

Gates Foundation: Four Priorities to Enable Digital

Payments

The Bill & Melinda Gates Foundation recognizes that four major, *non-technical* issues preclude the use of commercially-available digital payments systems. And proposes concrete ways to address these in [Enabling Digital Financial Services in Humanitarian Response: Four Priorities for Improving Payments](#).

Improved ELAN Resource Page

It's not just your closet: the [ELAN Resources page](#) needed Spring cleaning, too. Now it's organized around three themes (product experiences and feedback, financial inclusion, and data management and protection.)

Your sock drawer, however? You're on your own.



Ronald Rwakigumba
Agri-Fin Mobile Uganda
Country Coordinator
Mercy Corps

Ask the Expert: Ronald Rwakigumba - Mercy Corps

A USAID Office of Food for Peace-funded program in Uganda switched from paper vouchers to e-vouchers and redemption skyrocketed. (See [the ebook](#) for more info.) Ronald Rwakigumba will join us in April for a webinar to talk through the transition's success and challenges. We caught up with him this month to give you a teaser.

1.) What spearheaded the program's original shift from paper to e-vouchers? And what did the product testing reveal?

Initially, the shift was aimed at increasing efficiency within the voucher program, but ultimately many benefits and solutions were generated. [These included] strengthening capital for agro-dealers, increasing choice of inputs, facilitating real-time solutions, and increasing numeracy skills.

2.) Numeracy skills – how?

Paper-based vouchers were item-based and specified for the volume of bean or maize seed that a farmer was entitled to. This did little to encourage a money economy, where rural households could start to appreciate the costs of these materials and plan accordingly.

For the e-voucher, a value was printed on each card. Since it only represented a 50% subsidy, farmers who had been used to being given materials started calculating amounts to top-up, bringing them closer to understanding how markets operate.

3.) Were there particular groups that adapted to the change better than others?

The agro-dealers adapted faster, since the efficiencies directly helped them. Farmers adapted worse, since they were used to full subsidies and the concept of cost share represented a change.

4.) “Training” is a term that can describe something incredible – interesting and tailored – to something pretty mediocre. How, specifically, did the program go about training agro-dealers and smallholder farmers on this new system?

Both groups received customized training. For agro-dealers, the two-day training started with them mapping out how the previous paper-based system worked. Most agro-dealers had experienced the paper voucher system. After mapping that system, the e-voucher system was explained – not as a new system – but by layering it over the old paper system and showing the similarities. The training was interactive, drawing on agro-dealers’ existing expertise.

Farmers in the system design were not expected to hold any technology. Instead, they were broadly informed about the system’s benefits, like increased choice and agronomic practices, to make sure they make the most of the seeds they purchased.

5.) I noticed that one of the lessons learned is that training sessions should be mandatory. Why?

We observed a mismatch between the agro-dealers who attended [training] and those who would conduct the actual voucher redemption. Some agro-dealers delegated voucher redemption to staff who had not attended, making it difficult for them to navigate the USSD menus. Ideally, both the owners and staff should attend so they can support each other.

6.) I’m curious about the interactive voice response (IVR) system that allowed agro-dealers to troubleshoot the e-voucher system. Do you think this was a successful way to make information accessible?

All the agro-dealers and agents used the IVR system at least once or twice. The set-up was popular because we started redeeming nearly a month after we had conducted the trainings, a time when some agro-dealers had already forgotten the redemption process. Text-based services were unsuitable, since literacy levels were low. And the IVR system was most effective since we translated it into the region’s three primary languages.

7.) What changes, if any, were made to the USSD menu?

One exciting menu change was to use an automated payment system to split payments between agro-dealers and their suppliers. Previously, payment would be deposited in the agro-dealer’s mobile money wallet; then the agro-dealer would pay the supplier. [The instant split] of the voucher raised trust among suppliers to extend inputs credits to rural agro-dealers, since the supplier payment was as instantaneous as the agro-dealers’.

8.) What most impressed you about this project?

The relationships agro-dealers cultivated with their suppliers –and

their ability to make mobile money payments for inputs – will have a lasting impact on their businesses. The project also demonstrated that even in rural areas like Karamoja, farmers are willing to invest in improved inputs, challenging assumptions about the viability of this market. Coming from a mobile for development perspective, I am also happy with the accelerated development of the mobile money ecosystem in Kotido, Abim, and Kaabong, which will have a lasting impact in access to financial services.

Our technology partner – Innovate More (U) Ltd – was immensely flexible, innovative, and very skilled. It's inspiring to work with technology partners who put users' needs at the forefront – not just for revenue or good products – but for achieving impact for development.