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MOBILE SOLUTIONS TECHNICAL ASSISTANCE AND RESEARCH (mSTAR), BANGLADESH

WORKSHOP ON *Essentials for Incorporating Mobile Payments into Projects / Programs*

September 17, 2014; FHI 360 Bangladesh Country Office

**WORKSHOP REPORT
SEPTEMBER, 2014**



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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

USAID's mSTAR project aims to increase operational efficiency and productivity across USAID Bangladesh's agricultural and health portfolios through mobile and electronic payment adoption. Aligned with this objective, mSTAR Bangladesh facilitates quarterly and district-level technical workshops to increase awareness and competence of relevant USAID implementing partners (IPs) on the benefits of using mobile payments.

1.1 mSTAR Workshop Series

The quarterly workshops are designed to increase awareness and educate USAID/Bangladesh IPs working in the health and agriculture sectors on mobile money usage. The workshop series educates finance and programmatic staff on the benefits of using mobile money. Discussion among different IPs in the workshop also increases their reflective knowledge on mobile banking and mobile money.

1.2 Fourth Quarterly Workshop: Essentials for Incorporating Mobile Payments into Projects / Programs

The fourth quarterly workshop focused on the process of how USAID Bangladesh IPs can easily adopt mobile payments in their project operations. The workshop also discussed the steps an organization would need to follow to incorporate mobile payments into a project, and how mSTAR could help interested USAID IPs in transitioning from cash to mobile payments.

2. Basic Information on the Workshop

Title of the Workshop: *Essentials for Incorporating Mobile Payments into Projects / Programs*

Date and Time: September 17, 2014; 9:00 AM – 12:00PM

Venue: Conference Room; FHI 360, Bangladesh Country Office

3. Workshop Participant Details

Total Number of Participants: 22

- Male: 20
- Female: 02

Number of Organizations Participating: 10

Organizations Participating:

1. Dnet/MAMA Initiative
2. The WorldFish Center
3. Save the Children
4. Dhaka Ahsania Mission (DAM)
5. ACDI/VOCA
6. Social Marketing Company (SMC)
7. CIP
8. MSH
9. BIMA
10. SWOSTI

Guest Presenters:

Debankar Biswas, Country Manager of BIMA

Ahmad Islam Muqsit, CEO of SWOSTI

** USAID representatives could not attend the event*

Details of the participants is provided in Annex – 1

4. Workshop Program Schedule

Time	Description/Detail	Resource Person
09:00	Registration	
09:10	Welcome and Introduction	Kathrin Tegenfeldt Country Director, FHI 360, Bangladesh
09:20	An overview of mSTAR Bangladesh and of the state of Mobile Payments in Bangladesh	Ataur Rahman Team Lead, mSTAR Bangladesh
09:35	Cash vs. mobile money payments in projects/programs	Jaheed Parvez Mobile Money Specialist, mSTAR Bangladesh
	Beyond only money transfers: An intro to other types of mobile financial service products	
10:00	- Provide and Protect : Milvik Health Service (MHS)	Debankur Biswas Country Manager, BIMA
10:20	- SWOSTI-Mobile Credit Card	Ahmad Islam Muqsit CEO, SWOSTI Ltd.
10:40	Tea Break	
11:00	Steps for incorporating mobile money payments within ongoing projects/programs	Jaheed Parvez Mobile Money Specialist, mSTAR Bangladesh
11:20	How to anticipate and mitigate potential risks for incorporating mobile payments in projects	Ataur Rahman Team Lead, mSTAR Bangladesh & Kazi Amit Imran Communications Specialist, mSTAR Bangladesh
11:40	How mSTAR can help: Technical Assistance Request Form and our latest Learning Documents	Md. Ariful Islam M&E Specialist, mSTAR Bangladesh
12:00	Q&A	

5. Overview of Major Activities

The workshop focused on four thematic topics, each focusing on different process components to incorporate mobile payments in USAID/Bangladesh projects and programs. The sessions were designed to facilitate an interactive platform to provide opportunities for discussions which might lead to increased sharing of knowledge among the participants. The workshop sessions were moderated by M. Aatur Rahman, team lead of mSTAR Bangladesh. In addition, two guest speakers presented their experiences on mobile money usage in micro-insurances and their future plans with mobile money.

5.1 Welcome Note

Kathrin Tegenfeldt, Country Director of FHI 360, Bangladesh welcomed all participants for attending the workshop despite their busy schedule. She shared that mobile money and mobile payments are gaining popularity in Bangladesh and mSTAR is working to help USAID IPs in transitioning from cash to mobile payments. She mentioned that mSTAR has the required technical expertise in helping USAID IPs in the transitioning process and referred to the technical assistances already provided to USAID IPs.

5.2 An overview of mSTAR Bangladesh and of the state of Mobile Payments in Bangladesh

M. Aatur Rahman, team lead of mSTAR Bangladesh gave a brief presentation on mSTAR's activities and provided an overview of the project. He said ***“We are discussing mobile payments because of its huge number of access points”*** while comparing the number of access points offered by banks with mobile financial services. Mr. Rahman mentioned that mSTAR is working to help USAID health and agriculture IPs to transition from cash to mobile payments in their project/program operations.



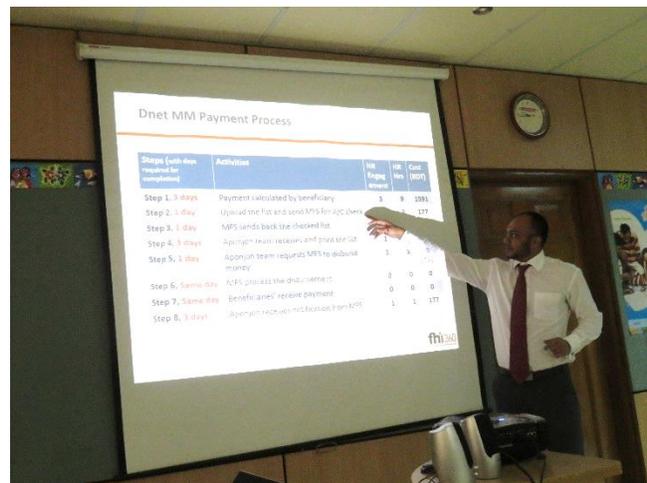
He mentioned that mSTAR provides three main services to USAID IPs: (i) knowledge sharing and awareness raising, (ii) on-demand technical assistance and (iii) learning grants. He shared that mSTAR Bangladesh has so far conducted three technical workshops in Dhaka and two at the district level. In addition, it has published a wide range of learning documents aimed at helping USAID IPs to make informed decisions when incorporating mobile payments into their operations. mSTAR Bangladesh has provided grants to Dnet's MAMA project and WorldFish Center's AIN project to pilot mobile payments in

their project operations. Mr. Rahman shared that the third round of mSTAR grants will be launched in the third week of September 2014. In addition, he mentioned that USAID IPs can also request technical assistance from mSTAR by making a formal request.

Talking about the mobile financial service (MFS) industry of Bangladesh, Mr. Rahman shared that 19 banks out of the 28 approved banks are offering mobile financial services in Bangladesh. He further stated that the MFS industry in Bangladesh is growing rapidly. Given the high number of access points, USAID is encouraging the use of mobile payments over cash to transfer money to field staff and project beneficiaries.

5.3 Cash vs. mobile money payments in projects/programs

mSTAR’s Mobile Money Specialist, Jaheed Parvez, shared a generic cost versus mobile money usage analysis with participants emphasizing the challenges faced while using cash and the potential benefits of using mobile money. Mr. Parvez shared in details the process adopted by Dnet’s MAMA project and showed how incorporating mobile payments has reduced their labor burden, which has resulted in reduced costs. He further noted that beyond the reduced indirect costs, mobile payments have also contributed towards reduced direct costs, such as transportation. The funds saved are now being used in other project needs. Mr. Parvez also shared that in three months since receiving an mSTAR grant, Dnet has been able to reduce its payment process significantly from 43 days to 11 days. The change itself reflects the effectiveness of mobile payments in project operations.



In response to a query, Mr. Parvez mentioned that opening a mobile money account is an easy process and involves some basic verification. A personal data form along with a photo identity and a completed account opening form are required to open a new account. In response to another query, Mr. Parvez shared that the mobile money industry in Bangladesh is a bank-led model and therefore the money saved and transacted is generally safe. He also optimistically shared that various savings products will be offered by MFSs soon.

5.4 Presentations from MSH and SWOSTI

Two guest speakers from the micro-insurance industry, which are using mobile money, gave presentations on their activities. Debonkar Biswas, Country Manager of Management Sciences for Health (MSH)-BIMA shared that they are currently working in 12 countries with the objective of increasing communities accessibility to healthcare services. The project maintains a database of specialist doctors and healthcare facilities to better serve its clients which currently stands at over 5,000. Mr. Biswas shared that clients could register for the service by paying BDT 200 and filling out a form. After registering, clients can receive doctor consultations over the phone along with medication advice for primary treatment, if required. Mr. Biswas shared that MSH-BIMA in partnership with ROBI provides health insurance to ROBI mobile subscribers. The insured amount is assessed based on the airtime usage of the client. Subscription requests for the product can be placed using a ROBI SIM and insurance claims are settled by crediting applicants' bKash accounts. He shared that they intend to scale up this initiative. In response to a query, he mentioned that anyone aged between 16 years and 60 years with a monthly earning of BDT 6,000 is eligible to register for this service. In addition to another question, Mr. Biswas shared that in cases of emergencies, referrals to healthcare facilities are being made.



Ahmad Islam Muqsit, Chief Executive Officer of SWOSTI, shared that SWOSTI launched a mobile credit card in Bangladesh. Using their preferred MFS, DBBL Mobile Banking, SWOSTI was able to successfully disburse about BDT 10 million in 2013. Mr. Muqsit shared that the maximum amount disbursed to an individual is BDT 20,000 for 10 months at an interest rate of 25% further mentioning that the majority of borrowers are NGO field staff. Once a loan request is placed, SWOSTI disburses the approved loan amount to the applicant by crediting his/her DBBL Mobile Banking account. SWOSTI's mobile application records the disbursement history on SWOSTI's server. Loan repayment is also collected using DBBL Mobile Banking and the transaction history is recorded through the mobile application. He shared that borrowers can settle their loan before maturity and can get updates on the status of their loan through SMS. In addition, Mr. Muqsit



shared that the project is developing a new interactive mobile application which will help speed up service delivery to clients.

5.5 Steps for incorporating mobile money payments within ongoing projects/ programs

In this session, Jaheed Parvez described the process of how USAID projects and programs can adopt mobile money in their operations. Mr. Parvez emphasized the importance of pilot testing mobile money in the project / program before using it widely. Doing so not only makes monitoring easier but also ensures flawless replication and adoption of appropriate systems across the organization. He stressed the need for upfront planning before making the switch, including scoping, developing process flow charts, disbursement profiles, and mapping barriers to transition that need to be overcome to ensure success. Mr. Parvez also talked about capacity development initiatives and mentioned that generic trainings on topics such as registration, PIN handling, connecting to call centers, and making balance inquiries can help to enable the beneficiaries to use mobile money effectively. In conclusion, Mr. Parvez also shared where mSTAR could help USAID IPs with the transition process and building capacity of their staff and beneficiaries.

5.6 How to anticipate and mitigate potential risks by incorporating mobile payments in projects

The mSTAR project team lead, Mr. Ataur Rahman, shared a few of factors that contribute to project's program staff and finance staff aversion from adopting mobile payments. Mentioning that use of cash is time consuming he further said that usage of cash increases security & safety risks, increases direct costs including transportation cost, opens opportunity for misuse of cash, and reduces overall efficiency of project operations. He shared that incorporating mobile payments in projects / programs reduces human resource engagement considerably along with saving transportation cost and time. Mr. Rahman shared that in addition to saving time and money, adoption of mobile payments also increases transparency, accountability and automated performance monitoring of the project. He further mentioned that once mobile payments are incorporated, MFS providers' delegated staff prepare e-statements of money disbursed and act as the frontline actor to resolve any problem associated with fund disbursement, which also helps in reducing human resource engagement for the project.

5.7 How mSTAR can help: Technical Assistance Request Form and our latest Learning Documents

Monitoring & Evaluation Specialist, Md Ariful Islam, shared that mSTAR is publishing a wide range of learning documents highlighting the experiences of organizations in Bangladesh using mobile money, and providing details on the services and fees of MFS providers. Mr. Islam then showed participants the

website where all of mSTAR’s learning documents are published. In addition, Mr. Islam mentioned that mSTAR Bangladesh has provided technical assistance (TA) to The WorldFish Center AIN project and Dhaka Ahsania Mission (DAM) Agriculture Extension Project. He described how the TA form needs to be filled out to receive technical assistance from mSTAR Bangladesh.

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

Workshop participants from USAID/Bangladesh IPs (8 in total) took part in the workshop pre- and post-assessments, which gave an opportunity to assess the level of change in their knowledge regarding MM payments. A summary of the findings is described below.

6.1 Findings from Participant MM Capacity Assessment

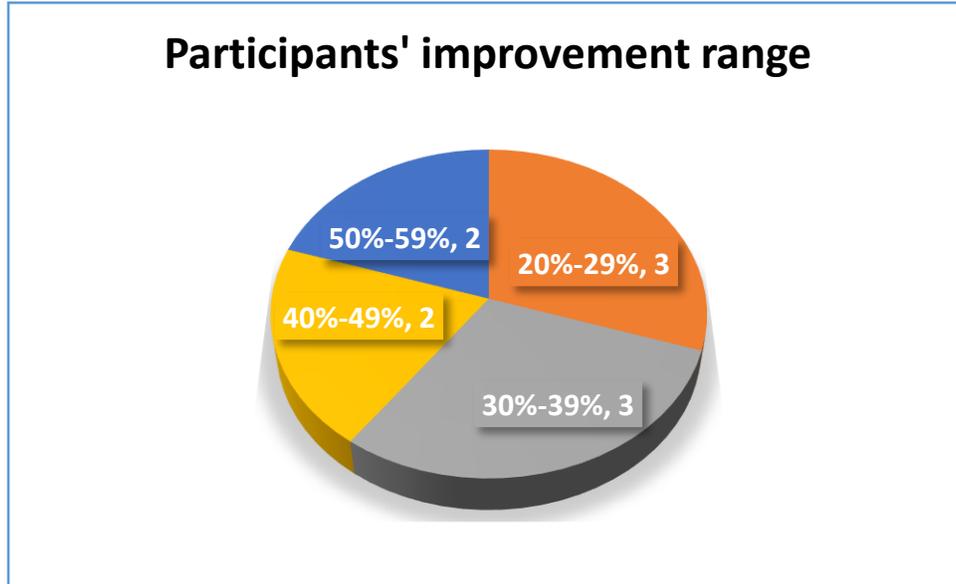
One of the objectives of the workshop assessment was to measure how much participants learned from the workshop. The result of participant MM understanding can be summarized below:

ID No.	Pre-assessment score	Post-assessment score	Changes (Post-Workshop Score - Pre-workshop Score)	Percentage of increase in understanding of MM
1	7	13	6	30
2	7	18	11	55
3	4	11	7	35
4	10	0	0	0
5	11	16	5	25
6	10	18	8	40
7	11	16	5	25
8	18	0	0	0
9	11	0	0	0
10	3	14	11	55
11	4	11	7	35
12	10	14	4	20
13	0	9	9	45

**The shaded fields corresponds to those who did not take part in the post-assessment test*

As can be seen in the table above, participants showed an increase in their understanding of MM as a result of participating in this workshop. The average change in participant scores was 36.5%.

Figure 1: Graphical presentation of participant MM understanding



6.2 Findings from Workshop Session Assessment

The workshop participants assessed the session content and presentations through a post assessment questionnaire. The ranking that was used for content assessment include: very informative, informative, somewhat informative and not informative at all. Another ranking scale (i.e. Excellent, Very Good, Good, Fair and Poor) was set for the assessment of session presentations.

Table 1: Scores of session & presentation assessment

Maximum Score: 65

Session Name	Session Content Score	Average	Session Presentation Score	Average
An overview of mSTAR Bangladesh and the state of MM payments	47	4	56	4
Cash vs. MM payments in projects/programs: observations from Dnet	53	4	58	4
Beyond only money transfers: An intro to other types of MFS products: MHS	47	4	53	4
Beyond only money transfers: An intro to other types of MFS products: SWOSTI	39	3	49	4
Steps for incorporating MM payments within ongoing projects/programs	51	4	56	4

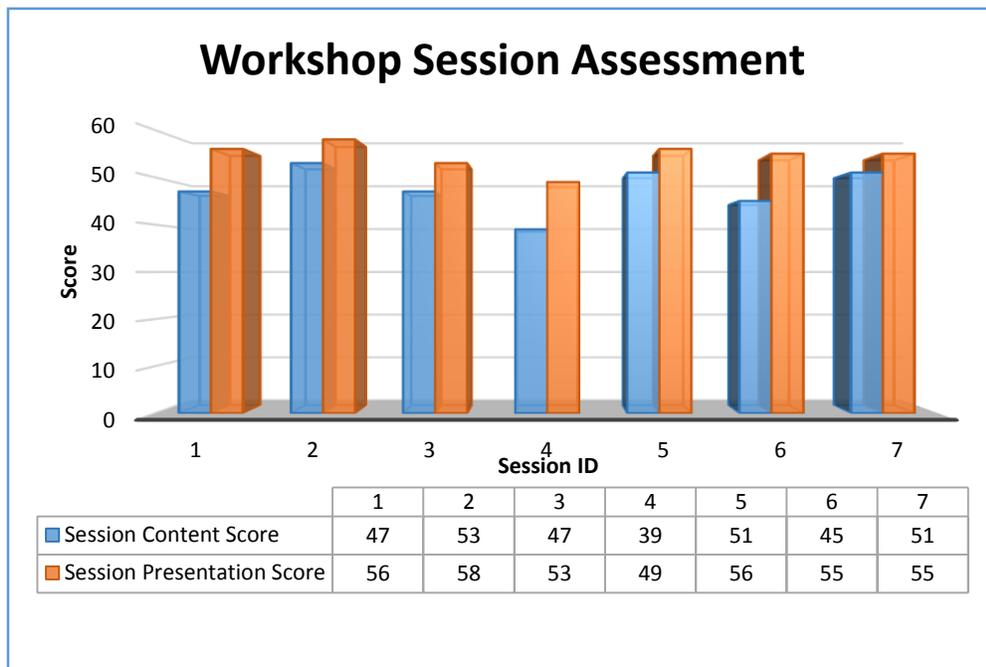
How to anticipate and mitigate potential risks for incorporating MM payments in projects	45	3	55	4
How mSTAR can help: Technical Assistance Request Form	51	4	55	4
Average Score	56		64	
Maximum Weight	65		65	

Numbering Index: Session Content	
Very Informative	5
Informative	3
Somewhat informative	1
Not informative at all	0

Numbering Index: Session Presentation	
Excellent	5
Very Good	4
Good	3
Fair	2
Poor	0

The participants found most of the sessions informative to very informative (average score: 3-5). Also the session presentations received an average score of 4 meaning that the presentations were considered to be very good.

Figure 2: Graphical overview of session & presentation scores



6.3 Participants' major takeaways

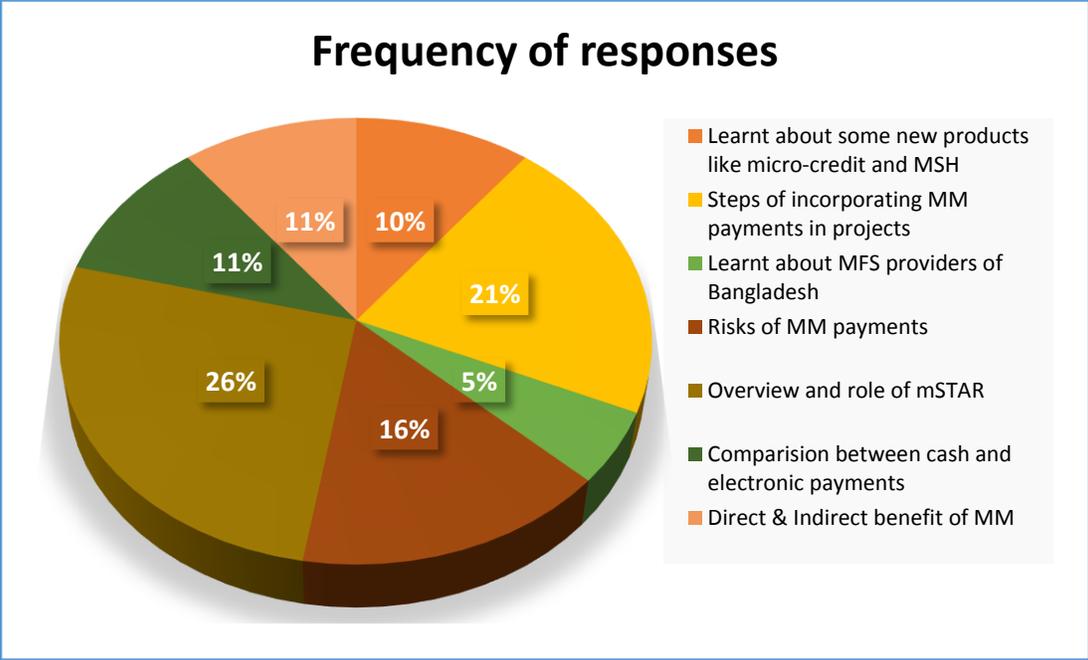
The major takeaways as a result of participating at the workshop are summarized below:

Table 2: Overview of major takeaways from the workshop

SL.#	Issues	Frequency of responses
1	Learnt about some new products like micro-credit and MSH	2
2	Steps for incorporating MM payments in projects	4
3	Learnt about MFS providers in Bangladesh	1
4	Risks of MM payments and mitigation strategies	3
5	Overview and role of mSTAR	5
6	Comparison between cash and electronic payments	2
7	Direct & indirect benefits of MM	2

More than a quarter of the participants’ (26%) were able to get an overview of mSTAR. 21% participants found the workshop beneficial as they learnt about the steps for incorporating MM payments within projects/programs. Another 16% participants noted that learning about the probable risks and how to mitigate them was their main takeaway from the workshop.

Figure 1: Graphical overview of major takeaways

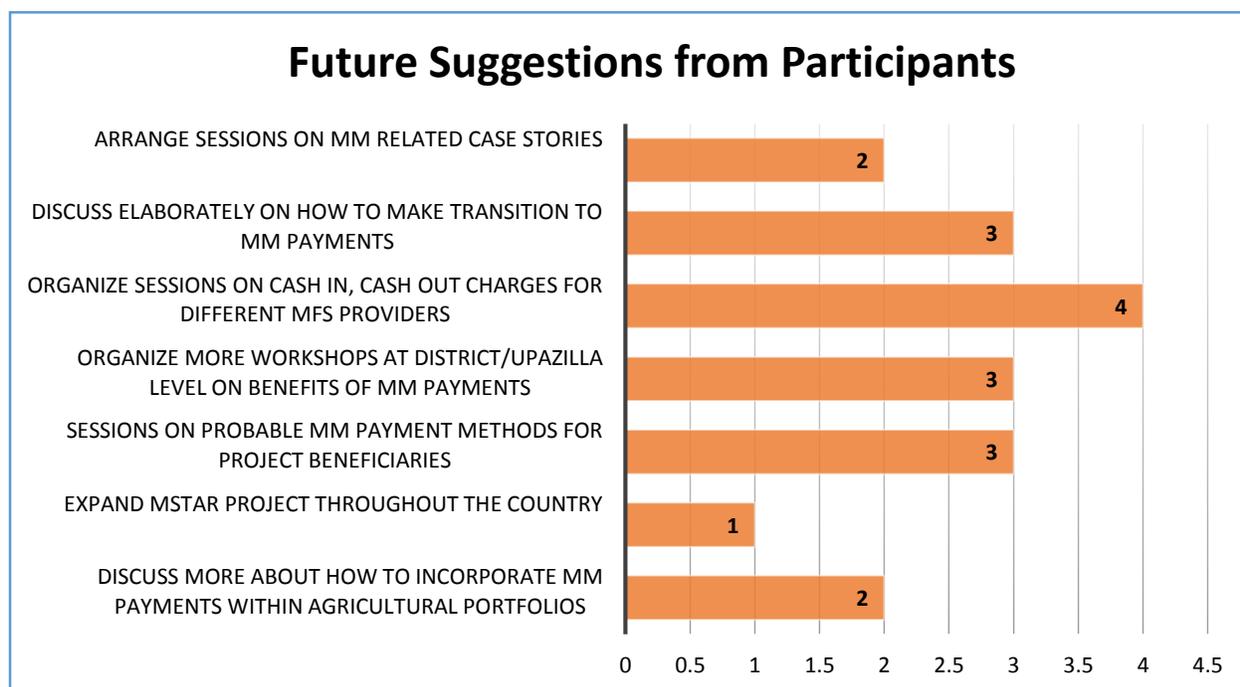


6.4 Participants’ suggestions for further interventions

Participants suggested a number of potential topics that they would like to see in future mSTAR workshops. The suggestions are as follows:

sl.#	Future suggestions	Frequency
1	Discuss more about how to incorporate MM payments within agricultural projects	2

2	Expand mSTAR project throughout the country	1
3	Sessions on probable MM payment methods for project beneficiaries	3
4	Organize more workshops at district/upazilla level on benefits of MM payments	3
5	Organize sessions on cash in, cash out charges for different MFS providers	4
6	Discuss elaborately on how to make transition to MM payments	3
7	Arrange sessions on MM related case stories	2



The highest number of suggestions were about organizing a session on cash in, cash out charges of different MFS providers. There were also a significant number of suggestions related to organizing more district/UP level workshops, adding sessions on the transition process to MM payments, and sessions on probable MM payment methods for project beneficiaries.

Annex – 1 Participants' Details

SL	Name	Designation	Organization
1	Muhammad Saifur Islam	Sr. Officer-Treasury	Save the Children
2	Jamie Charlebois	MicroFinance Specialist	DAM
3	Debankar Biswas	Country Manager	BIMA
4	Nesar U. Sayeed	Director, Finance & Grants	ACDI/VOCA
5	Ahmad Islam Muqsit	CEO	SWOSTI
6	Maruf Hasan	Deputy Manager	SMC
7	Md. Akhter Hossain	MSH	Finance & Operation Manager
8	Kazi Md. Saiful Alam	Director, Corporate Affairs	Dnet
9	KM Mozammel Haq	Sr. Accounts Officer	SMC
10	DANA Wadd	Technical Adviser	SMC
11	Md. Hafizur Rahman	Finance Assistant	WorldFish Center
12	Mamunul Haque	Team Leader	SMC
13	Arafat Azad	Admin Assistant	CIP
14	Kallyan Kingkor Tewary	Officer-Cash Management	Save the Children
15	Mohammad Solaiman	Sr. Officer	Save the Children
16	Tajmary Akhter	Gender Coordinator	CIP
17	Charles Joy Sarker	Sr. Finance Manager	ACDI/VOCA
18	Kathrin Tegenfeldt	Country Director	FHI360
19	M Ataur Rahman	Team Leader	FHI360
20	Jaheed Parvez	Mobile Money Specialist	FHI360
21	Md Ariful Islam	M&E Specialist	FHI360
22	Kazi Amit Imran	Communication Specialist	FHI360

Annex – 2

Pre & Post Assessment Questionnaires

**Workshop on Essentials for Incorporating Mobile Payments into Projects/Programs
September 17, 2014
Workshop Pre-assessment**

Participant Name:

Organization:

Position:

Cell:

E-mail:

1. Organizational mobile money usage

1.1 Do you use mobile money payment within your organization or any of your projects?

Yes

No

Used previously; not now

2. Pre Assessment questionnaire

2.1 Please check the incorrect statement/s

Bangladesh Bank is the regulatory authority of MFS in Bangladesh

It is possible to transfer money from a bKash account to DBBL account

Mobile money payments in projects usually increases the amount of paperwork required

Only the finance team of a project/program has to take more responsibility in adopting MM payments

2.2 List all of the different usages for mobile financial services that are you aware of in Bangladesh

2.3 What are some of the ways that mobile money can be more beneficial than cash in a project?

2.4 List all of the organizational requirements (programmatic, financial etc.) you know of that are necessary for transitioning to mobile money payments from cash

Workshop on Essentials for Incorporating Mobile Payments into Projects/Programs
September 17, 2014
Workshop Post-assessment

Participant Name:

Organization:

Position:

Cell:

E-mail:

3. Assessment of Workshop Sessions

Session Name	Session Content	Session Presentation
An overview of mSTAR Bangladesh and of the state of Mobile Payments in Bangladesh	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Cash payment vs. mobile money payments in projects/programs: Observations from Dnet	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Beyond only money transfers: An intro to other types of mobile financial service products Provide and Protect : Milvik Health Service (MHS)	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Beyond only money transfers: An intro to other types of mobile financial service products SWOSTI-Mobile Credit Card	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Steps for incorporating mobile money payments within ongoing projects/programs	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
How to anticipate and mitigate potential risks for incorporating mobile payments in projects	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
How mSTAR can help: Technical Assistance Request Form and our Latest Learning Documents	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/>

	Not informative at all <input type="checkbox"/>	Fair <input type="checkbox"/> Poor <input type="checkbox"/>
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4. Please list the major takeaways that you achieved from this workshop

5. Please write down your suggestions/expectations for/from future mSTAR workshops

6. Post Assessment Questionnaire

6.1 Please check the incorrect statement/s

- Bangladesh Bank is the regulatory authority of MFS in Bangladesh
- It is possible to transfer money from a bKash account to DBBL account
- Mobile money payments in projects usually increases the amount of paperwork required
- Only the finance team of a project/program has to take more responsibility in adopting MM payments

6.2 List all of the different usages for mobile financial services that are you aware of in Bangladesh

6.3 What are some of the ways that mobile money can be more beneficial than cash in a project?

6.4 List all of the organizational requirements (programmatic, financial etc.) you know of that are necessary for transitioning to mobile money payments from cash