



Afghans now pay bills, share funds using “mobile money”

Highlights

S&T Innovation: Bill paying, money transfer, salary payments via mobile phone networks

Sector: Financial Infrastructure

Program: Economic Development

Development Challenges: Climate Change

Location: Afghanistan

Potential for Replication: High potential for scaling within Afghanistan. Is being replicated/adapted from earlier successes in the Philippines and Indonesia

Implementing Partners: Chemonics International

Host Country Counterpart: Ministry of Finance, Afghanistan National Bank

Private Sector Partners: All four mobile network operators: Etisalat, AWCC, MTN, and Roshan

Other Partners/Affiliates: Da Afghanistan Breshna Sherkat (DABS)

Two out of three Afghans cannot read or write. Less than one in ten have bank accounts. But the vast majority of people across the country – more than 80% – have access to cellular phones.

USAID’s Financial Access for Investing in the Development of Afghanistan project (FAIDA) is making life easier for Afghans to pay bills, transfer money, and even receive their salaries through a “Mobile Money” solution. The program also promotes private enterprise development.

Four mobile phone networks are already well established throughout Afghanistan’s rugged terrain, which has made “Mobile Money” relatively easy to introduce.

How does it work? Just like loading a phone with credit for calls or messages, Afghans can now load their ‘mobile wallet’ with cash. The cash can be used to send money to a far-flung relative, or, in some cases, to pay electricity bills or receive government salaries. More than 100,000 households can now pay their electricity bills using their mobile phone accounts. The project is well on its way to reaching its goal of providing 300,000 Kabul households with the ability to do so.

Before the advent of Mobile Money, consumers had to pay their electricity bills at a bank, which could take anywhere from two hours to two days. The new, easy electronic payment method has improved the cash flow of electricity companies, which can now rely on more Afghans to pay their bills on time.

Other uses for Mobile Money are equally dramatic. Now, salaries for teachers or the Afghan National Police force can be paid monthly instead of every two months. The Mobile Money payment method also prevents third party agents - who previously paid government workers in cash - from skimming as much as 30% off of the pay checks.

“This is a truly life-changing technology for many Afghans,” says Joey Mendoza, the project manager, who also designed a prototype for mobile money in the Philippines.