

RETAIL FINANCE DISTRIBUTION: EVIDENCE BRIEF

Liquidity Support and Usage and Uptake: Does Float Drive Activity?

Background

Mobile money agents are a critical channel for delivering financial services, particularly in underserved and rural communities. Evidence from Ghana's roving-agent model shows that agents facilitate transfers, deposits and withdrawals, and that communities without agents face real barriers to financial transactions.

Agent liquidity is identified in that work as one of the operational constraints that can discourage participation in underserved markets. In Malawi, agent illiquidity is similarly identified as a challenge to expanding mobile money networks, alongside training costs and other regulatory and operational constraints (Buckley et al., 2015).

This brief examines what the evidence establishes — and does not establish — about the effect of liquidity support on user activity and transaction frequency.

Scope of the Synthesis

The synthesis is based on six studies: a Ghana randomised controlled trial of a roving-agent transportation subsidy; a Ghana randomised study of MoMoPay subsidies; a Kenyan study of mobile money use and trade credit; a qualitative Pakistan study of mobile banking for government-to-person payments; a Malawi study of mobile money regulation; and a Nigerian study of mobile money diffusion.

Importantly, none of these six studies directly evaluates a standalone liquidity-support intervention against usage and uptake. The brief therefore separates direct evidence from adjacent evidence and does not claim a causal liquidity-support effect where the studies do not provide one.

1. Synthesis of Findings

Table 1. Evidence base for this cell

Source	Design and coverage
Mobile Money Agent Network Expansion (n.d.)	RCT of a roving-agent transportation subsidy; Ghana
Annan et al. (2026)	Randomised budget-neutral MoMoPay lottery subsidy; Ghana
Tetteh et al. (2025)	Firm-level analysis of mobile money and trade credit; Kenya

Source	Design and coverage
Kemal (2018)	Qualitative study of mobile banking for G2P payments; Pakistan
Buckley et al. (2015)	Legal and regulatory analysis of mobile money; Malawi
David-West et al. (2021)	Mixed-methods study of mobile money diffusion; Nigeria

No included study evaluates liquidity support itself as the treatment.

1.1 Liquidity Is an Important Condition for Service Delivery and Uptake

The Ghana roving-agent study provides the clearest evidence on liquidity as a constraint. Agents who opted out

of the intervention cited lack of liquidity alongside security concerns, poor network access and difficulty obtaining community buy-in. The study recommends short-term float financing, microloans and e-cash credit lines for agents expanding into rural areas, and argues that liquidity support should be timely, flexible and accessible.

The Malawi study similarly identifies agent illiquidity as a practical challenge to mobile money network expansion (Buckley et al., 2015), placing it among the operational constraints that regulation and provider arrangements need to address.

These studies do not estimate the independent causal effect of liquidity support on usage. The Ghana randomised controlled trial tested a transportation subsidy, not a liquidity intervention, so liquidity enters the evidence as a reported barrier rather than as an evaluated treatment.

1.2 Agent-Side Support Can Increase Transaction Activity and Customers

The Ghana roving-agent trial provides strong adjacent evidence for usage and uptake. Covering part of agents' transportation costs increased daily cash-in transactions by 15.22, daily cash-out transactions by 35.07, weekly cash-out transactions by 125.2 and monthly cash-out transactions by 447.4 relative to the control group. Treated agents also served 69.9 more customers on average.

These findings demonstrate that support which enables agents to serve previously unserved communities can generate measurable increases in service use and customer reach — although the support delivered was transport rather than liquidity financing.

The study reports that treatment and control groups differed in transaction activity at baseline, but that differences diminished at follow-up, and the difference-in-differences estimates attribute the subsequent increases in cash-in, cash-out and customer numbers to the intervention.

1.3 Financial Incentives Do Not Automatically Produce Uptake

The Ghana MoMoPay study provides an important counterpoint. A three-month budget-neutral lottery subsidy directed to merchants, consumers, or both produced no statistically significant increase in transaction value or transaction volume. The study identifies merchant onboarding problems, SIM acquisition barriers, KYC requirements, network reliability, fraud concerns and uncertainty about customer acceptance as structural constraints that prevented incentives from gaining traction (Annan et al., 2026).

The same study demonstrates why administrative measures of usage matter. Self-reported MoMoPay usage substantially exceeded verified usage in administrative records: baseline merchant adoption was reported at 39.6% against 14.5% in administrative data. Any evaluation of liquidity support that relies on self-report is therefore at risk of overstating effects by a wide margin.

1.4 Access, Proximity and Lower Transaction Costs Facilitate Continued Use

The Kenyan study finds that informal firms using mobile money for business transactions were more likely to receive goods and services on credit and to offer credit to customers. It also finds that transaction costs matter and that the effects of mobile money use are stronger among entrepreneurs who can reach an agent within ten minutes (Tetteh et al., 2025). This supports a pathway in which convenient access reduces the cost of using mobile money and strengthens the value of active use, although it does not test liquidity support as an intervention.

The Pakistan study shows that mobile banking enabled beneficiaries to receive government-to-person grants securely and conveniently through multiple pay-points. Usage was nonetheless constrained by weak network coverage, power outages, blocked SIMs, limited digital and financial literacy, and difficulty using the technology independently. Banking agents helped bridge these capability constraints for beneficiaries (Kemal, 2018), which locates part of the value of agent support in assisted use rather than in float alone.

1.5 Trust, Relevance and Ecosystem Conditions Shape Uptake

The Nigeria study finds that mobile money diffusion among poor unbanked users was constrained by weak customer demand, limited ecosystem integration, low trust, preference for established local savings schemes and policy short-termism. It argues that awareness, customer involvement and integration with familiar financial practices are important for adoption and continued engagement (David-West et al., 2021). The Malawi study likewise emphasises building consumer demand and ensuring that regulation does not impose disproportionate barriers (Buckley et al., 2015).

Taken together, these studies indicate that liquidity support is unlikely to generate sustained uptake if agents hold cash and e-float while customers face unreliable networks, high transaction costs, low trust, weak awareness, limited digital capability or inadequate service relevance.

Table 2. Direction of evidence in this cell

Pathway	Direction of evidence
Liquidity as a reported agent-side constraint	Consistent (qualitative)
Agent-side operational support and transaction activity	Positive (experimental, adjacent)
Budget-neutral subsidy incentives and transaction volume	No significant effect

Pathway	Direction of evidence
Agent proximity and strength of mobile money effects	Positive
Assisted use where digital capability is low	Positive (qualitative)
Liquidity support → usage and uptake	Not tested

The central gap in this cell is the absence of a direct test of liquidity support against usage.

2. Cross-Cutting Trends and Insights

Key cross-cutting trends and insights include:

- Liquidity is an identified agent-side constraint, but the studies do not provide a direct causal estimate of liquidity support on usage and uptake (Buckley et al., 2015).
- Agent-side support can translate into higher usage: the Ghana transportation trial increased cash-in, cash-out and customer numbers, showing that operational constraints on agents affect actual service activity.
- Usage should be measured through observable transactions and customers: the MoMoPay study demonstrates substantial divergence between self-reported and administrative measures of adoption (Annan et al., 2026).
- Proximity and lower transaction costs matter for active use: in Kenya, effects were stronger where entrepreneurs could reach agents within ten minutes (Tetteh et al., 2025).
- Liquidity alone is unlikely to be sufficient: network reliability, onboarding, KYC, trust, digital capability, awareness and service relevance also condition uptake.
- Agents perform a capability function as well as a cash function, assisting users who cannot transact independently (Kemal, 2018).

3. What the Evidence Suggests

- Test timely, flexible liquidity mechanisms for agents — short-term float financing, microloans and e-cash credit lines — as explicitly proposed in the Ghana roving-agent study.
- Measure usage using daily, weekly and monthly cash-in and cash-out transactions, customer numbers, transaction frequency and transaction value, which are the outcomes used in the Ghana trial.
- Use administrative transaction data wherever possible, since survey-reported adoption can substantially overstate actual usage (Annan et al., 2026).
- Pair liquidity support with measures addressing service reliability, onboarding, KYC, training and user

capability, because these constraints can prevent incentives or access from translating into active use.

- Consider agent proximity and transaction costs in programme design, since access within shorter travel times is associated with stronger effects of mobile money use (Tetteh et al., 2025).
- Design for assisted use where digital literacy is low, recognising the agent's role in completing transactions on behalf of beneficiaries (Kemal, 2018).

4. What Does Not Appear Sufficient

- Financial incentives alone: the Ghana MoMoPay experiment found no statistically significant treatment effect on transaction value or volume (Annan et al., 2026).
- Liquidity or agent support without reliable infrastructure: the Ghana and Pakistan studies identify network and power problems that restrict transactions even where service channels exist (Kemal, 2018).
- Assuming access equals adoption: Nigeria shows that availability of mobile technology does not translate into diffusion where demand, trust, relevance and ecosystem integration are weak (David-West et al., 2021).
- Relying only on self-reported uptake: verified administrative usage can be considerably lower than reported adoption (Annan et al., 2026).
- Treating onboarding as solved: SIM acquisition and KYC requirements remained binding even under a funded incentive (Annan et al., 2026).

5. Key Challenges

- Inadequate cash and e-float at the agent level, which prevents completion of cash-in and cash-out transactions.
- Weak network coverage and unreliable power, together with poor rural infrastructure (Kemal, 2018).
- High transaction and travel costs, which reduce the value of active use (Tetteh et al., 2025).
- Onboarding, SIM and KYC barriers that block merchant and customer registration (Annan et al., 2026).
- Low financial and digital literacy, and difficulty using the technology independently (Kemal, 2018).
- Fraud and trust concerns, limited customer awareness and demand, and weak integration with informal financial practices (David-West et al., 2021; Buckley et al., 2015).
- Difficulty sustaining viable agent operations in low-volume rural markets.

6. Evidence Gaps and Priorities for Further Research

- a. The most important gap is the absence of a direct test of liquidity support against usage and uptake: the Ghana roving-agent study proposes float financing, microloans and e-cash credit lines, but its evaluated intervention was transportation support.
- b. Future studies should test whether liquidity support increases transaction frequency, transaction value, active customers and cash-in and cash-out activity.
- c. They should also examine the size, duration, delivery mechanism and repayment conditions of the support, which determine whether it is commercially replicable.
- d. They should test whether liquidity support has larger effects when combined with reliable connectivity, agent training, onboarding improvements, customer awareness and reduced transaction costs.
- e. Administrative rather than self-reported outcome data should be the default, given the documented gap between the two (Annan et al., 2026).
- f. Heterogeneity by rurality, agent size and sex of the agent remains untested across the included studies.

7. Conclusion

Across the studies, liquidity emerges as a credible constraint on agent operations, but the evidence does not establish a direct causal effect of liquidity support on usage and uptake. The strongest directly relevant evidence is the Ghana roving-agent study, which identifies liquidity as a reason agents fail to sustain service delivery and recommends float financing, microloans and e-cash credit lines — while its trial tested transportation support and found substantial increases in cash-in, cash-out transactions and customers.

Other studies show that active use is also shaped by proximity and transaction costs (Tetteh et al., 2025), service reliability and user capabilities (Kemal, 2018), trust and ecosystem relevance (David-West et al., 2021), and structural onboarding and infrastructure constraints (Annan et al., 2026; Buckley et al., 2015).

For programme design, the reasonable inference is that liquidity support is a plausible but unproven lever, best tested as part of a package and measured on administrative transaction records. For evidence commissioning, the cell needs one well-specified trial of liquidity support itself before conclusions about its effect on usage can be drawn.

About this Evidence Brief

This evidence brief is a cell-wise summary of studies of the cell “Liquidity support → Usage and uptake” from ICED’s Evidence and Gap Map of the Retail Finance Distribution Initiative.

For the full map, visit www.iced-eval.org/evidence-and-gap-maps

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