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

### TECHNICAL ASSISTANCE REPORT

**TA RECIPIENT:** SAVE THE CHILDREN,  
READING ENHANCEMENT FOR ADVANCING DEVELOPMENT  
(READ) PROJECT

MARCH 2016



#### DISCLAIMER

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# mSTAR/Bangladesh Technical Assistance Report

## Request from: Save the Children, READ project

### Overview of Technical Assistance Request

Save the Children requested technical assistance from mSTAR/Bangladesh to provide light touch support to prepare their partners under the USAID-funded Reading Enhancement for Advancing Development (READ) project to be able to explore the potential of using mobile payments to pay volunteer honorariums. Their initial request was received in November 2015, and TA was conducted in February 2016. The time difference between receipt of the request and provision of TA was the result of coordinating schedules for a technical workshop.

### Overview of the READ Project

The READ project is a four-year collaboration with Save the Children International to improve early grade reading competence. READ works with government primary schools in partnership with six local NGOs to organize volunteers who work at the school level to help students read. The project has various components, one of which is the Community Reading Circle (CRC). There are two CRCs in each school amounting to a total of 160 across 80 primary schools. Teachers and volunteers get three trainings from the Directorate of Primary Education (DPE).

READ has 334 volunteers to whom they generally provide honorariums of BDT 600 every month, with the exception of in some areas, such as Khagrachari, where they have 10 “para”-teachers (local teachers) who get BDT 1,000 and those residing in more remote areas who receive BDT 2,800. Each CRC has two dedicated volunteers with a minimum educational qualification of SSC.

Currently the funds for honorarium are transferred from READ’s bank account to those of the partners on a quarterly basis, and are then paid in cash to the volunteers. The partners provide a report to READ every month and a forecast budget for subsequent quarters.

### Purpose of TA Request

READ’s TA request focused on three areas: 1) facilitating a technical workshop on mobile financial services (MFS) for project and partner staff; 2) introducing READ and its partners to MFS providers, and 3) providing READ with sample training materials to help them conduct trainings for community volunteers on how to use mobile money.

### Description of Technical Assistance Provided by mSTAR/Bangladesh

#### Technical Workshop

mSTAR/Bangladesh facilitated an afternoon session entitled ‘Orientation to Mobile Banking’ for READ and partner staff on February 9<sup>th</sup>, 2016 as part of the project’s three-day *Capacity building workshop on USAID rules, regulations and procedures of mobile banking for READ-Partner NGO*.

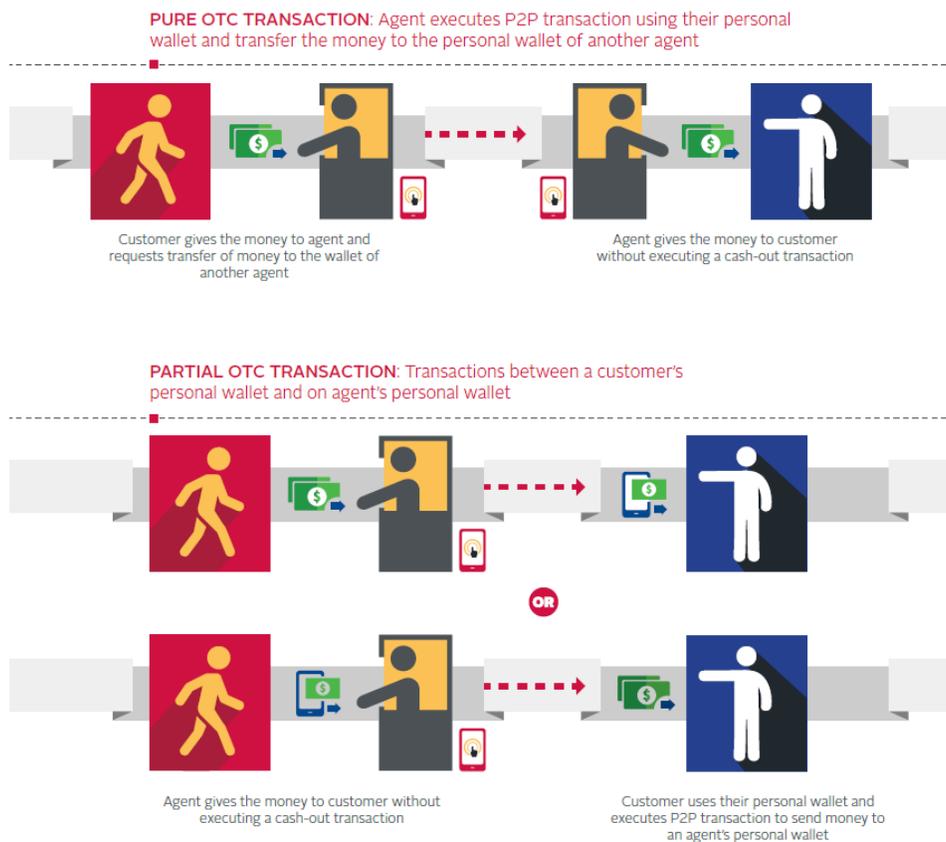
In total, 21 participants from READ’s partner NGOs participated in the workshop. The session ran for approximately 2 hours and 45 minutes and included an overview of MFS in Bangladesh and a roadmap to making the transition away from cash. The session was facilitated by Jaheed Parvez, Technical Lead, Mobile Financial Services, USAID mSTAR Project. Pre and post-workshop assessments were conducted

to compare participants' level of knowledge about mobile financial services after the workshop (see below for more details).

The facilitator familiarized the participants with the basics of mobile financial services – what it means, the services available, who the service providers are and the relevant regulations governing MFS in Bangladesh. Participants were very keen to learn more about regulations, and their questions were answered by the facilitator. He further talked about myths about using mobile money, the problems of using cash and the subsequent benefits of shifting to mobile money. He also discussed how organizations can shift from cash to mobile money and the key factors to consider when choosing a MFS provider.

Participants shared their experiences using mobile money, including both benefits and challenges. Participants mostly faced challenges due to over-the-counter transactions, which are technically unallowable transactions made by an MFS agent on behalf of an individual. The regulations only permit transactions between mobile money accounts of users, not by giving money to an agent, although the practice is still common in Bangladesh. OTC transactions are also more expensive than transactions made directly from a mobile money account, which is all the more reason why individuals should open their own account.

**Figure 1: Illustration of OTC transactions**



Most of the participants expressed their eagerness to use mobile financial services and expected further assistance. In this regard, the facilitator informed the partner organizations that they should conduct discussions with READ to determine if they would like to receive follow on technical assistance from mSTAR.

The workshop ended by sharing the case of WorldFish’s transition from cash to mobile money, followed by further queries from participants. This was followed by a final assessment of the participants to test their understanding and key takeaways from the workshop.

### Findings from the Workshop Assessment

Workshop participants took part in the pre and post-assessments, which have been analyzed to measure how much participants learned from the workshop. Participant scores are summarized below. As one question (q4) had four correct answers, .25 points were assigned for each correct answer marked.

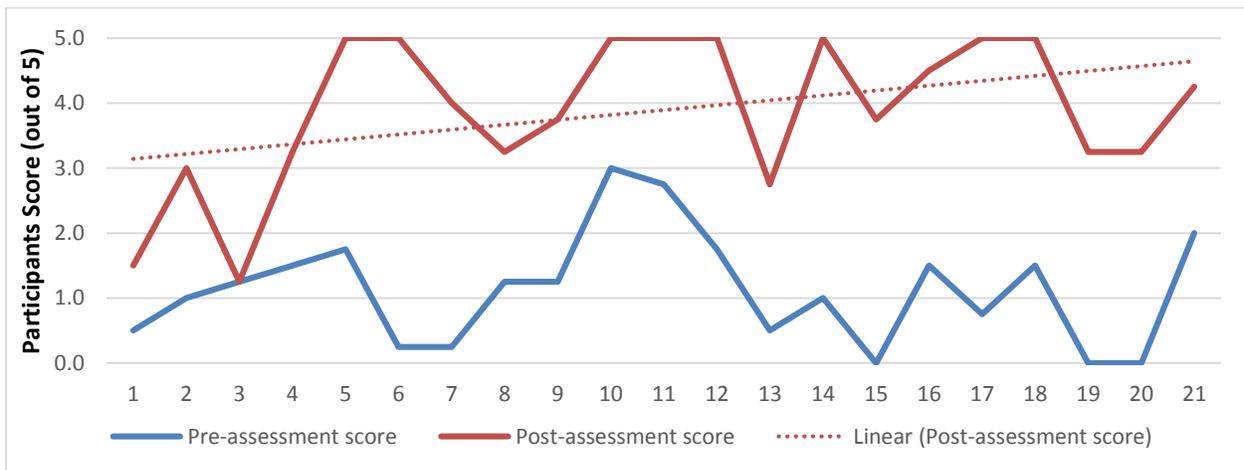
**Table 1: Changes in the score of the pre and post-assessment of READ participants**

Participant No.	Pre-assessment score	Post-assessment score	Changes	% increase in score
1	0.50	1.50	1.00	20%
2	1.00	3.00	2.00	40%
3	1.25	1.25	0.00	0%
4	1.50	3.25	1.75	35%
5	1.75	5.00	3.25	65%
6	0.25	5.00	4.75	95%
7	0.25	4.00	3.75	75%
8	1.25	3.25	2.00	40%
9	1.25	3.75	2.50	50%
10	3.00	5.00	2.00	40%
11	2.75	5.00	2.25	45%
12	1.75	5.00	3.25	65%
13	0.50	2.75	2.25	45%
14	1.00	5.00	4.00	80%

15	0.00	3.75	3.75	75%
16	1.50	4.50	3.00	60%
17	0.75	5.00	4.25	85%
18	1.50	5.00	3.50	70%
19	0.00	3.25	3.25	65%
20	0.00	3.25	3.25	65%
21	2.00	4.25	2.25	45%
Average Score	1.13	3.89	2.76	-
<b>Average Improvement</b>				<b>55%</b>

The change of score of the participants, as depicted in the above table, indicates that participants' knowledge improved substantially due to their participation in the workshop. Among the 21 participants, 20 persons showed improved performance, while only one was unchanged. In the pre-assessment, the average score of the participants was 1.13 out of 5. This average score increased by 2.76 points in the post-assessment examination of the participants, for a revised average of 3.89 points. The average change in participants' percentage of score against the total was 55%

**Figure 2: Line graph of pre- and post-assessment scores**



The above figure shows the score of pre-assessment and post-assessment of the participants including the linear trend of progression.

**Table 2: Groups of different range of % change and distribution of the participants**

<b>% of improvement from pre-test score (in range)</b>	<b>No of Participants</b>	<b>% of participants</b>
<20%	2	9.5
20%-39%	1	4.8
40%-59%	7	33.3
60%-79%	8	38.1
>=80%	3	14.3

Improvements have been divided into groups based on the range of percentage change in scores as shown in the above table. As per the table, 81.5% participants achieved more than a 20% improvement in the post-assessment compared to pre-assessment. It also shows that the largest number (38.1%) of participants achieved improvements in the range of 60%-79%. And, 14.3% participants achieved more than an 80% change. Thus, it reveals that participants understanding of MFS improved remarkably, although improvement levels varied from participant to participant.

### **Participants' major takeaways**

The major takeaways from the workshop as recorded by participants are summarized below:

<b>SL</b>	<b>Issues</b>	<b>Frequency of Responses</b>
1	The various offerings and benefits of mobile banking	18
2	Awareness and useful information about mobile banking in Bangladesh	14
3	The process of conducting transactions using mobile banking	13
4	The process and documentations related to operating mobile money accounts	11
5	The MFS market scenario in Bangladesh	5
6	The barriers and disadvantages of mobile banking	3
7	Assessing feasibility of adopting MFS in a project	1

## Next Steps

Should READ's partner NGOs decide that they are interested in using mobile money to make volunteer honorarium payments, mSTAR/Bangladesh is ready to help to introduce them to MFS providers and help them to negotiate with those providers.

mSTAR/Bangladesh can also help READ's partner NGOs to develop localized training materials in coordination with the selected MFS provider. In the meantime, two USAID implementing partners previously supported by mSTAR/Bangladesh have training materials in Bengali that may be of use. Both of those sets of materials can be found online at the links below:

- [Training Manual for Using Mobile Money in Bangladesh](#)
- [Mobile Money Training Flipcharts for Farmers](#)

In addition, mSTAR/Bangladesh has developed a number of tipsheets that READ's partners may find helpful as they explore using MFS for payments. Those tipsheets can be found at the links below:

- [5 Key Factors to Consider When Choosing a Mobile Financial Services Provider](#)
- [Potential Issues and Mitigation Approaches](#)
- [Common Myths about Mobile Money](#)
- [Checklist for Rolling Out Mobile Money](#)
- [Bridging the Mobile Financial Services Gender Divide](#)
- [Measuring the Benefit of Mobile Money](#)
- [A Primer for Audit Preparedness](#)

## Annex I:

# Capacity Building Workshop on 'Mobile Financial Services in Bangladesh & A roadmap to making the transition away from cash' Mobile Solutions Technical Assistance and Research - mSTAR Bangladesh

Venue: Save the Children, Dhaka, Bangladesh  
Tuesday, February 09, 2016

### Workshop Pre Assessment Questionnaire

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

1. Mobile money agents are allowed to conduct money transfer transactions using their own accounts on a customer's behalf?
  - a) True
  - b) False
  - c) Unsure
2. What is the maximum monthly P2P transaction limit for individual account holders of Mobile Financial Services (MFS)?
  - a) BDT 5,000
  - b) BDT 10,000
  - c) BDT 15,000
  - d) BDT 25,000
  - e) Unsure
3. Is it currently possible to send money from an account on one MFS provider (e.g. bKash) to an account on another MFS provider (e.g. DBBL)?
  - a) Yes
  - b) No
  - c) Unsure
4. Which of the following are potential benefits of digital payments over cash (select all that apply)?
  - a) Cost savings
  - b) Improved transparency
  - c) Faster and more secure
  - d) Can lead to increased financial inclusion of recipients
  - e) Unsure
5. What is the estimated time needed by MFS providers to activate an account?
  - a) 1-2 days
  - b) 3-5 days
  - c) 7-10 days
  - d) 10 – 15 days
  - e) Unsure

**Capacity Building Workshop on  
‘Mobile Financial Services in Bangladesh  
& A roadmap to making the transition away from cash’  
Mobile Solutions Technical Assistance and Research - mSTAR  
Bangladesh**

**Save the Children, Dhaka, Bangladesh  
Tuesday, February 09, 2016**

**Workshop Post Assessment Questionnaire**

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

**Section A:**

**I. Assessment of Workshop Sessions**

Session	Session Content	Session Presentation
Presentation Session: ‘Mobile Financial Services in Bangladesh & A roadmap to making the transition away from cash’	Very Informative <input type="checkbox"/>	Excellent <input type="checkbox"/>
	Informative <input type="checkbox"/>	Very Good <input type="checkbox"/>
	Somewhat informative <input type="checkbox"/>	Good <input type="checkbox"/>
	Not informative at all <input type="checkbox"/>	Fair <input type="checkbox"/>
		Poor <input type="checkbox"/>

2. Please list the major takeaways that you achieved from this workshop (in bullet points)

3. What other types of information about mobile financial services would you find useful? (in bullet points)

## Section B: Post Assessment Questionnaire

1. Mobile money agents are allowed to conduct money transfer transactions using their own accounts on a customer's behalf?
  - a) True
  - b) False
  - c) Unsure
2. What is the maximum monthly P2P transaction limit for individual account holders of Mobile Financial Services (MFS)?
  - a) BDT 5,000
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  - c) BDT 15,000
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3. Is it currently possible to send money from an account on one MFS provider (e.g. bKash) to an account on another MFS provider (e.g. DBBL)?
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  - a) 1-2 days
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## Annex 2:

Responses of the participants about the major takeaways:

<b>Responses on Major Takeaways</b>	<b>Frequency</b>
Awareness of mobile banking	1
Cash in Cash out	2
clear concept about mobile banking and benefits of opening account with mobile banking	1
Difference between normal banking and mobile banking	1
How to operate mobile banking	1
Importance of mobile banking	1
know about mobile banking system and transaction	1
learning about MFS	1
Mobile banking operation process and its advantage	1
Mobile banking transfer	1
mobile money transfer process and process of implementing pilots	1
money transfer	1
process of money transfer through mobile banking	1
Received several information regarding mobile banking	1
The process of mobile banking and offerings	1
trend of transaction of money with mobile banking	1
What is E money	1
What is mobile banking and how it works	1
easy account opening system	1
Faster transaction and saves time	1
Feasibility assessment	1
How can you open an account	1
market analysis	1
mobile banking overall scenario in Bangladesh	1
mobile money system	1
pin change	1
Practical data analytics	1
Procedures of mobile banking	1
Process & Implementation of mobile banking	1
process of mobile banking	1
Security	1
advantages and disadvantages	2
benefit of mobile money	1
cash in cash out	1
Challenges	1
cost and time saving and easy cash out system	1

identification problems	
importance of mobile money	
Necessity of mobile banking	
OTC transaction	
saves time	

Responses of the participants about what other type of information they found as useful from the workshop:

<b>Responses on Type of Information found useful</b>	<b>Frequency</b>
Bank to Mobile transaction	
Cash in cash out	
electric bill information	
ensure documentation whenever you transfer money to others	
Fast and transparent	
How to open mobile bank accounts	
market knowledge	
Present position of mobile banking	
Save money	
Save time & money	
secure and safe	
The transaction	
Transparent transaction and more accountability	
do's and do nots of mobile banking	
growth rate	
How it operates	
improve security	
Improve transparency	
process of MFS	
Saving of time and money	
Secure	
Value Additions	
value of time	
Contribute to economy	
cost effective	
Economic Development	
Jargons of mobile banking	