

Electronic Cash Transfers for social pension delivery in Myanmar – Summary of evaluation report



This summary report presents the findings from the process evaluation of HelpAge International's Electronic Cash Transfer Intervention Pilot in Myingyan township, Mandalay Region, Myanmar. An assessment by Oxford Policy Management was commissioned by HelpAge International, with funding from the Livelihoods and Food Security Fund (LIFT).

Introduction

Currently, the delivery of government social protection cash transfers is done through manual payments, which is labour intensive and poses fiduciary risks related to leakage and delayed payment. To investigate the potential for using electronic cash transfers in social protection in Myanmar, HelpAge International initiated a pilot in Myingyan as part of its implementation of the Dry Zone Social Protection Project. The Electronic Cash Transfer (ECT) pilot uses mobile money technology to deliver social pensions in 205 communities (rural and urban) of Myingyan township. Since the first payment in March 2018, the pilot has delivered social pensions to around 1,000 beneficiaries aged 85–89 years. From age 90, Older Persons transition to the government's national social pension.

The purpose of the pilot is to test and learn from delivering social pensions through e-payments. The pilot aims to assess the extent to which electronic cash transfers, compared to manual transfers, may be more efficient, more secure, and increasingly in line with how people transact their financial business.

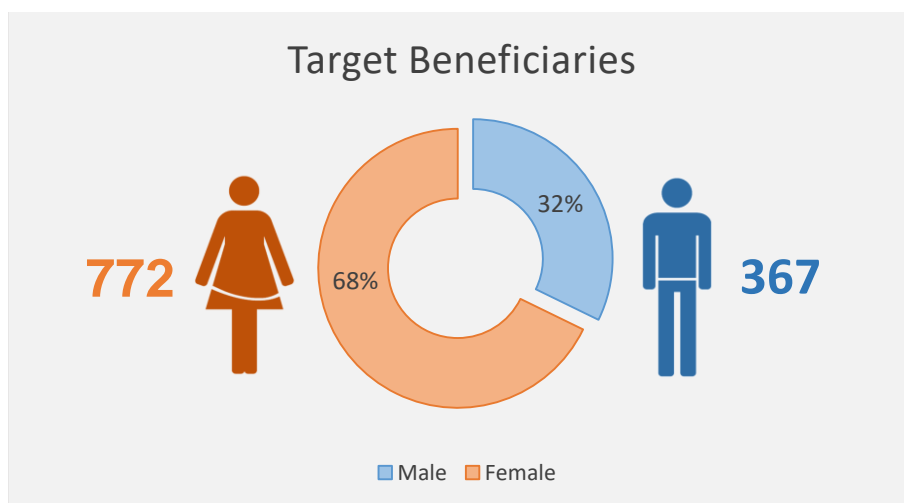


It also aims to assess if ECTs can contribute to reducing the burden on the General Administration Department, which is responsible for implementing the national social pension. The pilot also trialled the use of unpaid community volunteers to support the process.

Learning from the pilot is expected to support plans of the Department of Social Welfare (DSW) of the Ministry of Social Welfare, Relief and Resettlement for expanding social protection nationally, and will also be shared with other stakeholders, such as non-governmental organisations and development partners. Lessons from the pilot will also be relevant for other forms of cash transfers included in the National Social Protection Strategic Plan (2014).

Pilot Overview

The ECT pilot implementation has varied over time in its coverage, as well as modality. The number of pay agents, as well as beneficiaries, has increased with each payment cycle. During the pilot's timeframe, a total of 1,139 Older Persons received their social pension through the ECTs.



HelpAge's ECT pilot covers all of 185 villages and 20 wards in Myingyan township and transfers social pension payments to eligible Older Persons aged 85-89 years by using mobile money technology.

In 2018, HelpAge has delivered four electronic transfers¹ to the eligible beneficiaries in Myingyan communities with the monthly amount of MMK 10,000 for each beneficiary. HelpAge aimed to roll out the implementation of payment delivery to communities in a phased manner and also aimed to test different payment methods in each of the payment rounds. Two telecom mobile money operators – Wave Money (Telenor) and M-Pitesan (Ooredoo) – were, therefore, contracted to deliver the payments to beneficiaries.

For the first payment using Wave Money, the HelpAge head office sent the beneficiary list to counterparts at Wave Money via email. At the same time, HelpAge deposited funds and service fees to a bank account of Telenor (Wave Money) at Yoma Bank. Payments were then disbursed

¹ In March, June, July, and September

by Wave Money to each beneficiary's Wave Account and a transfer notification message was sent to the phone numbers of the recipients.

For payments using M-Pitesan HelpAge opened an M-Pitesan account (e-wallet) and funds were deposited to this account through CB Bank. M-Pitesan provided access to a payroll portal that is linked to the M-Pitesan account held by HelpAge. HelpAge uploaded the beneficiary list to HelpAge's M-Pitesan account through the web portal and the payroll was approved by the Programme Manager in order to complete disbursing payments to recipients. Once the funds were disbursed, recipients received an SMS notification from M-Pitesan. M-Pitesan over-the-counter (OTC) transfer method requires the recipients to withdraw the payment within 14 days of receiving the SMS.

Findings

The ECT pilot has demonstrated that e-payments can indeed be operationalised in Myanmar, using different service providers, within a short span of time.

There are many findings that were expected: electronic payments are collected by proxies, and money is largely spent on medicines and donations. Older Persons are highly reliant on family members to access payments. Also, General Administration Department (GAD) officials, volunteers and village/ward administrators continue to play an important role in the delivery of e-payments. The research also sheds light on the social context underlying these payments. Pay agents, village/ward officials, volunteers and proxies all greatly respect the Older Persons and consider their role as serving them and gaining respect.

This evaluation has also provided unexpected findings: there were no major issues reported regarding pay agent interactions – no informal payments and no reports of fraud. Whilst it is difficult to make a clear statement regarding relationships between proxies and Older Persons, qualitative fieldwork with a limited number of Older Persons did suggest that there were no informal payments or leakages in the payments from proxies to Older Persons.

At the same time, the OTC payment process still operates in an environment of great trust: pay agents trust that individuals who come to collect payments are indeed proxies. Older Persons trust that pay agents and proxies deliver the full payment. Finally, HelpAge assumes that the registration data provided by village/ward administrators has no errors.

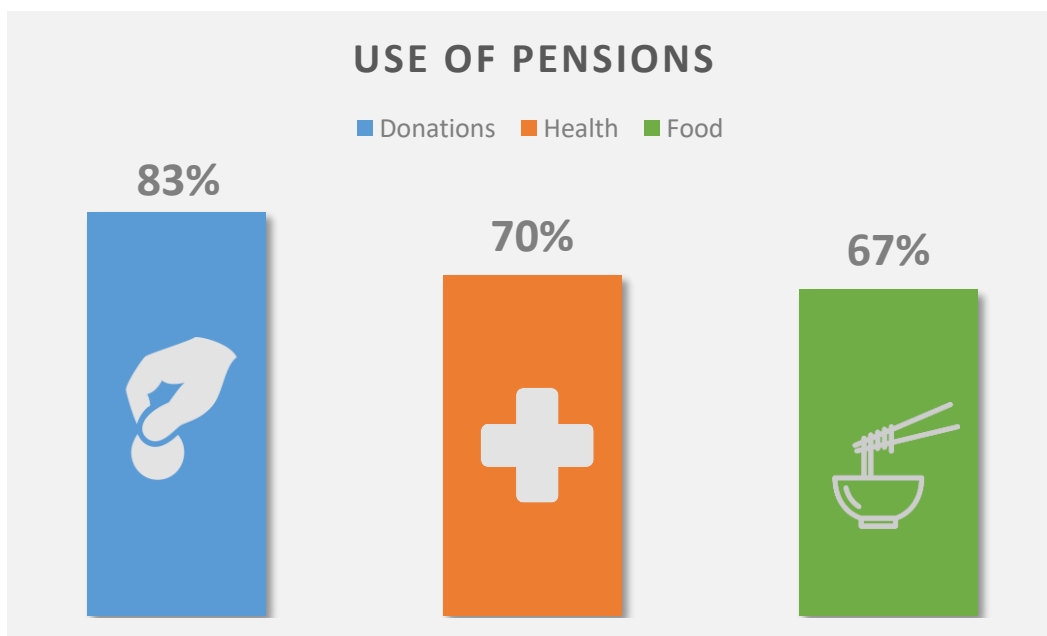
The pilot has faced commercial, geographic and social constraints, including issues of access for recipients who are immobile; the need to rely on the GAD and community volunteers for communications between the programme and the beneficiaries; as well as coverage of pay agents at the village level. This not atypical of pilots implemented elsewhere and some of these constraints are explored in the sections below.

Older Persons were highly reliant on family members to access payments: The survey found that Older Persons relied almost exclusively on other persons (proxies) to collect their money. Most of the beneficiaries received support from their family members but beneficiaries also relied on volunteers, village administrators, and village/ward clerks etc. to collect payments. On a similar point, most beneficiaries do not own a mobile phone, so the vast majority used someone else's phone – including their family members, neighbours, and even local GAD officials – to receive the SMS payment notification.

At the time of writing this report, there were insufficient pay agents at the village level to enable village level payment withdrawal for all pilot beneficiaries. Currently, there are only 28 pay agents participating in the pilot, for more than 200 villages/wards in the whole pilot township. Amongst these, two agents participated in providing both Wave Money and M-Pitesan payments, while five additional agents were involved in Wave payments and another 21 agents participated in M-Pitesan OTC payments. It is important to note that HelpAge overcame this challenge by negotiating with the mobile money operators. For example, in villages where there was no pay agent within the village tract area or nearby villages, the mobile money operator's Myingyan branch office set up pay points on selected dates to deliver payments.

The ECT pilot relied on the support of GAD officials, volunteers, and village/ward administrators to operate: HelpAge requested the support of township GAD in beneficiary enrolment into the pilot. Beneficiary registration forms were distributed to village tract/ward administrators. Eligible beneficiaries were identified and registered by these administrators by using the beneficiary registration forms. The ECT pilot team then collected the registered forms at the township GAD office and developed a consolidated list of beneficiaries. The beneficiary list, particularly the phone numbers of recipients, were double-checked by the ECT pilot team at Myingyan office and at head office in Yangon to make sure the phone numbers provided are valid and still in use.

Survey results indicate that the payments received by Older Persons were mostly used for consumption: Donations, Health clinic fees/medicines, and Food stand out as the most mentioned uses of payment by Older Persons surveyed. For uses like donations, there was no major difference between gender or location of the respondents (urban/rural). Evaluators also observed the same responses during qualitative research with most beneficiaries indicating that they used the money for donations to the monastery and community, and to buy food and medicines for themselves.



Recommendations

For HelpAge

Discuss the role of volunteers and social protection committees with DSW and GAD: Volunteers and social protection committees are not formal structures and are likely to discontinue without continued support. HelpAge should discuss their role with DSW and GAD, especially in the light of expanded coverage of the national social pension and maternal child cash transfer (MCCT). However, care must be taken to avoid duplication of structures and to create clear lines of accountability and oversight in relation to members of the social protection committees.

Encourage higher coverage of pay agents: HelpAge should structure and negotiate contracts with mobile money operators (MMOs) to encourage a greater number of pay agents. Given the preferences of beneficiaries, it would be preferable if pay agents were located within the same village.

Incorporate beneficiaries in feedback sessions and learning workshops: The feedback workshops should be extended to include the endline beneficiaries of the project, to help understand how to design future interventions better and also to provide a sense of empowerment and ownership among beneficiaries.

Improve communication to beneficiaries about mobile money and give them a choice: Future programming with e-payments should provide beneficiaries with sufficient information about the features of various products (e.g. the fact that OTC payments expire within 14 days), and should allow them to exercise choice.

Improve monitoring and grievance redressal processes: HelpAge should consider implementing mechanisms such as independent audits, which could involve direct interaction with older persons to ascertain programme performance.

Build DSW capacity: As the ECT pilot was implemented largely outside of the government's service delivery structure, if DSW decides to use e-payments in the future then HelpAge would need to provide support, such as: capacity building at Naypyitaw, state/region, and village level; training of DSW staff; creating manuals; helping DSW to negotiate with MMOs; and creating effective systems around M&E and grievance redressal.

Conduct further research: A cost-efficiency analysis of ECT versus manual transfers would provide useful information to DSW and other stakeholders.

For DSW

Consider the potential transition to e-payments as a medium- to long-term goal: In the short term, DSW should prioritise capacity building, expansion of cash transfer programmes, and strengthening internal systems. In the long term, continued evolution of the e-payments market, which is likely to increase in the future, and increases in financial inclusion across Myanmar can be capitalised on by DSW to ensure that take-up of e-payments is high.

Strengthen implementation processes, build capacity, and strategise expansion: The use of electronic payments requires strengthening of processes such as identity verification, management information systems, grievance redressal channels, and effective M&E at the programme level. DSW should undertake a capacity needs assessment and set out a clear, costed operational plan for the introduction of e-payments. Ideally, any expansion should start in wards/urban areas, with intensive M&E to feed back on the efficiency and effectiveness of e-payments.

Provide a ‘mixed model’ for the national social pension, with a mix of manual and e-payments, and multiple payment service providers: Due to Myanmar’s diversity, e-payment mechanisms will not be a universal solution – they are more feasible and easier to roll out in urban areas, but manual payments are more suitable for remote rural areas. DSW should contract various payment service providers to ensure high coverage of pay agents and network functionality, to allow recipients to choose the service which suits them best.

Adopt an approach which provides choice and drives competition: Improved financial inclusion drives adoption of e-payments in social protection programmes. Ideally, all recipients of social protection programmes should have access to an account (bank, e-wallet, or transaction account) that is able to receive payments from the government. In this way, social protection recipients will have the choice and flexibility to use the payment service provider and product of their choice and it will be up to the government to deliver e-payments to their accounts, negotiating with different payment service providers on transaction charges and implementation modalities so that endline recipients receive the full benefit amount. In this scenario, market competition will encourage payment service providers to register customers competitively, and encourage innovation among providers so they can offer better coverage and functionality of their ‘e-products’. It is important to note that adopting this approach would necessitate effective enforcement of regulation, strengthening of internal systems at DSW, and continuous M&E to ensure the welfare of social protection recipients.



This brief draws on a report titled “*HelpAge International Dry Zone Electronic Cash Transfer Pilot Evaluation*”, by Farhat, M. & Lynn, T.A., 2018. For the full report, please visit:
<https://www.helpage.org/resources/publications/>

HelpAge International is a global network of organisations promoting the right of all older people to lead dignified, healthy and secure lives.

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