



USAID | LIBERIA

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SNAPSHOT

Liberia Uses Mobile Money to Pay Teachers

In a cash economy, mobile money salary payments lay the foundation for a digital economy



Photo: A poster at a restaurant in Monrovia offers diners the option to pay by mobile money.

"I do not spend any money to collect my pay through mMoney. I spent less than 5 minutes to cash-out my salary via mMoney. Most of my colleagues want to join the mMoney salary payment process."

- Patrick M. Miamen
Teacher in Margibi County

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://www.usaid.gov/results-data/success-stories>

The Liberian Cabinet has officially endorsed the Ministry of Education's Mobile Money Payment System for Rural Teachers. This comes as a culmination of many steps taken by USAID's Governance and Economic Support project (USAID-GEMS), which laid the groundwork for the Liberian Government to take ownership of providing mobile money salary payments to government employees.

There are few banks in Liberia, and debit cards are seldom used. The majority of financial transactions occur in cash. When workers receive salaries, they either receive a check at the county capitol by a paymaster or receive a direct deposit, and immediately cash or withdraw the funds. Such regular trips to the few financial institutions incur costs, both in transportation to the banks and in missed time from work.

Mobile money cash-out operators are much more plentiful—there are 393 cash-out operators and only 85 bank branches. By working with the key group of teachers to have the option to receive salary payments through mobile money,

Liberia is also paving the way for this platform to expand to other sectors and inspiring growth in the infrastructure of vendors who accept mobile money payments and those who will cash out mobile money balances.

USAID-GEMS supported the Central Bank of Liberia to draft regulations to both monitor and encourage the use of Mobile Money in Liberia. The project then defined procedures and applied them to several pilot programs, working with other USAID-funded projects and Liberian Ministries to ensure the process led to effective payments.

During the pilot programs, the team discovered that, if extended throughout the government for salary payments, Liberia had the potential to save a total of 6 million USD per year.

The Cabinet's unanimous approval of this program shows that the government recognizes these benefits and is positioned to support this initiative, paving the way for mobile money to continue its growth.

