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MOBILE MONEY TECHNOLOGY AS A CONVENIENT UTILITY BILLS IN UGANDA

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In the past, the public struggled to queue long hours and travelling long distances to pay water bills in Uganda urban centers. This made people become reluctant to pay for water bills leading to continuous cut offs and losing trust in the National Water and Sewerage Cooperation in Uganda. The use of mobile money technology has changed and made access to water in the urban centers more effectively and efficiently. The convenience of MTN mobile money to the public came as a real time solution and has eliminated delays in updating customer accounts. Reduce on the physical movements and long distances to pay bills and check account balance. The public are now finding payments of bills so simple: they can keep their accounts up to date and never get disconnected. Uganda National Water and Sewerage Cooperation in collaboration with the MTN has made a tremendous work though there is a great need for government to reduce on the water tariffs which were recently increased in the 2014 National budget. There is a fear to reduce on the number of people who can have access to water due to failure to pay such big amounts of money paid for each unit of water. This calls for NGOS and CSOs to become the voice of the voiceless to see the water current 2258 paid for each water unit.

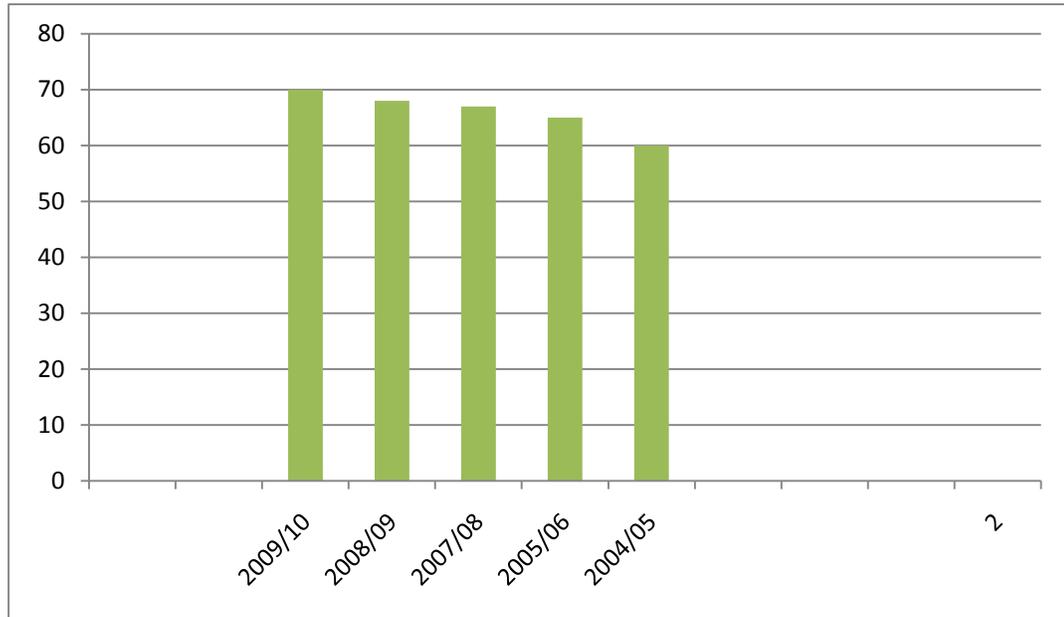
INTRODUCTION

The National Water and Sewerage Cooperation came into partnership with the MTN mobile money to initiate the use of MTN mobile money technology as a convenient method to pay water bills. The NWSC wanted to ease lives of the customers whom they believe as the king. They phased out cash offices in a bid to concentrate on customer care and the provision of water which is their core business and it was the reason for the NWSC to partner with dynamic organizations like MTN to make water bill payment easier.

According to Muhairwe (2009), the National Water and Sewerage Cooperation is an autonomous public corporation, which is owned by the government of Uganda. The corporation which was formed in 1972 has the mandate of providing urban water and sewerage.

During the financial year 2009/10, water production and supply was 72.14 million cubic meters and increase of 2.94 million cubic metres from the previous financial year 2008/09, meaning that the number of customers paying their water bills increased and mtm mobile money made such payments easier and effective, NWSC Annual Report (2012)

Figure 1: Graph showing Water produced by NWSC in Uganda 2004/05-2009/10



MTN is a multinational telecommunication group launched in 1994. It is operating in 21 countries of Africa, Asia and the Middle East. Since 31 March 2010 MTN recorded subscribers across its operations in the 21 countries.

In Uganda, MTN was the maiden telecom company to launch a mobile money platform with MTN mobile money in 2009. To date, about 9 million Ugandans use mobile money for financial transactions with NWSC. According to MTN Annual Report (2013), MTN reported a strong performance with more than 20 million transactions each month with more than 300,000 NWSC customers paying their bills through MTN mobile money to date.

Methodology

Mobile money is an electronic payment system that enables money transfers to and from an electronic account that can be accessed via an ordinary mobile phone. Each customer account is linked to their mobile phone number by means of a built sim-card application. Physical cash withdrawals and deposits are facilitated by a network of rental agents. Mobile money can therefore profitably extend the reach of financial services to those who have traditionally been unbanked, such as the low income urban poor. To pay water bills by MTN mobile money, the following procedure is used.

- You have to own a cell phone and registered with MTN network.
- You have to select mobile money from MTN menu on your telephone, under mobile money, you have to select pay bills and then select NWSC.
- After all that, you select the region you belong and then type customer reference Number and the amount to be paid.
- After sending this message, you get to 2 instant messages of the transactions done.



MTN payment menu on telephone

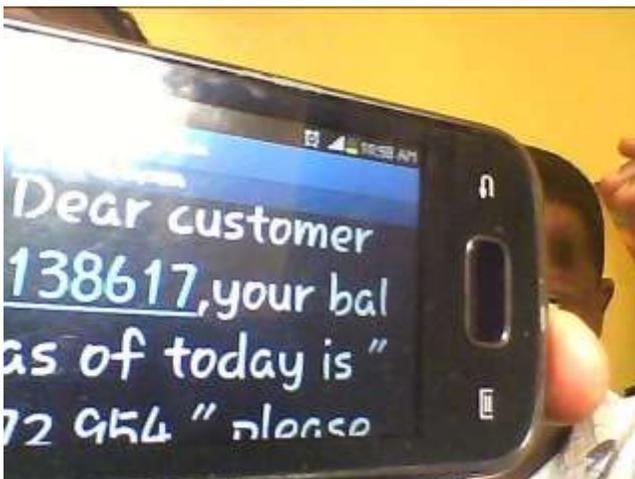
Results/Achievements

More than 300.000 customers of the National Water utility company pay their bills using MTN mobile money.

This payment service is embraced as the most modern tools for the convenience of its customers by the National Water and Sewerage Cooperation.

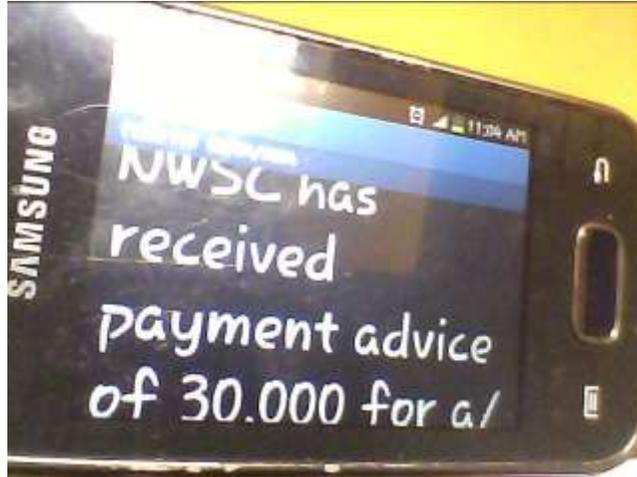
The innovation of the MTN mobile money increased reliability of water supply to customers by sending alerts for late payments and the customers responding by paying.

It came as a real time solution and will eliminate delays in updating customers' accounts as well as the need to physically move to pay bills or check their account balance. Customers find payments so simple that they keep their accounts up to date and therefore never get disconnected. Before MTN mobile money NWSC used to send bills through meter readers to people's houses but now bills are sent on individual phones.



Sms message from the NWSC reminding customer of the balance on account

Customers do not have to travel long distances the NWSC offices and they have been saved from queuing for long hours to pay their money. They use their mobile telephone to pay their bills and their accounts credited within 24 hours.



Transaction report from MTN and NWSC showing the amount paid by customer

The corporation saves 1 billion through payment by MTN mobile money, which used to be spent in transfer of cash from its branches.

The corporation saves huge sums of money which was once paid to security companies and banks.

The new system will have increased efficiency in making and eliminating the risk of carrying lots of money.

Challenges

- Delayed reconciliation of billing systems.
- Limited customer awareness most especially the peri urban rural people in the use of MTN mobile money.
- Technological constraints most especially to those who are not educated.

Way forward and Request for funding

I would like to call upon the committee and other participants to join me in the initiation of the Hydro informatics Network in Uganda to make people in Uganda understand the importance of hydro informatics like the use of mobile money to pay water bills and to support me in sharing the knowledge and skills on hydro informatics to the people of Uganda. The funding I am seeking for will enable me to create awareness and sensitize the people of Uganda on the issues concerning Hydro informatics, mobilizing NGOs and CBOs in the water sector to register as members in the Uganda Hydro informatics Network and starting a website for this Network if we are to take this information all around the world.

Table 2: Estimated budget for initiating Hydro Informatics Network in Uganda

Item	Quantity	Unit cost	Total cost
Awareness seminars for Water and sanitation civil society organizations to share information and skills from the Hydro informatics conference and fording way forward for the network	5seminars accommodating 2 leaders of from the 50 targeted organization (first phase) i.e. participants	2.500.000 x 5	12.500.000
Printing of Information Education and Communication materials to distribute among organization working on water and sanitation	4 sets of 500 papers each	1.500.000	6.000.000
Follow visits on trained organizations to see how information is integrated in the water activities	24 follow ups in one year	150.000 x 24	3.600.000
Total			22.100.000 US\$ 8840

Conclusion

Despite a compelling challenges like delayed reconciliation of billing systems, limited customer awareness and technological constraints hindering some customers uptake mobile water payments, those customers paying their bills with MTN mobile money enjoy considerable saving in time and money costs usually incurred when settling water bills at physical payments points. National Water and Sewerage Cooperation has strengthened its customer and financial base through their timeline bill payments, higher collection efficiencies and lower administrative costs. I conclude by identifying MTN mobile money payment applicable and could reach and benefit low income and vulnerable groups in both urban and rural areas to help tackle ongoing water service delivery challenges in developing countries.

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