



**USAID**  
FROM THE AMERICAN PEOPLE



# MOBILE SOLUTIONS TECHNICAL ASSISTANCE AND RESEARCH (mSTAR), BANGLADESH

## WORKSHOP ON **DIGITAL PAYMENTS FOR AIRN (NETWORK) MEMBERS THROUGH AGENT BANKING**

MARCH 19 & 22, 2017  
NARAIL AND GOPALGANJ DISTRICTS

**WORKSHOP REPORT  
APRIL 2017**



# Table of Contents

- 1. Introduction ..... 3
  - 1.1 Workshop: ‘Digital Payments for AIRN Members through Agent Banking’ ..... 3
- 2. Basic Workshop Information ..... 4
- 3. Workshop Participant Details ..... 4
- 4. Workshop Program Schedule ..... 4
- 5. Overview of Major Activities ..... 5
  - 5.1 Welcome Note ..... 5
  - 5.2 The Problem with Cash, and How DFS Can Help ..... 6
  - 5.3 Challenging the Barriers! ..... 6
  - 5.4 Open Discussion and Questions..... 7
- 6. Findings from the Pre- and Post-Workshop Assessment ..... 8
- Annex – I Workshop Pre & Post Assessment Questionnaire ..... 12

**DISCLAIMER**  
The views expressed in this publication do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government.

## 1. Introduction

mSTAR is a broad, flexible, and responsive technical assistance and action learning program that fosters the rapid adoption and scale-up of mobile money, mobile technologies and mobile data solutions, in developing countries. Ultimately, mSTAR seeks to increase access to and use of mobile technologies by the poor, civil society, local government institutions, and private sector stakeholders.

The mSTAR/Bangladesh activity supports the acceleration and adoption of mobile money and electronic payments (e-payments) within the USAID Mission's programs, with a particular emphasis on projects under USAID's Economic Growth office. Implementation of this activity began in September 2013.

mSTAR/B is helping USAID implementing partners to integrate mobile payments and electronic payments into their program operations. In addition, mSTAR/B also works with USAID/Bangladesh, implementing partners, and other relevant parties to define and capture DFS metrics consistent with USAID's country-level results framework. Local capacity building, ownership, and sustainability are key principles to be supported through this activity.

### 1.1 Workshop: 'Digital Payments for AIRN Members through Agent Banking'

mSTAR/Bangladesh received a technical assistance request from the Agro-Inputs Retailers Network (AIRN), which is supported by USAID's Agro-Inputs Project, in February 2017 to support them to explore DFS adoption among AIRN members. In connection with that request, mSTAR/B conducted two technical workshops for AIRN members about using agent banking for digital payments. Md. Ataur Rahman, mSTAR/B Team Lead, facilitated the workshop sessions. During which, he talked about how digital payments can be incorporated in their businesses and facilitated a dialogue on the topic among participants.

A total of 2 workshop sessions were facilitated by mSTAR/B. The workshop dates and the number of participants are given below:

Date	Male Participants	Female Participants	Total Participants
19 <sup>th</sup> March, 2017	25	3	28
22 <sup>nd</sup> March, 2017	36	1	37
<b>Total</b>	<b>61</b>	<b>4</b>	<b>65</b>

## 2. Basic Workshop Information

**Title of the Workshop:** 'Digital Payments for AIRN Members through Agent Banking'

**Date and Time** : March 19, 2017 and March 22, 2017; 11:00 AM – 12:10 PM

**Venue** : Narail and Gopanganj, Department of Agriculture Office

## 3. Workshop Participant Details

A total of 65 participants from 9 districts participated in the two workshops.

**Total Number of Participants:** 65

- Male: 61
- Female: 4

## 4. Workshop Program Schedule

Time	Session Title
11:00	<b>Welcome Note &amp; Opening Remarks</b> <i>The opening remarks will provide background on the workshop and mSTAR/Bangladesh.</i>
11:03	<b>The Problem with Cash, and How DFS Can Help</b> <i>In this session, the speaker will talk about the problems associated with cash in terms of cash management and cash handing. The presenter will then provide an overview of the DFS industry, including different products and services offered by DFS providers in Bangladesh and how it can benefit the users. The speaker shall also discuss the DFS Innovation – Bank Asia product</i>
11:10	<b>Challenging the Barriers!</b> <i>In this session, the presenter will explore activities where they would have to navigate through different financial transactions (loans, receiving and paying payments).</i>
11:50	<b>Closing Remarks &amp; Questions</b> <i>The closing session will summarize all the key takeaways of all the sessions and will answer questions from the participants.</i>

## 5. Overview of Major Activities

These workshops were designed to educate the AIRN members on the benefits of getting access to formal financial services and to enhance their digital financial literacy. The 60 minutes' sessions were focused on the importance of using digital payments over cash. These workshops were planned on the regular bi-yearly general meetings for their participants respectively under their local management of the network. The AIP's regional coordinators were also present to co-facilitate the sessions in both the events.

### 5.1 Welcome Note



AIRN's regional coordinator facilitated the sessions at the beginning, welcoming all of the participants along with some guest representatives including mSTAR/B, Bank Asia and members of other regional AIRN networks partners who are also a part of NAFCO-AIRN-Bank Asia pilot project.

District Agriculture Officers were present as chief guests and they delivered welcome notes which highlighted the importance of digital payments in agri-businesses consistent with the Digital Bangladesh movement. Ataur Rahman, Team Lead of mSTAR/Bangladesh, welcomed all participants. He mentioned that mSTAR/Bangladesh has the technical competency to help USAID's implementing partners in transitioning from cash to digital payments. He also told participants about the relationship between mSTAR, AIRN and Bank Asia.

He further shared the benefits of digital payments to AIRN network members, highlighting the security of payments and their ability to facilitate payments for farmers. He also shared that by doing so they will become digital citizens and leaders in the cashless society.

## 5.2 The Problem with Cash, and How DFS Can Help

Mr. Rahman asked the participants how they are using cash in their daily life, and how they are using for business. It was shared by the participants that all they use cash and for some business payments they are using the banking channel. When asked about the distance that is required to travel to and from



the bank, participants shared mixed opinions. Some did not have to travel much as the local bank branch was near their house, although most of them had to travel over one kilometer. A few of them also reported that they had to travel over 3-5 kilometers to reach a bank branch. When asked about the key problems that are associated with cash, participants noted: cash handling, keeping cash in the business outlet which increases the possibility of theft and some of them also explained the risk of receiving fake notes. Mr. Rahman then explained the case of USAID AESA, its piloting of agent banking, and its benefits from the experiences. Moreover, at the Gopalganj workshop, one of the retailers who was a part of the A-card initiative pilot was present and he shared his experiences. He explained that he received about 35 payments from farmers via their debit cards and he was happy to receive those sales digitally into his agent banking account instead of cash and credit from farmers.

## 5.3 Challenging the Barriers!

Mr. Ataur Rahman, asked the participants about their loan experiences. Participants shared a mix of experiences with loans, including receiving loans from Bangladesh Krishi Bank, other government banks, NGOs and friends and families both to establish their businesses and for day-to-day operations. They explained that there have been cases where they required money in an emergency and thus had to take loans from the informal lenders with high interest rates. They also shared that they use savings groups with affordable interest and easy loan facilities, which they have used.



In response to the challenges that the participants mentioned with cash and other credit facilities, Mr. Rahman explained how agent banking payments and loan products can mitigate those challenges by

developing a cashless business. This may ultimately help them build a formal banking history with the banks, which could aid them in availing better financial products in the future. This will also provide them with an opportunity to pay to their suppliers digitally, which may ease the process for making payments.

Mr. Rahman also shared the importance and the opportunities of agent banking from the experiences of the A-Card pilot. It was also shared that about 15 retailers (AIRN members) are going to be part of a pilot to receive SME loans from Bank Asia. They will also use digital payments to pay NAAFCO after receiving their orders. Participants also shared their concerns about having the loan and its interest rate and other requirements. In response to that, Mr. Rahman explained that select input retailers shall receive SME loans through NFC-enabled debit cards issued by Bank Asia Limited. These loans will be offered at lower interest rates with flexible repayment terms as compared to MFI loans. A portion of those input retailers will also accept merchant payments via NFC-enabled debit cards from any Bank Asia agent banking clients. In addition, participating input retailers shall use Bank Asia's B2B (business-to-business) transfer service, which will provide them with further convenience by being able to settle payments digitally while purchasing supplies. Mr. Rahman added that Bank Asia representatives will explain the product details further during their discussions and will also share about other opportunities they would be able to avail.

#### 5.4 Open Discussion and Questions

Participants asked questions about how they could receive loans, and how they could transition to completely using digital payments given that most of the other companies and dealers they deal with do not use such payment mode. Mr. Rahman mentioned that necessary documents are required to be submitted in order to open an agent banking account with Bank Asia. The necessary documents to open a current account are listed below:

- Identification – Valid government issued photo ID
- Company documents – Trade License, company seal and TIN certificate
- Personal details – Basic information along with a recent passport size picture of the applicant
- Nominee details – Details of the nominee along with picture.

He then shared that this pilot is just a start and following this pilot's outcome, this pilot could be scaled up gradually to enroll other input companies and dealers who would receive payments via the digital channel. Mr. Rahman also mentioned that by encouraging farmers to make payments digitally during their purchases and by making payments to input companies and dealers via digital channel, their entire business will be DFS-enabled. In response to a question, Mr. Rahman requested interested participants to visit their nearest Bank Asia agent banking office to learn more about the business model and about becoming Bank Asia's agent banking agents.

## 6. Findings from the Pre- and Post-Workshop Assessment

The workshop participants took part in the pre- and post-assessments which have been analyzed to measure how much participants learned from the workshop (see Annex I for questionnaire used). The results of participants' scores are listed below. Most of the questions of the assessment questionnaire had more than one correct answer, in which case 0.25 points were assigned for each of correct answer. For the first question, one correct answer was given higher weighting of 0.5 points, with the other two correct answers receiving 0.25 points. This is because the higher weighted answer is a more important factor.

The change of participants' scores from the pre and post-assessments, as depicted in the below table, indicates that the majority of participants' knowledge improved due to participation in the workshops. A total of 15 additional participants either failed to complete the pre- or post-assessment and therefore were excluded from the calculations.

**Table I: Changes in scores from pre- and post-assessments**  
**Date of the Workshop: March 19, 2017**

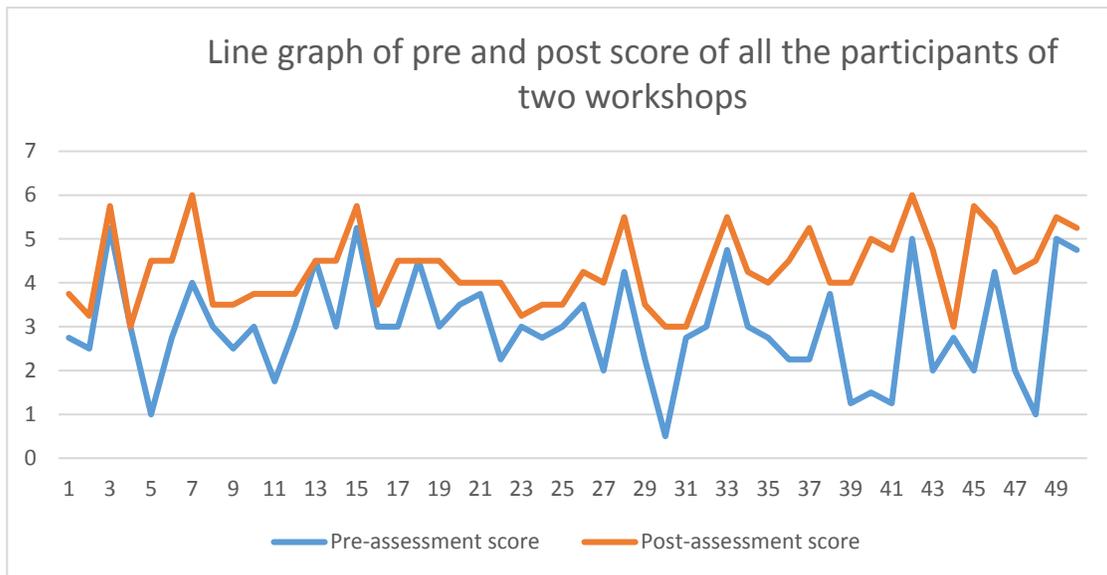
Participant No.	Pre-assessment score	Post-assessment score	Changes	% change in score
101	2.75	3.75	1	16.67
105	2.5	3.25	0.75	12.50
106	5.25	5.75	0.5	8.33
107	3	3	0	0.00
108	1	4.5	3.5	58.33
109	2.75	4.5	1.75	29.17
110	4	6	2	33.33
111	3	3.5	0.5	8.33
112	2.5	3.5	1	16.67
113	3	3.75	0.75	12.50
114	1.75	3.75	2	33.33
115	3	3.75	0.75	12.50
116	4.5	4.5	0	0.00
117	3	4.5	1.5	25.00
118	5.25	5.75	0.5	8.33
119	3	3.5	0.5	8.33
120	3	4.5	1.5	25.00
121	4.5	4.5	0	0.00
122	3	4.5	1.5	25.00
123	3.5	4	0.5	8.33
124	3.75	4	0.25	4.17
125	2.25	4	1.75	29.17
126	3	3.25	0.25	4.17
127	2.75	3.5	0.75	12.50
128	3	3.5	0.5	8.33
Average Score	<b>3.16</b>	<b>4.12</b>	<b>0.96</b>	<b>16.00</b>

**Date of the Workshop: March 22, 2017**

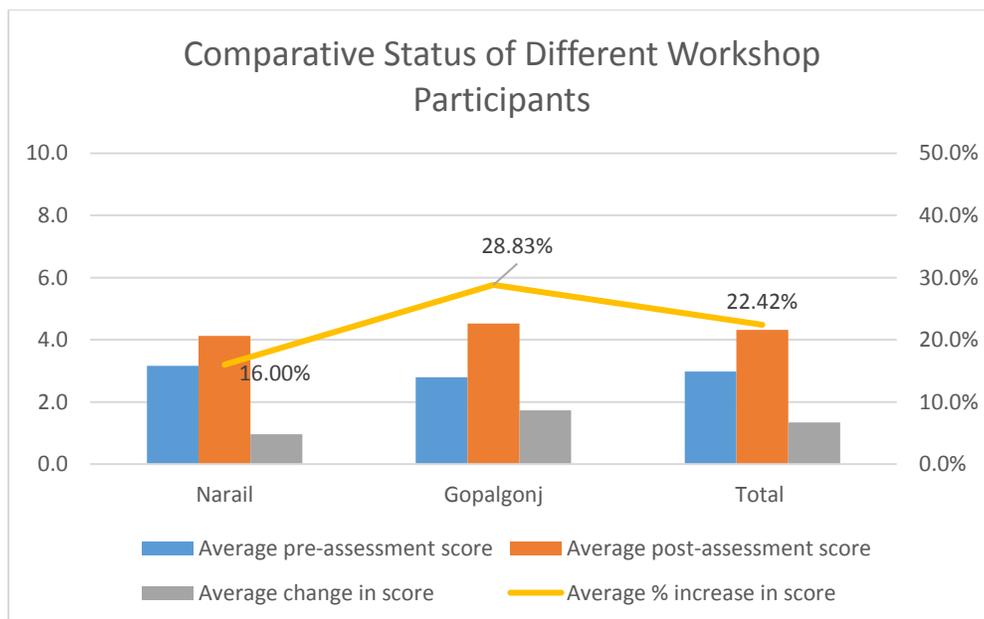
Participant No.	Pre-assessment score	Post-assessment score	Changes	% change in score
201	3.5	4.25	0.75	12.50
202	2	4	2	33.33
203	4.25	5.5	1.25	20.83
204	2.25	3.5	1.25	20.83
205	0.5	3	2.5	41.67
206	2.75	3	0.25	4.17
207	3	4.25	1.25	20.83
208	4.75	5.5	0.75	12.50
209	3	4.25	1.25	20.83
210	2.75	4	1.25	20.83
211	2.25	4.5	2.25	37.50
212	2.25	5.25	3	50.00
213	3.75	4	0.25	4.17
214	1.25	4	2.75	45.83
215	1.5	5	3.5	58.33
216	1.25	4.75	3.5	58.33
217	5	6	1	16.67
218	2	4.75	2.75	45.83
219	2.75	3	0.25	4.17
220	2	5.75	3.75	62.50
221	4.25	5.25	1	16.67
222	2	4.25	2.25	37.50
223	1	4.5	3.5	58.33
224	5	5.5	0.5	8.33
225	4.75	5.25	0.5	8.33
Average Score	<b>2.79</b>	<b>4.52</b>	<b>1.73</b>	<b>28.83</b>

The following figures shows pre- and post-assessment scores of participants (Figure 1) and aggregate changes (Figure 2).

**Figure 1: Line graph of pre- and post-assessment scores**



**Figure 2: Comparative Status of Different Workshop Participants**



Improvements have been divided into groups based on the range of percentage change in score from the pre- and post-assessments and distribution of the participants in those groups are shown in the below table. As per the table, most participants showed modest gains in knowledge increase (up to 19% change), with just over 20% of participants realizing more significant improvements of 40-79%.

**Table 2: Distribution of the participants based on score changes**

<b>% change from pre-assessment score (in clusters)</b>	<b>No of Participants</b>
No change	3
<= 19%	23
20%-39%	15
40%-59%	8
60%-79%	1
>=80%	0
<b>Total</b>	<b>50</b>

## Annex – I Workshop Pre & Post Assessment Questionnaire

### Workshop on 'Digital Payments for AIRB Network Members through Agent Banking'

Mobile Solutions Technical Assistance and Research - mSTAR Bangladesh

Venue: Narail & Gopalganj

19 & 22 March, 2017

Participant's name _____	Male/Female
Store's name _____	
District _____	Mobile# _____

1. What is a basic difference between availing loans from Banks and informal MFI?
  - a. Interest rate of the bank is higher compared to the informal MFI
  - b. More paperwork to avail a formal loan from bank
  - c. It takes more time to get a loan from bank
  - d. Loan from the informal MFI is good for business
  - e. Interest rate of the bank is lower compared to the informal MFI
2. Can you receive and send money through MFS and agent banking?
  - a. Yes
  - b. No
  - c. Don't know
3. Is receiving or paying money via a cheque a medium of digital payment?
  - a. Yes
  - b. No
  - c. Don't know
4. Is it currently possible to send money from an account with one MFS provider (e.g. bKash) to an account with another MFS provider (e.g. DBBL)?
  - a. Yes
  - b. No
  - c. Don't know
5. What are some of the benefits of using an ATM card?
  - a. It is very easy to withdraw money
  - b. Transactions are secured
  - c. One can shop using the ATM card
  - d. Increase in Safety – money is protected by PIN
  - e. Don't know
6. Apart from sending money, what else can you do from your mobile bank or agent bank account?
  - a. One can shop
  - b. One can pay electric/water/gas bills
  - c. One can send money abroad
  - d. One can receive money from abroad
  - e. One can check his or her balance