



MOBILE SOLUTIONS TECHNICAL ASSISTANCE & RESEARCH PROGRAM (mSTAR), BANGLADESH

WORKSHOP ON *'Exploring Mobile Money Payments in Bangladesh'*

WORKSHOP REPORT
MARCH, 2014



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DISCLAIMER

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

1. Introduction

mSTAR is a USAID funded project aimed at increasing efficiency and productivity gains across USAID/Bangladesh's agriculture and health portfolios through usage of mobile and electronic payments. In order to achieve this goal, one of the major interventions of mSTAR is to raise awareness & capacity of relevant stakeholders to use mobile payments, among which includes the facilitation of technical workshops.

1.1 mSTAR Workshop Series

Each quarterly workshop focuses on different sub-topics related to mobile money payments. The first quarterly workshop topic was entitled 'mSTAR introduction to mobile money and grants'. A report on the first mSTAR workshop is already available online at: <http://www.microlinks.org/library/workshop-%E2%80%98mstar-introduction-mobile-money-and-grants%E2%80%99>

The aim of the workshops is to stimulate discussion and learning between different parties in the mobile money (MM) ecosystem, including USAID implementing partners, their beneficiaries, and mobile financial service (MFS) providers.

1.2 Second Workshop: Exploring Mobile Money Payments in Bangladesh

The second quarterly mSTAR workshop built off of the first workshop, and focused on mobile money opportunities, additional MM products, and increasing participant understanding of mobile money. Special attention was paid to increasing the level of confidence and understanding required for acceptance of mobile money (MM) payment systems by Implementing Partners of USAID/Bangladesh Health and Agriculture projects.

2. Workshop Basic Information

Title of the Workshop: Exploring Mobile Money Payments in Bangladesh

Time & Date: 09:30 AM – 12:30 PM; March 12, 2014

Venue: Conference Room; FHI 360, Dhaka

3. Workshop Participant Details

Total Number of participants: 27

- Male: 22
- Female: 05

Number of Organizations Participated: 13

Name of the Organizations:

1. Dnet; MAMA Bangladesh Initiative
2. Worldfish Center; USAID Aquaculture for Income and Nutrition (AIN) Project
3. DAI; USAID Agricultural Value Chains (AVC) Project
4. IFDC; USAID Accelerating Agriculture Productivity Improvement (AAPI) Project
5. WINROCK International USAID Cold Chain Bangladesh Alliance(CCBA) Project;
6. CIMMYT Bangladesh
7. mPower Social Enterprises Limited
8. CARE Bangladesh
9. BRAC; USAID SHIKHA Project
10. Save the Children
11. CSISA-BD, IRRI
12. USAID NHSDP Project
13. The World Vegetable Center; USAID Horticulture Project-AVRDC

▪ **Particulars of MFS participated:**

2 MFS providers presented their products to the participants. Those are: mCash and MYcash

A detailed participant list is presented in **Annex-1**.

4. Workshop Program Schedule

Time	Description/detail	Resource person
09:15	Registration	
09:30	Welcome and Introduction	M. Ataur Rahman Team Lead, mSTAR Bangladesh FHI 360, Bangladesh
09:35	Welcome note from USAID	Jeff de Graffenried Project Development Officer, USAID Bangladesh
09:45	An overview of mSTAR program in Bangladesh	M. Ataur Rahman
10:00	An Introduction to Mobile Money Payments - Infosheets on top two service providers of Bangladesh: bKash and DBBL Mobile Banking - Snapshots on mobile money usages by two NGOs in Bangladesh	
10:20	Steps of mobile money payment adoption in projects and programs	M. Ataur Rahman Open discussion
10:30	Presentation on mSTAR supported mobile money adaption plan by USAID Implementing Partners	Murad Ahmed Portfolio Associate; Feed the Future Aquaculture Project
10:40		Sk. Masudur Rahman Deputy Director; Dnet MAMA Bangladesh Initiative
10:50	Presentation on services offered by a mobile money service provider: MYcash	Md. Majidul Haque, Principle Officer; Mobile Banking Division; Mercantile Bank Limited
11:05	Exercise on conducting a cost and benefit analysis between cash and mobile payments	M. Ataur Rahman
11:35	Presentation on services offered by a mobile money service provider: mCash	A.N.M. Tawhidul Islam In-charge, MFS Department, ICT wing Islami Bank Bangladesh Limited
11:50	How mSTAR can help: Technical Assistance Request Form	M. Ataur Rahman
12:00	Q&A	

Table 1: Workshop Schedule

5. Overview of Major Activities

The workshop was organized around six thematic issues, each providing different views or perspectives of the overall topic. Each issue was followed by a discussion in which the speakers answered questions from the participants. The workshop sessions were led by M. Aaur Rahman, Team Lead of mSTAR Bangladesh.

5.1 Welcome Note

The workshop welcome note was presented by Jeff de Graffenried, Project Development Officer, USAID/Bangladesh. He welcomed all the participants to the workshop and introduced the expected outcomes from the mSTAR project. He explained the rationale for introducing this project in Bangladesh from the point of view of USAID. He stated that USAID currently has around 80 USAID project Implementing Partners (IPs) and that most of them are not yet familiar with MM payments. He expressed USAID/B's willingness to support the transition from cash to MM payments. He also pointed out the issues of security, productivity and money saving opportunities made possible by MM payments by stating:



'If we can make people more secure, that's great!

If we can make them more productive, that's great!!

Also, if we can help them save money, that's great!!!'

5.2 mSTAR Program Overview: Infosheets and Snapshots Presentation

M. Aatur Rahman, Team Lead of mSTAR Bangladesh, in his presentation on mSTAR, outlined opportunities for integrating MM payments within USAID projects. He highlighted the role of mSTAR in the context of Bangladesh MFS providers by stating:

'mSTAR/Bangladesh is helping USAID IPs in adopting MM by providing infosheets, snapshots and helping to negotiate with the MFSs for better prices on behalf of the IPs.'

Regarding other issues, Mr. Rahman focused on the current status of MM in Bangladesh, different usages of MM in



projects (such as utility bill payments), and security related concerns. He called attention to one of the MM Snapshots prepared by mSTAR/Bangladesh on English In Action (EIA), a non-USAID supported organization, that has processed payments to facilitate the training of 13,000 teachers using only 7 staff. He mentioned that they started with 4,500 teachers with the same number of employees; notably the number almost tripled within one and a half years of transitioning from cash to mobile payments. M. Aatur Rahman also spoke in-depth about mSTAR's upcoming MM awareness raising activities, regional workshops, and technical assistance services.

5.3 Presentations by mCash and MYcash

Two MFS providers, mCASH and MYcash, presented an overview of their mobile money products to the participants. They focused on their available products, rates (e.g. cash in, cash out charges etc.), available facilities, procedures for opening corporate accounts, the process map for disbursing bulk transactions from corporate wallets to beneficiary wallets, and mobile money saving schemes.

5.4 Presentations by mSTAR Grantees: Dnet and WorldFish

Two USAID projects, USAID MAMA (Mobile Alliance for Maternal Action) of Dnet and USAID FtF AIN (Agriculture for Income and Nutrition) of WorldFish International, also presented at the workshop. Notably these organizations are the recipients of the first round of grant funding from mSTAR in Bangladesh. Their presentations covered descriptions of their project activities to be carried out under the grant. They also spoke about the types of MM payments that they are focusing on, and their transition process from cash to MM payments.



In particular, Sk. Masudur Rahman, Deputy Director of Dnet, explained their initiative to transition from cash to mobile/electronic payments under USAID Mobile Alliance for Maternal Action (MAMA). They plan to use mobile payments for incentive disbursement, training costs, yard meeting¹ costs, Aponjon fair costs, promotional materials distributions and some courier bill costs instead of cash.

Murad Ahmed, Portfolio Associate of USAID AIN project, then explained the different components (e.g. farmer training and awareness rising) related to fostering MM within their project.



¹ Yard Meetings usually are arranged in court yards of rural areas in Bangladesh where participants from the surrounding houses participate in order to learn about new practices, technologies, etc. and discuss about raising their voices and take action in attempts to resolve any problems at the local level.

5.5 Non-financial Costing Utility Assessment

Focus: Participating Organizations

During this session, participants were guided through the process of assessing their level of concern for both cash payments and electronic payments using NetHope's Electronic Payments Transition Toolkit. The self-assessment procedure considered the non-financial



costs using a format that had been analyzed and tested in-house by mSTAR. A detailed analysis of the results of this assessment is provided in the 'Technical Capacity Assessment' section of this report.

5.6 Mobile Money Capacity Assessment

Focus: Workshop Participants

One of the aims of this workshop was to provide insight into MM in order to increase participant understanding of MM payment systems and to capacitate them in transitioning from cash to MM payments. In order to assess their capacity, mSTAR utilized pre and post workshop assessments. A numbering index with assessment indicators was employed to calculate the precise advancement towards an improved understanding of MM (Please see **Annex-2** for questionnaire and numbering



index). Necessary analysis was conducted using Excel spreadsheets to summarize the results, which are presented in the ‘Technical Capacity Assessment’ section of this report.

6. Technical Capacity Assessment

mSTAR Bangladesh also used the workshop as an opportunity to gain insight into the organizational concerns in relation to cash and electronic payments, as well as to gauge how much participants learned from participating in the workshop. It is interesting to note from the table below that every organization had a higher level of concern of using cash than electronic payments.

6.1 Analysis: Organizational Costing Utility Assessment

Sl.#	Organization Name	Level of Concern		Variance (Cash Payment - Electronic Payment)	Variance Percentage
		Cash Payments (Series-1) Out of 50	Electronic Payments (Series -2) Out of 50		
1	AAPI-IFDC	32	21	11	22
2	BRAC	37	21	16	32
3	CARE	34	19	15	30
4	CIMMYT Bangladesh	38	17	21	42
5	CSISA-BD, IRRI	42	13	29	58
6	DAI	27	10	17	34
7	Dnet; MAMA Bangladesh Initiatives	40	20	20	40
8	mPower Social Enterprises Limited	37	12	25	50
9	Save the Children	45	18	27	54
10	USAID-CCBA; WINROCK International	38	16	22	44
11	USAID Horticulture Project-AVRDC	42	22	20	40
12	USAID NHSDP Project	36	19	17	34
13	WorldFish Center; USAID AIN Project	34	14	20	40

Table 2: Variation in the level of concern of organizational cash & electronic payment

It can be noted from the above chart that each organization showed a higher level of concern about using cash payments than electronic payments. The average variation in level of their concern (i.e. Cash Payment - Electronic Payment) was 40%.

Graphical Presentation

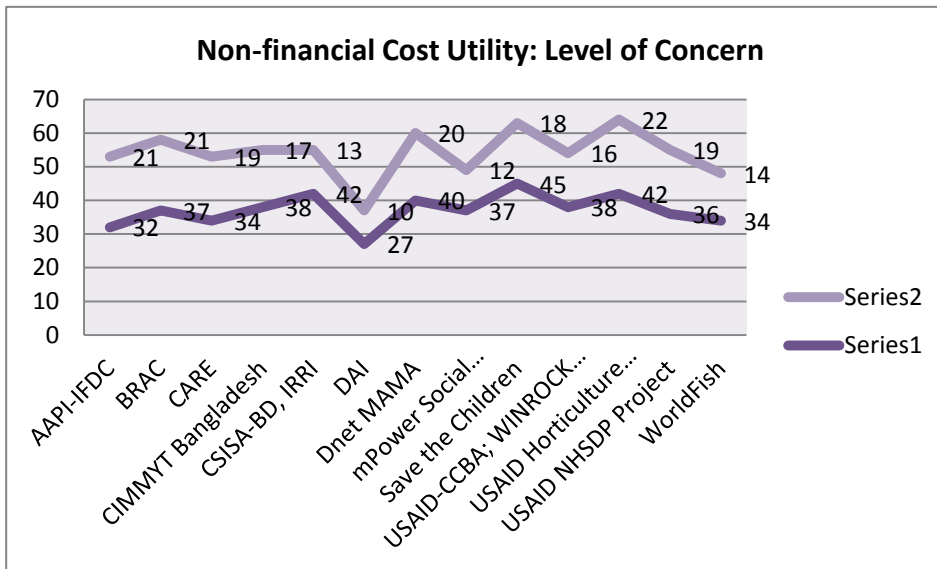


Figure 1: Organizational level of concerns for cash (Series 1) & Electronic (Series 2)

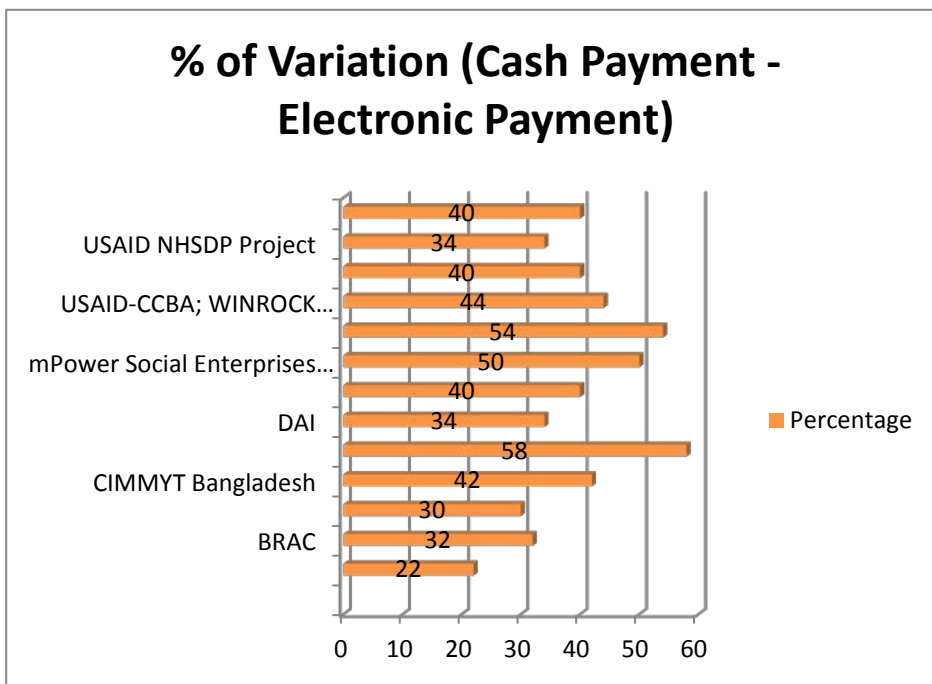


Figure 2: Percentage of variation in concern using cash over electronic payments

6.2 Analysis: Participant Mobile Money Capacity Assessment

The analysis result of participant MM understanding can be summarized below:

ID No.	Pre-workshop Score	Post Workshop Score	Changes (Post Workshop Score-Pre-workshop Score)	Percentage of increase in understanding MM
1	15	21	6	24
2	8	9	1	4
3	8	18	10	40
4	7	14	7	28
5	19	23	4	16
6	6	16	10	40
7	5	16	11	44
8	16	21	5	20
9	6	7	1	4
10	16	20	4	16
11	3	8	5	20
12	17	21	4	16
13	9	20	11	44
14	10	16	6	24
15	6	10	4	16
16	10	17	7	28
17	10	17	7	28
18	0	15	15	60

Table 3: Increase (%) in participant MM understanding (Pre & Post workshop)

As can be seen in the chart above, every participant showed an increase in their understanding of mobile money as a result of participating in this workshop. The average change in participant scores was 26.2%.

Graphical Presentation

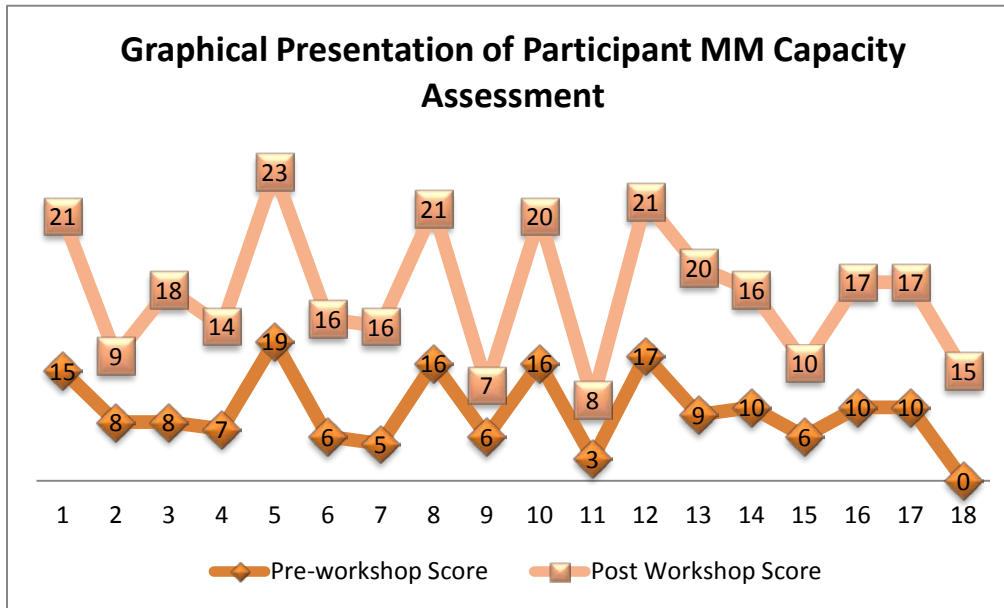


Figure 3: Overview of participants' pre & post workshop scores

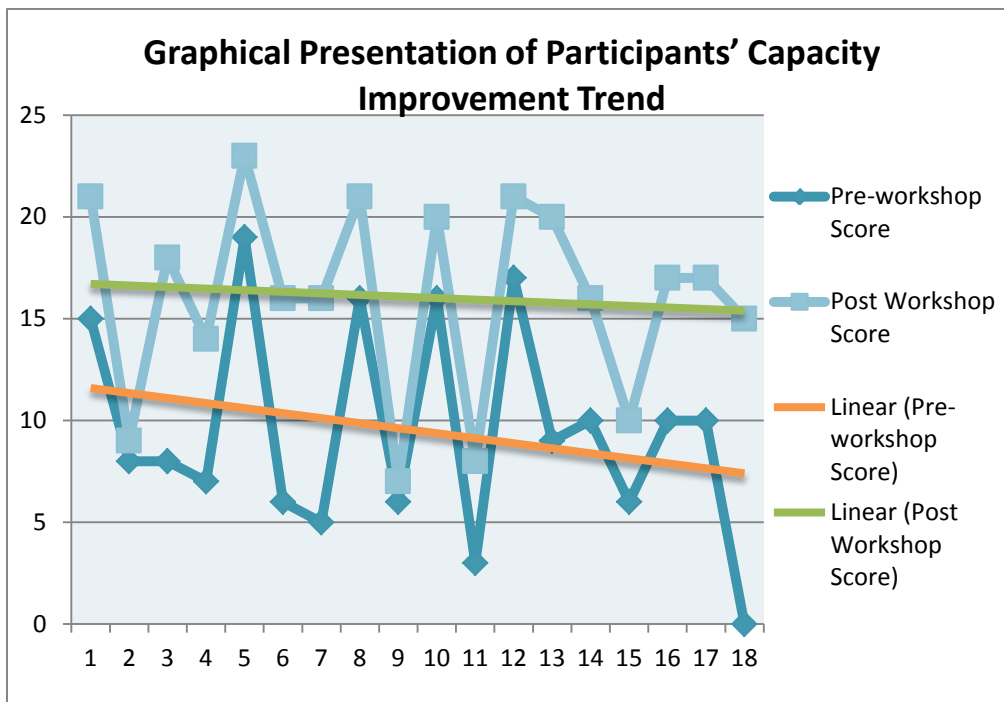


Figure 4: Overview of trends of participants' MM understanding

The linear trend lines represent a smoothing of the scores to show the general trends of pre- and post-workshop scores. They are used to illustrate the change between the two scores on average.

7. Major Achievements

The major achievements from the workshop can be summarized as follows:

- Participants increased their knowledge of mSTAR, including its goals, objectives and activities that it is engaged in to support their transition to mobile payments.
- Participants were able to learn about the MM Infosheets and MM Snapshots produced by mSTAR, about how to request technical support from mSTAR, and about the products of mCash and MYcash.
- Participants from two organizations (Dnet and WorldFish) presented on their organizations' plans to transition to MM payments as part of the mSTAR Bangladesh grants program.
- Participants were able to learn about the 2nd round of mSTAR Grants, which is expected to launch in May 2014.
- The workshop provided a chance to evaluate participants' existing knowledge regarding mobile money. It also provided an opportunity to assess their change in knowledge as a result of their participation (by conducting pre and post assessments).
- The participants assessed the potential risk of cash and electronic payments in their organizations by using the nonfinancial cost utility analysis.
- As an immediate result of participating at the workshop, two organizations (Care Bangladesh and DAI) expressed interest in transitioning to MM payments. Care Bangladesh is planning on submitting a request for technical assistance from mSTAR to facilitate this transition using the mSTAR Technical Assistance (TA) form.

Annex-1: Workshop Participant List

S L	Name	Designation	Organization
1	Bithika Das Hazra	Access to Finance Specialist, USAID/AVC	DAI
2	Sharmin Ahmed	Grants Specialist	DAI
3	Sk. Masudur Rahman	Deputy Director	Dnet/MAMA Initiative
4	Kafil Uddin	Program Associate	Dnet/MAMA Initiative
5	Atik Ahsan	Senior Assistant Director	Dnet/MAMA Initiative
6	Nazmus Saquibe	Senior Assistant Director	Dnet/MAMA Initiative
7	Murad Ahmed	Portfolio Associate	Feed the Future Aquaculture Project, Worldfish
8	Samir Uddin	Finance Manager	Feed the Future Aquaculture Project, Worldfish
9	Rayhan Sarwar	M&E Manager	Feed the Future Aquaculture Project, Worldfish
10	Shaharuk Ahmed	Agriculture Specialist	Accelerating Agriculture Productivity Improvement (AAPI)/ IFDC
11	Arif Karim Chowdhury	Accounts Associate	Accelerating Agriculture Productivity Improvement (AAPI)/ IFDC
12	A. B. Siddiqui, Ph.D	Chief of Party	USAID- CCBA (Cold Chain Bangladesh Alliance); WINROCK International
13	Dhon Raj Lama	Administrative Officer	CIMMYT Bangladesh
14	Runa Laila	Associate Accountant	CIMMYT Bangladesh
15	Hasib Ahsan	ICT Head of Operations, USAID Ag Extension Project	mPower Social Enterprises Limited
16	Jamie Charlebois	Technical Advisor	CARE
17	Dr. Sayeda Shabukta Malik	Senior Sector Specialist (MIS), SHIKHA Project	BRAC

18	Rupa Saha	Senior MIS Analyst	Save the Children
19	Dr. Rafiqul Islam	Applied Socio Economist	CSISA-BD, IRRI
20	Dr. Md. Saikhul Islam Helal	Policy & Coordination Advisor	USAID NHSDP Project
21	Dr. Shahabuddin Ahmad	Sector Leader-Vegetables	USAID Horticulture Project-AVRDC
	Presenter:		
1	A.N.M. Tawhidul Islam	Incharge, MFS Department, ICT wing	mCash; Islami Bank Bangladesh Limited
2	Md. Khairuzzaman	Officer, MFS Department, ICT wing	Islami Bank Bangladesh Limited
3	A.B.M. Saiful Bari	Principal Officer, Mobile Banking Division	MYCash; Mercantile Bank Limited
4	Md. Majidul Haque	Principal Officer, Mobile Banking Division	MYCash; Mercantile Bank Limited

	USAID:		
1	Jeff de Graffenried	Program Development Officer	USAID
2	Muhammad Nuruzzaman	Project Management Assistant	USAID

	mSTAR, FHI360		
1	M. Ataur Rahman	mSTAR Team Lead	FHI360
2	Md. Ariful Islam	M&E Specialist	FHI360

Annex-2: Workshop Questionnaire and Numbering index

Workshop Assessment Questionnaire

Participant Name:	
Organization:	Position:
Cell:	E-mail:

1. What is mobile money/payment?
2. Please write the names of all of the Mobile Financial Service (MFS) providers in Bangladesh that you know of
3. Does your organization use mobile money payments? If yes, what was/were the major purpose/s? (Use)
4. List all of the different usages for mobile financial services that are you aware of in Bangladesh.
5. What are some of the ways that mobile money can be more beneficial than cash?

Numbering Index

Question Name	Assessment Indicator	Unit for Assessment	Numbering Break downs
1. What is mobile money/payment?	Mobile Money Characteristic	Number of Characteristic that participants can write	1-2 : 3 >2: 5
2. Please write the names of all of the Mobile Financial Service (MFS) providers in Bangladesh that you know of	Name of MFS	Number of name/s of MFS/s that participants can write	1-2: 3 >2: 5
3. Does your organization use mobile money payments? If yes, what was/were the major purpose/s?	Major purposes for integrating mMoney	Number of purposes that participants can write	If the answer is 0, then no number 1-2: 3 >2: 5
4. List all of the different usages for mobile financial services that are you aware of in Bangladesh.	Mobile Money usage integration	Number of usages that participants can write	1-2: 2 3-4:3 >4: 5
5. What are some of the ways that mobile money can be more beneficial than cash?	Ways of benefits from Mobile Money integration	Number of ways that participants can write	1-2: 2 3-4:3 >4: 5