Cost of cash
Microfinance installment collection

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

<table>
<thead>
<tr>
<th></th>
<th>Cash</th>
<th>Mobile money</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person-hour</td>
<td>585 thousand</td>
<td>122 thousand</td>
<td>463 thousand</td>
</tr>
<tr>
<td>Cost</td>
<td>521 lakh</td>
<td>111 lakh</td>
<td>410 lakh</td>
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</tbody>
</table>
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 personnel

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.

   Additionally, **focus group discussions** were conducted to explore beneficiary perspectives and **key informant interviews** with BRAC staff to reveal their perspective.

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**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

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**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.