

# Meeting Minutes of third Mobile Money Consultative Group Meeting

## FHI 360 Bangladesh Country Office, Dhaka

### May 21, 2015; Thursday

The third Mobile Money Consultative Group (MMCG) meeting organized by [USAID's Mobile Solutions Technical Assistance and Research \(mSTAR\) project](#) implemented by FHI 360 was held on May 21, 2015 at the FHI 360 Bangladesh Country Office. A total of 14 development professionals from 9 development and donor organizations attended the event, which focused on the state of mobile financial services in Bangladesh and the way forward towards creating an enabling mobile money ecosystem.

The [MMCG](#) serves as a platform through which stakeholders can share their experiences using mobile money, as well as to identify opportunities for new product innovations and barriers that may exist in effectively using existing products to reach remote and underserved populations.



#### Welcoming Remarks

In his opening remarks, Josh Woodard, Regional ICT & Digital Finance Specialist – Asia Pacific, pointed out that there are not many avenues for providers, development practitioners, donors, policy makers and mobile financial service providers, to have discussions about the use of mobile money. The [MMCG](#) was started with the intention of creating such a platform where people can learn and exchange knowledge.

#### Recap of 2<sup>nd</sup> MMCG meeting

M. Ataur Rahman, team lead of USAID's mSTAR project in Bangladesh reflected upon the second meeting that was held in February. He shared the objective of the MMCG and highlighted the [key discussions from the second meeting](#). He mentioned that based on participant's interest in the [MFS in Bangladesh report](#), which the group received a sneak peak presentation on in the last meeting, this meeting will focus on *the state of Mobile Financial Services in Bangladesh and the way forward towards creating an enabling mobile money ecosystem*. He further mentioned that mSTAR is developing many learning documents to help USAID implementing partners and other development actors to make informed decisions regarding incorporating mobile money in their projects.

## **Presentation on the MFS report published by mSTAR and Group Discussion:**

To kick off the main discussion, Josh provided a brief overview of the [MFS in Bangladesh report](#) that mSTAR published in April 2015. In his presentation, he shared a snapshot of the MFS industry of Bangladesh mentioning that the industry is growing rapidly. He focused on some indicators including mobile money subscribers, agent numbers, mobile money transaction volumes and the number of transactions made using mobile money through January 2015.

Josh further explained that the objective of the report was to lay out the mobile financial service landscape in Bangladesh in terms of available products, network coverage, and prices among others and to provide an overview of the results from a demand side survey on how USAID health and agriculture projects are using mobile money.

Some key points from the discussion that followed include:



## **Need for awareness/understanding of the MFS landscape for development professionals and their client base:**

- It was mentioned that MFS providers and their agents often do not provide high quality customer education on the availability and use of services, and that they often don't know how to make the case to development projects. M.A.H. Sumon, technical specialist from Action For Enterprise (AFE) mentioned that in discussion with 6 MFS providers on incorporating MFS in the vegetable seed sector, they have not found the pricing very compatible for farmers. The providers were also not very apt at explaining how different services such as corporate or merchant wallets can work for farmers and retailers and contribute towards a mobile money ecosystem.
- Sharmin Ahmed, senior business consultant at Katalyst, mentioned that Katalyst has been scoping the possibility of using MFS as a cross cutting issue for creating markets for the poor, especially for women. However, they have found adoption and use of mobile financial services very challenging with a lot of their beneficiaries having mobile money accounts but not actively using them.
- Shamminaz Polen also a senior business consultant from Katalyst added that they realize the digital financial services particularly mobile financial services is the future to financial access for the poor and are particularly interested to know about how farmers can benefit from using MFS.

## **Services**

- Nesar Uddin Sayeed, director finance and grants from ACDI/VOCA said they have been disbursing labor salaries via bKash for over three years. They have been bearing the cash-out charge but feel there were many backend challenges with the business to person payment process and that the charges are pretty high.
- Shamminaz Polen says her sub-contractors have complained that MFS platforms are not customizable which makes her question whether the mobile financial service ecosystem is ready to cater to Katalyst's beneficiaries who are farmers and retailers.

- Sharmin mentioned that as Katalyst works with market based approach with farmers they are concerned about the farmer-retailer business which is essentially a credit business and wanted to know about mobile-based credit products in Bangladesh and how well they work. In response, Lowell Campbell, global product specialist at IFC said there aren't any specific mobile credit products in Bangladesh however there is an example in Kenya that is doing fairly well. Josh informed them that this may be coming in the future in Bangladesh further mentioning that both Visa and MasterCard are developing new and innovative merchant products for emerging markets.

#### **Technical support to development practitioners and MFS providers**

- Participants mentioned the need for bridging the gap between what MFS products that are available and how they can fit into development models

#### **Going forward with the MMCG:**

Josh asked for suggestions on how MMCG meetings should be structured in the future and ideas for improvement and changes that would benefit MMCG members. Some of the suggestions are outlined below:

1. Send out a survey on whether the MMCG has been beneficial to the participants.
2. Jon Thiele of CARE suggested that motivation and future interests in mobile money should be captured and presented in the next MMCG.
3. Shamminaz Polen of Katalyst and Matt Marzolo of AFE suggested inviting MFS providers and making the topics more focused (e.g. more sector based for example on agriculture like this one).
4. Afsana Islam of DFID and Lowell Campbell of IFC suggested inviting private sector people who work with development agencies (e.g. seed companies).
5. Josh requested Afsana Islam to invite policymakers to the next MMCG.



## Annex – 01

### Participant List

Sl	Name	Designation	Institution
1	Lowell Campbell	Global Product Specialist	IFC
2	Afsana Islam	Private Sector Adviser	DFID, Bangladesh
3	Sharmin Ahmed	Senior Business Consultant	Katalyst
4	Shamminaz Polen	Senior Business Consultant	
5	Nesar Uddin Sayeed	Director, Finance and Grants	ACDI/VOCA Bangladesh
6	Jon Thiele	Chief of Party, SHOUHARDO-II	CARE Bangladesh
7	Matt Marzolo	Bangladesh Country Director	AFE
8	M.A.H. Sumon	Program Manager	
9	EsfQur Rahman Subid	BTL & Event Specialist	MAMA Bangladesh Initiative – Dnet
10	Mohammad Hamidur Rashid Shoaib	GIS Specialist	CNFA
11	Josh Woodard	Regional ICT & Digital Finance Specialist, Asia-Pacific	FHI 360
12	M Ataur Rahman	Team Leader, mSTAR	
13	Shamsin Ahmed	Mobile Money Associate, mSTAR	
14	Muhymin Chowdhury	Research Specialist, mSTAR	

## Annex -2

### PROGRAM SCHEDULE

TIME	DESCRIPTION/DETAIL	RESOURCE PERSON
09:30 - 09:50	Welcome coffee	
09:50 – 09:55	Welcome note from FHI360	Mr. Josh Woodard, Regional ICT & Digital Finance Specialist, Asia-Pacific
09:55 – 10:15	Introduction of Participants and what they are doing with mobile money	All Participants
10:15 - 10:25	A brief recap of the second MMCG meeting	Mr. Ataur Rahman, Project Lead, mSTAR/Bangladesh
10:25 - 11:15	Group discussion on the state of MFS in Bangladesh and the way forward	Mr. Josh Woodard, Regional ICT & Digital Finance Specialist, Asia-Pacific
11:15 - 11:25	Planning for next MMCG Meeting	Mr. Josh Woodard, Regional ICT & Digital Finance Specialist, Asia-Pacific
11:25 – 11:30	Closing Remarks	Mr. Josh Woodard, Regional ICT & Digital Finance Specialist, Asia-Pacific