers increased from 2.9 million in 2011 to 8.9 million in 2012, while the amount transferred by customers rose from UGX.3.7 trillion to UGX.11.7 trillion over the same period.” Unlike microfinance, traditional banks major target market is the middle class and high-end segments. Mobile money is a convenient way of reaching the mass market especially the rural communities at a low cost. The potential of mobile money to extend financial services to the rural poor is immense as this led to the Cabinet of Uganda approval Agency banking guidelines (see *The New Vision*, 2nd October 2013).

This means that mobile money agents like kiosks, shops and street vendors can now provide general mobile money services to the public and in particular the elders benefiting from SAGE programme. The mobile money ecosystem is composed of several players – telecoms, banks, regulators, agents and merchants. In Uganda, telecoms are regulated by the Uganda Communications Commission (UCC) under the UCC 2013 Act. Banks are regulated by Bank of Uganda (BOU) through the 2004 Financial Institutions Act (FIA). FIA does not mandate BoU to regulate non-financial institutions like telecoms. Although the UCC Act 2013, provides for regulation of ‘mobile value added services’ these are not clearly defined in the act. To provide mobile money services, telecoms must partner with a bank that is prudentially regulated. All these entities operate within the cyber laws of Uganda, issued by the Uganda National Information Technology Authority (UNITA) in 2004. The Uganda cyber laws include (i) Computer Misuse Act (2011), (ii) the 2011 Electronic Transactions Act, and (iii) the 2011 Electronic Signatures Act. These laws provide regulatory environment for tackling cybercrimes, intellectual property rights, copyrights protection, enabling e-commerce and facilitating trade as well as regulating the use of electronic signatures. At the moment, there is no specific law that regulates mobile money services in Uganda. This exposes and puts SAGE programme at risk which eventually will affect the intension of programme in empowering the vulnerable poor especially those benefiting from SCG under SAGE. Therefore, a law is needed as soon as yesterday as a lot of tax payers money is involved.

In the study conducted by Buys, Dasgupta, Thomas and Wheeler in 2009, the growth of mobile phone coverage across Africa has shown a strong positive correlation with population density, but other factors matter as well. Using a spatially disaggregated dataset of mobile phone coverage and geographic characteristics, they find that the probability of having a mobile phone tower in a particular location is strongly and positively associated with potential demand factors, such as population density and per capita income, as well as the competitiveness of the mobile phone sector within the country. They also find that factors associated with higher costs – namely, higher elevation, steeper slopes, and distance from a main road and major urban centers are negatively associated with mobile phone coverage.

2.1.1 The User of Mobile Money Services in Uganda

Currently, there are four Mobile Phone Money operators in Uganda, with MTN being the largest. Of the over 6 million Mobile Phone Money users, MTN has a market share of about 4 million with 7,336 MTN

mobile money agents, Uganda Telecom (UTL) has 520,000 users with 3,500 M-Sente mobile money agents, Airtel has 120,000 users with 120 Zap mobile money agents, and Warid Telecom has 2 million users with 44 Pesa mobile money agents (Ministry of ICT status reports, 2012).. According to Ministry of ICT status reports 2012, overall daily Mobile Phone Money transfer in Uganda hit Ushs50billion (or US\$20million) by June 2012 up from Ushs30billion (US\$12million) in early 2011, signifying the important place Mobile Phone Money has in the financial market deepening in Uganda (Orotin et al, 2013).

Mobile money transfer in Uganda has grown at an astounding rate and continues to follow a steep trend. Services through mobile money transactions have continued to be utilized and opted for by different social groups - rich, middle and poor; young and older persons; state and non-state actors especially in person-to-person transfer of money; purchase of goods and services from business individuals and companies either on Bulk Payment Services; or on Bill Pay per Service. Some of the mobile money users for bulky payments in Uganda include: USAID Uganda, Government of Uganda through its Social Assistance Grants for Empowerment (SAGE) programme and Indoor Residual Spraying project³, World Food Program (WFP), British American Tobacco (BAT), some schools, and Mpanga tea (USAID, 2012). According to USAID (2012), MTN is the most popular and established brand in the mobile money field in Uganda and most importantly has the best mobile money agent network and is at present the best option for larger remittances.

Empirical evidence suggests that these factors partially explain the rollout of mobile phone service within countries as well, but depend upon the topographical features of a particular country (Jenny, 2010:4). The mobile money transfer (MMT) service is an aspect of a broader concept emerging in the electronic payment and banking industry referred to as Mobile Money. Even though mobile money has not been well defined in literature it can be said to include all the various initiatives (long-distance remittance, micro-payments, and informal air-time topping schemes) aimed at bringing financial services to the unbanked using mobile technology. According to (Jenkins, 2008), Mobile Money can be defined as money that can be accessed and used via mobile phone (ibid). Mobile Network Operators (MNO) in most developing countries are at different stages of MMT implementations.

2.2 Conceptual and theoretical perspectives on social protection

Different scholars have defined and interpreted social protection differently. Holzmann (1999), they define social protection (SP) as public measures to provide income security for individuals in terms of the provision of social protection in the form of public interventions to assist individuals, households and communities to better manage their income risks (Holzmann et.al, 2001). In contrast, the African Union (AU) defines Social Protection as a "package" of policies or programmes with the aim of reducing poverty and vulnerability of large segments of the population (Taylor, 2008) rather than addressing risk. In Ugandan context, the definition and boundaries of social protection are far from agreed, and different sets of stakeholders perceive social protection in different ways. The Draft National Social Protection Policy Framework for Uganda has come close to extensively defining social protection in the Ugandan context:

³ *A malaria control project launched in fourteen districts of Lango, Bukedi and Teso Sub-regions of Uganda.*

Social protection entails all public and private interventions that address risks and vulnerabilities associated with being or becoming poor. It refers to all formal and informal initiatives that provide direct income support to extremely poor individuals and households; social insurance to mitigate risks and consequences of livelihood shocks; and social care to reduce social vulnerabilities and enhance the capacity of vulnerable groups to cope with and overcome social vulnerabilities. In the Ugandan context social protection comprises social security (Social Insurance and Direct Income Support) and social care services (Republic of Uganda (RoU, 2013).

Therefore, the report identified five potential mechanisms through which mobile phones can be used in providing social and economic benefits to the SCG and other consumers and producers of goods and services in the agriculture realm. Firstly, mobile phones can be used to improve access to and use of information, thereby reducing search costs, improving coordination among SAGE beneficiaries and SAGE implementers at policy level thereby increasing market efficiency. Secondly, this increased communication between all stakeholders improves trust and confidence between the recipients and the stakeholders involved in a productive efficiency by allowing them to better manage their supply chains. Thirdly, mobile phones create new jobs to address demand for mobile-related services, thereby providing income- generating opportunities for rural based households and employment for semi-urban based individuals and companies. The fourth, mobile phones can facilitate communication among social networks in response to disaster shocks and other risks associated to floods, theft, robberies, and or death thereby reducing households' exposure to risk. And finally, mobile phone-based applications and development projects that we refer to as "money in pocket" have the potential to facilitate the effective financial inclusion of the previously un-banked cash and in purchase of services such as meeting treatment cost, agricultural farm inputs, and payment of their grandchildren educational fees for the case of elderly person. We have attempted to discuss this in the study finding sections. In all of these cases, the evidence on mobile money is quite recent and new especially to the senior citizens (SC) SAGE beneficiaries.

2.3 Conceptual understanding and functions of social protection

Social protection has 5 general functions and objectives (Taylor, 2008; Devereux et.al, 2004:10). It has a protective function when measures are introduced to save lives and reduce levels of deprivation in a society. Social protection has a preventive function because it seeks to assist people from falling into deeper poverty or becoming vulnerable to risks and contingencies arising from natural disasters, crop failure, accidents and illness. The promotive function of social protection aims to enhance the capabilities of individuals, communities and institutions to participate in all spheres of activity. The transformative function focuses on reducing inequities and vulnerabilities through changes in policies, laws, budgetary allocations and redistributive measures. Social protection also has a developmental and generative function by increasing consumption patterns of the poor, local economic development and enabling poor people to access economic and social opportunities (Holzmann et.al, 2003:1). Social protection, especially in form of cash transfers, is also credited for positively impacting on the livelihood and well- being of recipients, increasing the asset base of beneficiaries, economic multiplier effect that strengthens the local

economy in terms of stimulating economic growth in depressed pockets of the economy and creating jobs that ultimately improves the tax base (Kerry, et.al, 2012).

According to (Barrientos, 2010) in many countries in Africa, state social protection instruments serve mainly the protection and preventive functions. The helpless elderly persons with no social support, people with disabilities, women mainly (widowed, single mothers, separated and divorced), orphaned and neglected child households, the landless (particularly ethnic minorities and indigenous peoples living in and around forest and wildlife protected areas); those affected by HIV/AIDS (especially in instances where the bread winner is ill or has died); the long-term sick, the internally displaced person as a result of conflicts and isolated communities, people living in marginal areas, particularly those which are prone to disasters, and those who often rely on their own among others requires urgent attention especially inform of social protection (DRT, 2008). For the purpose of this study, we examined social protection as and understood to be consisting of public interventions aimed at assisting individuals and households to better manage and overcome income risks or shocks. It includes social assistance, social investment and development funds, labour market interventions and pensions and other insurance type programmes.

Despite the potential benefits of social protection, the degree to which social protection is supported by governments vary. Some development analysts have pointed out, if contested arguments, that social protection schemes are unaffordable in poor countries. Second, social protection schemes promote dependency. Third, social protection schemes are difficult to implement (Lwanga, 2009). The first point suggests that poor countries cannot afford social protection and that the country's development ought to be put on economic growth, with the current stress of government policy being the enhancement of household incomes through increased production and productivity. Social protection proponents are always quick to add that even poor countries can afford basic social protection if they prioritize it because the amounts required of government expenditure required for a cash transfer, for instance, is a smaller proportion of the overall economy or expenditure (DRT, 2008). Furthermore, in the long run, the net fiscal costs of providing a minimum social security benefits could eventually become zero as such costs might be offset by positive economic and fiscal returns, increased productivity of an educated, healthy and nourished work force. According to advocates for social protection the opportunity costs of no social security benefits would be a weaker labour force, unhealthy children, social tension, high mortality and human suffering (Lwanga-Ntale, 2009).

The second belief that creates resistance towards social protection initiatives is that free- handouts create dependency and a culture of entitlement and often seen as 'free cash for the poor' (Lwanga-Ntale, 2009). It is argued that such hand outs reduce the incentive for the unemployed to seek work. Critics also fear that poor people cannot be trusted to make good use of the cash received. Other fears relate to diversion of scarce resources away from the productive sectors and possible leakages during implementation. However, proponents of social protection are quick to argue that generalized dependency is unlikely: the amounts received are usually too small for all beneficiaries to depend on, so they will continue to work; that assistance by the state might reduce dependence on family members; that assistance might induce poor and vulnerable people to participate in the labour market, improve social networks, support savings, human capital development, investment and enterprise (DRT, 2008).

Arguing from a different perspective Hickey (2007), warns that social protection programmes may be implemented or boosted with a view to retaining regime legitimacy. In addition, lack of a political contract between states and citizens around issues of social protection constitutes arguably the largest barrier to the institutionalization of social protection programs. In other words, in the absence of a binding contract, social protection policies are liable to become instigated for other reasons, for example political risk assessments, and ultimately distorted by other prevailing forms of politics such as patrimonialism (Samuel, 2007).

According to Devereux (2006), vulnerability can only be sustainably reduced if social protection measures are institutionalized within national governments, where citizens have enforceable claims, rather than implemented and financed at the whim of donors and international NGOs (Devereux, 9-10 2006). Cash transfer pilot projects, which have become more popular in African countries in recent years, must become part of nationally owned social protection programmes. This requires citizens to mobilize to claim these rights, and it requires accountable and responsive governments which may not be the case in Uganda. In order for social protection to be a viable policy option, countries must already have high levels of institutional capacity and bureaucratic integrity (Hickey, 2007). The organisational culture, political commitment and political capacity of bureaucratic actors within government to advocate for, and implement, social protection initiatives are more important for social protection to take root. In countries that have organizational and institutional bottlenecks, there are bound to have deep obstacles to effective policymaking and management of social protection programmes (Lwanga-Ntale, 2008).

Politicization is usually characterized negatively, as interference in policy processes and allocation of resources for political purposes, subverting technocratic decisions made on an objective assessment and prioritization of needs (Devereux et.al, 2008). In the context of social protection, adverse politicization is associated with patronage-based allocations of social transfers and distortion of targeting procedures that should be objective, needs-based and politically neutral. In Africa and around the world, under all dispensations governments are routinely accused of favoring their supporters and depriving opposition groups or regions of equitable access to public resources (ibid). In other words, social protection can become politicized by both ruling and opposition parties, especially in the lead-up to local or general elections when pledges to provide handouts to the electorate can buy crucial votes. On the other hand, positive politicization of social protection could result in social protection gaining prominence on the political agenda.

Devereux and White 2008; (Devereux, 2010.) and (Bosworth, 2008) emphasize the role played by various actors like governments, donors and civil society organizations in social protection. Governments have a stake in social protection, and in some cases they are driving the agenda independently of donors, or even against the advice of donors (Devereux, et al, 2008. Yet according to Bosworth (2008), the most effective social protection programmes have been those where governments have acted alone, without development partner support; or where development partners have supported a clearly government-led and owned programme. In the absence of government leadership it can be difficult to expand and sustain social protection programmes. Civil society organizations are also very important actors in social protection (Mugerwa, 2008; Devereux, 2010) especially in mobilization around the struggle to secure social protection and social justice for – and by – poor and vulnerable people and advocating for good

number of reforms in the social security sector. In addition the media can play a critical role in keeping the debate on going through publication of articles and updating the public on the progress. However, in many African countries, civil society is much weaker - more dispersed and unorganized, less vocal and critical, in some cases even actively repressed by government (Devereux, 2010).

2.4 Implementation of the Social Protection initiatives – The SAGE program

The question of what explains the latest attempts at implementing the cash transfer program as a form of social protection can best be answered using a political economy perspective. The political economy analysis is concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals and the processes that create, sustain and transform these relationships (DFID, 2009). This definition draws particular attention to politics, understood in terms of contestation and bargaining between interest groups with competing claims over rights and resources. Political economy analysis will be useful to help us understand what drives political behavior and how this shapes particular policies and programmes like social protection schemes? Who are the main “winners” and “losers” and what the implications are for development strategies and programmes?

Since 2002 the World Bank and DfID have been promoting social protection in Uganda. They devised a strategy of influencing GoU policy on SP via the establishment of a Social Protection Task Force (SPTF) within Ministry of Gender Labour and Social Development (MGLSD) (Hickey et al., 2009). Hosted by MGLSD, the SPTF included representation from the donor community, civil society and key government departments, including Health, Education and Finance. Its key role was to promote SP as a cross-cutting issue within the review process for the third PEAP. Social protection did get several mentions in the revised PEAP, which gained Cabinet approval in November 2004 and World Bank approval in July 2005. Since the start of 2006 DfID has been at the forefront of cash transfers which is the focus of this study

From 2006, Uganda has worked to develop a coordinated approach to social protection (DRT, 2013; Niringiye, 2013). In 2010 the Expanding Social Protection Programme was launched. This is a five year programme meant to complement existing basic services and poverty reduction programmes. The programme seeks to reduce chronic poverty, address inequality and promote inclusion of recipients in development. It is funded by contributions from the Government of Uganda, DFID and Irish Aid worth 50 million pounds sterling with UNICEF providing technical advice. It is important to note that the current government contribution is UGX 2 Billion in cash and 6 billion (in kind)⁴ (Average exchange rate for year 2014 1USD = UGX 2600).

The programme has two main components:

⁴ Interview with the Commissioner in charge of the SAGE programme Ministry of Gender, Labour and Social Development

- i) Policy support to strengthen leadership and commitment to social protection across the government, developing a national social protection framework and generating evidence on the impact of social protection in general.
- ii) Social Assistance Grants for Empowerment (SAGE) which is a pilot cash transfer programme aimed at providing benefits of social assistance in 14 districts of Apac, Kabaramaido, Katakwi, Kiboga, Kyenjojo, Moroto, Nakapiripirit, Nebbi, Amudat, Kyegegwa, Kyankwanji, Zombo, Napak and Kole (ibid quoted from MLGSD) out of a total of 112 districts as of the time of writing this report. A fifth district (Zombo) was added after a presidential directive (See figure 1 below).

According to Niringiye (2013) in addition to their poverty rates, the districts were chosen basing on the following six indicators:

- Proportion of children in the district population;
- Proportion of older persons in the district population;
- Number of orphans and vulnerable children as a proportion of the total child population;
- Incidence of risky births;
- Proportion of households living more than 5 km from health facilities; and
- School attendance rates among children aged 6 – 12 years.

In turn SAGE has two components;

- a) The Senior Citizens Grant which is non-contributory pension or old age grant, to older persons. This is a disbursement of a small but regular monthly cash transfer to all individuals over 65 in the pilot districts (or 60 years in Karamoja region).
- b) The vulnerable Family Grants are disbursements to households with limited labour capacity. The households typically have high dependency ratios (containing older people, people living with disabilities, orphans, and vulnerable children or large numbers of children (DRT, 2013: 37).

Both programmes aim to reach 600,000 people in 95,000 households in the pilot districts during the pilot phase. The beneficiaries receive approximately \$10 a month which will be revised annually due to inflation. After the pilot phase, the whole country is expected to be covered (Niringiye, 2013 and DRT, 2013 quoting MLGSD)

2.5 The need for Social Protection in Uganda

The introduction of social protection policy in Uganda by the GoU, under the Ministry of Gender, Labor and Social Development (MGLSD) and the implementation of SAGE, is aimed at addressing poverty and vulnerability. We define the policy objective as that ensures adequate and acceptable standard of living for a country's vulnerable and excluded citizens. The 2005 Uganda Chronic Poverty Report presents and highlights those households in chronic poverty (UNDP & MFPED, 2014:8-9). On 16th June 2010, the Government approved the Expanding Social Protection Program including one of its core components the Social Assistance Grants for Empowerment (SAGE). This program aligns with the global consensus of promoting and protecting the poor through cash transfers to the elderly and vulnerable families to enable them meet their basic needs. The results of the mid-term evaluation indicate that enrolled households have gained more consumption power and can access social services than before and if scaled up, this program

has the potential to significantly contribute to the reduction of chronic poverty among the beneficiaries. If the scope of social protection is limited to smoothing out consumption or income fluctuations, then it would be effective against transient poverty, but less effective against chronic poverty.

However, conceptualisation of social protection alone will though not solve the problem of chronic poverty. It needs to be complimented by deliberate redistributive measures to improve the quality, access and participation of the poor in health and education as well as increased state support for agriculture, where majority of Ugandans (not only the poor) derive their livelihoods Republic of Uganda (RoU, 2010:5-8). Uganda is dominated by both inter-generational chronic poverty and large social deficits, which requires more innovative approaches aimed at reducing poverty such as social protection. They contribute to asset redistribution and that includes measures to address the structural basis of poverty and social exclusion. Social protection mechanisms in Uganda include cash transfers to vulnerable groups; pensions for the elderly, grants to children headed households and people with disabilities.

The demand for comprehensive role of social protection mechanisms that should include; access to social services such better health care services, education, housing and education (Ouma, 1995). The ultimate development objective of the 5-year Programme is to embed a national social protection system that benefits Uganda's poorest as a core element of the country's national policy, planning and budgeting process. The goal of the Expanding Social Protection (ESP) programme in Uganda is to reduce chronic poverty and improve life chances for poor men, vulnerable women and children. It will complement on other poverty reduction policies and programmes enable the poor and marginalized to access mainstream development, complements traditional Ugandan social protection and to draw on lessons from other countries in the region.

3.0 Methodology and study approach

3.1 Study Design

A cross-sectional study design was adopted for this study. Both quantitative and qualitative methods were used to ascertain and describe the process of using mobile money in the implementation of social protection social assistance grants for employment, the effectiveness of using MMT and the choice of the government in using MTN. The study was two-phased; Phase one involved mapping of SCG beneficiaries in order to answer the first research question of effectiveness in this study, while Phased two entailed an in-depth study of selected key policy makers to investigate research questions two to four outline in chapter one

3.2 Study Sites

The study was conducted in Kiboga district located in the central Uganda and covered the following sub-counties; Bukomero, Lwamata, Muwanga and Kibiga respectively which were selected purposively to represent different sub-counties within Kiboga district (*see annex I showing the list of sub-counties selected and SAGE beneficiaries*). The team also mapped SCG beneficiaries from parishes and villages within the sub-counties and ranked the respondents according to socio-economic backgrounds and characteristics. Each of the selected sub-counties, parishes and villages had a unique attributes that provided us with useful context for appreciating the study findings.

3.3 Mapping of SCG beneficiaries

In each of the selected four sub-counties, mapping was conducted on a two-pronged approach (i) MTN coverage and payment schedules, and (ii) using data obtained from the ESP secretariat and at district ESP office records (*see annex II*) to generate the list of the SCG beneficiaries from each of the four purposefully sampled sub-counties, parishes and villages. Lists of 719 SAGE beneficiaries in the four sub-counties were selected using simple random sampling which determined the sample size of the study. All respondents selected represented parishes and villages. Out of 719 (N=719) SAGE beneficiaries, A total of 180 (n=180) SAGE beneficiaries were sampled purposefully for in-depth analysis which constituted the first phase of this study (See Table1). The beneficiaries were distributed to the lowest unit of parish and village levels and disproportionately allocated at household levels that determined the percentages.

Table 1: Distribution of mapped SAGE beneficiaries per village, parish and by sub-counties

Names of Sub-counties	Number of Parishes Selected per sub-	Number of Selected per	S=P + V beneficiaries	Percentage %	Total N
Bukomero Sub-county	7	7	120	16.7	35
Lwamata sub-county	7	7	136	18.9	45
Muwanga	7	7	299	41.6	60
Kibiga	7	7	164	22.8	40
Total			719	100.0	180

Source: Field data @ AISRGD databank 2014/15

In each of the mapped areas, interviews were conducted with the local leaders and beneficiaries to capture the general characteristics of the MMT services, under SAGE beneficiaries. An inventory of the entire SAGE programme was compiled from which the sample for the in-depth study was drawn.

Below is the brief profile and description of each of the sub-counties purposively selected for the study within the district.

3.4 Sampling technique and in-depth study

The primary target respondents of the study comprised of SCG beneficiaries selected from the seven (n=4) sub-counties out of ten (N=13) sub-counties in the district. A minimum sample of (n) beneficiaries selected from each sub-counties varied but the total overall sample of 300 (N) that enable the research team to tease out benefits of them using MTN to access their money through mobile money transactions (MMT).

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size selected from the main population of the study, N is the overall number of the sample size selected in the study. The computations therefore yielded a total sample size (n) of respondents selected from the four (04) sub-counties and from each sub-county, a parish and village respondents mainly from the households were purposefully selected for the interviews. This sample represented about 98% of the total number of eligible respondents benefiting from the senior citizen grants (SCG) under the broader SAGE within the government expanding social protection (ESP) programme in Uganda that the team mapped. The sample was stratified by category in terms of sex, age, parish and village locations. The sample was proportionately distributed in 4 sub-counties of; Bukomero Lwamata, Muwanga and Kibiga respectively (*see Table 1 above*).

3.4.1 Study population and sample selection

A simple random sampling (SRS) technique was used in this study with the intention of establishing and assessing the effectiveness and challenges of using mobile money service (MMS) for cash transfers under SAGE programme especially the SCG. The SAGE programme targets the elderly persons aged 65+ years and above are eligible to receive and benefit from expanding social protection assistance grants (SAGE).

3.4.2 Cluster Sampling

Four sub-counties were randomly selected from the 13 sub-counties and one county in Kiboga district. The lists of sub-counties with the total number of beneficiaries are attached in the (*annex 1 of this report*). This information was acquired from the district headquarter and the SAGE Secretariat where the beneficiaries were selected from the list of names acquired from SAGE and MTN offices at the district level. Purposive sampling was employed to select three (03) case studies, forty respondents for FGDs and twenty respondents for key informant interviews. The study team also used cluster sampling to select individuals from the wider spectrum since most of the respondents were based and found in sub-counties, parishes, and villages at household level.

3.4.3 In-depth Study

Phase two of this study entailed collection of primary data from a sample of SAGE under SCG beneficiaries selected from the villages, parishes and sub-counties that had been mapped.

3.4.4 Selection of key informants and policy actors

The study covered purposefully selected key informants and policy actors at various levels including state and non-state agencies at district and national level. At the district level, the research team was able to interview NGOs, CBOs, FBOs, district SAGE representative, district chief administrative officer, district resident commissioner, district local council five and councilors, district community development officer, district gender officer and MTN district authorized agent's representative among others. At national level, the research team was able to interview the executive director at expanding social protection (ESP) in Uganda secretariat, the director research at ESP, the MTN mobile money head office, Uganda Communication Commission, the director assistant commissioner and researcher director from the department of information and national guidance in the office of the prime minister among others which constituted national and international policy-actors at various capacities and different levels.

3.4.5 The study team

The study was conducted by three core senior researchers under the co-ordination and supervision of the principle investigator. The three researchers were assisted by six trained research assistants during the mapping and in-depth study phases. Training of research assistants was conducted by the core team of researchers. The training covered the study background, objectives of the study, the key concepts, the methods, and issues of ethics and data safety. Focus on training was put on the understanding of the tools that were administered to the various categories study participants. At the onset of data collection, the teams with each team being lead by a core researcher first reported to the District Chief Administrative Officers (CAOs) with the research clearance letter from the Uganda National Council for Science and Technology (UNCST) to notify the presence of the research team in the seven purposively selected sub-counties.

3.5 Data Collection

Data for both the first and second phase mapping and in-depth study was drawn from the secondary sources and primary sources. Secondary data were collected from published and grey literature, existing databases from the ESP secretariat and verified at district, inventories and directories of non-state actors especially (NGOs, CBOs, FBOs, and from district archives). These included the Ministry of Gender Labour and Social Development, Ministry of Finance Planning and Economic Development, Department of Information and National Guidance in the Prime Minister Office, and Uganda Communication Commission archives/libraries, the inventory of NGOs managed by the National NGO Forum, and the respective inventories of CBOs and NGOs kept by district authorities (Department of community development at district level).

Primary data for both the mapping and in-depth study were collected from SAGE senior officials, beneficiaries of the SCG and key informants including the policy-actors. Methods of data collection included a desk review, personal interviews and group discussions. The secondary sources included documents of state and non-state actors such as their reports, strategic plans, programme target group, operating guidelines and reports. For primary data, interviews were held with MTN authorized agents, relevant local government staff; and focus group discussions were held with the community opinion members. Male and Females were separated from each other. This was meant to avoid intimidation

and male voice dominance during the FGDs. Tools for data collection included a structured questionnaire that was administered to the beneficiaries and key informant interview guides were administered (*see attached annex III*).

3.6 Data Management

For precision and reliability of recorded responses, the research team edited all the completed structured questionnaires. All responses were verified in the questionnaires to remove any errors. A coding frame was then developed for open-ended questions and thereafter the data were coded using numerical codes to minimize typing errors during data entry. A data entry module was designed and developed using Epidemiological Information (EPI-INFO Version 6.0) Statistical Package. The captured data was later cleaned to eliminate any errors that might have been committed during data capture. After data cleaning, the data were exported to SPSS for detailed analysis.

Thematic and content approaches were used to analyze qualitative data. The first level of analysis of qualitative data generated through FGDs and key informant interviews involved the transcription of the notes from the field. The second level of analysis involved designing of a grid with themes along the study objectives. All the field materials were fitted into the grid, which made it possible to formalize the materials into categories or codes. This analysis method helped the research team with a number of conceptual meaning and pattern to the data collected.

3.7 Engagement with Policy Actors

This study adopted various processes of policy engagement with state and non-state actors at different levels. The policy actors of interest this study managed to capture included ESP in Uganda officials, members of parliament, the telecommunication companies, print and electronic media, researchers and academic scholars, state providers of social protection services, local and religious leaders among others. They have different roles to play in social protection and have different interests. Engagement with policy-actors started before and after the signing of the project agreement. Generally, the policy engagement process consisted of the following:

- Consultations with stakeholders about the tentative research questions and methodology
- Involvement of stakeholders in data collection
- Sharing preliminary results with stakeholders to solicit their feedback and to validate results

Some of the other engagement activities are not yet completed. These include sharing of policy briefs with actors in areas of policy advocacy.

3.8 Ethical consideration

The process of data collection was a tedious one but a worthwhile experience for the research team. An introduction letter and the research clearance obtained from the Uganda National Council for Science and Technology was presented to all the mapped and selected respondents. This played a great role in respect of convincing the targeted respondents to voluntarily participate in the interviews. During the study, the team took ethical considerations very seriously and all the rules of the research were upheld and followed as per the requirements of IMFTI and the National Council for Science and Technology which included: clearance from National Council for Science and Technology, voluntary participation of respondents and confidentiality of the respondents was highly emphasized. Anonymity of the respondents was guaranteed

by using pseudo names and address for purposes of coding and for easy of reference in case of a follow up. All in all, as (Devine and Heath 1999) asserts, researchers must know the limits of how far a person can be psychologically made to do something without violating his or her human rights. The observation of these ethics strictly enabled the research team to gather the necessary data in a free and friendly atmosphere.

4.0 Presentation and Discussion of Findings

4.1 Introduction

The overall goal and objectives of the study was to assess the effectiveness and challenges of using mobile money service in the implementation of the Social Assistance Grants for Empowerment (SAGE) programme and establish the symbiotic relationship between the GoU and MTN mobile money service provider in improving and empowering the SCG social and economic coping mechanisms of the beneficiary's ability to handle the setbacks and structural conditions that pull them into vulnerability to poverty. In this regard, the study attempted to answer the question "What challenges have been encountered by SCG beneficiaries in accessing their monthly remittance through mobile money services? What strategies do the GoU and MTN put in place to ensure that SCG beneficiaries receive their money? And what interventions are in place to address fraudulent practices that meet the expectations of SCG beneficiaries?" Therefore, in assessing the effectiveness and challenger of using mobile money service in the implementation of SAGE programme, the study focused on relevance of MTN services provided, its coverage, user friendly and accessibility, programme impact in poverty reduction, and the provision of quality social protection services to the senior citizens.

Therefore, the findings from this study contribute to the existing empirical literature and conceptual research on the role of technology in transfer of money using mobile devices. Moreover its all-purpose role of identifying, conceptualizing and operationalising the key factors that predict its reception and acceptance in the promising markets, the results can further be used for additional future empirical research into the successes and or failures of mobile technologies in transmitting correlated cash services under the broader spectrum of social protection. It provides further understanding into the attitude of the device users, especially in less developing countries (LDCs), towards adoption mobile transactions in general and the use of mobile phones for financial inclusion services.

4.2 The SAGE beneficiaries in Kiboga district

Kiboga had a total of 4,808 beneficiaries, however, with the death of 113 beneficiaries, there are currently 4,695 beneficiaries receiving SAGE funds through MTN mobile money. At the time of study, more beneficiaries had been registered especially those who had made 60 years of age, however, payments were only made to those SAGE programme started with. It was not clear when the new beneficiaries would start getting their monthly stipend from government. According to MTN agent in Bukomero, at the beginning of SAGE most beneficiaries did not have mobile phones, however, with time, some of the beneficiaries have secured mobile phones from the payment they receive from government but the number of the elderly without mobile phones is estimated at 70%. Nonetheless, with or without a mobile phone, beneficiaries are required to use an MTN card and yellow talk machines to enable them receive their monthly stipend from MTN. The biggest proportion of the SAGE beneficiaries (70%) were found in *Kizinga parish, Kibinga sub-county* with about 800 elderly women and men and the remaining 30% were spread all over other sub-counties within the district.

4.3 The choice of MTN for the SAGE programme and MTN's role

The choice of the government of Uganda to adopt mobile money for the implementation of the SAGE programme came as a surprise. According to the head of the social protection department in the MGLSD, mobile money adoption went through a rigorous processes that included among others Public Procurement with the diligence of development partners who were funding ESP in Uganda. Expression of interest attracted nine submissions or bidders, of which six were invited for a tender. Of the six, three proposed to sub-contract MTN even though MTN was itself among the bidders. SAGE short-listed three potential bidders for the PSP including: Equity Bank, MTN Uganda and Post Bank Uganda. As a result, SAGE decided to offer MTN 12 districts and Post Bank the opportunity to deliver in two districts on condition that Post Bank availed a clear plan of how it would sufficiently meet the requirements of SAGE. This left MTN as the only potential service provider. Interestingly, there was no study conducted to establish the interest and views of the SAGE beneficiaries and their willingness to adopt the new mobile payment technology. However, the study found that there was no attention given to sensitise the current and new potential SCG beneficiaries that should have been provided beyond the technology acceptance and adoption literature. The initial intention of MTN mobile money in Uganda was to presents itself as a solution for the "banking of the unbanked cash in rural areas" given its coverage network in the country.

While mobile money service providers are engaged in a number of services, MTN mobile money in the SAGE programme is specifically responsible for remitting monthly stipends to SAGE beneficiaries, ensuring that the funds to be remitted are secure and disbursed on time. MTN has to ensure transparency, proper accountability, provision of a reasonably accessible service to beneficiaries; distribution of cards and training of beneficiaries on how mobile money operates; resolve payment-related grievances and in case of any loss of money in the hands of MTN, the company has a full responsibility of recovering lost money for SAGE programme.

SAGE funds are remitted by donors through the Bank of Uganda; the bank is then responsible for approval of the funds. In collaboration with Ministry of Gender Labour and Social Development, Bank of Uganda remits the required amount to MTN payment service provider for SAGE programme. MTN in turn remits the money to the authorized agents within the districts; the agents are responsible for having sufficient liquidity float. To get cash, the agents transfer their electronic float to local bank branches, however for security reasons agents could not reveal the banks used for such transfers for Kiboga districts. In some instances, where bank branches specify a maximum amount of float they will accept, agents have to travel to multiple banks to obtain sufficient cash. MTN agents in Kiboga are responsible for transporting the cash from the bank to the pay points in the respective sub-counties.

The existing literature on the effectiveness of mobile money use in the implementation of SAGE programme separates the findings in this report from other studies on use and the effect of use from the initial technology acceptance. Certainly, there are extremely few studies that have been extended to study the perception and views of elderly persons in the adoption decision process to include their acceptance use to receive and keep their money in the new technology through existing social practices and how the interactions between technology and the social practices affect their eventual adoption of the technology.

The relevance of services provided was considered in terms of the elderly's ability to use the MTN service in accessing monthly pay, the priority needs of the beneficiaries at the time of joining SCG, whether the services provided by MTN operators were the ones needed most by the beneficiaries, the functions of the MTN card issued or received by the SCG beneficiaries, the responsiveness to needs of the elderly persons by MTN outlet agencies based and scattered all over the district and the adequacy of benefits define the relevance and choice of the state to use or hire MTN services in the implementation of SAGE programme. Of the SCG beneficiaries interviewed, 65.2% reported that the services provided by the MTN mobile agents under scored the importance of SAGE programme in receiving and keeping their money than walking longer distances to get paid in banks. The findings further reveal that, the Five-digit Personal Identification Number (PIN) given to the early beneficiaries know that their money is safe and secure which brings the concept of experience trust because no one can access their money from the card without a PIN which is kept or memorized personally. Whereas newly registered beneficiaries with no prior experience with either mobile phones or personalised MTN card, 17.4% of the newly recruited SCG beneficiaries have to overcome initial trust and confidence in the existing mobile phone ability to secure and keep their money, which requires them to overcome experimental trust.

4.4 Effectiveness and performance of MTN in implementing the SAGE programme

Overall, majority beneficiaries (65.2%) reported that the services provided through MTN card were the ones needed most; the beneficiary greatest need at the time of joining the SAGE programme was lack of bank account and the distance traveled to the bank to access their income was a challenging one. The socio-demographic and economic profiles of the beneficiaries/members of SAGE depict a largely vulnerable and poor helpless citizen of the society. The SAGE senior citizens grants consists mostly of such women and men vulnerable groups who sometimes have a responsibilities to look after the grand children of their children who might have migrated to other areas in search of better conditions or have died of HIV/AIDS. Two thirds of the SAGE beneficiaries were females who were more vulnerable than men. More than a tenth of the beneficiaries were widowed with majority in Muwanga, and Kibiga sub-counties.

While improvements in the usage of mobile money transfers to the recipient's information will result in net welfare gains under SCGs, how these gains are distributed among SAGE beneficiaries in the four sub-counties in Kiboga and other 14 districts in particular is theoretically ambiguous. For example, how SCG beneficiaries use the money to generate more incomes and to improve on their welfare in the short-term as they take advantage of the SCG spatial payment opportunities with the aim to reduce some of their welfare burden by looking after their grandchildren? A central concern in estimating the effectiveness of mobile money on elderly empowerment is still omitted variables bias, as it can be difficult to attribute changes in the outcomes of SCG payments using mobile money transfer due to its coverage rather than to unobservable factors. In addition, estimates can be subject to reverse causality, as changes in the dependent variable could influence the geographic location or speed of mobile money coverage by the mobile phone operators (MPOs). To address these concerns, this report proposes more studies that need to be conducted in complementing on the existing studies typically rely upon panel data and the quasi-

experimental nature of the rollout of mobile phone service to identify more effective ways of improving on transfer of money using a handheld phone.

Most handheld sets owned by the elderly person have functions on m-money systems which allows the user to store value in an account accessible by the owner of the handset, convert cash in and out of the stored value account, and transfer value between users by using a set of text messages, menu commands, and personal identification numbers (PINs). A “pseudo account” can be established by purchasing “an electronic sim-card that stores money” (e-cash at hand) from an agent, usually a third party or someone who works for the mobile phone operator or bank. The user can then send e-money to another recipient with a registered phone and with registered active sim-card, who then withdraws the e-money from their local transfer agent. Fees are generally charged for each transaction.

4.5 The Expanding Social Protection (ESP) Programme in Uganda;

Expanding Social Protection (ESP) Programme is a Uganda’s government initiative under the Ministry of Gender, Labour & Social Development with the overall goal to reduce chronic poverty and improve the life chances for poor men, women and children in Uganda. The ESP is led by the Ministry of Gender, Labour and Social Development and funded by the Department for International Development (DFID), Irish Aid, UNICEF and the Government of Uganda. The Programme contributes towards achievement of the National Development Plan (Uganda’s current national development framework) and the Millennium Development Goals. ESP aims at:- Improving social protection skills and cross-generational leadership on Social Protection; A coherent and viable national strategic and fiscal framework for Social Protection developed and implemented; Regular and predictable social grants for poor households; and improved information on and knowledge of Social Protection among policy makers and the public. ESP is designed around two major components, that is, policy support and social assistance. Whereby, Policy support focuses on strengthening leadership on social protection across government, developing a national social protection framework, generating evidence on the impacts of social protection, and building government commitment and investment in social protection. The two components will deliver four main outputs:

1. Improve social protection skills and leadership on social protection across government;
2. Develop and implement a coherent, viable national policy and fiscal framework for social protection in Uganda;
3. Transfer regular and predictable social grants to poor households;
4. Improve information on and knowledge of social protection among policy makers and the public

Majority of Ugandans are poor and are at risk of falling into poverty due to floods, droughts, illness or unemployment. The British government was to give monthly cash payments to hundreds of thousands of poor Ugandans from 2011, to help Uganda achieve its key Millennium Development Goal of halving the number of people living in absolute poverty. The grants will guarantee that poor people can buy basic necessities like food, uniforms, and school materials for their children, access health services, and eventually make small-scale investments in productive activities. The Department of Development says will help to break the transmission of poverty from one generation to the next and support the country’s progress towards the MDGs. Further to note, the programme will also enable the Government of Uganda develop a comprehensive social protection policy and will help to build capacity so that the Government

can take over full responsibility for management of the programme once institutional and human resources are in place.

4.6 The beneficiaries habit and attitude towards the adoption of mobile money services

Findings from this study presents individual unique attributes that are correlated directly to their distinction habit and attitude or initial trust towards using mobile money services. According to the MTN representatives in the study areas, most beneficiaries have no mobile phone, which makes them cast doubts in MMT since they can't directly access their payment. In the study conducted by Kim and Malhotra, (2005), they define Habit as the extent to which people tend to perform a behavior automatically (Limayem, M. et.al, 2007). In addition, other scholars refer habit to as a behavior that is or has become automatic in a given situation and can be measured by the frequency of occurrence of that behavior (Landis, D., et.al, 1978). Thus, referring to the definition of adoption by Rogers (1995); for an innovation to be adopted by a consumer some existing reutilized habits, practices and usage situations will have to be changed. From the discussions held with one of the SCG beneficiaries during the pay at the pay point in Bukomero town council head quarters in Kiboga district, it was obvious by one of the female SCG beneficiary that the acceptance and continuous use of MTN mobile money services under government SAGE programme affects positively their traditional social practices of keeping me around their west. Now days they keep their money in the hand held device and there are no worries that the money will get lost. This shows that, beneficiaries have trust in the service and MTN works it out to dislodge the element of distrust in their service as compared to in the past when they were paid in cash and money disappeared due to theft either by their grandchildren or near adults who have information that they have been paid.

Rogers also attributes an increase in the number of people benefiting from social protection policies to changes in the family system as a result of rural-urban migration and unnecessary competition among young people. His contention is that people must be trained to think outside the box and must be given a sense of belonging. That one is economically disadvantaged should not be an excuse for them not to be empowered. Wealth creation, according to him, must be at the top of the government priority list. And this can be done through buying of shares in private companies on behalf of citizens or investing part of the pension funds within the country where pensioners can be brought on board as investors and shareholders. He however, cautioned that all the proceeds from the various investment ventures will not benefit citizens if the loan sharks are not regulated as they are slowly pushing a considerable number of people into poverty as a result of the high interest rates charged which are compounded annually. People need to be educated on financial matters so that they do not find themselves trapped in debt.

A pertinent point that Rogers raised with regards to vulnerable groups and citizens in general is that the government must make a concerted effort of teaching citizens to know and appreciate the fact that all their needs cannot be addressed by the government at the same time. In as much as the government has an obligation to provide citizens with basic social amenities, it is of paramount importance that they should be fully aware that the same couldn't be done due to limited resources at the disposal of government. Hence, his belief that citizen must be educated and developed mentally so that they can find innovative ways of improving their lives which will enable them to contribute meaningfully to the development of

the country. Education must go hand in hand with employment creation as the two issues go a long way in improving the social contract between the citizens and government.

MTN yellow talk /Equatel machine



A beneficiary with her MTN card



Source: AISRGD field photos

During the individual discussion with the female respondent, one of the habits she identified amongst the beneficiaries was the sporadic spending especially by men who would rush to evening socialization and drinking of alcohol. But when the government introduced and adopted the mobile money services, this has changed and increased on their saving habit which was not there before and has resulted into making them have less cash at hand to buy alcohol for friends sporadically. We therefore, in this study consider the strength of a habit that can affect the beneficiary desire to make full use of an innovation as the best course of action available especially in securing their money. Even if 70% of the SCG beneficiaries have no access to hand held phones, each of them is given an MTN card yellow in color which they can insert into the talk machine with their PIN to receive their monthly stipend from the MTN agent with the supervision of SAGE officials.

4.7 The Modes of payment

According to MTN, there are two methods used to pay beneficiaries: E-payment and manual payment. At the time of this study there were 4613 beneficiaries receiving their payment through E-payment and the remaining 82 beneficiaries were paid manually. Both payments are done by MTN. The 82 being paid through manual are scattered within the eight sub-counties and within the 24 pay points in the district. According to the SAGE district coordinator, manual payments are a result of delays by MTN to replace the faulty or misplaced cards. According to the agents, E-payment is delivered through a SIM-embedded card that MTN agents insert into portable pay phones. The card is inserted into the Yellow Easy Talk Machines (Pay phones) operated by agents to ensure that the beneficiary receives the money. The MTN mobile money agents are stationed at the sub county pay point. According to the SAGE office in Kiboga, payments are made every after two months and through MTN beneficiaries are entitled to receive their pay for two months totaling to Uganda shillings 50,000. The MTN agents revealed that the process of effecting E-payment involves four main procedures;

- ✓ Presentation of a valid SAGE Identity card (ID) and MTN yellow cards to the MTN agent. The ID cards are provided by SAGE office and MTN cards are provided by MTN and they both have serial numbers, name of the beneficiaries, gender, age, household number, village, parish and sub-county, and next of kin among other details.
- ✓ Inserting of the SIM card into the Equatel pay machine slot and entering of beneficiaries PIN number is normally done by the officers that represent MTN and SAGE. This is meant to avoid taking the PIN for fraudulent purposes.
- ✓ Appearance of a confirmation message indicating the transaction is done and that the mobile money transaction is completed
- ✓ Payment of beneficiary by the agent after verification by a designated local government official who may be a parish chief, Community Development Officer or local council chairperson. The beneficiary is expected to acknowledge receipt of the money either by signing or fingerprint



One of the beneficiaries inserting being assisted by the MTN agents to insert SIM his MTN card into the equate pay machine

According to the MNT agents in the sub-counties that the team visited, the most popular way SCG receive their money is through cash transfer to their phones and MTN yellow card in which 74% of the respondents reporting to have used MTN mobile money service to make a transaction. Regarding their knowledge of on MTN network coverage in their respective communities, 85% of the respondents said yes with 93% answered to have heard of the MTN Mobile Money Transfer through their agents and in local news radio station. However, only 10% claimed to have used the service. Knowledge of the service was not reflective of its usage. The intention to use Mobile Money Transfer for the most vulnerable poor who have no help and cannot walk for longer distances was found to be below average with 48.4% responding affirmative, 28.3% no and 23.3% unsure.

4.7.1 Mode of payment and charges

The SAGE programme received 50 billion pounds from development partners to support SAGE programme for five years. Beneficiaries are entitled to receive UGX 25,000 equivalent to USD 7.8 (at an exchange rate of UGX. 3200 to one US\$ as of June 2015) per month. The cost of transfer and withdrawal is entirely covered by the government. SAGE started with UGX 23,000 per month and the amount was

increased to UGX 25,000 in 2013. There was also a change in the frequency of payment starting 2013 with beneficiaries paid money for two months, implying that each beneficiary received UGX 50,000, every two months. The increase in the amount paid every two months changed the MTN fee structure: the transfer fee rose from UGX 300 to UGX 390 and the withdrawal fee from UGX 700 to UGX 1,000 per payment. Therefore, the cost that the government was incurring on MTN transfer and withdrawal charges reduced because instead of a transfer fee of UGX 300 per month, MTN was charging UGX 390 for every two months. Similarly, instead of a withdrawal fee of UGX 700 per month, MTN was charging UGX 1,000 for every two months. This led to a decrease in the proportion of charges to the payment amount from 4.2 percent to 3.5 percent.

Despite all interviewed beneficiaries having a clear understanding of how much they are supposed to be paid, 90% do not know how to operate the yellow talk machine. According to one of the agents in Lwamata sub-county:

“Many of the beneficiaries cannot even insert the MTN card on their own but they know how much they are supposed to get after the transaction”.

Abudallah is 67 years old, a resident of Kibinga Sub County. He has been a SCG beneficiary since 2012. Abudallah revealed that before the SAGE program started, he was going through a difficult life because he was doing farming on a small scale. According to him it was difficult for him to have some money around him and he had no other source of income, which he could rely on for his daily income. This kind of situation would put me into debts until my crops are ready for sell. “As is the tradition, I had to work hard to provide everything for the family. Although we were working as a family, I would take the final authority. In my home, we work together but in homes where husband and wife do not trust each other, they would work in isolation. Since this program started, we are a lot better. Thanks to the government of Uganda and the MTN mobile money service providers. There is a big difference between now and before we started receiving the SAGE money.

We can now meet our basic needs; my family can frequently drink sugar and afford some medicines. Currently am dealing in livestock and I joined a cash revolving group with four of us each contributing UGX 20,000 every month. Every 4 months each can receive UGX 80,000. I used my first money to buy a bullock at UGX 320,000. SCG has helped me and in the next five years am very sure that my family will be out of poverty. I am now planning to buy cross breed goats because they grow within a shorter time and the benefits are also realized in a shortest time. I also get money from other domestic activities like milking. Many times my money is spent on restocking animals because it is easy to sell them in case of any need. At the community we have a dairy where we can sell milk and increase our income. Abdullah with the cow he bought after receiving the SCG I can use the SAGE grant to contribute to the maintenance fee of UGX 1000 every month for boreholes and a dam for cattle to drink. We contribute money to maintain it. There are also government programs like NAADS to help us farmers.” I am not complaining about the little contribution we get from government through MTN, all I need to do is always to plan for it.

While SAGE programme has benefited more of its beneficiaries in various communities, less has been witnessed in terms of poverty reduction. In Kibinga sub-county, it was reported by women who are non beneficiaries of SGC that every pay point has a small market on pay day. While some beneficiaries were noted to come with some items for sale, other traders also come with a range of products including snacks, beverages, fruits and vegetables which beneficiaries buy after receiving their money. It was reported that at every pay point a cow is slaughtered on pay day. While this increases business for the butchers, it also enables beneficiaries to access meat as noted by Babirye a 78 old woman from Kibinga Sub County: “On pay days I can afford a kilo of meat, on that day my grand children and the rest of my family members are very happy”. Since the launch of SCG trader now sell in cash during pay days, unlike other market days where traders sell on credit. One of the woman who was found selling pancakes revealed to us that on the day of payment she can sell pancakes equivalent to 15000- 20000 shillings which she cannot make during other market days. We are very sure that by the end of the day there is some money out of what we have sold it is our prayer that the SCG continues.

Another category was that of “Boda-boda” riders, who uses motorcycle or bicycle to ferry the beneficiaries at the various payment points. One of the riders informed that on the day for payment I



usually make between 30000- 50000 for the motorcycle boda-boda and for the case of the bicycle boda-boda the rates are between 15000- 25000. The cash transfer is indirectly helping us come out of poverty since you know that many of the youths in Uganda have no jobs, this is a greater opportunity to earn a living during pay days.

Nakibirige is unsure of her age but first received the SCG in January 2013. She is a widow, with two married daughters who both have children and live in the area, and so is the son. Three of her children died due to illness. These days she is too weak to work and stays around the house, attending to the garden. When her husband was alive they cultivated a garden of 10 acres. Now her granddaughter, who is 14 years, works in the garden to help her. “Before the SCG, I used to grow some tomatoes and coffee but now I can’t go to the garden because am too weak. Much as I cannot go to the garden, I use my SCG money to support my granddaughters in the garden. Also before SAGE money my daughters would buy medicine [agro chemicals] for me and send someone to spray the coffee crop. I couldn’t afford to hire any labour for the garden, my daughters and I did everything. I didn’t belong to any savings group (I’ve just started doing it) and I didn’t get any credit. I relied on my daughter’s support. Other women around my age all had a little garden, to get food. All of us couldn’t get sugar for example, but now we can. Now I hire someone to



look after the coffee. Each spray costs a maximum of 1000 shillings, and it could need five or ten sprays per year. A trader comes to villages to buy the coffee. There are plenty of them so it's no problem to sell. I can sell in small amounts as I need, not in one lot. I got 200,000 shillings for one sack this year. I have some sweet bananas too my granddaughter sells them to pedestrians and school children on the road and sometimes I sell them to buy paraffin. The banana and coffee plantation were there even before sage but there was no money to pay laborer to look after them. With SAGE money I can now pay the laborers to look after them and of late I have been getting good yields.

I save 5000 shillings [from all income sources] every Sunday with a savings group all this is done for me by my granddaughter. It's the first time we're doing it so we'll see if it works. We should all get shares in the eighth month, so we haven't had that yet. At the [SCG] pay point they suggested making savings groups, that's why we're doing it. It started with 30 people but I hear they will add more. The money I use to save is from SCG because am sure every month am supposed to get it. For the remaining budget I have to budget as it is not so much money. I buy cooking oil, salt and meat "because at my age I have to eat well". My daughter put in a solar light panel so I've stopped buying paraffin for the candle. I plan to fix up the kitchen with some savings. Now I don't eat if it rains because the cooking is done outside [in a separate hut] and the roof leaks. I might also fix the house. Between my daughters and the SCG, I'm doing well." I'm doing well".

4.7.2 Communication on payments to beneficiaries

According to the SAGE district coordinator, MTN has to communicate to SAGE the days scheduled for payments indicating the dates and time for each pay point in each sub county. In turn SAGE has to communicate to the beneficiaries the actual days of payment for each sub-county. In Kiboga, beneficiaries are informed through announcements made over megaphones during market days, sometimes through door-to-door visits by area leaders, during church services as well as encouraging neighbors to inform beneficiaries who may not be aware. This works well given the social network in many districts in Uganda including Kiboga. This allows beneficiaries to gather at a designated pay point depending on the sub-county where the beneficiary resides.

4.8 Benefits of using mobile money services in the SAGE Programme

Before the implementation of SAGE, there were mixed feelings from the government, politicians and the public as to whether MTN would perform in accordance with the expectations of the programme. Compared to other social protection programmes being implemented through banks, MTN has demonstrated a commitment to efficient, effective and successful implementation of the SAGE programme. The payment service provider (MTN) has performed to the expectation of beneficiaries and SAGE in Kiboga district. According to a respondent in Bank of Uganda, MTN has minimised huge costs, which would have been incurred through transferring such amounts through banks. Secondly, there has been a clear and transparent payment processes. Third, MTN has created an enabling environment for older persons who cannot go through the hassle of queues in the banks and long distances to access the banks. According to Kiboga district chairperson MTN services for SAGE programme have;

- Reduced risks associated with transfer of money especially within local government.
- Reduced the management bureaucracies and associated challenges.
- Minimized leakages associated with handling cash.
- Guaranteed transparency and accountability for both government and MTN.

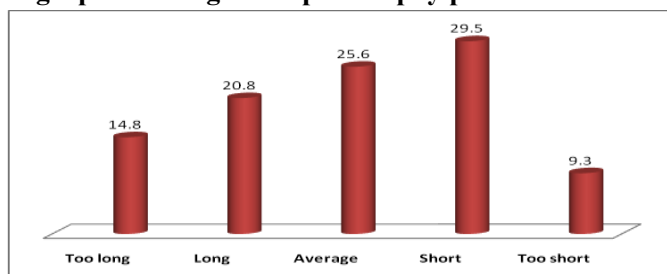
In a country like Uganda where most government programmes have been marred with corruption and mismanagement of government funds, MTN has exclusively minimised such instances with the SAGE programme. MTN has been applauded by many beneficiaries and other key respondents in Kiboga for trying to serve within the required standards to ensure security of funds.

Effectiveness of payment service providers and user satisfaction are important determinants of good quality service. The payment service provider is considered effective if an acceptable number of beneficiaries are able to access their grant timely. Beneficiaries are satisfied with the service if they access the grant in the shortest possible time, when the costs of access are minimal and lastly if the customer service care they get from the service provider is of an acceptable norm/standard. Therefore to investigate the quality of the SAGE payment service, we consider:

- (i) Time spent at the pay point
- (ii) Assistance provided to the beneficiaries at the pay point
- (iv) Failure to get money at the pay point
- (v) Cost of the journey to the pay point.

Time spent at the pay-point is a critical measure of the quality of service offered. Time spent could also be viewed in terms of the opportunity cost or what the beneficiary foregoes to collect the money. During the pay-point exit survey; beneficiaries were requested to give a sense of how long they stayed at the point (since arrival up to when they were served). Second they were requested to also rank this time on a Likert scale. About 64% of the beneficiaries felt that had stayed for a reasonable time at the pay point, 36% of the beneficiaries felt that they had over stayed at the pay point (see the graph below for details).

A graph showing time spent at pay points



Source: Generated by AISRGD from statistics obtained from field

From an operations perspective, the MTN agents' arrival time, limited money handlers (including ET machines) and poor network largely influence the time the beneficiary spends at the pay points. The SAGE programme and PSP have been working on addressing the aspect of having enough ET machines per district.

Assistance at the pay point is another SAGE measure of service quality; operationally this includes/covers "customer care". The beneficiaries are asked whether they were treated with courtesy at the pay point, whether they received some assistance and whether that assistance was provided in a satisfactory manner.

The results show that 90% of the beneficiaries ranked the assistance received at the pay point as at least good, while 60 % considered it to be at least very good. Largely the beneficiaries were satisfied with the quality of assistance they received at the pay point. During the survey, beneficiaries were asked whether the money handlers had greeted them and also whether they had been polite to them during payment. The survey results indicated that 81% and 97% of the beneficiaries reported that the money handlers had greeted them and were polite to them respectively. In terms of being informed of their account balance before withdrawal, 63% reported as having been told their account balance. Beneficiaries' knowing their account balances helps them to take decisions on how much to withdraw or save. It is desirable that all beneficiaries are informed of their account balance before they withdraw; however, mobile money network speed and availability are the main hindrance to access beneficiaries' account balances.

Beneficiary being supported by the agent

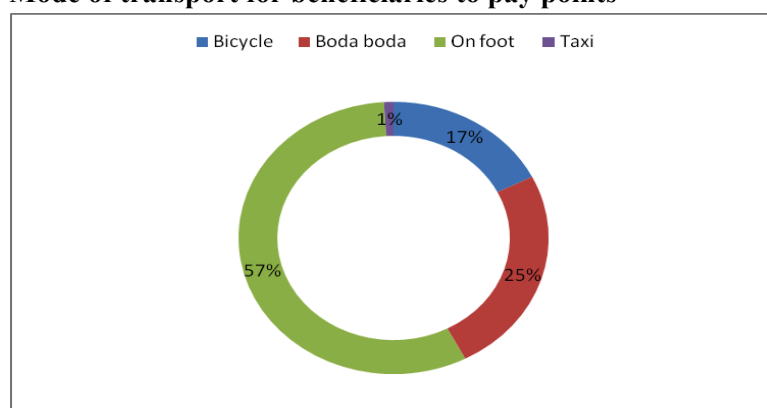


Source: AISRGD field photos

Beneficiaries were also asked whether they received the money they expected during the payment window. 95% of people responded to have received the money they expected. This is a good measure of the effectiveness of the payment mechanism. Of the 5% who indicated not getting the payment they expected, 70% reported the complaint to the pay point administrator of which 66% said they were satisfied with the answer/explanation provided by the pay point staff. This demonstrates that the beneficiaries have confidence in the complaint/grievance resolution mechanism.

Mode of Transport to Pay Point - The beneficiaries predominantly go on foot to the pay points as reported by 57% of the respondents. Bicycle and *boda-boda* (bicycle or motorbike taxi) follow with 25% and 18% respectively. Payments therefore, need to start earlier in the day and also end in time for the beneficiaries to be able to travel back home since a majority cover the journey on foot. The figure below shows both modes of transport used by the beneficiaries to the pay points.

Mode of transport for beneficiaries to pay points



Source: Generated by AISRGD from the statistics obtained from field

The survey findings show that overall on average; beneficiaries spend about 3,600 shillings on transport to the pay points. Of the beneficiaries that do not travel by foot, about 84% pay just less than 5,000 shillings for a return journey, followed by 16%, who pay between 5,000 to 10,000 shillings; the remaining about 1% reported paying above 10,000 shillings.

Impact of senior citizens grant on older persons

Overall the cash transfer through MTN mobile money has improved the nutrition of older persons and their families in Uganda. About 90 percent of the beneficiaries spend the largest portion of their cash transfer on food, with 10 percent reporting to be spending a big portion on alcohol. The number of meals eaten by beneficiary households have greatly improved unlike before older persons can now afford two reasonable meals a day. Indeed, a 69 year old woman in Lwamata sub-county revealed that *“Because of the availability of quality food, our grand children are now happy to go to school, are able to stay in school longer and learn better”*. Another female respondent in Kiboga town council said this about the grant: *‘My grandchildren in lower primary can now carry food stuffs to school for at least three weeks from the time the payment is made by MTN, they are now willing to go and stay longer at school since they have packed food’*.

Another frequent use of SAGE cash transfers is medical care. About 52 percent of the respondents reported having spent part of their grant to pay for medical bills and 40 percent use the grant to purchase medicine prescribed by pharmacists. A 77 year old man from Kibinga sub-county, explained that; *“Before SAGE cash transfer, I would hesitate to go to hospital because most government hospitals require us to buy medicine but with the SAGE cash transfer I can easily afford paying for my prescribed medicine as am waiting for my children’s assistance”*

Paying school fees is generally a major problem for most vulnerable families in most rural areas in Uganda. However, the grant is slowly changing this for some households. According to older persons, with the little they get they are able to invest part into school fees and buying scholastic materials for their grand children. This was confirmed by an 87 year old woman in Lwamata sub-county who stated that; *“I have five grand children whose mothers died of HIV/AIDS each of them left children to be paid for school fees; through the SAGE cash transfer I have been able to educate three of the children up to primary six, senior one and four” respectively*. A head teacher who happened to be around at the time of the interview was invited by the 87 year old woman to talk to the interviewer about school attendance of children from SAGE households. The head teacher mentioned that: *“Most children in the SAGE households can now*

ably attend school; their completion rate has greatly improved compared to before SAGE". However, this may need to be substantiated with additional studies.

Another attribute to the grant is women's participation in community affairs which has increased self-esteem and empowerment. Women beneficiaries feel less discriminated in their communities; they feel more valued by their families and communities on account of their ability to make financial contributions. For example, with the cash transfer they can contribute towards funerals as mentioned by an 82 year old woman from Bukomero sub-county; *"Recently my neighbour lost a daughter, there was a need to secure a coffin and other needs, I contributed four thousand Shillings, this happened when MTN agents had just paid me SAGE money"*.

SAGE cash transfer has further led to increased productivity of beneficiary households through:



Investment of part of the grants in the purchase of livestock, farming and the establishment of small businesses. About 20-30 percent of beneficiaries use part of the grant to invest in livestock, agricultural inputs, hire of ox-ploughs and hire of day-labourers. A woman in Kibinga sub-county mentioned that: *"I regularly save a portion of my grant to cover emergencies, cultivation, meeting the basic needs of my household as well as saving to hire day-labourers to open up idle agricultural land"*.

Some of the livestock bought out of SAGE cash transfer in Kibinga sub-county

Despite the key role MTN mobile money has played in ensuring financial inclusion of the poor who are mostly unbanked and efficient service delivery, MTN has implemented the programme amidst several challenges:

- Limited infrastructure including regulation for proper mobile money operations.
- Lack of a robust mechanism of controlling fraudulent acts that has marred the SAGE programme, particularly in Kole, Nebbi and Katakwi.
- Limited banks for mobile money operators to acquire the necessary floats for SAGE funds.
- Few pay agents relative to the number of beneficiaries that need to be served in one-day hence making the older persons wait longer than anticipated.
- Limited security provided to mobile money agents working on the SAGE programme.
- Delays by MTN to replace lost or faulty SAGE cards.

In a nutshell, SAGE pilot programme compliments the international goal of ending hunger and poverty as well as improving financial inclusion and efficient delivery of services especially in rural areas of Uganda. The SAGE programme has very good lessons to offer. The use of mobile money leaves out bureaucrats in the cash transfer process, which reduces financial leakage and corruption that is common in many African countries. For the SAGE programme, age does not matter for the right beneficiaries to receive what is meant for them. What is important is to have the required infrastructure and technology especially in rural areas. Beneficiaries will always learn along the way regardless of age.

5.0 Conclusion and Recommendations

5.1 Conclusion

It can be deduced from the foregoing discussions that SP programmes are a necessity in Uganda. There is a significant number of people who are benefitting under the various interventions even though their sustainability may be problematic in the long run as the costs of financing the same keep on rising. All the actors involved in the implementation and promotion of these policies, be they ministries, departments, NGOs, political parties, influential persons and beneficiaries determinedly believe that the social contract between the state and citizens can be improved if the implementation of these policies through mobile phones is improved so that the intended future SAGE beneficiaries can benefit as expected. They all believe that the state must always play a leading role in citizen empowerment and that citizens must be assisted to learn to think outside the box so that they can actively engage in productive economic activities.

5.2 Challenges in implementing the SAGE program

Even though MTN has tried to deliver the services per the agreement signed between MTN and SAGE, there are still lots of challenges affecting the development of the mobile money industry in Uganda. The challenges raised in this report are those raised by respondents and apply to beneficiaries, MTN agents, MTN as a service provider and the SAGE programme secretariat.

5.2.1 The existing poor infrastructure

The poor infrastructure for mobile money architecture in the implementation of SAGE programme in a rural setting is wanting. Even though MTN has succeeded with SAGE programme in Kiboga district with minimal challenges, agents work in fear that any time money could be stolen either on the way or at the pay points.

5.2.2 Poor MTN Network

There are sometimes challenges with the MTN network; this was a big challenge when the SAGE programme had just been launched in Kiboga. Of late MTN has enhanced its network by increasing on the number of masts/booster.

One of the masts in Kibinga sub-county Kiboga district



Source: Photos taken by AISRGD during the field visit

According to a beneficiary in Lwamata sub-county:

“When the programme started we could even wait for hours for network to stabilize but of late the network has improved at

most we can wait for 30 minutes if the network is bad”.

According to the SAGE office, there are no instances where beneficiaries have missed payment in Kiboga due to network. Currently, a normal payment process takes around three minutes, including providing support to the elderly persons who cannot follow the procedures on their own. However, some agents feel there are too few pay agents relative to the number of beneficiaries that need to be served in one day. Hence customers have to sometimes wait for a longer time than expected.

According to the SAGE secretariat staff, the most significant challenge was from July to September 2013 when payments to 43,000 beneficiaries, who had been enrolled into the manual payment system, were suspended due to a) a robbery suffered by an agent in Katakwi district, and b) failure by MTN to reach an agreement on operating expenses with their sub-contractors such as the company abroad that printed SAGE MTN cards for beneficiaries. However, by end of November 2013 MTN had paid all arrears in Kiboga and the rest of the districts with manual payments.

5.2.3 Poor Motivation of MTN Field agents

MTN agents in Kiboga also receive inadequate commission considering the time they spend traveling to the pay points and helping the elderly to effect payments. MTN only pays agents according to the beneficiaries worked on without taking into consideration the time taken to help the elderly during payment and the time taken to travel to the pay points.

5.2.4 The presence of few banks in the districts

There are also a limited number of banks, especially in Kiboga, to obtain the necessary amount of cash for the beneficiaries. Therefore MTN agents have to deal with banks early enough to secure the required amount. Sometimes the process of securing enough float is tedious and time consuming and causes delays in reaching the pay points.

5.2.5 The cost of transactions

Changing payment modalities and increases in stipends paid out by SAGE impacted on the income of MTN as a service provider. Returns for MTN reduced when they started paying beneficiaries every two monthly instead of monthly. The change in payment modality did not bring down all the costs met by MTN, such as updating the list of beneficiaries monthly. MTN sought to renegotiate plans for these indirect costs with SAGE. However discussions had not yet kicked off given the fact that the programme was being phased out.

5.2.6 Delays in the replacement of misplaced or damaged yellow cards

There are also reports from beneficiaries that MTN takes long to replace misplaced and faulty cards. District officials revealed that MTN's standard procedures for replacing lost or faulty SIM cards are unsuitable for the SAGE programme. Some of the procedures for replacing the cards include: in case of a lost card, the beneficiary is supposed to report to the police where the beneficiary receives a letter confirming loss of the card, then MTN has to verify the information and confirm if the person is a SAGE beneficiary and only then can MTN order for the reprint of the card. According to the beneficiaries the process for card replacement can take close to four months.

5.2.7 The challenge of managing fraud

MTN has also failed to address continuous fraud in a number of SAGE districts including Kole, Katakwi, Nakapiripirit and Nebbi. Though there are no cases of fraud so far reported in Kiboga, the district was indirectly affected by fraud in other districts when all manual payments were suspended for a couple of months in all the SAGE districts due to the high rate of illiteracy, older persons cannot operate the yellow easy talk/equatel machine and this situation is further worsened by poor handling of the MTN cards. Many cards get spoilt because of exposure to water or rain or get scratched.

Despite the above challenges, policy actors, program and field staff, local governments, MTN, and current beneficiaries are largely enthusiastic about SAGE's success and the potential for it to scale up. The following measures have been put in place by MTN to address some of the challenges mentioned above;

- Erection of a number of masks to address the issue of network in most of the SAGE districts including Kiboga.
- Pay points have been increased from 18 to 24. This has reduced the travel time for beneficiaries and the number of beneficiaries at each pay point.
- Introduction of dedicated Risk Management Systems for SAGE, working in partnership with MTN's Business Risk Management department.
- Strengthening of regular monitoring by MTN regional managers who are meant to foresee payment processes and also to ensure that customer care for the beneficiaries prevail.
- Introduction of conflict resolution forms at parish and sub-county levels which beneficiaries use to file their grievances.
- Issuance of MTN SIM cards with a secret PIN number only known to the beneficiary. This programme card is produced by MTN and branded as an MTN card. Unlike other MTN clients, the service provider determines PIN numbers and beneficiaries receive them in a secret paper to be opened by the beneficiary.
- Approvals of funds before disbursements to agents or payments to beneficiaries. Verification of funds is done by different units within MTN; however, information regarding the units was not readily available for the public.
- Use of selected authorized MTN agents; not every MTN agent in the district works on SAGE beneficiaries.

5.3 Emerging policy research issues

There are some key emerging issues from the study:

- Oversight in the registration of MTN as a communication company rather than both financial and communication institution.
- Given that SAGE deals with the elderly, it was interesting to see how elders were coping and dealing with the challenges that come with new technology
- The monopoly of MTN in the implementation of the SAGE programme. There is a need to compare what other telecommunication companies can offer to the SAGE programme and their cost implications. Mobile money services have large coverage without proper regulatory procedures and in some cases even considered illegal in Uganda.

5.4 Recommendations

For more effective implementation and rollout of the SAGE programme, the following issues need to be addressed further. There is need for MTN to find a suitable alternative for replacing faulty and spoilt cards and the alternatives should be processed in a timely manner. The government of Uganda needs to carry out an assessment of using MTN as a monopoly service provider in the SAGE programme versus engaging multiple service providers within the telecommunication sector that offer mobile money services. Engagement of other mobile money service providers may improve service delivery for the SAGE programme. MTN should put in place better monitoring systems to address fraud.

5.5 Conclusions and Potential areas for Future Research

Though studies have been conducted on mobile money development research on a number of issues on mobile money services is missing. While mobile money services in Uganda has reached a number of the unbanked especially in rural areas where access to banks is minimal, the adoption of MMT by the state in the implementation of SAGE programme is believed to be the most viable option for encouraging rural population to save and pay their bills while at home. Many of the characteristics that make mobile money so promising in scale and impact, its varied uses, and the novelty of its role are also reasons for achieving financial inclusion and this restores hopes of saving for the future generation. While exciting, the success of MMT in some section of the population, the mobile money use in Uganda should not harbor the fact that those examples remain the exception, not the rule. With this caution in mind, governments, and development partners should have a fine rationale to support the creation of vibrant mobile money services that caters for and includes the poor rural communities in financial markets accessibilities for transformations and poverty reduction. Although far from the only mechanism, mobile is certainly one of the most powerful means by which to realize this promise. Though MTN is highly applauded for its effective implementation, it is however, not clear whether it will continue rendering quality services in the event of rollout of SAGE scheduled after June 2015 as its network sometimes is not accessible to the users of MMTs.

5.6 Potential areas for Future Research

Although research has been conducted on mobile money development in Uganda, a number of issues related to regulation and protection of the users are inadequate in all aspects. Areas such as usage and adoption of mobile money have remained under studied; the impact of mobile money development on transformation of rural traditional infrastructure is barely researched.

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Annex 1: Names and list of sub-counties and their beneficiaries

5.5.1 Bukomero Sub-county

Sub-County Name	Parish-Name	Village-Name	Number Of Beneficiaries
Bukomero	Kagogo	Bulyankuyege B	8
Bukomero	Kagogo	Kanziira	14
Bukomero	Kikooba	Wabikunyu	6
Bukomero	Kyoomya	Kayunga	26
Bukomero	Matagi	Lutti	13
Bukomero	Mwezi	Bitibyamukasa	21
Bukomero	Mwezi	Sogolero	32
Total			120

5.5.2 Lwamata sub-county

Sub-County Name	Parish-Name	Village-Name	Number Of Beneficiaries
Lwamata	Buninga	Kyakikooti	7
Lwamata	Kasejjere	Kamujjumbula	3
Lwamata	Kisagazi	Kisagazi	27
Lwamata	Kisweka	Kyekumbya	17
Lwamata	Lwamata	Kawanda B	25
Lwamata	Nsala	Buyongo	29
Lwamata	Ssinde	Ssinde	28
Total			136

5.5.3 Muwanga Sub-county

Sub-County Name	Parish-Name	Village-Name	Number Of Beneficiaries
Muwanga	Bikko	Bikko	43
Muwanga	Muwanga	Bukundugulu	53
Muwanga	Nabwendo	Luswa	43
Muwanga	Nakasengere	Basajjamula	43
Muwanga	Nakasengere	Kyampisi	21
Muwanga	Nakasozi	Nakasozi	73
Muwanga	Nakasozi	Nkumbi	23
Total			299

5.5.4 Kibiga Sub-county

Sub-County Name	Parish-Name	Village-Name	Number Of Beneficiaries
Kibiga	Degeya	Ddegeya	12
Kibiga	Degeya	Kiryankozi	22
Kibiga	Kajjere	Goyero	33
Kibiga	Kibaale	Kabada	26
Kibiga	Kibiga	Kalengera	17
Kibiga	Kizinga	Nabisoga	34
Kibiga	Nkandwa	Kijwiiga	20
Total			164

Annex II: QUESTIONNAIRE FOR THE BENEFICIARIES OF SAGE

Dear respondent, good morning /afternoon. My name is Am from African Institute for Strategic Research Governance and Development; I am conducting a research on effectiveness and challenges of using mobile money service in the implementation of the social assistance grants for empowerment programme: a case of Kiboga district in Uganda. The questionnaire takes less than 7 minutes to answer. Kindly respond to the following questions to the best of your knowledge. If you have any questions concerning this research, do not hesitate to call the office for further explanations or if you want to give in more information please write us at.....

Section A: Demographic characteristic of the respondent

1.1 Age:	<input type="checkbox"/> Less than 30yrs <input type="checkbox"/> Between 30-40 yrs <input type="checkbox"/> Between 40-50 yrs <input type="checkbox"/> Between 50 -60 yrs <input type="checkbox"/> More than 60 yrs	1.2 Gender:	<input type="checkbox"/> Male <input type="checkbox"/> Female
1.3 Education level:	<input type="checkbox"/> None <input type="checkbox"/> Primary <input type="checkbox"/> Ordinary Secondary <input type="checkbox"/> Advanced Secondary <input type="checkbox"/> Diploma <input type="checkbox"/> Degree	1.4 Marital status:	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Separate <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed
1.4 Employment status:	<input type="checkbox"/> Employed <input type="checkbox"/> Not employed <input type="checkbox"/> Retired		

SECTION B: BENEFICIARIES OF SAGE AND MOBILE MONEY SUBSRIBED ON BY BENEFICIARIES

Qtn1. Are you a beneficiary of SAGE programme?

Yes	No
------------	-----------

Qtn2. Which mobile service provider are you subscribed to?

a) MTN	<input type="checkbox"/> Airtel	<input type="checkbox"/> Warid	<input type="checkbox"/>
d) Smile	<input type="checkbox"/> K2	f) Mango	<input type="checkbox"/>

b) Do you use MTN mobile money services to receive money from SAGE?

i) Yes

ii) No

c) Why do you prefer to use MTN money services than other networks? (**Probe for Explain**)

.....

SECTION C: RATING OF MTN MOBILE MONEY SERVICES IN SAGE PROGRAMME

Qtn 3. How do you rate on a scale of 1-4 MTN mobile money services in implementing SAGE programme?

1	Excellent	2	Very good	3	Average	4	Poor
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b) For each answer please give reasons

i. Excellent/ very good

.....
 ii. Average

Emmanuel Agaba 0772760140

.....
 iii. Poor

SECTION D: AMOUNT OF MONEY RECEIVED BY SAGE BENEFICIARIES THROUGH MTN MOBILE MONEY SERVICES

Qtn4. How much does government supposed to pay you per month?

- a) 10,000-20,000
- b) 20,000-30,000
- c) 30,000- 40,000
- d) 40,000-50,000
- e) 50,000 above

b) What is the actual amount does MTN mobile money service provider remit?

SECTION E: DISTANCE FROM MTN MOBILE MONEY SERVICES AND BENEFICIARIES

Qtn 5. How long does it take you to travel to access mobile money services?

- i) 0-5 km
- ii) 6-10 km
- iii) 10-15 km
- iv) 16-20 km
- v) Above 20 km

SECTION F: TIME SPENT ON A TRANSACTION.

Qtn 6. How often do you make transactions related to SAGE in a month?

- a) Once ☐ b) Twice ☐ c) Thrice ☐ d) Nil ☐

b) On average, how long does it take you to complete a transaction?

- a) 2 minutes ☐ 4 minutes ☐ c) 6 ☐ tes ☐ d) more than 7 ☐

c) Do you often get delays when transacting a mobile money transaction?

- a) Yes ☐ b) No ☐

d) If yes, in your view what could be the causes for the delays?

SECTION G: PROCEDURE FOR RECEIVING MONEY

Qtn 7. What procedures do follow to receive SAGE money through MTN mobile money services?

- i.
- ii.

- iii.
- iv.
- v.

SECTION H: RELATIONSHIP BETWEEN MOBILE MONEY TRANSFER AND CROWDING OF BENEFICIARIES

Qtn 8. What is your working relationship between the beneficiary and mtn service provider?

1	Very good	2	Good	3	Fairly	4	Poor	5	Non sure
---	-----------	---	------	---	--------	---	------	---	----------

b) For any answer provided please give reasons

Very good/ good

Fair

Poor

SECTION I: MTN MOBILE MONEY EFFICIENCY

Qtn 9. Is MTN mobile money services in SAGE programme effective or efficient?

Yes	No
-----	----

b) If yes how efficient is MTN mobile money service provider in delivering funds to SAGE beneficiaries? (**Probe for detailed explanation**)

- a.
- b.
- c.
- d.

c) If no what are the contributing factors which results the MTN mobile money services not to be efficient in this particular programme? (**Probe for detailed explanation**)

- e.
- f.
- g.
- h.

SECTION J: BENEFICIARIES INVOLVEMENT AND PERCEPTION OF THE SERVICES BY BENEFICIARIES

Qtn 10. Are you involved in any changes being made on the use of Mobile money transfer services by MTN service provider?

Yes	No
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b) IF yes please explain

Qtn11. How do you find the process of receiving money through mobile money services in terms of; Functionality

Credibility

Trust

SECTION K: CHALLENGES ENCOUNTERED BY BENEFICIARIES

Qtn12. What challenges have you encountered in accessing SAGE money through MTN mobile money?

- a)
- b)
- c)
- d)
- e)

b) How do you overcome such challenges?

.....
.....

Qtn13. In your view, do you think the process of MTN mobile money transfer needs some changes or improvements?

a) Yes ☐ b) No ☐

b) If yes suggest some ways of improving the SAGE programme through the use of MTN mobile money services providers

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Qtn14. What specific recommendation do you give to MTN mobile money service providers and government?

a) MTN mobile money

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.....

b) Government

.....
.....