

Bridging the Rural Finance Gap: Lessons from Ghana's Roving Mobile Money Agents

EXECUTIVE SUMMARY

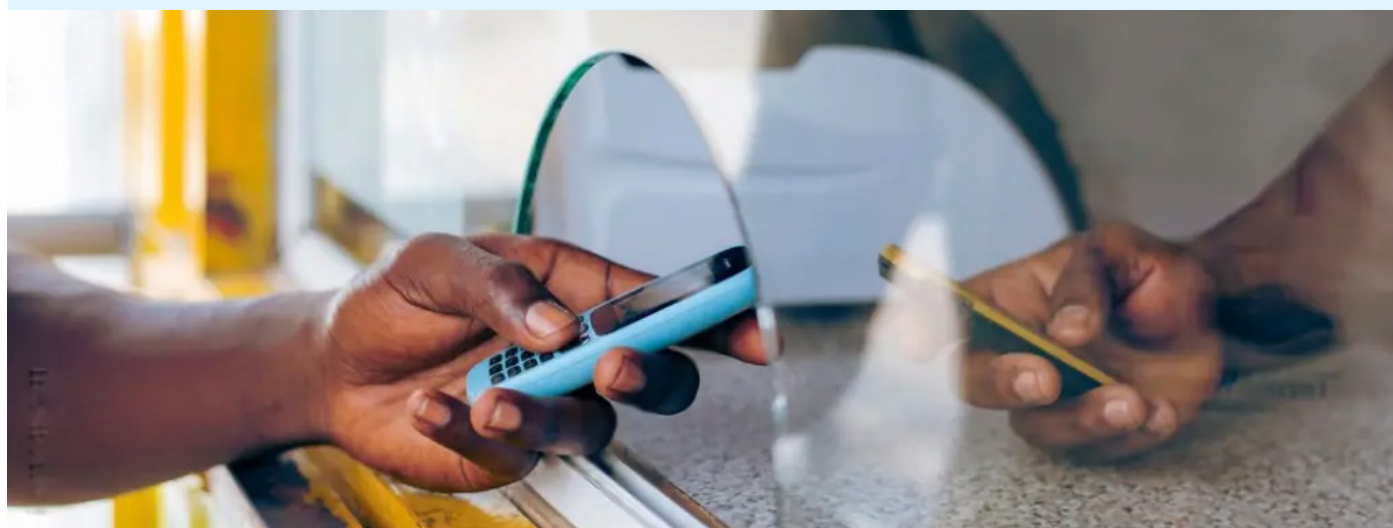
Mobile money agents are the backbone of Ghana's digital finance ecosystem, enabling millions of people to deposit, withdraw, and transfer funds. Yet, access to mobile money remains uneven. Rural and remote communities often lack permanent agents, while urban centres face overcrowding of agents, leading to intense competition and reduced profit margins. On the demand side, customers in underserved areas must travel very long distances and incur significant costs to access mobile money or other financial services.

To address this paradox, Ghana Communication Technology University (GCTU) piloted a roving agent model, incentivising mobile money agents to travel weekly to underserved "virgin" communities. Supported by transportation subsidies, the intervention was tested through a randomized controlled trial (RCT) across seven districts in the Central Region.

Findings show that subsidising transport significantly increased agent productivity. Treated agents recorded sharp rises in daily cash-in (15.2 times higher), cash-out (35 to 447 times higher), and customer base (almost 70 more customers) compared to control groups. These results suggest that the roving agent model is a viable strategy to expand access to financial services in underserved rural markets, while simultaneously improving agent profitability.

BACKGROUND

Financial inclusion is central to Ghana's economic development, with mobile money serving as the main entry point for many people excluded from formal banking. The Bank of Ghana estimates that mobile money transactions now exceed daily banking transactions, underscoring the sector's importance.



Source: Asetenapa.com

However, gaps persist. Urban centres experience overcrowding of agents, which reduces profit margins, while rural and remote communities often lack permanent agents. Expanding mobile money networks has a strong potential to create jobs for young people, and local access to mobile money could help reduce financial vulnerabilities in rural households, particularly in emergencies such as health shocks.

Research gaps remain regarding the effectiveness of the roving agent model. Limited and inconclusive evidence makes this study particularly significant especially in Ghana's context, where ICT infrastructure and financial literacy challenges persist.

The objective(s) of the research project were to:

- a) Examine the feasibility of the proposed intervention and understand how agents respond to “village-to-village” mobile money services.
- b) Evaluate the potential of the design for a full-randomized controlled trial (RCT).
- c) Strengthen relationships within Ghana's financial technology and retail finance ecosystem, while developing new industry networks with auxiliary actors.

Addressing these gaps supports Ghana's commitment to deepening financial inclusion, expanding employment opportunities, and leveraging digital finance for socio-economic development.

RESEARCH METHODOLOGY

The intervention was designed and evaluated by Ghana Communication Technology University under the ReFinD initiative, using a Randomized Controlled Trial (RCT):

- **Scope:** 7 districts in the Central Region (Agona East, Agona West, Ajumako/Enyan/Essiam, Awutu Senya West, Ekumfi, Gomoa East, and Gomoa West).
- **Sample:** 156 agents randomly assigned to treatment (transport subsidy) and control groups.
- **Intervention:** Agents received GHC50 per trip to help cover transport costs to virgin communities for 12 weekly visits. GPS tracking, transaction evidence, and random monitoring ensured compliance.

- **Data:** Baseline, follow-up, and customer surveys assessed changes in transaction volumes, profitability, customer base, and outreach.

This robust design ensured high internal validity and provided causal evidence on whether subsidies can incentivise agents to expand into underserved and unserved areas.

FINDINGS

The intervention generated three key insights:

1. Significant growth in transactions

- Daily cash-in transactions for the treatment group increased 15.22 times relative to the control group.
- Cash-out transactions rose by 35 times (daily), 125 times (weekly), and 447 times (monthly) for the treatment group compared to the control group.

2. Expansion of customer base

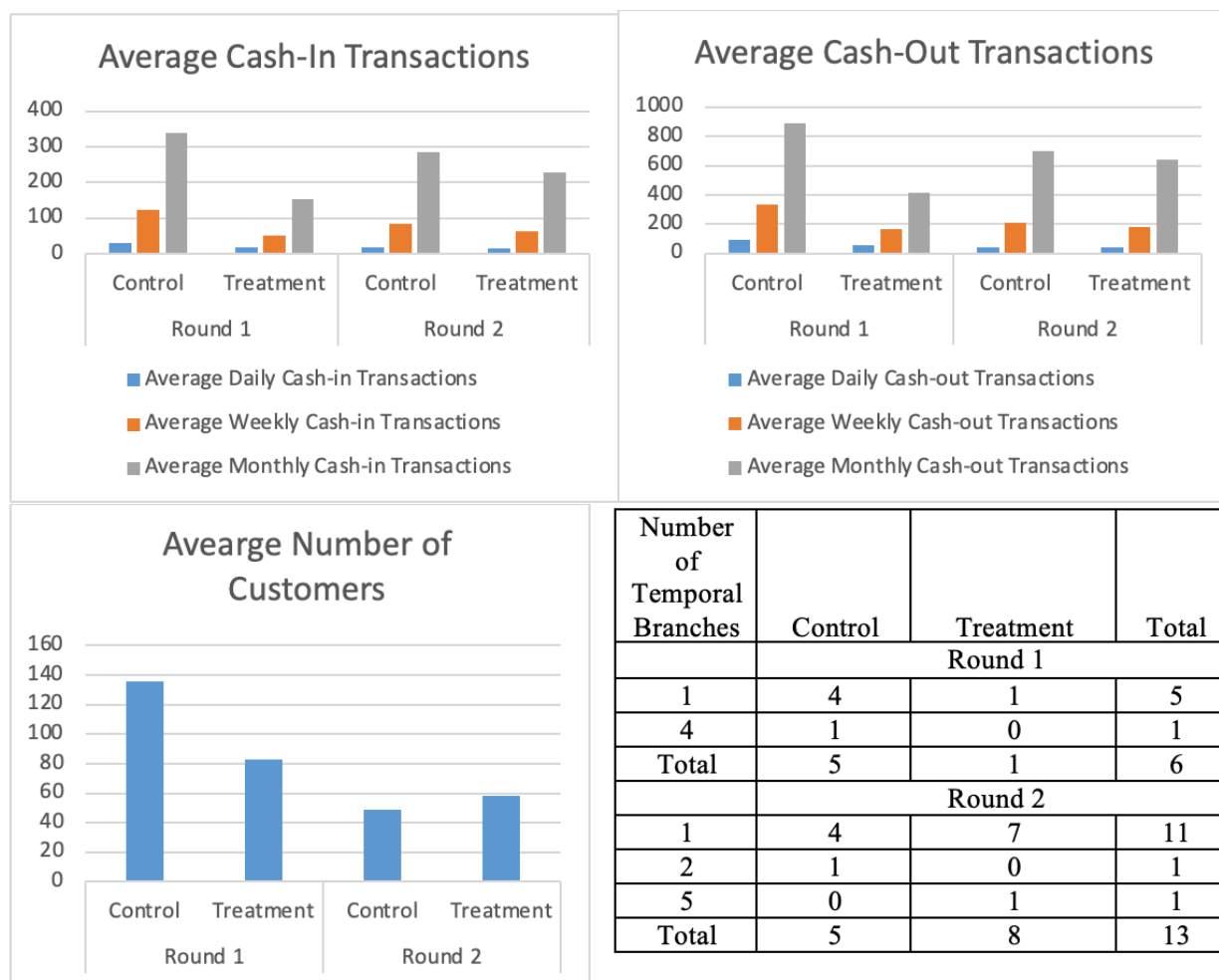
- Treated agents gained an average of 69.9 more customers on average than those in the control group.

3. Evidence of feasibility, sustainability, and demand

- Treated agents attracted an additional 5 - 25 customers per visit.
- Customers expressed willingness for continued visits, highlighting unmet demand in rural areas.
- One agent permanently opened a branch in a previously unserved locality.

Challenges included:

- Agent dropouts due to liquidity constraints, security concerns, and poor road networks.
- Unstable network coverage in some areas.
- Operational barriers such as inadequate working capital and lack of awareness campaigns.



CONCLUSION AND RECOMMENDATIONS

The transport subsidy intervention demonstrates that Ghana's rural financial access gap can be bridged through policy-supported roving agent models. Evidence shows benefits for both agents and rural customers: agents expand their business, while rural communities gain critical financial access. However, sustainability requires addressing structural barriers, including liquidity, infrastructure, and security.

To build on these findings and ensure long-term impact, the following recommendations are proposed for policymakers, regulators, and industry stakeholders:

1. Scale transportation incentives

- Institutionalise targeted transport or logistics subsidies for agents serving rural areas.
- Explore public-private partnerships with Mobile Network Operators (MNOs) to co-finance incentives especially for institutions that relies on mobile money for regular transfers to rural beneficiaries of social intervention programmes.

2. Strengthen infrastructure and security

- Improve rural road access and strengthen community-level policing to reduce risks of robbery and fraud.
- Expand mobile network coverage in underserved areas to reduce transaction failures.

3. Enhance liquidity support

- Develop or improve mechanisms where MNOs or banks supply e-cash directly to roving agents.

4. Support business sustainability

- Provide financial literacy training for agents to manage risks.
- Launch community sensitisation campaigns to build trust and awareness of mobile money services.

5. Ensure policy and regulatory backing

- The Bank of Ghana and Ministry of Finance should integrate roving agent models into national financial inclusion strategies.
- Consider slightly differentiated commissions as incentives for agents expanding into underserved areas.

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About ReFinD

ReFinD is a sub-grants-awarding research initiative that aims to support interventions that will effectively expand the reach and efficiency of agent network operations through public policy and commercial solutions that can plausibly be scaled. It is implemented by the Institute of Statistical, Social and Economic Research (ISSER), University of Ghana, with funding from the Bill & Melinda Gates Foundation, with focus on research based in LMICs in Sub-Saharan Africa, South Asia, and Southeast Asia.