

“Ti Manman Cheri” Experiments with Mobile Government-to-Person (G2P) Payments in Haiti

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The “Ti Manman Cheri”¹ (TMC) initiative highlights the complexities of linking mobile money with social cash transfers in a context that is insecure, and has underdeveloped infrastructure. TMC provides lessons for others looking to implement mobile money government-to-person (G2P) programs. TMC overcame obstacles – such as mobile and agent network inadequacies, shifting government priorities and a lack of a central identification system – to pay 23,000 of its 75,000 recipients via mobile money accounts after only one year.

TMC mobile money mechanism designed to provide better financial support for mothers

TMC is the first government-led conditional cash transfer program in Haiti reaching 75,000 mothers after one year of operation.

TMC aims to 1) provide financial support for mothers with school-age children living in impoverished and underprivileged communities, 2) ensure the attendance and retention of these recipients’ children in national and communal schools and 3) empower Haitian mothers.



Key drivers behind choice to distribute payments via mobile money

The government's enthusiasm for a mobile-based solution that would facilitate direct transfers to 100,000 recipients within the first year drove its decision to use Digicel's TchoTcho Mobile, a secure mobile wallet that offers cash-out options and enables "store of value" and low-cost, convenient financial transacting. In an environment prone to leakage and lack of transparency, the government saw electronic payments – and specifically mobile money payments – as an opportunity to offer greater efficiency and transparency. The government was also motivated by (a) a strong "business case" for using mobile money – with mobile money fees coming in at 3.5 times less expensive than manual payments; (b) a good working relationship between the Prime Minister and Digicel's CEO; and (c) the potential for financial inclusion among an excluded population.

Table 1 Ti Manman Cheri Overview

Target Population(s)	Mothers living in impoverished and underprivileged areas with school-age children in grades 1 through 6.
Requirements to Register for the Grant	TchoTcho Mobile: (a) registration verification, (b) Digicel phone number, and (c) TchoTcho Mobile account with know-your-customer information. Unitransfer Voucher: (a) national ID and (b) registration verification.
Conditionality	Yes, based on school attendance of children of registered mothers.
Average Amount / Grant Paid	The payment allowance is as follows: one child = HTG 400 (US\$10); two children = HTG 600 (US\$15); three children = HTG 800 (US\$20).
Payment frequency	Originally, monthly; currently, doubled payments bi-monthly.
Payment Period and Duration	Date set based on date of first payment. Payments can be accessed after receipt of SMS message alerting recipient that payment is ready (for those receiving via mobile money).
Start Month and Year	Launched on 27 May 2012, Mother's Day in Haiti, for 15 months in initial phase, and is potentially indefinite.
Total Number of Recipients	75,000 total recipients out of the 100,000 initial target within first year, with an average of 66,000 recipients paid per month. Goal to reach 1 million by 2015.

TMC Program's Top Objectives for Using Mobile Money for E-Payments

1. Minimize the time to scale up the program (efficiency)
2. Minimize the time and cost taken by the recipient to collect payment (efficiency)
3. Minimize leakage or loss due to fraud, misappropriation, etc. (transparency)

TMC's design and implementation highlights

Under political pressure to successfully launch Haiti's first-ever G2P initiative, the Haitian government and Digicel conceptualized, designed, and launched the program within six months.

Even though TMC benefited from a deliberate design and implementation plan, the government's decision to immediately scale the program nationally led to significant implementation challenges. Rather than first implementing in Port au Prince as originally agreed upon with Digicel², it was decided that payments should be extended to all districts in the country immediately. The challenges TMC faced included: sporadic mobile network outages caused by Digicel's attempts to switch mobile platforms; an insufficient number of mobile money agents outside Port au Prince; frequent shifting of priorities among government parties, and; a lack of a central ID register that would smooth program registration. After one year, the program had registered 75,000 recipients, 25 percent short of its original registration target.

After the challenges that the government and Digicel faced in paying recipients outside Port au Prince, the program added another payment service provider. This new provider, Unitransfer, has branches throughout Haiti. It is a specialized domestic and international remittance company which made payments to the majority of recipients through vouchers.

Despite the obstacles and failure to reach its initial target, TMC made notable progress in just one in just one year – 75,000 recipients were registered and receiving G2P payments, albeit irregularly, for the first time in Haiti’s history, and all were women. And as of May 2013, 30 percent of TMC recipients received payments via TchoTcho Mobile, through which they can save, send, and manage money through the Digicel mobile platform and agent network.

UNIQUE INFLUENCERS OF TMC’S DESIGN

- Political & Social Urgency.** TMC came at a transitional time in Haiti’s history: a volatile election had just occurred; the economy was still reeling from the devastation of natural disasters and; managing the subsequent influx of aid brought many challenges. The urgency in this context to create new programs to decrease extreme poverty directly influenced the creation of TMC.
- Lack of Experience on E-payments.** The administration was the first to implement a social cash transfer program, and an e-payments approach that linked transfers to mobile phone platforms was a completely new undertaking.
- Driven by High-Level Collaboration.** The program and its operational plan stemmed from the high-level partnership between the Prime Minister and Digicel, resulting in a small management team that included a Digicel employee working with the government to ensure close cooperation across the program and Payment Service Provider (PSP).

Table 2 Comparison of Digicel’s TchoTcho Mobile and Unitransfer Voucher

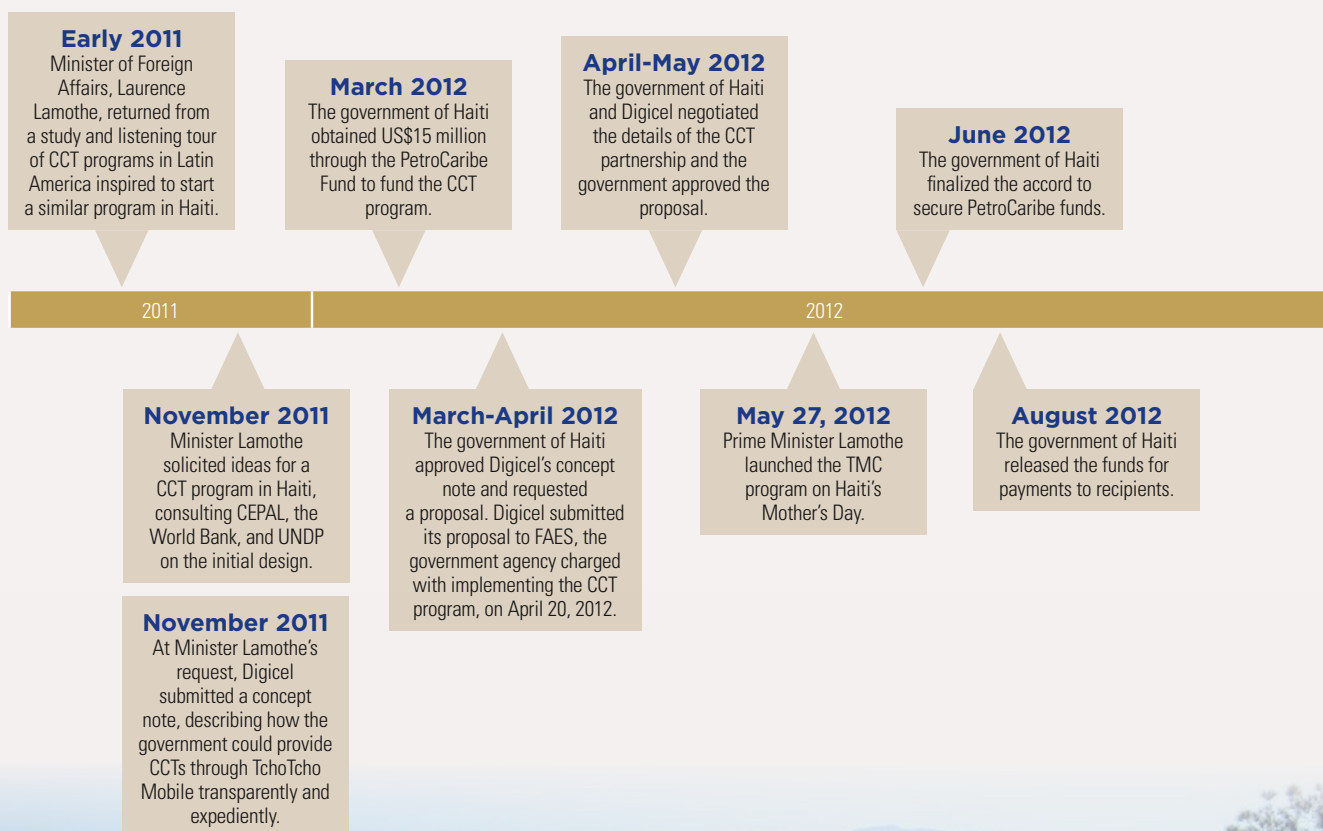
Payment Program Detail	Digicel’s TchoTcho Mobile	Unitransfer Voucher
Year PSP Began Involvement	Early 2012; involved in design phase.	Early 2013; involved during roll-out.
Value of Payment	US\$10–20 [US\$10 for 1 student, US\$15 for 2 students, US\$20 for 3 students].	US\$10–20 [US\$10 for 1 student, US\$15 for 2 students, US\$20 for 3 students].
Frequency of Payment	Monthly (shifting to bi-monthly).	Bi-monthly.
Number of Recipients in Program	23,000	52,000
One-off Fees Paid by Program to Provider	Digicel only: US\$440,000 for program management, set up, strategy development, overhead.	N/A.
Ongoing Fees Paid by Program to Provider	Digicel: 2.5% of the transfer value plus a flat fee of US\$0.125 per transfer.	Unitransfer: US\$1.50–2.00 per transfer.
Pay Points	TchoTcho Mobile Agents: 900. Fonkoze: 47 Branches. Alo Communications: 23 outlets. DGS (Digicel Stores): 20 outlets. Other: 4 Tom and Jerry and 2 Cap Plus stores.	Unitransfer and Unibank branches: 500; mobile kiosks mobilized when needed to various hard to reach locations.
Payment Instrument	SIM card in mobile phone.	Paper voucher.
Payment Device	Mobile phone.	Agent, branch teller.
Authentication Process	2 factors: SIM and 4-digit PIN.	2 factors: Voucher and national ID.
Reconciliation Process (Electronic/Manual)	Electronic input but manually go through to make adjustments.	Electronic input but manually go through to make adjustments.
Financial Inclusion	Yes.	No.



Through a unique partnership with Digicel, the Haitian Government launched its **first G2P payment program** via mobile money accounts, reaching **75,000 women** in just one year



TMC Design Timeline



Lessons for Better Than Cash Alliance Members

The government's bold decision to create a mobile money-linked G2P payments program together with the urgency to create an impactful and popular program for the people were clear drivers through the many obstacles that the program has faced. The government-led program demonstrated several key lessons that are applicable to other organizations interested in implementing mobile G2P payments.

1 Complete adequate planning before launch. Digicel and the government developed all of TMC—including its policy design, payment program design, and operational and financial plans—in just six months during a time of major government transition in Haiti. While the government's urgency to innovate solutions for poverty reduction was understandable, the realities of implementing a complex social payment program needed to be addressed before launch.

2 Create clear partnership structure, roles, and accountability. TMC presents a unique example of a payment partner designing a government social payment program, with limited input from senior government officials. Lack of clarity around leadership, roles and accountability between the payment service provider and the program led to tensions and exacerbated implementation obstacles.

3 Complete pre-implementation recipient research and ongoing recipient monitoring. Neither TMC nor Digicel did enough to fully understand the recipient needs and potential obstacles in reaching them effectively. They underestimated the risks associated with the lack of national identification, name spelling irregularities, the lack of PIN memorization and incorrect phone numbers, all of which the program eventually identified as common problems once registration and payments began. As a result, the program lacked the staff capacity necessary to register and train recipients at one time.

4 Infrastructure preparedness is critical. An e-payments readiness diagnostic or similar preparedness tool would likely have revealed several infrastructure challenges to a nationwide roll-out of mobile money-linked cash transfers in Haiti, particularly the lack of agent network coverage and the shortage of technical capacities of all implementing parties.

5 Consider all options. For TMC, the sole source contract allowed it to launch and implement quickly. But limiting the payment program concept and design to one type of payment mechanism (without considering other options) may have obscured barriers and risks that could have been anticipated and addressed ahead of implementation. Although a competitive bid process would have taken longer to implement, it may have provided TMC with more delivery options.

6 Ensure a clear value proposition for all stakeholders involved. In the haste to roll out the program, TMC did not ensure a value proposition for all stakeholders. Government and policy stakeholders and other key actors need to understand the business case and derive value from it. Implementing partners should consider the fixed and ongoing costs of infrastructure and the benefits of delivering services to recipients, whether new client acquisition, or opportunities to partner with the government or reputational benefits. Finally, recipients consistently ranked TMC payments as the smallest and least reliable of their income sources. Recipients were grateful to receive the money, but considered it a sporadic "gift" rather than an income source that would help stabilize their cash flows or reliably cover education costs.



About the Better Than Cash Alliance

The Better Than Cash Alliance is an alliance of governments, private sector and development organizations committed to accelerating the shift from cash to electronic payments. The Better Than Cash Alliance is funded by the Bill & Melinda Gates Foundation, Citi, Ford Foundation, MasterCard, Omidyar Network, USAID and Visa Inc. The UN Capital Development Fund serves as the secretariat.



References

For methodology, comprehensive program details, stakeholder experiences, and findings, please see the full case study, available at www.betterthancash.org and www.cgap.org. The authors of this case study are Jamie M. Zimmerman and Kristy Bohling, members of the Bankable Frontier Associates team responsible for the research and reporting for this and three other case studies commissioned by CGAP and affiliated with the Better Than Cash Alliance's Development Results Focused Research Programme.



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¹ "Ti manman cheri" means "dear little mother" in Creole.

² In the program's original design, FAES intended to register up to 100,000 mothers of school children for TMC's mobile money payments in four targeted neighborhoods of Port au Prince over one year.