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September  
2017

# Evaluation

*of* the Impact of USAID's  
mSTAR/Bangladesh Activity  
(implemented by FHI 360)



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THE SCIENCE OF IMPROVING LIVES

# Evaluation

*of* the Impact of USAID's  
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# LIST OF ACRONYMS AND ABBREVIATIONS

**ACDI/VOCA**

Agricultural Cooperative Development International/  
Volunteers in Overseas Cooperative Assistance

**AESA**

Agriculture Extension Support Activity

**AIN**

Aquaculture for Income and Nutrition

**AIP**

Agro Input Project

**AIRN**

Agro Input Retailers Network

**ANGeL**

Agriculture, Nutrition, and Gender Linkages

**B2B**

Business to Business

**B2P**

Business to Person

**BDS**

Business Development Services

**BSP**

Blue Star Provider

**CNFA**

Cultivating New Frontiers in Agriculture

**DAM**

Dhaka Ahsania Mission

**DBBL**

Dutch-Bangla Bank Limited

**DFCG**

Digital Finance Consultative Group

**DFS**

Digital Financial Services

**DFSP**

Digital Financial Service Provider

**FGD**

Focus Group Discussion

**G2P**

Government to Person

**HKI**

Helen Keller International

**ICT**

Information and Communications Technology

**IDI**

In-depth Interview

**IFPRI**

International Food Policy Research Institute

**IP**

Implementing Partner

**IRRI**

International Rice Research Institute

**LoE**

Level of Effort

**MAMA**

Mobile Alliance for Maternal Action

**MFS**

Mobile Financial Services

**MIH**

Marketing Innovation for Health

**MMCG**

Mobile Money Consultative Group

**MNOs**

Mobile Network Operators

**mSTAR**

Mobile Solutions for Technical Assistance and Research

**NGO**

Non-Governmental Organization

**P2B**

Person to Business

**P2G**

Person to Government

**PCHP**

Private Community Health Provider

**PIN**

Personal Identification Number

**RVC**

Rice Value Chain

**SCI**

Save the Children International

**SMC**

Social Marketing Company

**TA**

Technical Assistance

**UCBL**

United Commercial Bank Limited

**UNCDF**

United Nations Capital Development Fund

**USAID**

United States Agency for International Development

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We are thankful to all mSTAR/Bangladesh project staff of FHI 360, its implementing partners and other key stakeholders who have cooperated with our team of data collectors. In addition, we would like to convey our sincere gratitude to the study team who were involved in the whole process. Finally, we are grateful to the respondents who have provided their valuable information and time for the study.

## EXECUTIVE SUMMARY

The evaluation was conducted between April and June 2017 to systematically understand mSTAR/Bangladesh's progress towards the goal of integrating digital financial services (DFS) in the programs of USAID/Bangladesh and connecting DFS providers for overall impact. A total of 34 persons were interviewed for this evaluation, and three FGDs were conducted with 20 beneficiaries. In addition, mSTAR/Bangladesh related documents and reports were reviewed to have quantitative insights.

mSTAR in Bangladesh provided grant, technical assistance and capacity support to USAID/Bangladesh program partner staff and connected DFS providers with the partner organizations to ensure and facilitate appropriate integration of DFS. mSTAR/Bangladesh produced dozens of learning documents, organized capacity building events and organized a platform called the Mobile Money Consultative Group (MMCG), which was later renamed to the Digital Finance Consultative Group, to facilitate collective learning, knowledge sharing, and building partnerships.

Qualitative approaches and tools were applied to collect data and generate insights. The overall summary findings are stated below:

- A |** Through its different activities, mSTAR/Bangladesh **technically supported 40 USAID programs** over its four-year implementation period, including 26 focusing on economic growth, 10 health and education programs, and four USAID/Bangladesh Office of Food for Peace-funded projects. This was done through small grants (three recipients), formal technical assistance (nine recipients), informal technical assistance (three recipients), and workshops (25 programs participating). Of the eight grants and TA recipients who were interviewed, all of them had used DFS; among them, seven organizations performed business to person (B2P) transactions, two organizations performed person to business (P2B) in addition to B2P, and two organizations performed business to business (B2B) transactions.
- B |** The total volume of transactions made by mSTAR/Bangladesh-supported USAID programs and their beneficiaries through June 2017 was BDT 162.5 million (just over US\$2 million), **which is 176% higher than what mSTAR/Bangladesh had projected** (BDT 92.25 million). The average volume of each transaction made by USAID/Bangladesh partner organizations was BDT 1,733.
- C |** The transition from cash to DFS saved money processing time from head office to field offices, saved time and cost, and reduced associated risks. **Dnet saved the equivalent of 20 full-time employees in a year**, and their overall **return was 1.8 times higher** than the investment made in one year pilot for the transition from cash. **SMC saved 169 labor days digitizing payments for 74 blue star provider (BSP) trainings and 30 days in 308 private community health provider (PCHP) trainings.** In addition, **each sales collection officer saved 81 minutes** by depositing money after collections of daily sales. **WorldFish saved 600 days annually** after transitioning from cash to DFS, as their staff effort and transportation time was reduced for payment disbursement from previous methods.
- D |** As a result of adoption of DFS, beneficiaries claimed that they received money easily because they did not have to depend on partner organizations' field officials anymore.

They did not have to visit any bank for money, and thus they could save transport cost and time, and they felt secure.

- E |** The introduction of unique DFS products for accessing cash/finance through the formal banking channel was welcomed by many farmers. mSTAR/Bangladesh successfully facilitated Dhaka Ahsania Mission (DAM) and Bank Asia to design the 'A-Card' under the Agriculture Extension Support Activity (AESAs) project. Similarly, IFIC bank modified their existing DFS product 'Amar Account' in association with International Rice Research Institute (IRRI) for the farmers in remote locations to access. Farmers in both cases saved transaction costs and received financial services within short period of time.
- F |** In terms of continuation of DFS use, among the eight of the grant and formal TA recipients who were interviewed, four of them have continued using DFS, three of them stopped due to their project closure and one of them stopped due to the other reasons.
- G |** All the interviewees (34) identified that the learning documents that mSTAR/Bangladesh produced and shared were useful; they particularly liked the infographics and comparative infosheets.
- H |** mSTAR/Bangladesh fruitfully **mobilized five DFS providers** (DBBL's ROCKET, bKash, UCBL's UCash, Bank Asia and IFIC Bank) to serve USAID/Bangladesh program beneficiaries. Bank Asia launched A-Card and IFIC Bank modified its 'Amar Account' agriculture loan product. bKash and ROCKET added value (e.g. provided alternative ID card, free photography, deployed new agents, provided training for account opening, reduced service charges) to their existing products.
- I |** As an initiator, mSTAR was successful in bringing some key players to the same platform and built a strong coordination mechanism. mSTAR managed and facilitated MMCG professionally, without bias to a particular player. They created equal space for all and made the MMCG successful.
- J |** With the efficient support of mSTAR/Bangladesh many of the challenges faced by the partners to integrate DFS were mitigated successfully.
- K |** Observations made by the participants indicated that DFS was not part of the mainstream development agenda of USAID/Bangladesh; it was always a cross-cutting issue. Global focus on DFS has not been replicated at the Mission level. Some in the Mission did not consider mSTAR/Bangladesh a formal part of USAID/Bangladesh's portfolio since it was managed by the Program Office, and did not report directly to either the Office of Economic Growth or the Office of Health, Population, Nutrition, and Education. Therefore, mSTAR/Bangladesh was effective but lacked a sufficient amount of funds and vision to realize its full potential. USAID/Bangladesh would need to consider DFS as part of their core portfolio to realize the full potential of DFS in Bangladesh.

# I INTRODUCTION

mSTAR is a globally-focused, action learning program that fosters the rapid adoption and scale-up of digital financial services, mobile technology and mobile data solutions in developing countries. In Bangladesh, the mSTAR activity supports the acceleration and adoption of digital financial services within the USAID Mission’s programs. Implementation of this activity commenced in September 2013 and continued until September 2017. The primary objective of mSTAR/Bangladesh is to assist USAID/Bangladesh to integrate digital payments in programs and operations of implementing partners, as well as to support expansion of the digital payments industry in ways that are beneficial to USAID programs and USAID’s broader development objectives at an ecosystem level.

Since 2013, mSTAR/Bangladesh has provided i) both grants and technical assistances to three USAID-funded programs, ii) only technical assistance to nine programs (which included two programs that received TA twice for different purposes), and iii) informal technical assistance to three programs for adoption of DFS to switch from a cash-based payment mechanism for project operations. Besides this, 25 USAID/Bangladesh programs participated in mSTAR/Bangladesh facilitated technical workshops on DFS. Formal technical assistance was also provided to one DFS provider for designing a new product to respond to the need of USAID project beneficiaries. The list of USAID programs who received grants, formal and informal TA from mSTAR/Bangladesh, and built partnership for DFS usage are given in Table I. A full list of all USAID programs and non-USAID programs that received technical support from mSTAR/Bangladesh is in Annex I.

Table I: USAID/Bangladesh programs receiving support from mSTAR/Bangladesh

Name of implementing organization	Name of project/program	Category of project	Type of mSTAR/Bangladesh support		
			Grant	Formal TA	Informal TA
<b>Dnet</b>	MAMA (Mobile Alliance for Maternal Action)	Health	x	x	
<b>Social Marketing Company (SMC)</b>	Marketing Innovation for Health (MIH) Program, BlueStar Network Program (BSPs), PCHP and SMC Enterprise Limited- Sales activity	Health	x	x	
<b>The WorldFish Center</b>	Aquaculture for Income and Nutrition (AIN)	Agriculture	x	x	
<b>CARE Bangladesh</b>	SHOUHARDO II	Agriculture		x	
<b>CNFA</b>	Agro-Inputs Project (AIP)**	Agriculture		xx	
<b>Dhaka Ahsania Mission (DAM)</b>	Agriculture Extension Support Activity (AESA) Project**	Agriculture		xx	
<b>Hellen Keller International (HKI)</b>	SAPLING	Agriculture		x	
<b>Hellen Keller International (HKI)</b>	SPRING	Agriculture		x	
<b>International Food Policy Research Institute (IFPRI)</b>	Agriculture, Nutrition and Gender Linkages (ANGeL) project	Agriculture		x	
<b>International Rice Research Institute (IRRI)</b>	Rice Value Chain project	Agriculture		x	

Name of implementing organization	Name of project/program	Category of project	Type of mSTAR/Bangladesh support		
			Grant	Formal TA	Informal TA
Save the Children	Reading Enhancement for Advancing Development (READ)	Education		x	
ACDI/VOCA	Livestock Production for Improved Nutrition (LPIN) project	Agriculture		x	
Engender Health Bangladesh	Mayer Hashi II	Health			x
University Research Co., LLC (URC)	TB CARE II	Health			x
World Vision Bangladesh	Nobo Jatra Program	Health			x

\* Names are arranged in alphabetical order and by category of support provided.

\*\* The AIP and AESA projects both received formal TA from mSTAR/Bangladesh at two separate times for two different purposes.

mSTAR/Bangladesh formed and hosted nine mobile money consultative group meetings, where around 40 organizations participated in discussions aimed at exploring opportunities to augmenting DFS growth in Bangladesh.

Around 580 individuals of USAID’s implementing partners (IPs) received technical training from mSTAR/Bangladesh and enhanced their knowledge, awareness and motivation for adopting DFS in the program design, where possible. Some key players in the DFS industry were mobilized to collaborate with USAID-funded projects to expand DFS in some remote locations, to modify DFS products, and/or design new DFS products to respond better to the need of beneficiaries.

In order to review the changes made over the last four years of interventions mSTAR/Bangladesh commissioned this evaluation with the following objectives:

- A |** Assess the mSTAR/Bangladesh activity’s progress toward the goal of integrating digital payments in the programs and operations of implementing partners.
- B |** Assess the mSTAR/Bangladesh activity’s progress toward the goal of supporting expansion of the digital payments industry in ways that are beneficial to USAID programs and USAID’s broader development objectives at an ecosystem level.
- C |** Assess the overall impact of that mSTAR/Bangladesh has had on USAID-funded projects in Bangladesh.

## 2 METHODOLOGY

The evaluation was carried out between April and June 2017.

**Tools and Approaches** The evaluation mainly applied qualitative approaches and tools including in-depth interviews (IDI) and focus group discussions (FGDs) to capture and analyze the impacts and insights of mSTAR/Bangladesh.

A review of secondary documents, including project documents, reports, infosheets, and infographics was conducted to extract quantitative results and insights.

Thirty-four in-depth interviews were conducted with three grants recipients, five technical assistance recipients, eight other implementing partner staff, five DFS providers, six MMCG members, and key persons from FHI 360 and USAID/Bangladesh.

Three FGDs were conducted with 20 beneficiaries who received digital payments from one of the mSTAR/Bangladesh grantees.

The qualitative data were also collected through face-to-face conversations with targeted participants. Some interviews with participants living abroad during the assessment also took place on Skype.

Separate open-ended checklists were applied for the interviews and FGDs. Some issues addressed by the interview questions are stated in Table 2 below:

Table 2: Focused issues for interviews and FGDs

Issues	Interview						FGD	
	Grant recipient	TA recipient	IP staff	DFS provider	MMCG member	FHI 360	USAID	Beneficiary
Assumptions	x	x		x	x	x		x
Benefits or achievements	x	x	x	x	x	x	x	x
DFS usage status	x	x						x
Utility of capacity activity	x	x	x					
Changes in market demand				x				
DFS ecosystem				x	x	x	x	
External influence				x	x	x	x	
Challenges	x	x	x	x		x	x	x
Learning	x	x	x	x	x	x	x	
<b>Organizations interviewed</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>5</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Persons interviewed</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>20</b>

**Ethical issues and Consent** Researchers of this assessment were trained to conduct interviews with an open mind and to remain non-judgmental and respectful to participants regardless of the responses in order to reduce bias to the extent possible. Care was taken to ensure that participants understood the purpose of the assessment, the process of data collection, and data protection issues. Consent of the participants were taken prior to the interview. Deliberate measures were taken to safeguard participants from any risk.

Total anonymity of respondents across all stages of the assessment was maintained. Access to raw data was restricted to researchers and authors only and measures have been taken to store data confidentially.

**Data analysis** For conducting data analysis, the collected qualitative responses were categorized and plotted under each of the relevant evaluation questions. Researchers read through all of the responses carefully, analyzed data and presented the findings in relation with the mSTAR/Bangladesh activity and assessment objectives. Relevant quantitative insights were also added to the qualitative data through triangulation of the findings. A high-medium-low gauge has been used in the results section for rating the successes, on the basis of progress made by mSTAR/Bangladesh against the targets that they had set.

## 3 FINDINGS

### 3.1 Integration of Digital Financial Services (DFS)

#### 3.1.1 Integration and diversity of DFS transactions

The first objective of the mSTAR/Bangladesh activity was to assist USAID/Bangladesh to integrate digital payments in their programs. In order to achieve this objective, mSTAR/Bangladesh provided grants and formal and informal technical assistance to a total of 14 USAID/Bangladesh program partner organizations. mSTAR/Bangladesh also mobilized five DFS providers for building partnerships with USAID/Bangladesh funded partner organizations.

The evaluators reached a total of eight organizations (three grants recipients and five TA recipients) for interviews. All of these organizations were found to have integrated DFS into their programs. Out of the eight organizations, seven performed B2P transactions, two organizations (DAM and IRRI) performed both B2P and P2B transactions for digital credit services, one organization (SMC) performed B2P and B2B transactions for training related payments and sales collection, and CNFA performed B2B for agriculture inputs credit. More than half of the DFS adopters (Dnet, WorldFish, CARE, SMC, and IFPRI) applied DFS for payments to their field offices and IFPRI applied it for directly paying their beneficiaries. The table below presents the diverse transactions made by the partner organizations which have been interviewed.

Table 3: DFS transaction diversity among mSTAR/Bangladesh support programs

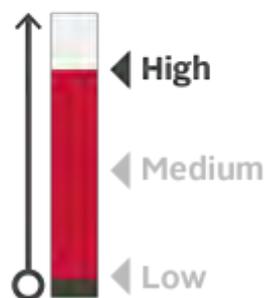
Name of organization	Name of USAID-funded program	DFS transaction category			DFS partner
		B2P	P2B	B2B	
<b>Dnet</b>	MAMA (Mobile Alliance for Maternal Action)	Office to field office	-	-	bKash and ROCKET (DBBL)
<b>WorldFish</b>	Aquaculture for Income and Nutrition (AIN)	Office to field office	-	-	bKash
<b>CARE Bangladesh</b>	SHOUHARDO II	Office to field office	-	-	UCash, UCBL
<b>IFPRI</b>	Agriculture, Nutrition and Gender Linkages (ANGeL) project	Office to field office and beneficiaries	-	-	ROCKET (DBBL)
<b>SMC</b>	BlueStar, PCHP, Sales collector	Office to field office	-	For sales collections	ROCKET (DBBL)
<b>DAM</b>	Agriculture Extension Support Activity (AESAs) Project	Bank to farmers	Farmers to input retailers	-	Bank Asia Agent Banking, Bank Asia
<b>IRRI</b>	Rice Value Chain project	Bank to farmers	Farmers to input retailers	-	IFIC Mobile Banking, IFIC Bank
<b>CNFA</b>	Agro Input Retailers Network (AIRN)			Bank to input retailers to input companies	Bank Asia Agent Banking, Bank Asia

The main reason for integration of B2P DFS transactions was to enhance payment efficiency in the field, to reduce risks related to carrying large amounts of cash, and also for maintaining transaction records for more transparency, all of which were successfully achieved. The following are some examples of successful utilization of DFS:

- *WorldFish integrated DFS for enhancing payment efficiency in their AIN project training program. They integrated digital payment for disbursement of training management costs and farmers' incentives to trainers.*
- *Dnet integrated digital payment to pay incentives to their customer acquisition agents under the MAMA program to enhance efficiency, reduce cash carriage risk and to have digital transaction records.*
- *IFPRI integrated DFS in their ANGeL project to ensure timely payment to their trainers over the number of trainings they provided, and payment to the registered household members for participation in scheduled trainings.*
- *CNFA adopted DFS to facilitate transactions among farmers and women agriculture input retailers under the AIP project.*
- *CARE utilized DFS for payment to their volunteers in remote locations under SHOUHARDO II project to avoid cash carriage risk.*
- *One of the grant recipients, SMC, adopted B2B DFS in their sales system to enhance sales collection efficiency and avoid risks related to cash transaction, and also to enhance payment efficiency to their field offices under the Blue Star and PCHP projects.*

Five of the organizations adopted mobile phone-based DFS, such as bKash, ROCKET and UCash services. Three organizations adopted DFS agriculture products for B2P and P2B transactions. For example, DAM was looking for agriculture input credit services for their targeted farmers. They capitalized on the relationships with mSTAR/Bangladesh and adopted DFS in association with Bank Asia. Farmers were offered a specially designed DFS credit product, 'A-Card,' for accessing credit for agriculture. Beneficiaries of CNFA had the same experiences. IRRI, for their farmers, introduced a DFS credit product 'Amar Account' in association with IFIC Bank for purchasing agriculture inputs.

Figure 1: DFS integration achievements with USAID/Bangladesh funded programs



The primary purpose of mSTAR/Bangladesh was to support USAID/Bangladesh partners' programs to integrate DFS. This purpose has been fulfilled by mSTAR/Bangladesh. All eight partner organizations interviewed integrated DFS in their program operations. Three types of DFS transactions (B2P, P2B and B2B) were observed in the pilot stage.

mSTAR/Bangladesh fruitfully mobilized two MFS providers for partnerships having a large market share in Bangladesh, with a USAID/Bangladesh program. Two scheduled banks were mobilized to make new and customized DFS products available. These are some of the successful examples of facilitation of USAID/Bangladesh partners for integration of DFS.

**A vast majority (i.e. 91%) of respondents (i.e. 34 respondents) were satisfied with the mSTAR/Bangladesh's existing role in diversifying and making transactions more efficient and transparent.**

Three participants would like to see mSTAR/Bangladesh's role expand beyond their pre-defined mandate. They stated that mSTAR/Bangladesh could work with big players such as insurance companies, hospitals, pharmaceuticals, and even with the government to enhance the diversity of DFS transaction, e.g. P2B, P2G and G2P.

### 3.1.2 Scale of DFS transactions in the USAID/Bangladesh program

In terms of outreach, WorldFish made DFS transactions with 125 trainers and over 9,000 advanced lead farmers, Dnet reached 9,664 field staff, SMC reached 1,637 health providers and officials, IFPRI reached 125 trainers and 3,125 farmers and CARE reached their 50 volunteers. DAM engaged 1,119 farmers through DFS-enabled micro-credit. IRRI introduced DFS to around 100 farmers and CNFA to 300 women for agriculture inputs through a banking channel using agent banking and mobile banking. Since the inception of mSTAR/Bangladesh through June 2017, the total volume of transactions made was BDT 162.5 million (equivalent to around US\$2 million) through 77,940 transactions made by both mSTAR/Bangladesh-supported USAID programs and their beneficiaries. The total volume of transactions performed in the last four years was around 176% higher than the target projected by mSTAR/Bangladesh.

The total transaction volume of BDT 162.5 million includes transfers through MFS and DFS credit products, as well as SMC's sales collection from the field. The average volume of each transaction made by the USAID/Bangladesh partner organizations was BDT 1,733.

The one outlier was SMC's sales collection agents. SMC collects sales from more than 100 sales persons all over Bangladesh, where the daily collection by every sales person varies between BDT 75,000 to 125,000. Under a grant from mSTAR/Bangladesh, SMC included five sales persons to adopt DFS, who, by the end, had around a 75% share (BDT 98 million) of the total volume of MFS (BDT 129.9 million) transactions made in the entire mSTAR/Bangladesh experience. However, they hold only around 3% (2,461 number of transaction) in terms of total number of transactions (74,926) made through MFS (Table 4).

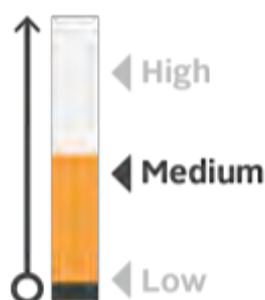
Table 4: DFS transaction status by USAID/Bangladesh-funded programs

	Category of DFS service	Transaction volume (in BDT)	Number of transactions	Average volume per transaction (in BDT)
<b>USAID/Bangladesh funded program status (FY 2014 to FY 2017)</b>	Mobile financial services (CARE, Dnet, IFPRI, SMC and WorldFish data are included here)	129.9 million (31.9 million if SMC data is not included)	74,926 (72,465 if SMC data is not included)	1,733 (441 if SMC data is not included)
	DFS credit products (DAM and IRR data are included here)	32.7 million	3,014	10,835
<b>Total</b>		<b>162.5 million</b>	<b>77,940</b>	<b>-</b>
<b>National status (May 2017)</b>	Mobile financial services (MFS)	261 billion	152 million	1,721

\* Source: FHI360 for USAID/Bangladesh program transaction data. National data - <[www.bb.org.bd/fnansys/paymentsys/mfsdata.php](http://www.bb.org.bd/fnansys/paymentsys/mfsdata.php)>

Other than the SMC and DFS credit products, partner organizations of mSTAR/Bangladesh performed 72,465 MFS transactions (around 97% of total MFS frequency) to pay out a total of BDT 31.9 million (25% of the MFS volume). During the interviews, it was observed that the volume of money paid to field staff in each transaction varied between BDT 200 to BDT 1000. Two respondents commented on this; one stated that the coverage of beneficiaries and the volume of each transaction made by the USAID/Bangladesh program partner were not inspiring. Another respondent stated that mSTAR/Bangladesh did not generate adequate economic rationale due to low volume of transactions and limited coverage of beneficiaries. However, both respondents acknowledged mSTAR/Bangladesh’s efforts and achievements in such a short span when they generated evidence through piloting.

Figure 2: Scale of DFS transaction in USAID/Bangladesh Program



The scale of DFS transactions in USAID/Bangladesh programs is rated here as medium, on the basis of the size of DFS outreach, transaction experience (including transaction driver of one program, SMC) and field observations, (Figure 2), even though mSTAR/Bangladesh achieved their transaction target (total volume), which was 1.76 times higher than the original plan. The evaluators believe mSTAR/Bangladesh should have

considered an enhancement of beneficiary outreach and individuals’ volume of transaction over the implementation period.

### 3.1.3 The transition benefits from cash to DFS: Institutional perspective

The integration of DFS in USAID/Bangladesh program operations generated visible results. Some of the partner organizations systematically captured the data to understand the transition benefits.

**The transition from cash to DFS saved money and processing time from head office to field staff and it increased efficiency in terms of reducing time, cost and associated risks of money transactions.**

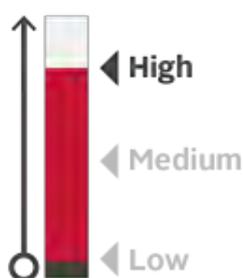
### **The Dnet story with DFS**

Grant and formal technical assistance recipient Dnet developed a money transaction software 'Payble' and connected it with ROCKET and bKash. Payble generates transaction evidence and data for future records and audits. After transitioning to using DFS, Dnet saved a number of workdays in processing disbursement of money to their field agents. As a result of the switch, their customer acquisition agents were receiving incentives 22 days earlier every month. The disbursement time was reduced by 90% and cost was reduced by 85% for each BDT 100 transaction to field staff. The total time and cost that Dnet saved in a year was equivalent to 20 full-time employees. The return they received was 1.8 times higher than the investment made in a one year pilot for the transition from cash (Table 5).

SMC introduced DFS in their training program for BSPs and PCHPs and in their sales collection deposit system. After transitioning to DFS, SMC saved 169 labor days, associated with 74 trainings in their BSP program. The labor savings was 30 days for 308 training events under the PCHP program. SMC also adopted DFS on a limited basis for depositing money at the end of the daily sales collection. Following the transition to DFS, sales collection officers saved an average of 81 minutes by depositing money on a daily basis upon collection of daily sales.

**SMC claims to have reduced 330 kilograms of carbon during the pilot phase as their use of vehicle fuel was reduced for sales collections by adopting DFS (Table 5).**

After embracing DFS in training and farmers' payment management, WorldFish reduced their financial administrative load. **The money disbursement processing time at the WorldFish head office was reduced from 22 days to 8 days.** They claimed a saving of 600 days annually after transition to DFS as it requires less efforts from their staff and helped them save time for transportation. Accountability and relationships between project and finance staff members also enhanced (Table 5).



*Figure 3: Transition benefit from cash to DFS-institutional perspective*

**In all three cases above, surplus work hours of the staff were reprogrammed to improve the quality of the program.** The transaction benefit is rated high as the intervention i) reduced disbursement processing time and ii) saved time and money during the pilot stage (Figure 3).

Table 5: Visible benefits received by three grant recipients

Dnet	SMC	WorldFish
<ul style="list-style-type: none"> <li>• Money disbursement processing time from head office to field staff reduced from 30 days to 8 days after switching from cash to DFS.</li> <li>• 90% time and 85% cost savings at supply side for each BDT 100 payment.</li> <li>• 67% time and 69% cost savings at demand side to collect their payment.</li> <li>• Total savings was US\$ 27,000 and the return was 1.8 times higher than the investment made for transition from cash to DFS.</li> </ul>	<ul style="list-style-type: none"> <li>• In 74 BSP trainings, SMC saved a total of 169 days of labor and approximately US\$ 1,685.</li> <li>• In 308 PCHP trainings conducted, a total of 30 days of labor and US\$ 650 were saved.</li> <li>• In sales collection, sales officers saved 81 minutes per day for their sales deposited through MFS, which leads to visiting additional outlets daily.</li> <li>• A total of around 330 kilograms of carbon emissions were reduced through the use of DFS instead of cash for payments.</li> </ul>	<ul style="list-style-type: none"> <li>• Money disbursement processing time reduced from 18-22 days to 7-8 days.</li> <li>• Staff time for travelling and disbursement of money saved equivalent to 600 days per year.</li> <li>• Money transaction cost (as transfer fee) increased, but transportation costs were reduced. Overall annual savings was approximately US\$ 19,000.</li> </ul>

\* Source: Dnet, SMC and WorldFish final reports and infographics.

### 3.1.4 The transition benefits from cash to DFS: Beneficiary perspective

*We got confidence when we saw some users' experiences. Project staff inspired us to use DFS. They also made a condition that the money will be paid only via DFS channel. We had no alternative. Now, we have DFS account, receive money via DFS and spend when needed.*  
– A beneficiary

Since switching to DFS, all beneficiaries interviewed (20) claimed that they did not have to depend on partner organizations field officials to receive payment anymore, and accessing money was easier. **Respondents said that they did not even have to visit a bank for money which subsequently saved their time and money, and they felt more secure.** They can withdraw, transfer and pay others when required.

**Dnet's experience indicates that since switching to DFS, beneficiaries saved 67% in terms of time and 69% in terms of cost for receiving payments.** In terms of time and cost savings and transaction convenience, the transition benefit among beneficiaries from cash to DFS is rated high (Figure 4).

Despite having the benefits, most participants stated that it was not easy to adopt these changes due to fear of new technology, disbelief of "unseen money", fear regarding incorrect use of their security PIN/code, and lack of self-confidence for operating their DFS account. However, as it was prerequisite to receive payments, and in the long run it benefited them as it saved their time, reduced cost and was convenient, they adapted to it.

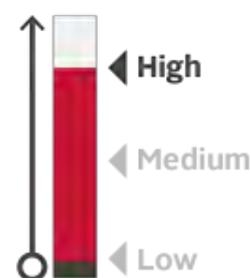
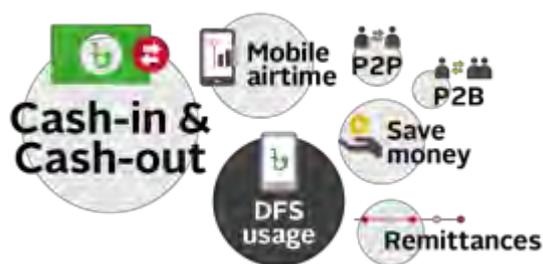


Figure 4: Transition benefit received by beneficiaries

Figure 5: DFS usages by the beneficiaries



Cash-in and cash-out were the major use of DFS among beneficiaries. They mainly receive payments from USAID/Bangladesh program partner organizations and cash-out immediately. They use some of the money for mobile airtime. **Savings practices using DFS was rarely observed among beneficiaries. Receiving international remittances, transfer of money to other accounts (P2P) and payment to businesses (P2B) were also**

**rare.** Two participants stated that they could delay their expenditures as they did not have cash in hand, which is why they could keep the money for a while. These findings however, cannot be generalized for reference as the volume of money they received regularly in their DFS account was very low.

### 3.1.5 Alternative model for access to agriculture finance

Most of the USAID/Bangladesh program partners operated their activities in remote rural locations, where access to finance was a challenge for the people who need it. Formal access to credit is limited and the corporate banks are limited in opening new branches across the country, particularly in rural areas. Therefore, introduction of DFS products in these remote rural contexts have created opportunities and access to credit for participating farmers. mSTAR/Bangladesh successfully facilitated Dhaka Ahsania Mission (DAM) and Bank Asia to design the ‘A-Card’ under the AESA project. Farmers having A-Card receive direct loans of up to BDT 20,000 with lower interest rates than microfinance institutions (MFIs) (10% compared to 25-31% annual interest) to purchase agriculture inputs. Input retailers are also connected to A-Card through an Android phone application and they can see the credit balance of the farmers and deduct payments using the system during sales.

*The purpose was to facilitate farmers who were unable to pay collateral but needed the loan for agriculture production. We did it, and connected farmers to the DFS ecosystem. AESA deployed retailers to facilitate farmer’s purchase. – interviewee*

DAM is partnering with local MFIs to pilot ‘A-Card’ among their member farmers. Participating farmers maintain savings with MFIs so MFIs can act as a partial guarantor to Bank Asia. Therefore, farmers do not need to pay any collateral to access new micro-credit from a formal bank. DAM and Bank Asia

authorities see this as a win-win DFS product for the farmers, retailers, associated MFIs and DFS service providers. Bank Asia is looking for further expansion of A-Card among farmers through DAM and they are ready for partnering with other NGOs in other locations. Bank Asia acknowledged that the A-Card product is unique for having partnerships between a Bank and an NGO to serve the client needs where formal banking channels are hard to reach.

Similarly, IFIC bank modified their existing DFS product ‘Amar Account’ in association with IRRI for the farmers living in remote locations. The scale-up plan of ‘Amar Account’ for farmers is still pending. Farmers can receive BDT 5,000 to 20,000 credit for their agriculture production using an ‘Amar Account’. Farmers saved transaction costs and received financial services within a short period. mSTAR/Bangladesh was involved in the process of bringing together the concerned NGO and corporate sector players.

### 3.1.6 Usage and continuation of DFS

Mixed results were observed in the usage level and continuation of DFS after the transition by USAID/Bangladesh partner organizations. Among eight partners who were interviewed, four of them continued using DFS, three stopped due to their project closure and one stopped due to the other reasons.

**Continuing usage** DAM plans to extend the coverage of A-Card service for the farmers under the AESA project. Farmers who already paid their previous loan can apply for a second loan. Depending on the learning and current experience, DAM's target is to reach 10,000 farmers by 2018. DAM and Bank Asia are working together to extend the customer reach further. In fact, **Bank Asia is willing to expand this new product as it adds value for them in the agriculture banking portfolio.** The partner MFIs of the AESA project have a shared goal as they earn interest on float as Bank Asia agents; they will continue DFS to offer new products to their customers.

Similarly, IRRI in the Rice Value Chain project is continuing usage of IFIC's DFS product for their farmers, despite the fact that the Rice Value Chain project has already ended.

The use of DFS in the MAMA initiative run by Dnet was reduced due to a strategic shift in their customer acquisition plan to enhance the subscription base. Meanwhile, **Dnet has integrated the DFS experience in their Infolady initiative.** The transaction management system 'Payble' developed by Dnet is not in use at this moment due to technical limitations at the DFS providers' end. Currently, they send transfer order over email to DFS providers to pay their field staff.

IFPRI's mandate is to conduct research. The ANGeL project is one of their research projects. Under this project, training of farmers will be complete by October 2017; these farmers have been their DFS recipients under the ANGeL project. After completion of the project, the usage of DFS will be stopped. However, they are willing to promote their experience to the government institution for integration of DFS in the payment mechanism to agriculture extension agents.

**Usage stopped due to program ending** WorldFish stopped usage of DFS due to closure of their project in the last year. However, they intended to carry forward their DFS learning in other initiatives. Similarly, CARE (in SHOUHARDO II) and CNFA (in AIP) did not carry forward the DFS experiences due to their project closure.

**Usage stopped for other reasons** SMC stopped the use of DFS as the volume of sales transaction that they had to deal with regularly was not convenient to manage through the MFS channel. They also stopped DFS usage for training related payments. According to them, the cash-out fees did not meet the transaction requirements they regularly needed and DFS agent points were not available as well in the locations they required.

### 3.1.7 Usefulness of capacity development events and materials

*Infographics mainly helped to catch attention. Checklist of DFS services feature was meaningful. It saved time for decision making. -A technical assistance recipient*

mSTAR/Bangladesh produced more than 70 learning documents and shared these with partner institutions to enhance their knowledge and awareness.

A total of 26 workshops were organized (12 in Dhaka and 14 in other districts) to provide technical know-how to 580 participants for integration and adoption of DFS in the programs funded by USAID/Bangladesh. All the interviewees (34) identified that the learning documents that mSTAR/Bangladesh produced and shared were useful. They stated that the learning documents were clean, solid and professional. Infographics mainly helped to attract attention. Comparative pictures in infosheets about the DFS services, fees and offers was useful for making decisions on service preferences. The initiative undertaken by mSTAR/Bangladesh enhanced price transparency in the market. Before that it was not possible to find corporate MFS rates from most providers, which is now available. After publishing the comparative chart, some of the DFSPs changed their rates and published them on their website. The repository of learning documents, Microlinks.org, is vast in volume. User discomfort was observed in identifying expected documents from Microlinks. The monthly newsletter was useful to keep partners updated on DFS initiatives. Video materials on DFS were helpful to inspire the agro-retailers.

The majority of the participants found that the workshops were useful to have a connection with DFS providers including bKash, DBBL and Bank Asia. DFS providers presented their company's services and the process of receiving the services. It was useful to enhance knowledge among partners and make informed decisions to select a competitive service. One participant noted that mSTAR/Bangladesh invited people from institutions who had no opportunity to integrate DFS in their program, which could be avoided. All of them identified that the content of the workshop was relevant, and engagement of DFS providers directly in the event was beneficial. One participant suggested developing a trainer pool having an appropriate mix of skills - trainers from NGOs and corporates could be invited to form the trainers' pool. Two respondents would like to see more training for field staff. Based on the overall assessment made by the interviewees, the usefulness of capacity development events and materials are rated high. All of them were positively stated with a few exceptions.

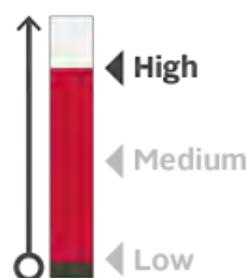


Figure 6: Usefulness of capacity development events and materials of mSTAR/Bangladesh

### 3.2 Support for expansion of DFS industry

The second segment in the objective of the mSTAR/Bangladesh activity was to support expansion of the digital payments industry in ways that are beneficial to USAID programs and USAID's broader development objectives at an ecosystem level. In order to achieve this objective, mSTAR/Bangladesh worked with five of DFS providers and connected them with the partners of USAID/Bangladesh programs. DBBL's ROCKET, bKash, UCBL's UCash, Bank Asia and IFIC Bank were the important players, who were connected to achieve mSTAR/Bangladesh objectives. Some of them were mobilized to modify their existing products to meet the need of USAID/Bangladesh partners. Some of them developed new DFS products as part of piloting to generate learning and grow their outreach.

Under this segment, mSTAR/Bangladesh anticipated creating a new window for the growth of the DFS industry in Bangladesh. They connected DFS providers to development organizations. Some of the DFS providers designed new DFS products and some modified existing DFS. For example, Bank Asia launched A-Card and IFIC Bank modified ‘Amar Account’ agriculture loan products. bKash and ROCKET added value to their existing products (e.g. provided alternative ID card, free photography of necessary document, deployed new agents, provided training for account opening) to meet the client needs. **bKash created virtual agents<sup>1</sup> for opening bKash accounts. They arranged delivery of money at individuals’ doorstep, increased agent points, and reduced service charges and transfer fees for the beneficiaries under USAID/Bangladesh programs. bKash waived money disbursement fees and reduced cash-out fees (from 1.85% to 1%) for USAID/Bangladesh program partners.** IFIC also restructured their MFS service prices for USAID/Bangladesh program partners, where mSTAR/Bangladesh had an influence. **mSTAR/Bangladesh created a new avenue for companies to enhance their business growth through a formal connection with NGOs.** One of the DFS providers stated, “the profitability of new product is low at this nascent stage. In the long run, such demand driven DFS service will generate big volume of business for the corporates.” **mSTAR/Bangladesh made a powerful step to mobilize interest of the corporate companies in the DFS ecosystem.**

Over the last four years the market has evolved in Bangladesh. In an interview, it was noted that no DFS providers were interested in joining this initiative at the beginning of the project. mSTAR/Bangladesh made plenty of efforts to mobilize DFS providers, and shared the values and potential benefits of DFS with them and increase their interest to focus on DFS for development projects. As a result, some of them moved ahead to work together. This was explored during the interviews with FHI 360 officials. Similar insights were observed during the interviews with DFS providers. **The beneficiaries who were offered DFS often had a lack of education, were fearful and had disbelief of the ‘unseen money’.** DFS providers played a role for promotion and creating campaigns centrally, as well as in the community, to garner the interest of people/beneficiaries. They did a ‘road-show’ in the areas showing concern towards DFS. They supported training for beneficiaries and customized their promotional materials. Partner organizations of USAID/Bangladesh also worked with the beneficiaries to make them interested in DFS. mSTAR/Bangladesh provided material and assistance for these activities. The mSTAR/Bangladesh effort to mobilize DFS providers for the benefit of USAID/Bangladesh program beneficiaries is rated high on the basis of attempts and progress made (Figure 7).

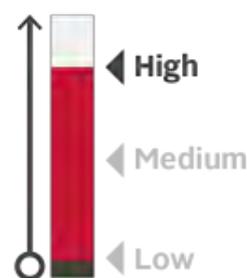


Figure 7: Effort to mobilize DFS providers for the benefit of USAID/Bangladesh programs

In terms of market demand, one of the DFS providers stated that it is very early to make comments on the changes in demand made by mSTAR/Bangladesh. However, some of the new products piloted have the potential to enhance demand in the market in future. Beneficiaries who received services exhibited positive responses. mSTAR was successful in mobilizing DFS providers to make competitive DFS products for the beneficiaries.

<sup>1</sup> Virtual agent is deployed by bKash distributor, who manages bKash agents locally. Distributors deploy them to support special cases (for opening bKash account and delivery of money at beneficiary doorstep).

Three of the 34 respondents evaluated mSTAR/Bangladesh's role differently, although it was beyond the current mandates of mSTAR/Bangladesh. They observed mSTAR/Bangladesh expended their energy mainly in many micro-level activities, which impacted their level of effort, and they did not put adequate efforts on macro-level initiatives. However, these activities were beyond mSTAR/Bangladesh's work plan. Respondents would like to see mSTAR/Bangladesh's effort for influencing policy, reforming regulations, and for new DFS innovations and awareness for the growth and expansion of the DFS industry. They mentioned that the environment of Bangladesh is favorable for the growth of DFS. Nevertheless, some recent cases of money laundering and terrorist funding have had a negative influence to the growth of DFS. For further growth of the industry, mSTAR/Bangladesh has the potential to address negative influences in the DFS market through influencing policy and mobilizing the regulators and DFS providers. mSTAR/Bangladesh could move beyond USAID/Bangladesh program partners to enhance the outreach and business diversity, however mSTAR/Bangladesh's mandate was to work for DFS uptake among USAID/Bangladesh programs. Working on policies, regulations and beyond USAID/Bangladesh programs were not in the scope of mSTAR/Bangladesh work being evaluated.

### 3.3 Ecosystem and coordination

mSTAR managed and facilitated MMCG professionally, without bias to a particular player. They created equal space for all and made MMCG successful. However, policy maker and regulatory authority was missing in the list, who should be included. - **A member of MMCG**



mSTAR/Bangladesh achieved significant progress in the coordination of important stakeholders in the DFS ecosystem, by creating a common platform for the stakeholders through the MMCG. They are the architect of MMCG for collective learning, and sharing challenges and opportunities among USAID/Bangladesh

partner organizations and DFS providers, as stated by members of MMCG. The environment of the platform was neutral and acceptable even among competitors in the DFS market. This approach has drawn attention of DFS providers to modify their existing products and develop new ones for the USAID partner organizations. **MMCG is a new hope to strengthen the DFS ecosystem in Bangladesh, which mSTAR/Bangladesh successfully created and facilitated.** mSTAR/Bangladesh included development agencies, DFS providers and corporate companies in the MMCG on a single platform. Forming the MMCG was a vibrant step to generate insights and consensus among the key actors on particular issues to meet beneficiary needs.

The management style of the MMCG by mSTAR/Bangladesh bolstered the success. They professionally managed MMCG, with no bias for a particular service or stakeholder. They efficiently helped DFS providers to explore new business opportunities and connected them with USAID/Bangladesh program partners. They also mobilized DFS providers to develop new services and/or modify services to meet the beneficiary needs. For example, A-Card was introduced by Bank Asia, Amar Account was modified by IFIC Bank to create access to credit for farmers and bKash restructured their service fees. As MMCG was a common place for sharing knowledge and learning, actors were enabled to avoid duplication of the work; it offered them the scope to learn and share with other players. The members of MMCG expressed that mSTAR/Bangladesh only occasionally brought the policymakers, regulators and other important players to MMCG meetings, which has added value and could help shape the DFS ecosystem further.

mSTAR/Bangladesh was looking forward towards the continuation of the MMCG. Therefore, they successfully worked with UNCDF to hand over the lead of MMCG to continue in future. USAID/Bangladesh and UNCDF/Bangladesh officials acknowledged their effort for having a continuation path of MMCG. UNCDF officials mentioned needing a vision for an institutional arrangement and creating a unique identity of MMCG for long term effect. Members of the MMCG look forward to MMCG continuing as a self-governed new entity. The name of MMCG has changed to Digital Finance Consultative Group (DFCG) to make it an even broader platform, as stated by UNCDF and FHI 360 respondents.

**In summary, mSTAR/Bangladesh was successful in bringing many key players to one platform for building a strong coordinating group. MMCG members were also looking to mSTAR/Bangladesh to move beyond the current scope to build the DFS ecosystem in Bangladesh in a way to make it more effective even for policy advocacy and mobilization of regulators and DFS players.** The performance of mSTAR/Bangladesh for coordination of important actors is rated medium based on their efforts and outcomes from the coordinated actions observed (Figure 8).

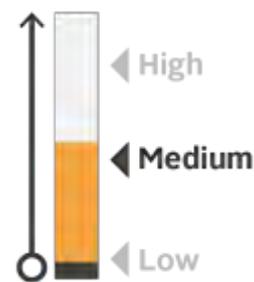


Figure 8: Coordination among important actors

### 3.4 mSTAR/Bangladesh's contribution to address the challenges faced

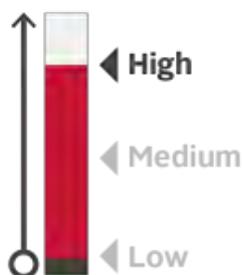


Figure 9: Cooperation received from mSTAR/Bangladesh to address the challenges

During integration of DFS, the partner organizations of the USAID/Bangladesh program, DFS providers and beneficiaries faced multiple challenges. Partner organizations interviewed reported that there was a significant delay to take the DFS to the field. For example, IFPRI faced significant delay due to delays by their selected DFS provider, as well as the supply of required documents to the provider from IFPRI's headquarter in the United States. Opening mobile bank accounts for the trainers and beneficiaries took a long time. This was due to a lack of knowledge among local DFSP agents. mSTAR/Bangladesh assisted with opening the wallets to make the process faster with the DFSP. Developing understanding on the usage and benefits of DFS among retailers was a challenge that CNFA faced which was addressed with awareness events in limited scale to motivate the

retailers. mSTAR/Bangladesh assisted by providing knowledge materials and helping to create connections with DFSPs.

A-Card was a new product which nobody knew how to use. Most of the farmers were illiterate, and their fear of digital payment system hindered the progress. Banks were not confident about the farmers initially and were unsure if they would continue with services or not. Partner NGOs were familiar with traditional banking, but not with DFS agent banking. Therefore, mSTAR/Bangladesh's support to overcome the challenges was very important to connect and contract with DFSPs in a timely manner. Concerned people were trained, documents developed and frequent field visits were made to orient the users. Local bank branch managers and partner NGOs were oriented together for appropriate coordination. At the end, everyone expressed satisfaction with the process. After the first cycle of DFS loan operations everybody understood the product, its benefit and the uniqueness.

Lack of education and fear of “unseen money” among users hindered the growth of DFS usage in the beginning. The volume of transactions to the individuals was very low and initially decreased motivation among DFS providers. mSTAR/Bangladesh worked with USAID/Bangladesh program partners to enhance the overall transaction volume. One of the partners, SMC faced complexities due to integration of DFS as they were unable to withdraw large sums of money in the field to facilitate their daily transactions which was left unresolved. For depositing sales collections, SMC used MFS super agents’ accounts. Beneficiaries faced problems managing their PIN numbers and inadequate privacy at MFS agent points during withdrawal of money. An awareness campaign was conducted both by partner organizations and the DFS providers to overcome such challenges to DFS adoption.

### 3.5 External influence over the growth and use of DFS

DFS providers, MMCG members, mSTAR/Bangladesh and USAID/Bangladesh officials were asked about external influences over the growth and use of DFS. They pointed out that the cases of money laundering and terrorist funding through DFS, recent hacking incidence of Central Bank money, and hijacking of agent money in many locations due to the limitations in rules, policies and necessary actions might have a negative influence on DFS uptake in Bangladesh. These incidences diminished trust in digital money among some users. New policies for having biometric registration of mobile phone SIM card and regulation on band of the money transfer in Bangladesh also temporarily affected the growth of DFS.

Interviewees indicated that DFS was not the mainstream development agenda of USAID/Bangladesh but is rather a cross-cutting issue of the USAID Mission. The focus on DFS on the global level has not been replicated at the Mission level. In the Mission’s budget, there was no separate allocation for DFS, rather it was at the discretion of the health and economic growth programs to set aside funds accordingly. Therefore, there was a dependency on health and economic growth programs, as well as USAID’s Global Development Lab in Washington, DC, for allocation of adequate funds for mSTAR/Bangladesh. The full amount of funding was

I would have put it in a cost center to prevent territorial issues and I would fund it substantially. This project was effective and efficient but lacked a sufficient amount of funds to make it sustainable and to realize its full potential. Digital work is not traditional and many don’t see “why” this project was important. - An interviewee



not known from the beginning and came in several tranches from different sources. As a result, it was not possible to do long-term planning, as the activity did not have a fixed end date from the beginning to aim toward. Many important issues were identified but could not be integrated in the program

planning due to this uncertainty. Special emphasis, if it were put forward by the Mission on its partners, could have enhanced the results. The placement of mSTAR/Bangladesh within the Program Office at the Mission was an unexpected barrier as well, as it to some extent prevented the activity from reaching its fullest potential. Money pledged to the activity was pulled back, not because of project performance, but possibly due to lack of support of a project managed outside of that cost center within the Mission. DFS was not considered a part of the Mission’s portfolio.

## 4 RECOMMENDATIONS

- A | Inclusion of potential stakeholders in the MMCG:** Potential stakeholders, for example, policy makers, regulatory authorities, business development services (BDS) providers, technology solutions providers, MNOs, and e-commerce and m-commerce platforms are not extensively included in the current MMCG structure. Some of them occasionally participated in MMCG events but formal inclusion and participation of these key actors as members of the MMCG could amplify the strength of the group. Participation of policy makers and regulators in the MMCG could help them to learn from the actors to enhance their intellectual capacity for policy development. Participation of DFS beneficiaries in the MMCG could be considered as well to ensure the presence of their insights for strategy development. mSTAR/Bangladesh could work on the inclusion of all stakeholders in the MMCG. They could initiate policy dialogue on DFS complexities, critical factors, challenges and opportunities to complement innovations in the DFS ecosystem of Bangladesh.
- B | Promotion of proven global experiences:** There are many successes and best practices on DFS. Players in Bangladesh could learn through interaction with global players. mSTAR/Bangladesh could play a leading role to promote sharing of cross-country experiences and globally proven solutions among the players in Bangladesh. mSTAR/Bangladesh could have increased consultation activities with experts and promoted and piloted more alternative models in the DFS ecosystem.
- C | Data driven policy advocacy:** The Vision 2021, Digital Bangladesh Concept, the Seventh five-year plan of the Government of Bangladesh, growth of mobile phone users, and the favorable space provided by the regulatory authority have had a positive influence on the growth of DFS in Bangladesh. However, money laundering and terrorist funding cases through DFS have been reported due to the limitations in rules and policies. Though beyond the current mandate of mSTAR/Bangladesh, they could proactively share data driven evidence and analytics on the limitations of policies and rules to the policy makers and regulatory authorities. This initiative might address the negative influence of DFS growth in Bangladesh.
- D | The visibility of outcomes:** mSTAR/Bangladesh could enhance their outreach to share their learning outcomes and meeting and events outcomes. The data driven positive statements in the name of MMCG could be promoted via different media for a positive influence. During the study, it was noted that mSTAR/Bangladesh could go beyond their scope by utilizing different media on behalf of beneficiaries to protect their rights regarding uniqueness in service fees, waiver of service fees, and strengthening savings schemes. Different charging approaches by DFSPs created imbalances in the market, where mSTAR/Bangladesh could play a vital role.

mSTAR/Bangladesh does not have any website or social media presence to reach out to other players. Websites and social media pages could be created to make mSTAR/Bangladesh live and visible. FHI 360 clarified that the mSTAR/Bangladesh team was eager to have such visibility. They pursued this issue with USAID/Bangladesh but did not received a positive response.

**E | Increasing consumer awareness:** Awareness among individual people and initiatives was low. Interview participants would have liked to see mSTAR/Bangladesh actions to increase awareness to enhance more diverse usage of DFS. mSTAR/Bangladesh could also mobilize employers and entrepreneurs to enhance wage payments through DFS. These provisions however, were not in the current scope of work under mSTAR/Bangladesh.

**F | Engagement of mSTAR/Bangladesh in the field:** mSTAR/Bangladesh mainly operated out of a central location in Dhaka. Their presence for technical support in the field during operations of different pilots was limited. mSTAR/Bangladesh could provide technical support in hard-to-reach locations for practical learning to promote DFS, although more support would be helpful.

**G | Transition from micro to macro level work:** mSTAR/Bangladesh was engaged mainly in micro level work in day-to-day operations of program activities. Although beyond their current scope of work, they could engage in macro efforts, for example in policy influencing, advocacy initiatives with regulators and mobilization of DFS providers for products innovation. Moreover, mSTAR/Bangladesh could work with the private sector, who are at the top of the agriculture input supply chain, to integrate DFS in the whole cycle of the supply chain.

**H | DFS usage diversity:**

Integration of DFS is essential at all levels of a procurement cycle. Consumers, retailers, wholesalers, producers, and manufacturing companies should be brought into the system to incorporate DFS holistically

*Farmers are getting loan for inputs through DFS, this is one part covered in the agriculture value chain. There is scope to design new DFS for other components in the value chain. Consumer, retailers, wholesalers, producers, manufacturing companies should come into the system to make the benefit of DFS holistic – An interviewee*

through the supply chain Focusing only on consumers will generate sub-optimal outcomes. Inclusion of needs-based services, for example hospital bills, pharmaceutical bills, and school fees might also enhance usage of DFS. Cash flow into the accounts of beneficiaries is important to enhance the usage, and this should be considered. mSTAR/Bangladesh's initiative could be more useful by working with big players like insurance companies, hospitals, and pharmaceutical companies. The big players need more awareness and technical assistance to integrate DFS.

**I | Integration of gender issues:** Cross-cutting issues like gender, a core area for USAID, could be integrated and promoted in the DFS sector. A separate study to focus attention on gender issues in the DFS sector could provide deeper insights. As DFS is a rapidly growing sector in Bangladesh, the role of gender might have a multilayered impact and should be carefully considered.

## 5 CONCLUSION

mSTAR/Bangladesh showcased many successes and achievements in supporting USAID/Bangladesh program partners to transition from cash payments to DFS. The diversity of DFS integration was observed to be mainly for B2P transactions. After switching from cash to DFS, partner organizations were able to create labor hour savings, and reduce costs and risks. The size of individual transactions, particularly through MFS, was low. Usage of DFS by beneficiaries was limited mainly in cash-out and airtime top up. The usefulness of mSTAR/Bangladesh's learning documents, trainings, workshops, and video materials was remarkable. Among them, the infographics and comparative presentation of services and DFS features were highly appreciated. However, **a trainer pool was recommended by the existing stakeholders.** Connecting DFS providers with the partner institutions was a major success of mSTAR/Bangladesh. Creation and facilitation of the MMCG and introduction of unique DFS loan products were the best examples of their achievements.

In terms of usage of DFS, some partners continued usage, some reduced usage or adapted DFS to other activities, some stopped due to project closure, and one stopped for other reasons. Usage increased among the partners who adopted new products and that has business potential for all parties. Emphasis might be given in creating such new products that could have win-win business potential for long-term sustainability. There were many challenges faced by the USAID partners and DFSPs. Some of the challenges were operational and some of them were beneficiary oriented. **Beneficiary awareness should be an important element and given more focus in the future.** The payment volume to individual beneficiaries was very low. **Concentration is needed to increase the transaction volume to individuals to promote the usage of DFS further.**

There are many learning components for further improvement of mSTAR/Bangladesh. The **MMCG has potential as an independent platform for policy and advocacy, where inclusion of all relevant stakeholders should be ensured.** The visibility of mSTAR/Bangladesh outcomes among policy makers, regulatory authorities, beneficiaries and other important stakeholders was inadequate. **Outcomes of mSTAR/Bangladesh could be promoted via different media channels to inspire and mobilize different entities. Insurance companies, hospitals, pharmaceutical companies and similar organizations should be added to the list to work with for bigger impact. DFS inclusion throughout the whole value chain of a service or product would increase demand holistically. mSTAR/Bangladesh should increase the focus of their work from the micro to macro level.**

**Finally, USAID/Bangladesh should consider DFS in their core portfolio to utilize the full potential of DFS in Bangladesh.**

# Annexes

## Annex I USAID and non-USAID IPs Project Status as of FY2017 (June 2017)

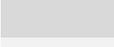
mSTAR/Bangladesh Support Matrix

#	Project Name	Organization Name	Received mSTAR grant	Attended Technical Workshop	Received formal TA	Received informal TA	Used DFS	Continued Receiving TA in 2017	Continued using DFS in 2017
<b>A   USAID/B Office of Public Health, Nutrition, and Education funded projects</b>									
1	USAID's MAMA, Aponjon Program	Dnet	√	√		√	√		√
		ASSIST BD (Dnet)		√					
		SRAC (Dnet)		√					
2	Marketing Innovation for Health (MIH) Program: BlueStarNetwork Program, PCHP and SMC Enterprise Limited- Sales activity	Social Marketing Company (SMC)	√	√	√		√		
3	TB CARE II	University Research Co., LLC (URC)	N/A	√		√	√		
4	Mayer Hashi II	EngenderHealth Bangladesh	N/A	√		√	√		
5	SIAPS: Systems for improved Access to pharmaceuticals and Services Program	Management Science for Health (MSH)	N/A	√			√		√
6	Reading Enhancement for Advancing Development (READ)	Save The Children	N/A	√	√				
7	MaMoni HSS Project	Save The Children	N/A	√					
		Shimantik	N/A						
8	NHSDP	Pathfinder International	N/A	√					
		SSKS	N/A	√					
		FIVDB	N/A	√					
9	SHIKHA	FHI 360	N/A	√					
		BRAC	N/A	√					

10	Next Generation of Public Health Experts Project (NGPHEP)	BRAC University	N/A	√					
<b>B   USAID/B Office of Economic Growth funded projects</b>									
11	USAID's Aquaculture for Income and Nutrition (AIN)	The WorldFish Center	√	√	√	√	√		
		Codec (The WorldFish Center)		√					
12	EcoFish	The WorldFish Center		√					
13	Livestock Production for Improved Nutrition (LPIN) project	ACDI/VOCA	N/A	√	√				
14	Agriculture Extension Support Activity (AESAs) Project	Dhaka Ahsania Mission	N/A	√	√√		√	√	√
		mPower Social Enterprise Ltd.	N/A	√					
15	Agro Input Project (AIP)	CNFA	N/A	√	√				
		Agro-Input Retailers Network (AIRN)	N/A	√	√			√	
16	SPRING	Hellen Keller International (HKI)	N/A	√	√				
17	Rice Value Chain (RVC) project	International Rice Research Institute (IRRI)	N/A	√	√		√	√	√
18	Cereal System Initiative for South Asia (CSISA)	International Rice Research Institute (IRRI)	N/A	√					
19	FTF ACI-IRRI PPP Project	International Rice Research Institute (IRRI)	N/A	√					
20	Agriculture Nutrition Gender Linkage (ANGeL) project	International Food Policy Research Institute (IFPRI)	N/A	√	√		√	√	√
21	Feed the Future Bangladesh Agricultural Value Chains Project	DAI	N/A	√				√	
		BRAC Bank Limited	N/A	√					
22	Bangladesh Enterprise & Agriculture Program (BEAP)	Winrock International	N/A	√					

23	FTF Asia Innovative Farmers Project	Winrock International	N/A	√
24	Cold Chain Bangladesh Alliance (CCBA)	Winrock International	N/A	√
25	Climate-Resilient Ecosystems and Livelihoods (CREL)	Winrock International	N/A	√
26	Women's Empowerment Activity (WEA) Program	Winrock International	N/A	√
27	CSISA Mechanization and Irrigation (CSISA-MI)	IDE Bangladesh	N/A	√
28	Bangladesh Trade Facilitation Activity (BTFA)	IBI International	N/A	√
29	Accelerating Agriculture Productivity Improvement (AAP)	IFDC	N/A	√
30	USAID Horticulture Project CIP/AVRDC	The World Vegetable Center	N/A	√
		SWCA	N/A	√
		AVRDC BD	N/A	√
31	International Maize and Wheat Improvement Center	CIMMYT Bangladesh	N/A	√
32	Bagh- Bengal Tiger Conservation Activity (Bagh)	WildTeam	N/A	√
33	Catalyzing Clean Energy in Bangladesh	Deloitte	N/A	√
34	Accelerating Capacity for Monitoring and Evaluation (ACME)	IBCTI	N/A	√
35	Feed the Future Bangladesh Rice and Diversified Crops (RDC) Activity	Action Contre La Faim (ACF)	N/A	√

36	Chittagong Hill Tracts (CHT) Watershed Co-Management Activity	UNDP	N/A	√				
<b>C   USAID/B Office of Food for Peace funded projects</b>								
37	Nobojatra	World Vision	N/A	√		√	√	√
38	SAPLING	Hellen Keller International (HKI)	N/A	√	√			
39	PROSHAR	ACDI/VOCA	N/A	√			√	
		PCI	N/A	√				
		MuslimAid	N/A	√				
		Shusilan	N/A	√				
		CHT DF	N/A	√				
40	SHOUHARDO II	Care Bangladesh	N/A	√	√		√	
<b>D   Non-USAID Projects/IPs/Private sector organizations</b>								
41	Product design and pilot implementation	Bank Asia Limited	N/A	N/A	√			
42	Digitizing payments within dairy value chain	CloudWell Ltd.	N/A	N/A		√		
43	Digitizing payments for water ATM	Drinkwell	N/A	N/A		√		

Project closed   
 Inactive   
 Not Applicable   
 Partner Organization 

## Annex 2 Impact Assessment Instruments

### Mapping of issues and respondents in line with TOR/SOW

#	Issues	SOW	Respondents							
			Gr	TA	IP	Be	DFSP	MMCG	FHI	USAID
<b>A Integration of Digital Financial System</b>										
1	Critical assumptions/thoughts for integration/adoption		x	x		x		x	x	x
2	Benefits and ripple effect	<b>Obj-1, 3</b>	x	x	x	x		x	x	x
3	Challenges for integration	<b>Obj-1, 3</b>	x	x	x	x			x	x
4	Current DFS usages	<b>Obj-1, 3</b>	x	x	x	x				
<b>B Supporting expansion of DFS industry</b>										
1	Critical assumptions/thoughts						x	x	x	x
2	Changes in market demand	<b>Obj-2</b>					x			
3	Benefits and ripple effect	<b>Obj-2</b>					x		x	x
4	Challenges for expansion	<b>Obj-2</b>					x		x	x
<b>C Ecosystem, coordination and others</b>										
1	Usefulness of mSTAR other initiatives	<b>Extra</b>	x	x	x	x	x	x		
2	Improvement of ecosystem and coordination	<b>Extra</b>	x	x	x		x	x	x	x
3	External influence	<b>Others</b>	x	x	x		x	x	x	x
4	Learning for success	<b>Others</b>	x	x	x		x	x	x	x

Grants recipients=Gr, Technical assistance recipients=TA, Implementation partners=IP, Digital Financial Service providers= DFSP, Mobile Money Consultative Group=MMCG, Beneficiaries=Be, FHI360, USAID

## Questions for in-depth interview with ‘grants’, and ‘technical assistance’ recipients

Hello, this is \_\_\_\_\_ and my colleague is \_\_\_\_\_. We are consultants/field researchers with the Institute of Social Business (ISB) and working with FHI 360 to conduct an Impact Evaluation of the mSTAR/Bangladesh Activity. The purpose of the evaluation is to provide an independent assessment of the mSTAR/Bangladesh activity’s impact on the acceleration and adoption of digital payments, including digital financial services among USAID/Bangladesh programs and the populations that they serve. We will conduct interviews and discussions with various people with whom the project has engaged. The findings from these discussions and other sources will be written up into a report to be used by FHI 360, USAID, and other stakeholders. This interview will cover five main areas: relevance; efficiency; effectiveness, impact and sustainability. Although we will ask your name, the information will be confidential and your name will not be linked to anything you say in the final report. We understand you are probably very busy and we hope this will not take much more than 45 minutes. We really appreciate your willingness to answer our questions but please be assured that this is entirely voluntary so if there is anything you don’t want to answer or if you need or want to stop this interview at any time, just let us know.

**Code No.:**

**Date:**

**Name:**

**Job Title:**

**Name of Organization:**

**Type of Respondent:**

### Key questions for interview

- 1. Critical assumptions/thoughts:** What were the primary reasons behind your decision to integrate/adopt digital financial services into your project/organization? How did you integrate/adopt digital financial services with your project/organization? If you never ended up adopting digital financial services in your project, why was that the case?
- 2. Benefits and ripple effect:** What were the benefits that you received through integration/adoption of digital financial services? How did you capitalize the benefits within your institution or management system? How did mSTAR support you in realizing any of the benefits you saw? What else could mSTAR have done to have better assisted you to take the benefit forward within your project/organization?
- 3. Challenges for integration/adoption:** What were the challenges that you faced during integration/adoption of DFS with your project/organization? How did you overcome those challenges? What type of support did you receive from mSTAR to overcome those challenges? How did you apply the mSTAR support to overcome the challenges? What else could mSTAR have done to help you address the challenges?
- 4. Current DFS usage:** What is the current status of the digital financial services in your project/organization? Since you began using DFS, what has been the growth trajectory? What are the critical factors/barriers that influenced the DFS continuation/growth (positive or negative)? If you are no longer using DFS or if your usage has decreased, what factors have contributed to that?
- 5. Usefulness of mSTAR’s other initiatives:** Please explain, how did you engage with any other mSTAR efforts, such as using their learning documents, participating in their workshops, attending events they host (such as the Mobile Money Consultative Group), or referencing their assessment reports? Please provide your perspective on the usefulness of each one and how, if at all, it supported your use of DFS.
- 6. Learning for success:** What is your overall opinion of the work of mSTAR in Bangladesh? What did they do particularly well? What could have been improved? If you had to do it over again, would you still have applied for a grant/technical assistance (as relevant) from mSTAR? Why/why not?

## Questions for in-depth interview with implementation partner staff who attended workshops

Hello, this is \_\_\_\_\_ and my colleague is \_\_\_\_\_. We are consultants/field researchers with the Institute of Social Business (ISB) and working with FHI 360 to conduct an Impact Evaluation of the mSTAR/Bangladesh Activity. The purpose of the evaluation is to provide an independent assessment of the mSTAR/Bangladesh activity's impact on the acceleration and adoption of digital payments, including digital financial services among USAID/Bangladesh programs and the populations that they serve. We will conduct interviews and discussions with various people with whom the project has engaged. The findings from these discussions and other sources will be written up into a report to be used by FHI 360, USAID, and other stakeholders. This interview will cover five main areas: relevance; efficiency; effectiveness, impact and sustainability. Although we will ask your name, the information will be confidential and your name will not be linked to anything you say in the final report. We understand you are probably very busy and we hope this will not take much more than 45 minutes. We really appreciate your willingness to answer our questions but please be assured that this is entirely voluntary so if there is anything you don't want to answer or if you need or want to stop this interview at any time, just let us know.

**Code No.:**

**Date:**

**Name:**

**Job Title:**

**Name of Organization:**

**Type of Respondent:**

### Key questions for interview

- 1. Usefulness of mSTAR's other initiatives:** Please explain, how did you engage with mSTAR efforts, such as using their learning documents, participating in their workshops, attending events they host (such as the Mobile Money Consultative Group), or referencing their assessment reports? Please provide your perspective on the usefulness of each one and how, if at all, it supported your use of DFS. If you never ended up adopting digital financial services in your project, why was that the case?
- 2. Benefits and ripple effect:** What were the benefits that you received through engagement with mSTAR, (a) to integrate/adopt DFS (for the integrators), or (b) that might be useful to integrate/adopt DFS (for the non-integrators)? How did/could you capitalize the benefits within your institution or management system? How did mSTAR support you in realizing any of the benefits you saw? What else could mSTAR have done to have better assisted you to take the benefit forward within your project/organization?
- 3. Challenges for integration/adoption:** What were the challenges that you faced to integrate/adopt DFS with your project/organization (both for integrator and non-integrator)? Why were you unable to adopt/integrate DFS (for non-integrator)? What initiative did you take to overcome those challenges/overcome the failure factors? What type of support did you receive from mSTAR to overcome those challenges? How did you apply the mSTAR support to overcome the challenges? What else could mSTAR have done to help you address the challenges?
- 4. Learning for success:** What is your overall opinion of the work of mSTAR in Bangladesh? What did they do particularly well? What could have been improved? Please share anything else that you feel important.

## Questions for in-depth interview with DFS providers

Hello, this is \_\_\_\_\_ and my colleague is \_\_\_\_\_. We are consultants/field researchers with the Institute of Social Business (ISB) and working with FHI 360 to conduct an Impact Evaluation of the mSTAR/Bangladesh Activity. The purpose of the evaluation is to provide an independent assessment of the mSTAR/Bangladesh activity's impact on the acceleration and adoption of digital payments, including digital financial services among USAID/Bangladesh programs and the populations that they serve. We will conduct interviews and discussions with various people with whom the project has engaged. The findings from these discussions and other sources will be written up into a report to be used by FHI 360, USAID, and other stakeholders. This interview will cover five main areas: relevance; efficiency; effectiveness, impact and sustainability. Although we will ask your name, the information will be confidential and your name will not be linked to anything you say in the final report. We understand you are probably very busy and we hope this will not take much more than 45 minutes. We really appreciate your willingness to answer our questions but please be assured that this is entirely voluntary so if there is anything you don't want to answer or if you need or want to stop this interview at any time, just let us know.

**Code No.:**

**Date:**

**Name:**

**Job Title:**

**Name of Organization:**

**Type of Respondent:**

### Key questions for interview

- 1. Critical assumptions/thoughts:** What was the relationship between your organization and mSTAR? How would you explain the role of mSTAR in Bangladesh?
- 2. Changes in market demand:** Please explain, what modifications did you make to your digital financial products/services (including pricing changes) or what new products did you develop to meet the needs of USAID projects and their beneficiaries, particularly for lower income and rural populations? How, if at all, did mSTAR contribute to your ability to modify or develop new products/services? What are the changes in demand that you observed in the market afterwards? What critical factors influenced these changes? How, if at all, did mSTAR contribute to such changes?
- 3. Benefit and ripple effects:** What benefits/impact were realized by your firm due to any support or engagement provided by mSTAR? What else could mSTAR have done to better support you to make your product/services more available and accessible to USAID projects and their beneficiaries, particularly low income and rural individuals?
- 4. Challenges for change/expansion:** What are the critical challenges that you faced to deliver digital financial services that meet the needs of USAID projects and their beneficiaries? How, if at all, were you able to overcome those challenges? What role did mSTAR play in supporting you to overcome those challenges? What else could mSTAR have done?
- 5. Improvement of ecosystem and coordination:** How has mSTAR been able to help improve the DFS ecosystem in Bangladesh, including coordination between key actors? In what ways? What could mSTAR have done better?
- 6. Learning for success:** What is your overall opinion of the work of mSTAR in Bangladesh? What did they do particularly well? What could have been improved?

## Questions for in-depth interview with MMCG members

Hello, this is \_\_\_\_\_ and my colleague is \_\_\_\_\_. We are consultants/field researchers with the Institute of Social Business (ISB) and working with FHI 360 to conduct an Impact Evaluation of the mSTAR/Bangladesh Activity. The purpose of the evaluation is to provide an independent assessment of the mSTAR/Bangladesh activity's impact on the acceleration and adoption of digital payments, including digital financial services among USAID/Bangladesh programs and the populations that they serve. We will conduct interviews and discussions with various people with whom the project has engaged. The findings from these discussions and other sources will be written up into a report to be used by FHI 360, USAID, and other stakeholders. This interview will cover five main areas: relevance; efficiency; effectiveness, impact and sustainability. Although we will ask your name, the information will be confidential and your name will not be linked to anything you say in the final report. We understand you are probably very busy and we hope this will not take much more than 45 minutes. We really appreciate your willingness to answer our questions but please be assured that this is entirely voluntary so if there is anything you don't want to answer or if you need or want to stop this interview at any time, just let us know.

**Code No.:**

**Date:**

**Name:**

**Job Title:**

**Name of Organization:**

**Type of Respondent:**

### Key questions for interview

- 1. Critical assumptions/thoughts:** How would you explain the role of the MMCG to be in Bangladesh? What was the role of mSTAR within the MMCG, please share?
- 2. Benefits and ripple effect:** What benefits did your organization realize from participating in the MMCG meetings? What is your opinion of the overall benefit of the MMCG? What could the MMCG have done differently to have been more effective?
- 3. Improvement of ecosystem and coordination:** How has the MMCG been able to help improve the DFS ecosystem in Bangladesh, including coordination between key actors? In what ways? What could the MMCG have done better in this regard?
- 4. External influence:** What is your opinion about the social/political/environmental/legal factors that influenced the use/growth of DFS in Bangladesh over the past four years? What do you think that MMCG was able to help address any of these factors? If so, how?
- 5. Learning for success:** What is your overall opinion of the MMCG? What did it do particularly well? What could have been improved? What is your overall opinion of mSTAR's management of the MMCG? What did it do particularly well? What could have been improved?

## Questions for in-depth interview with FHI 360 key staff

Hello, this is \_\_\_\_\_ and my colleague is \_\_\_\_\_. We are consultants/field researchers with the Institute of Social Business (ISB) and working with FHI 360 to conduct an Impact Evaluation of the mSTAR/Bangladesh Activity. The purpose of the evaluation is to provide an independent assessment of the mSTAR/Bangladesh activity's impact on the acceleration and adoption of digital payments, including digital financial services among USAID/Bangladesh programs and the populations that they serve. We will conduct interviews and discussions with various people with whom the project has engaged. The findings from these discussions and other sources will be written up into a report to be used by FHI 360, USAID, and other stakeholders. This interview will cover five main areas: relevance; efficiency; effectiveness, impact and sustainability. Although we will ask your name, the information will be confidential and your name will not be linked to anything you say in the final report. We understand you are probably very busy and we hope this will not take much more than 45 minutes. We really appreciate your willingness to answer our questions but please be assured that this is entirely voluntary so if there is anything you don't want to answer or if you need or want to stop this interview at any time, just let us know.

**Code No.:**

**Date:**

**Name:**

**Job Title:**

**Name of Organization:**

**Type of Respondent:**

### Key questions for interview

1. **Critical assumptions/thoughts:** What was your expectation from each category of stakeholders that you targeted and supported? What is your observation regarding meeting the expectations by each category of stakeholder?
2. **Benefits and ripple effect:**
  - a. What were the benefits that you observed as a result of integration/adoption of digital financial services by the Grants, TA and IP support recipients?
  - b. What were the benefits/impact that you observed through the products/services that was introduced by the DFS providers under mSTAR/B?
  - c. What are the factors that triggered the benefits?
3. **Challenges:**
  - a. What were the challenges that you observed and addressed in order to promote the integration and expansion of DFS?
  - b. What were the external factors/risks that hindered your achievement of these goals? What are the initiatives that you have taken to address the external factors? What were the results of your initiative?
4. **Improvement of ecosystem and coordination:** What do you think, has mSTAR been able to help improve the DFS ecosystem in Bangladesh, including coordination between key actors? In what ways? What could mSTAR have done better?
5. **External influence:** What is your opinion about the social/political/environmental/legal factors that influenced the use/growth of DFS in Bangladesh over the past four years? How did those factors impact mSTAR's ability to achieve its objectives? Do you think that mSTAR was able to help address any of these factors? If so, how?
6. **Learning for success:** What is your overall opinion of the work of mSTAR in Bangladesh? What did they do particularly well? What could have been improved?

## Questions for in-depth interview with USAID key staff

Hello, this is \_\_\_\_\_ and my colleague is \_\_\_\_\_. We are consultants/field researchers with the Institute of Social Business (ISB) and working with FHI 360 to conduct an Impact Evaluation of the mSTAR/Bangladesh Activity. The purpose of the evaluation is to provide an independent assessment of the mSTAR/Bangladesh activity's impact on the acceleration and adoption of digital payments, including digital financial services among USAID/Bangladesh programs and the populations that they serve. We will conduct interviews and discussions with various people with whom the project has engaged. The findings from these discussions and other sources will be written up into a report to be used by FHI 360, USAID, and other stakeholders. This interview will cover five main areas: relevance; efficiency; effectiveness, impact and sustainability. Although we will ask your name, the information will be confidential and your name will not be linked to anything you say in the final report. We understand you are probably very busy and we hope this will not take much more than 45 minutes. We really appreciate your willingness to answer our questions but please be assured that this is entirely voluntary so if there is anything you don't want to answer or if you need or want to stop this interview at any time, just let us know.

**Code No.:**

**Date:**

**Name:**

**Job Title:**

**Name of Organization:**

**Type of Respondent:**

### Key questions for interview

- 1. Benefits and ripple effect:** What were the overall benefits that you feel mSTAR was able to deliver to USAID, its programs, and their beneficiaries in terms of uptake of digital financial services? Name one or two things that you think mSTAR was particularly successful at doing.
- 2. Challenges:** What are the main challenges that you feel mSTAR faced in terms of achieving its objectives? What could they have done better to overcome these challenges?
- 3. Improvement of ecosystem and coordination:** Please share your thought, has mSTAR been able to help improve the DFS ecosystem in Bangladesh, including coordination between key actors? If so, in what ways? What could mSTAR have done better?
- 4. External influence:** What is your opinion about the social/political/environmental/legal factors that influenced the use/growth of DFS in Bangladesh over the past four years? **(optional)**
- 5. Learning for success:** If you had to re-design mSTAR from scratch, what elements would you keep? What would you change? Why?

## Questions for FGD with project beneficiaries

Hello, this is \_\_\_\_\_ and my colleague is \_\_\_\_\_. We are consultants/field researchers with the Institute of Social Business (ISB) and working with FHI 360 to conduct an Impact Evaluation of the mSTAR/Bangladesh Activity. The purpose of the evaluation is to provide an independent assessment of the mSTAR/Bangladesh activity's impact on the acceleration and adoption of digital payments, including digital financial services among USAID/Bangladesh programs and the populations that they serve. We will conduct interviews and discussions with various people with whom the project has engaged. The findings from these discussions and other sources will be written up into a report to be used by FHI 360, USAID, and other stakeholders. This interview will cover five main areas: relevance; efficiency; effectiveness, impact and sustainability. Although we will ask your name, the information will be confidential and your name will not be linked to anything you say in the final report. We understand you are probably very busy and we hope this will not take much more than 45 minutes. We really appreciate your willingness to answer our questions but please be assured that this is entirely voluntary so if there is anything you don't want to answer or if you need or want to stop this interview at any time, just let us know.

[Go around the circle and ask participants to introduce themselves (name, designation, address, organization etc.). Brief about some ground rules for example: duration of discussion (around 1 Hour), talk one by one, allow others to share their opinion etc.). Then, invite them for the discussion; and ensure everyone feels comfortable and is aware everyone has a chance to speak.]

**Location:**

**Date:**

**Number of participants (M/F):**

**Name of Organization:**

The **first question to engage them into the discussion**. This is also an ice breaking question, which might not be relevant to your main topics. For example: you can ask them .....

A. Please share your most memorable/significant experience with digital financial services

### **Key questions for FGD**

- 1. Critical assumptions/thoughts:** What were your expectations from digital financial services? Why did you decide to make use of them? If it was not your choice, how did you feel when you were told that you had to use DFS?
- 2. Benefit and ripple effect:** What are the benefits that you received through adopting digital financial services?
- 3. Challenges:** What were the challenges that you faced using digital financial services? How did you overcome those challenges? What type of support did you receive from mSTAR or the organization that introduced you to DFS to help you to overcome those challenges? What else could they have done to better support you? How would you avoid repeating those same challenges in the future?
- 4. Current DFS usage:** Are you still using DFS? If so, in what ways? If you have stopped using it, why?

## Annex 3 List of Interviewees

SL	Name
<b>Grants</b>	
1.	Murad Ahmed, USAID's Aquaculture for Income and Nutrition (AIN), World Fish
2.	Samir Uddin, USAID's Aquaculture for Income and Nutrition (AIN), World Fish
3.	Sk. Masudur Rahman, USAID's MAMA Initiative, Dnet
4.	Mizanur Rahman, USAID's MAMA Initiative, Dnet
5.	Moshiur Rahman, USAID's Blue Star, USAID's PCHP (USAID's MIH), Social Marketing Company (SMC)
6.	Dr. Salah Uddin, Social Marketing Company (SMC)
<b>Technical Assistance</b>	
7.	Yasir Arafat, Rice Value Chain Project, IRRI
8.	A. T. M. Zubaidur Rahman, SHOUHARDO II, CARE Bangladesh
9.	Bidyuth K. Mahalder, Agricultural Extension Support Activity Project, Dhaka Ahsania Mission
10.	Khondker Zunaed Rabbani, AIRN Agro-Inputs Project, CNFA
11.	Julie Ghostlaw, Agriculture Nutrition Gender Linkage (ANGeL) Project, IFPRI
<b>IPs staff who had attended mSTAR technical workshops</b>	
12.	Bilash Mitra, USAID's RVC project (currently with USAID's RDC project), IRRI Bangladesh
13.	Charles J Sarkar, USAID's LPIN project, ACIDI/VOCA
14.	S.M Kamrul Hasan, USAID's Mayer Hashi II project, EngenderHealth.
15.	Md. Kafil Uddin, USAID's MAMA initiative (currently with iDE), Dnet & iDE
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18.	Safina Naznin, USAID's EcoFish project, WorldFish
19.	Bithika Das Hazra, USAID's AVC project, DAI Inc.
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20.	Ariful Mazid Ronju, IFIC Mobile Banking
21.	ATM Mahbub, bKash
22.	MD. Zahirul Islam, SureCash
23.	Zahid Mansur, ROCKET
24.	Md. Ahsanul Alam, Bank Asia Ltd.
<b>MMCG</b>	
25.	Tapan Kumar Chakrabarti, ACF
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