

## Mobile Money Consultative Group Meeting Highlights



The fourth [Mobile Money Consultative Group](#) (MMCG) meeting organized by [USAID's Mobile Solutions Technical Assistance and Research \(mSTAR\)](#) project was held on August 18, 2015 at FHI 360's Bangladesh Country office. It was attended by 19 people, including representatives from 10 development organizations and representatives from 3 mobile financial service providers: DBBL Mobile Banking, IFIC Mobile Banking and bKash.

The meeting provided an opportunity for development practitioners and mobile financial service providers to share insights and explore how they can work together more closely. Some of the main discussion points covered during the meeting are highlighted below.

### **How are MFS providers addressing general lack of awareness about mobile financial services and promoting their services to make them more accessible to the bottom of the pyramid?**

Two of the MFS providers present mentioned that they are focusing on their businesses rather than on market positioning and branding. Rural people know the name 'bKash', but they hardly know about different MFS products that are available. Some indicated that providers are not playing an active role in increasing awareness among customers. Banks are also not investing in MFS products as much; the portfolio focus is very small because MFS is only one product offered by banks, and not their main focus. When MFS first came up in Bangladesh, banks were unsure about the market and how to integrate relevant products. Banks typically did not deal with the low income segment but must now expand their scope.

### **How are products addressing challenges in agriculture value chains?**

The MFS providers shared that they have developed merchant products that may apply to farmers and small retailers. They showed interest in working closely with development programs to tailor services to fit the needs of the program. One provider shared that they are trying to encourage their clients to hold money in their wallet rather than cashing out. In this way, they aim to make the whole chain cashless. Farmers will not need to bear the charges of cash outs. Retailers, wholesalers, banks and financial



institutions are all part of the value chain. bKash mentioned that they recently launched a new product called Merchant Plus to enable small collections and big payments.

### **What providers are doing to increase access and interoperability?**

Providers stated that interoperability between MFS accounts is something that is largely up to the central bank. Some providers find it difficult due to their late market entrance and less visible development as compared to others. They felt that it is the central bank's call to align all providers and link them together. If the central bank takes the initiative, providers will welcome the process. The central bank has proposed a new regulation mandating interoperability both within providers and with other banking products. Under those draft regulations, MFS providers would have three years' time to comply.

One common challenge for development organizations is integrating beneficiaries without required identification documents into MFS. Most people from the low income segment do not have a national ID (NID), passport or birth certificate. Providers have a provision for accepting local chairman issued citizenship certificates, which do not have photos with them. Although this photo requirement is not mentioned in the regulations, providers had a meeting with the central bank, which instructed them to collect photo IDs in case someone does not have a NID/driving license/birth certificate or passport.

All providers clarified that the central bank has provided guidelines on developing mobile products. Banks are free to develop products with any rate of charges as long as they follow those guidelines.

### **What are MFS providers doing to increase women's usage of their products?**

Participants noted that women are among the largest segment of the population that are excluded from mobile money, often due to lack of proper documentation and security at agent points. Most women are not comfortable going to male agents. DBBL Mobile Banking mentioned that they have a few female agents. IFIC mentioned that they are trying to recruit more female agents and customers by developing the entrepreneurship skills and the saving habits of female students. On a pilot basis, IFIC has selected 300 women as entrepreneurs and 5 as agents. bKash representatives are trying to recruit female agents as well. They are in discussion with BRAC and with Dnet on using their Infoladies as female agents.

### **Conclusion**

All three providers agreed that working with development projects provides important insights towards incorporating the low income segment. It can also help them better develop their MFS products and services.

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