



USAID
FROM THE AMERICAN PEOPLE



ACTIVITY BRIEF



July 2013

Promoting the Use of Mobile Money to Strengthen Health Systems: Applications in Human Resources for Health

Approximately three-quarters of adults living on less than \$2 per day do not have an account at a financial institution.¹ Lack of formal financial services limits access to credit, savings, remittances, insurance, and other instruments that play an important role in providing poor and vulnerable populations with financial protection from health care costs. In Sub-Saharan Africa, 12% of the population without a formal bank account uses mobile phones to conduct financial transactions,² and in at least 28 countries around the world, there are more mobile money agent outlets than formal bank branches.³ Mobile phone-based financial transactions, commonly referred to as mobile money, promote financial inclusion and can be used to address key financial barriers to health care access for the poor.

Mobile Money defined:

The term mobile money describes financial transactions that are conducted using a mobile phone, where value is stored virtually (e-money) in an account associated with a SIM card. Such transactions are compatible with basic phones and do not require internet access. Mobile money systems have the potential of extending the reach of financial services to populations not served by the traditional banking sector.

Health workers are critical to the functioning and delivery of services in a health system. In many low and middle income countries, the health workforce is challenged by severe shortages, low numbers of health workers in remote and rural areas, poor training, and insufficient supplies, which negatively impact the delivery of health services. Inefficient mechanisms for disbursing salary payments, training fees, and financial incentives are particularly problematic for health workers in remote and hard-to-reach areas, and affect the motivation and performance of the workforce. A country's ability to meet its health goals depends largely on its capacity to address these challenges.

Cash payments in the health system carry security risks, increased vulnerability to fraud and leakage, and lead to expensive and time consuming paperwork and administrative loads. These transactions also impose a burden on health workers who often have to leave their work stations to receive salary payments; forcing them to incur extra expenses to travel to pay stations and imposing opportunity costs in terms of time spent away from service delivery activities. Mobile money solutions can address these issues by offering a fast, safe and transparent mechanism for timely disbursement of salaries, incentives, and other payments to health workers. Mobile money can also lower costs associated with security, accounting and processing of payments for health workers.

¹ Demircuc-Kunt, A., and L. Klapper. 2012. "Measuring Financial Inclusion: The Global Findex Database." Policy Research Working Paper 6025, World Bank, Washington, DC.

² Ibid.

³ Penicaud, Claire. GSMA – Mobile Money for the Unbanked. State of the Industry: Results from the 2012 Global Mobile Money Adoption Survey.

The Health Finance and Governance (HFG) project works with partner countries to increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions. Designed to fundamentally strengthen health systems, the HFG project will improve health in partner countries by expanding people's access to health care, especially priority health services.

The HFG project is a five-year (2012-2017), \$209 million global project funded by the U.S. Agency for International Development. The HFG project is led by Abt Associates Inc. in collaboration with Broad Branch Associates, Development Alternatives Inc., Futures Institute, Johns Hopkins Bloomberg School of Public Health, Results for Development Institute, RTI International, and Training Resources Group, Inc.



Abt Associates
4550 Montgomery Avenue
Suite 800 North
Bethesda, MD 20814
www.abtassociates.com

DISCLAIMER

The author's views expressed here do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government.

Mobile Money Applications in Human Resources for Health:

- ▶ **Recruitment and Retention** – Timely and potentially more frequent payment of salaries, incentives, bonuses, and rural hardship allowances can increase recruitment and retention in rural areas. Automatic electronic payments can decrease administrative burden as well as travel and security costs.
- ▶ **Workshops and Incidental Expenses** – Mobile phone-based payment solutions can improve disbursement of training workshop per diems and travel expenses, decreasing administrative burden and security risks.
- ▶ **Performance Based Incentives (PBI)** – Text messages, games and other mobile communications to train health workers can be coupled with mobile money rewards for accurate response, as a way of incentivizing active participation in training programs to improve health service delivery
- ▶ **Public Private Partnerships** – Partnership with mobile service operators may allow for greater outreach to rural populations for both financial and health services by training health workers to register new mobile money users. As mobile money agents, community health workers expand their ability to earn income.

Illustrative Example of Mobile Money Application in Human Resources for Health

Zambia Integrated Systems Strengthening Program (ZISSP)

The USAID-funded **Zambia Integrated Systems Strengthening Program (ZISSP)** works with Zambia's National Malaria Control Center and hires hundreds of spray operators to treat homes in rural and poor urban areas. To improve operations and reduce the risk of large cash transactions, ZISSP initiated a successful pilot in 2012 of electronic payments to cover salaries, allowances, per diem payments, and other expenses for spray operators and project staff. ZISSP pays the spray operators their salary and per diems on a weekly basis through Mobile Payment Solution Ltd. (MPS), a Zambian company specializing in financial transactions, in partnership with Airtel, a mobile phone operator. The MPS system allows for SMS-based mobile payments to be sent to recipient spray operator mobile phones. ZISSP has found that this system which is based on weekly payment requests which are validated at multiple points, allows for more accurate tracking of salaries, and enables payment of exact amounts due to operators based on actual hours worked.

D-tree Safe Deliveries in Zanzibar, Tanzania

Traditional Birth Attendants (TBA) in Zanzibar typically receive income from assisting deliveries, which they lose when a referral sends patients to deliver in facilities, potentially inhibiting the appropriate referral of at-risk patients. To cover this loss and to incentivize TBAs to make appropriate referrals, **D-tree International**, a non-profit organization committed to improving the quality of healthcare with the use of innovative technology, has established a two-pronged mobile phone-based referral system that allows women to reach emergency health services in a timely manner. First, a clinical algorithm on the mobile phone guides TBAs through a process of identifying high risk women for referral to health facilities. Next, in partnership with Zantel, a mobile phone operator, D-tree transfers funds to the TBAs to enable them to pay for a patient's emergency transportation costs to the closest health facility. For each referral, the TBA visits the home of the patient, accompanies the woman to a health facility, and provides care during the post-partum period. TBAs receive compensation for each referral after they complete follow up care for the client.