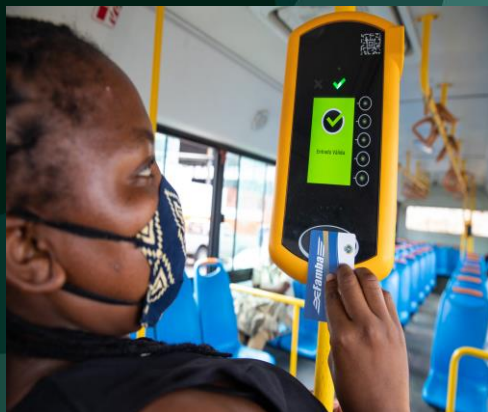


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Embracing Digital Transformation in Public Bus Transport in Mozambique: The Case of Electronic Ticketing



Passenger paying bus fare by tapping a card.
Photograph by Ricardo Franco.

Quotes from beneficiaries interviewed in a field visit:

"Now we are travelling in good conditions... and I can also budget the transport cost once I got my salary, and this helps...minimize the transport costs because the system allows us to pay a fair amount according to the distance traveled....and if this continues like this it will increase the number of people using public bus transport minimizing the pollution".

"My experience with the system so far is very good - I am enjoying the experience of using a card in the bus, with the card I can pay at the agent boots and avoid carrying cash and this is safe because sometimes we end up being robbed, I just recharge the card and check- in using a card and that's it...very convenient".

Key outcomes:

The E-ticketing has registered 196,940 passengers and issued 98,837 cards by 31 March 2021 targeting mainly the low-income population in peri-urban areas of the Maputo

What have we learned?

There is a commitment from the bus operators and effort of stakeholders to participate and collaborate in the development and adoption of the e-ticketing which has been key to the successful implementation of the project.

There is a need to maintain capacity building to increase the digital literacy of new users.

Passengers feel more in control of their money using FAMB card and find it easier to manage their household budget.

The lessons and experience from the e-ticketing project can be exploited to expand the system to other provinces in Mozambique using the PPP model where private companies engage with Public entity to achieve sustainability of the business model.

Mozambican households spend nearly 10%¹ of their budget in transport and only 4.2%² of the population owns a car.

The lack of access to decent public transport system, financial services, and digital ID are challenges faced by low-income communities in Mozambique. The public transport system does not currently cover certain routes meaning commuters need walk or use other forms of transport to reach their destination. For commuters, this results in longer travel time with a significant impact on transport costs. For bus operators, handling of large amounts cash can result in fraudulent behaviour and presents security risks. For government, the system does not allow efficient delivery of subsidies.

On 1st of February 2021 the Maputo Metropolitan Transport Agency (AMT) in partnership with FSDMoç launched the first electronic ticketing system (E-ticketing) for public transport using a card named FAMB.

E-ticketing will enable creation of a cashless digital payment system to improve commuters experience and increase safety on public transport. In addition, it will enable a bundled of services such as government subsidies and microinsurance products.

Some of the benefits of the system

The system offers multiple benefits that at the same time allowing for social and financial inclusion of disadvantages groups (people with disability; elderly, students, pensioners) contributing to reduce inequalities and the benefits include:

Commuters: (i) faster transaction and quicker boarding times; (ii) a quicker and more convenient method of paying their bus fare, simply by tapping with a card; (iii) increases safety on the public transport system; (iv) increased opportunities to access digital financial services for disadvantaged groups;

Transport providers: (i) increased efficiency of the transport system due to the flexibility on operations;(ii) reduces fraud and the handling of cash, increasing the safety of the transport system;(iii) there will be improvements on the management of the routes, since the bus will be monitored via GIS.

Government: (i) improve the efficiency subsidies channel from government to business and people payment (G2B and G2P) and (ii) increased digital financial services available in Maputo

Moving forward

FSDMoç will continue to support Digital Financial Services (DFS) interventions, with the vision that a digital payment system would reduce the use of cash, create new delivery channels and new possibilities for the delivery of financial services through data usage. This will ultimately work towards reducing vulnerability and exclusion of the low-income groups.