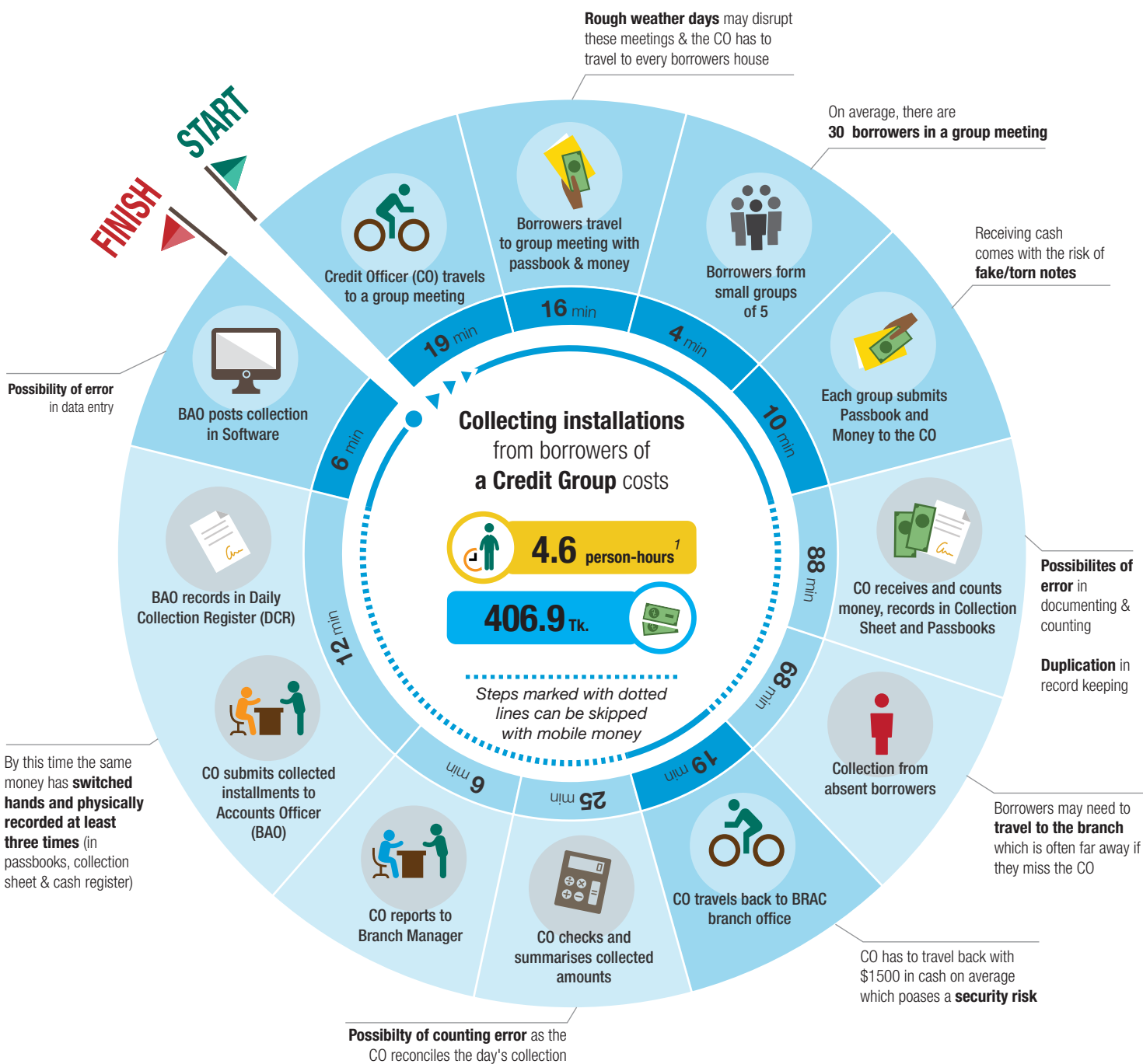


Cost of cash

Microfinance installment collection



Overall comparison

(for 1,27,975 group meetings held in one month)²

	Cash	vs	Mobile money	Difference
Person-hour	585 thousand		122 thousand	463 thousand
Cost ³	521 lakh		111 lakh	410 lakh

Methodology

Estimates were derived using the following steps:

- 1 Detailed process mapping**
to reveal all the steps and personnel involved
- 2 Surveys performed to estimate the time**
required for each step of the process self reported by the personnels
- 3 Estimation of person-hour and cost**
considering staff salaries and engagement time
- 4 Estimation of other direct costs**
associated with each step, if any, (e.g., transport cost)
- 5 Total cost of installment collection for one group meeting**
estimated by summing up staff costs and direct costs associated with all steps of the process
- 6 Estimation of total cost of installment collection for all BRAC branches (per month)** by multiplying the average total cost for 1 group meeting with the total number of group meetings organised in all BRAC branches in a month
- 7 Estimation of cost that can be saved by replacing cash with mobile money** by reviewing the whole process to determine which steps are likely to be omitted in a mobile money based transaction system and discounting the costs for those steps.
- 8** Additionally, **focus group discussions** were conducted to explore beneficiary perspectives and **key informant interviews** with BRAC Staff to reveal their perspective.

BRAC staff involved in installment collection



**Credit Officer
(CO)**

CO is the grassroots field officer tasked with being the main point of contact for all borrowers and savers



**Branch Accounts
Officer (BAO)**

BAO looks after all the accounts related transactions and documentations at the branch level



**Branch Manager
(BM)**

BM manages the microfinance programme at the branch level, supervising the COs and communicating with the clients

Note:

- 1 This person-hour estimation includes involvement of more than one BRAC staff in some of the steps.
- 2 Estimates are based on number of group meetings in a month across all BRAC branches with Dabi programme. At the time of preparing this brief, data collected from BRAC reports that 127975 group meetings were taking place in a month in all BRAC branches.
- 3 The cost for BRAC to collect via mobile money is 1.5% paid to the mobile money provider. The cost for BRAC to disburse via mobile money is 0.25% paid to the mobile money provider. Neither of these were accounted for in the calculations presented above.