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MOBILE SOLUTIONS TECHNICAL ASSISTANCE AND RESEARCH (mSTAR), BANGLADESH

WORKSHOP ON *Mobile Money in Action: Myths, Facts and Simulations*

February 17, 2015; FHI 360 Bangladesh Country Office

**WORKSHOP REPORT
FEBRUARY 2015**



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DISCLAIMER

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

1. Introduction

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

1.1 mSTAR Workshop Series

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

1.2 Fifth Quarterly Workshop: Mobile Money in Action: Myths, Facts and Simulations

The fifth quarterly workshop focused on common myths that people hold about mobile money. Participants also participated in a simulation to identify potential opportunities for incorporating mobile money into two illustrative projects. The workshop also discussed how mSTAR could help interested USAID IPs in transitioning from cash to mobile payments.

2. Basic Information on the Workshop

Title of the Workshop: *Mobile Money in Action: Myths, Facts and Simulations*

Date and Time: February 17, 2014; 9:30 AM – 12:30PM

Venue: Conference Room; FHI 360, Bangladesh Country Office

3. Workshop Participant Details

A total of 19 participants from 9 organizations participated in the workshop.

Total Number of Participants: 19

- Male: 17
- Female: 02

Number of Organizations Participating: 9

Organizations Participating:

- | | |
|----------------------------------|-----------------------------------|
| 1. Save the Children | 6. IRRI Bangladesh |
| 2. Dhaka Ahsania Mission (DAM) | 7. Social Marketing Company (SMC) |
| 3. Helen Keller International | 8. Winrock International |
| 4. Care Bangladesh | 9. USAID Bangladesh |
| 5. University Research Co. (URC) | |

Details of the participants is provided in Annex – 1

4. Workshop Program Schedule

Time	Description/details	Resource person
9:30	Registration and Pre-Assessment	Shamsin Ahmed, Mobile Money Associate, mSTAR Bangladesh
9:45	Welcome and Introductions	Josh Woodard, Regional ICT & Digital Finance Specialist, mSTAR
9:50	Welcome note from USAID/Bangladesh	Jeff de Graffenried, Project Development Officer, USAID Bangladesh
10:00	Why Mobile Money? <i>A brief overview of mSTAR Bangladesh and update on the state of mobile money in Bangladesh</i>	Ataur Rahman, Team Lead, mSTAR Bangladesh
10:15	Common Myths in Mobile Money <i>Participants will learn to how to separate mobile money facts from fiction</i>	Jaheed Parvez, Mobile Money Specialist, mSTAR Bangladesh
11:00	Tea Break	
11:15	Simulation Activity: Incorporating Mobile Payments into Agriculture and Health Projects <i>Participants will work to determine potential opportunities and barriers for incorporating mobile payments into projects using case studies.</i>	Kazi Amit Imran, Communications Specialist, mSTAR Bangladesh Shamsin Ahmed, Mobile Money Associate, mSTAR Bangladesh
12:15	Open discussion <i>Participants will have an opportunity to share and ask questions.</i>	
12:30	Post assessment	Md. Ariful Islam, M&E Specialist, mSTAR Bangladesh

5. Overview of Major Activities

The workshop focused on common myths about mobile money that restrains organizations from adopting mobile money into their project operations. The sessions were designed to facilitate an interactive platform to provide opportunities for discussions on mobile money myths in order to increase sharing of knowledge among the participants. The workshop sessions were moderated by M. Ataur Rahman, team lead of mSTAR Bangladesh.

5.1 Welcome Note

Josh Woodard, Regional ICT & Digital Finance Specialist of mSTAR, welcomed all participants for attending the workshop despite the political unrest. He mentioned that mobile money in Bangladesh is gaining popularity and has high potential. He shared that adoption of mobile money in project operations can help increasing efficiency and transparency and reduces operational costs.

Jeff de Graffenried, Project Development Officer at USAID/Bangladesh, welcomed all participants for attending the workshop despite ongoing political unrest. He mentioned that the usage of mobile money in Bangladesh is growing, making Bangladesh a showcase country for mobile money. He shared that USAID has decided in principle to make electronic payment compulsory for all USAID-funded activities. He added, that USAID's mSTAR project has the technical capacity to help USAID implementing partners in transitioning to electronic or mobile payments from cash.



5.2 Why Mobile Money?

M. Ataur Rahman, team lead of mSTAR Bangladesh gave a brief presentation on mSTAR’s activities and provided an overview of the project. He said **“About 80 per cent of the rural community has access to mobile phones although few have access to formal financial services”** while comparing the number of access points offered by banks with mobile financial services. Mr. Rahman mentioned that mSTAR is working to help USAID health and agriculture IPs to transition from cash to mobile payments in their project/program operations.



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

Talking about the mobile financial service (MFS) industry of Bangladesh, Mr. Rahman shared that 19 banks out of the 28 approved banks are offering mobile financial services in Bangladesh. He further stated that the MFS industry in Bangladesh is growing rapidly and currently has over 25 million users. Given the high number of access points, disbursing funds using mobile money is convenient for the rural community. He shared examples of a few projects, including Dnet’s MAMA program, TB Care II program, and Chars Livelihood program, which have successfully incorporated mobile payments in their project operations and increased their operational efficiency.

5.3 Common Myths in Mobile Money

mSTAR’s Mobile Money Specialist, Jaheed Parvez, stated that common myths on mobile money holds back organizations and people from using mobile money both in project operations and in their personal lives. To make the session interactive, participants were asked to vote on statements about MFS as myth or fact while he read them out (the correct responses are listed in the table below). Mr. Parvez mentioned that disbursing payments using mobile money is acceptable for financial audits as MFS providers provide a statement of disbursement after the funds are transferred. It was discussed that changing behavior and increasing awareness among beneficiaries will increase the usage of mobile money in rural communities. In response to a question, Mr. Parvez mentioned that over the counter (OTC) transactions are illegal in Bangladesh and the central bank has amended the mobile financial policy to eliminate pure OTC transactions.



Myths	Facts
Mobile money is not secure	Mobile money transaction can be executed instantly
Agents can steal customer money	bKash is the largest MFS provider
Mobile money is too expensive	There is limit to the transaction amount
A bank account is required to open a mobile money account	You can buy airtime using mobile money
Mobile money does not earn interest	
Mobile money is too complicated	
Mobile money account can become dormant	
Mobile money can be extremely used for money laundering	
The PIN code is unchangeable	
It costs less than 1.5% to conduct a cash-out transaction	

Over the counter (OTC) transaction is legal	
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5.4 Simulation Activity

mSTAR's Communication Specialist and Mobile Money Associate, Kazi Amit Imran and Shamsin Ahmed, conducted a simulation activity where participants were required to identify opportunities where cash could be replaced by mobile money in two illustrative projects specific to health and agriculture. The objective of the simulation activity was to increase participants' ability to identify the potential scope of adopting mobile money in project operations. Participants worked in two groups and were briefed about the financial disbursement process of the two projects. After group discussion each group presented how mobile money could be incorporated in the projects and justified how adoption of mobile money will benefit the projects.



5.4 Open Discussion

In an open discussion, the mSTAR team responded to several questions and concerns of participants. In response to two concerns regarding complying with the GoB's NGO Bureau's guidelines for NGOs to issue account payee cheques for all payments made above BDT 10,000 and complying with the government's existing regulations on revenue stamps, Mr. Parvez mentioned that mSTAR team will speak with the authorities and share the guidelines with participants. In response to another query regarding audits, Mr. Jeff from USAID mentioned that USAID prefers disbursing funds using mobile money rather than disbursing in cash and disbursement statements issued by MFS providers will suffice for USAID compliance.

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

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

6.1 Findings from Participant Mobile Money Capacity Assessment

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

ID No.	Pre assessment score	Post assessment score	Changes (Post Workshop Score- Pre-workshop Score)	Percentage of increase in understanding MM
1	11	15	4	20
2	9	13	4	20
3	10	14	4	20
4	10	15	5	25
5	5	6	1	5
6	5	13	8	40
7	9	15	6	30
8	6	14	8	40
9	4	15	11	55
10	6	10	4	20
11	4	15	11	55
<i>*At least 20% increase from pre-assessment score is required</i>			Average Improvement	33%

As can be seen in the chart above, the participants showed an increase in their understanding of MM as a result of participating in this workshop. The average change in participant scores was 33%.

Improvement from pre-test (%)	No. of Participants	Percentage of participants
>20%	1	9
20%-29%	5	45
30%-39%	1	9
40%-49%	2	18
50%-59%	2	18

46% participants achieved an increase of 20%-29% in understanding MM; another 36% gained an advancement of 40% or more.

6.2 Participants' major takeaways

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

Takeaways	Number of responses
How to adapt MM in projects	7
Direct & indirect benefits of MM	4
Learnt about legal aspects of MM in Bangladesh	3
Understanding of MM	2
Myths and facts of MM	2

39% of the participants' expressed that their top takeaway was learning how to adapt MM in projects. 22% participants found the workshop beneficial as they learnt about the direct and indirect benefits of MM. Another 17% participants noted that learning about the legal aspects of MM in Bangladesh was one of their main takeaways from the workshop.

6.4 Participants' suggestions for further interventions

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

SL.	Future suggestions	Frequency	%
1	Sessions on problems and challenges in every step of incorporating MM payments	3	14
2	Organize more workshops for upper management	5	23
3	Discuss on how to make the transition to MM payments at the operation level	3	14
4	Arrange sessions on how to perform transactions using MM	2	9
5	The workshop should include more practical sessions with evidence	4	18
6	Present beneficiary experiences more	2	9
7	Presentation from MFS on their products	3	14

Annex – 1

Participants' Details

SL	Name	Designation	Organization
1	Ayesha Siddiqua	Finance & Administration Manager	Helen Keller International
2	Md. Hayder Ali Miah	Finance & Admin Manager	University Research Co., LLC (URC)
3	A. T. M. Zubaidur Rahman	Resource Management Coordinator	CARE Bangladesh
4	Maruf Hasan	Deputy Manager	Social Marketing Company
5	Md. Tarifur Rahman Khan	Program Implementation Coordinator	Social Marketing Company
6	Shahin Islam	Deputy Program Director	Save the Children
7	Md. Asaduzzaman	Manager-Financial Analysis and Compliance	Save the Children
8	Salauddin Ahmed	Finance & Admin Manager	Save the Children
9	Bilash Mitra	M&E Manager	IRRI Bangladesh
10	Muhammad Abul Hossain,	Value Chain Specialist	Winrock International
11	GM Abdul Gaffar	Fin & Accounts Officer	Dhaka Ahsania Mission (DAM)
12	Jeff deGraffenried	Activity Manager	USAID/Bangladesh
13	Mohammad Nuruzzaman	Project Management Coordinator	USAID/Bangladesh
14	Josh Woodard	Technical Manager	FHI 360
15	Ataur Rahman	Team Lead	FHI 360
16	Jaheed Parvez	MM Specialist	FHI 360
17	Md. Ariful Islam	M&E Specialist	FHI 360
18	Shamsin Ahmed	MM Associate	FHI 360
19	Kazi Amit Imran	Communication Specialist	FHI 360

Annex – 2

Pre & Post Assessment Questionnaires

**Workshop on ‘Mobile Money in Action: Myths, Facts, and Simulations’
February 17, 2015
Workshop Pre-assessment**

Participant Name:

Organization:

Position:

Cell:

E-mail:

1. Organizational mobile money usage

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

Yes

No

Used previously; not now

2. Pre Assessment questionnaire

2.1 Please check the appropriate answer against each statement.

Payment Point	Disbursement Amount	Answer
Salary payment of field level staffs using mobile money payment	BDT 7000/month	<input type="checkbox"/> Yes <input type="checkbox"/> No
Salary payment of Regional Coordinators using mobile money payment	BDT 50,000/month	<input type="checkbox"/> Yes <input type="checkbox"/> No
Training advance using mobile money payment	BDT 30,000-BDT 40,000/each time	<input type="checkbox"/> Yes <input type="checkbox"/> No
Incentive payment to field level staffs using Field Officers MM account	BDT 500/field level staff	<input type="checkbox"/> Yes <input type="checkbox"/> No
Loan Installment using mobile money payment	BDT 200/week	<input type="checkbox"/> Yes <input type="checkbox"/> No
Loan disbursement using mobile money payment	BDT 50,000/each time	<input type="checkbox"/> Yes <input type="checkbox"/> No
Daily allowance using mobile money payment	BDT 850/each day	<input type="checkbox"/> Yes <input type="checkbox"/> No
Travel Allowance using mobile money payment	BDT 2000/each time	<input type="checkbox"/> Yes <input type="checkbox"/> No
Employee Airtime top up	BDT 500/month	<input type="checkbox"/> Yes <input type="checkbox"/> No

2.2 Is a bank account required to open a mobile money account?

Yes No Sometimes true, sometimes not

2.3 ‘A mobile money account gets dormant if it is not used for three months’-is it true?

Yes No Sometimes true, sometimes not

2.4 ‘Over the Counter’ (OTC) transaction is legal’- is it true?

Yes No Sometimes true, sometimes not

Workshop on 'Mobile Money in Action: Myths, Facts, and Simulations'

February 17, 2015

Workshop Post-assessment

Participant Name:

Organization:

Cell:

Position:

E-mail:

3. Assessment of Workshop Sessions

Session Name	Session Content	Session Presentation
Why Mobile Money?	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Common Myths in Mobile Money	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Group Exercise: Common Myths	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Simulation Activity: Incorporating Mobile Payments into Agriculture and Health Projects	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Group Exercise: Incorporating Mobile Payments into Agriculture and Health Projects	Very Informative <input type="checkbox"/> Informative <input type="checkbox"/> Somewhat informative <input type="checkbox"/> Not informative at all <input type="checkbox"/>	Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>

4. Please list the major takeaways that you achieved from this workshop

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

6. Post Assessment Questionnaire

6.1 Please check the appropriate answer against each statement.

Payment Point	Disbursement Amount	Answer
Salary payment of field level staffs using mobile money payment	BDT 7000/month	<input type="checkbox"/> Yes <input type="checkbox"/> No
Salary payment of Regional Coordinators using mobile money payment	BDT 50,000/month	<input type="checkbox"/> Yes <input type="checkbox"/> No
Training advance using mobile money payment	BDT 30,000-BDT 40,000/each time	<input type="checkbox"/> Yes <input type="checkbox"/> No
Incentive payment to field level staffs using Field Officers MM account	BDT 500/field level staff	<input type="checkbox"/> Yes <input type="checkbox"/> No
Loan Installment using mobile money payment	BDT 200/week	<input type="checkbox"/> Yes <input type="checkbox"/> No
Loan disbursement using mobile money payment	BDT 50,000/each time	<input type="checkbox"/> Yes <input type="checkbox"/> No
Daily allowance using mobile money payment	BDT 850/each day	<input type="checkbox"/> Yes <input type="checkbox"/> No
Travel Allowance using mobile money payment	BDT 2000/each time	<input type="checkbox"/> Yes <input type="checkbox"/> No
Employee Airtime top up	BDT 500/month	<input type="checkbox"/> Yes <input type="checkbox"/> No

6.2 Is a bank account required to open a mobile money account?

Yes No Sometimes true, sometimes not

4.2 'A mobile money account gets dormant if it is not used for three months'-is it true?

Yes No Sometimes true, sometimes not

4.4 'Over the Counter' (OTC) transaction is legal'- is it true?

Yes No Sometimes true, sometimes not