

# Internal Assessment Report for the Scaling Innovations in Mobile Money (SIMM) Activity

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## I. INTRODUCTION

### 1.1 BACKGROUND

Recognizing the potential to boost access to financial services through innovative technologies, USAID pioneered the use of mobile technology to deliver microfinance services through an earlier Activity called the “Microenterprise Access to Banking Services” (MABS). Under the fourth phase of MABS, USAID assisted Philippine rural banks in providing mobile phone banking and mobile commerce transactions by developing new products and services. MABS 4 worked with the Rural Bankers Association of the Philippines (RBAP) to help obtain regulatory approval and support from the Bangko Sentral ng Pilipines (BSP) for mobile money-enabled banking services, and to develop appropriate operations and procedures manual for rural banks. Under MABS 4, USAID also supported the expansion of a network of banks that provided cash-in and cash-out services; offered mobile phone banking services; and promoted, trained, and educated new and existing clients who benefitted from increased access to financial services.

Building on the initial success in pioneering mobile phone banking in MABS-4 and realizing opportunities for greater development impact, USAID decided to increase and expand its efforts in supporting the development of mobile money (m-money). The Scaling Innovations in Mobile Money (SIMM) Activity commenced in April 16, 2012, and originally had a completion date of April 24, 2014 and a budget of US\$ 1.9 million. Development Alternatives Inc. (DAI) was contracted to implement SIMM, with the aim of increasing financial inclusion for broad-based economic growth, by (1) boosting the expansion and rapid adoption of mobile money, and (2) creating an enabling environment for mobile money. To reach its goals, SIMM targeted the payment system, government services, and electronic payroll (e-Payroll) distribution. Cutting across these strategic areas, the activities of SIMM also sought to address both (a) supply and demand constraints to broader adoption of m-money in the Philippines by the population in general, and (b) promote global knowledge sharing. SIMM activities incorporated a strong component of pilot testing and experimentation to (i) create demonstration/catalytic effects for positive feedback and organic (i.e., private sector-led) growth in the m-money sector and (ii) build trust and confidence in mobile money as an alternative to cash. SIMM was subsequently granted two time extensions, which allowed for implementation to conclude in January 16, 2015 and for its budget to likewise increase to US\$ 3.243 million. This resulted in an increase of 8.5 months and \$1.34 million in their funding.

## 1.2 INTERNAL ASSESSMENT PURPOSE

The Program Resources Management (PRM) Office of USAID Philippines organized the SIMM internal assessment in partnership with the Digital Development Division (formerly known as the Mobile Solutions Division) of the USAID Global Development Lab in Washington. The purpose of the internal assessment is to determine whether or not SIMM's interventions have effectively laid the foundation that will allow USAID to achieve its goal of significantly contributing to greater financial inclusion. This will include determination of progress in establishing processes and partnerships including assessment of initial performance, and lessons learned. The internal assessment concentrated on SIMM's two-year implementation period, from April 26, 2012 through March 31, 2014.

The team reviewed performance in the development and implementation of the various components of the project. These included the promotion and use of mobile money in: (1) government services, covering government to person (G2P) and person to government (P2G) transactions, (2) electronic payroll, and (3) the payment system covering payment of utilities as well as goods and services. The team also reviewed the status of training and technical assistance activities, and activities to support the development of an enabling policy and regulatory environment for the development of mobile money services. The team analyzed the common factors that contribute to initial success, and identify challenges and areas for improvement.

The answers to these groups of questions were derived from a triangulation method which incorporated findings from document review, six (6) Focus Group Discussions (FGDs), and 40 Key Informant Interviews (KIIs). Field work was conducted by the team<sup>1</sup> in several cities within Metro Manila, Batangas city, and the municipality of Pulilan (Bulacan province), within the period of June 16-27, 2014.

## 1.3 EVALUATION QUESTIONS

The key evaluation questions are as follows:

1. How did SIMM work to improve the capacity of its partners to use mobile money services (including processes and partnerships)?
2. What are the outputs of SIMM to date? What are the planned or emerging benefits for target beneficiaries?
3. Good Practices: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?
4. Lessons Learned: What strategies/interventions did not work? What factors constrained achievement of results?

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<sup>1</sup> The Team was composed of Ms. Nandini Harihareswara (Senior Digital Finance Advisor) from USAID Washington, Mr. John Callanta (Monitoring and Evaluation Specialist) from USAID Philippines, and Ms. Josephine Joson (documenter/contractor). Administrative/Logistics support from the Mission during the fieldwork was provided by Ms. Lucila Deza (Development Program Assistant) and Mr. Honorato Santos Jr. (Supervisory Executive Specialist), and editorial oversight for the assessment report was exercised by Dr. Gerald Britan (Mission Senior Performance Management and Evaluation Adviser).

5. What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?
6. Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?
7. Overall as of date, what lessons have been learned from SIMM implementation which can be applied to E-PESO?

The internal assessment covered accomplishments in the following output indicators:

- Number of active mobile money users (including new subscribers to m-money services)
- Number of potential consumers, sales/bank staff trained on the use of mobile money
- Number of people opening savings account via m-banking
- Number of businesses and local government units adopting e-payroll
- Number of cash-in/cash-out merchant partners operating mostly in rural areas
- Percentage increase in the volume (monetary value) of mobile money transactions
- Number of conferences and networking venues supported to promote mobile money use
- Number of research papers and assessments produced for knowledge sharing

Annex A contains details of the internal assessment's Statement of Work, while Annex B includes the evaluation questions per type of KII and FGD.

## 2. METHODS and LIMITATIONS

### 2.1 DATA COLLECTION METHODS

The internal assessment team utilized three (3) data collection methods: 1) document review; 2) focus group discussions (FGDs); and 3) key informant interview (KIIs).

#### Focus Group Discussions (FGDs)

The FGDs were planned and conducted to understand the perspectives of the assisted organizations and target beneficiaries. Participants included:

1. Fifteen (15) LGU employees who availed and/or helped implement m-money interventions<sup>2</sup>;
2. Six (6) public school teachers who availed of m-money intervention

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<sup>2</sup> Seven (7) from Pulilan municipality (pp.3-6 of Annex C) and eight (8) from Quezon City (pp.7-9 of Annex C)

- (disbursement of allowance) from Quezon City LGU<sup>3</sup>
3. Five (5) members of employees cooperative who availed of m-money intervention<sup>4</sup>
  4. Four (4) rural cooperative members-employees from Batangas City who availed and/or helped implement m-money interventions<sup>5</sup>

Participants of the six (6) FGDs were selected by the team from a list provided by DAI, and DAI helped organize the FGDs. Detailed documentation of the FGDs are found in ANNEX C.

### **Key Informant Interviews (KIIs)**

KIIs were conducted primarily among the SIMM stakeholders who had first-hand knowledge about the Activity. The evaluation team interviewed a total of 40 informants, which consisted of individuals from the mobile money providers (Globe, SMART, BPI-Globe BankKO), assisted local government units (LGUs) and cooperatives, USAID Philippines, DAI. Also interviewed were selected beneficiaries (i.e., students, community bank clients) and representatives of Government of the Philippines (GPH) departments (i.e., Department of Social Welfare and Development, BSP and Commission on Audit city offices). The respondents were selected from the list of stakeholders provided by DAI, based on the significance of their role or participation in SIMM as deduced from the document review. Detailed documentation of the FGDs are found in ANNEX D.

## **2.2 LIMITATIONS OF THE INTERNAL ASSESSMENT**

Agency guidance on evaluations emphasizes the value of obtaining an independent/third party view of performance and of providing sufficient resources (time, personnel and funds) to ensure methodological rigor. Because of time constraints on two essential USAID staff members, the Mission decided to design the study as an internal assessment. However, the study was conducted by Mission and Washington staff not directly involved in project implementation and included a local consultant, who documented and summarized the FGDs and KIIs. The team also included a substantial number of external key informants (40) and FGD participants (30) and followed-up with KIIs and the SIMM staff after the intensive fieldwork to obtain additional information for specific quantitative analysis and on the M&E plan.

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<sup>3</sup> pp.10-12 of Annex C

<sup>4</sup> pp.13-14 of Annex C

<sup>5</sup> pp.15-16 of Annex C

### 3. FINDINGS, CONCLUSIONS, and RECOMMENDATIONS

The findings, conclusions and recommendations have been organized in response to each key evaluation question.

#### 3.1 How did SIMM work to improve the capacity of its partners to use mobile money services (processes and partnerships)?

##### FINDINGS

SIMM employed the following process in engaging various partner organizations:

**Table 1: SIMM Engagement Process**

Step	Description of SIMM's Tasks
Project introduction	<ul style="list-style-type: none"> <li>Orientation events involving local government units, microfinance institutions (MFIs), mobile money providers, and the main government partner (BSP)</li> <li>Individual briefings - e.g., Calamba Water District</li> </ul>
Enabling regulatory framework	<ul style="list-style-type: none"> <li>Existing laws/ordinances/policies were initially reviewed</li> <li>Closely worked with COA on formulation and adoption of the circular on eORs ("Guidelines for Use of Electronic Official Receipts to Acknowledge Collection of Income and Other Receipts of Government"), which enabled the use of m-money in LGUs</li> </ul>
Needs assessment	<ul style="list-style-type: none"> <li>The matching of actual needs of assisted LGUs and beneficiaries with business cases of the m-money providers influenced the m-money applications which were developed</li> </ul>
Forging partnerships	<ul style="list-style-type: none"> <li>Formalization of MOUs between SIMM and partner organizations, and contracts between m-money providers and partner organizations</li> </ul>
Value proposition	<ul style="list-style-type: none"> <li>Development of terms of reference (TOR) so that identified client needs would become part of business cases of m-money providers</li> </ul>
Operations management	<ul style="list-style-type: none"> <li>Business process review and reengineering for sustainability, as well as technology development</li> </ul>
Training	<ul style="list-style-type: none"> <li>Implementing staff of partners (m-money systems) and actual end users (financial literacy, orientation on m-money use)</li> </ul>
Communication	<ul style="list-style-type: none"> <li>M-money awareness campaigns for behavior change of targeted users</li> </ul>

The process from SIMM introduction to actual use by beneficiaries ranged from three to 10 months: three (3) months for Batangas City, six (6) months for Pulilan municipality, and 10 months for Quezon City (includes 3 months during an election period). SIMM staff expressed optimism that making adjustments based on lessons learned could shorten the process to just four (4) months. Two-thirds of the process was spent on enabling and aligning business processes. The process shown in Table 1 was expedited through the use of change management/ relationship management interventions to secure buy-in from all groups of people involved. This specifically involved coordination with key, influential individuals (i.e., mayors, administrators, cooperative leaders), trainings on financial literacy and use of the m-money services for unbanked people groups, and deployment of dedicated personnel.

A designated SIMM point person assist each LGU in determining priority needs (i.e., disbursements, collections) and related scale/volume, and then translating these

into documents submitted to the m-money providers (Globe GXI, SMART e-Money, and BPI-Globe BankO). Proposals which match the needs with proposed m-money applications are then reviewed by the LGUs and an m-money provider is selected.

In addition to LGUs, linkages/partnerships were also established with microfinance institutions (MFIs) and cooperatives:

**Table 2: Organizations Assisted by M-Money Providers**

M-Money Provider	Organization Engaged
BPI Globe BankO	<ul style="list-style-type: none"> <li>• LGUs - Quezon City, Pulilan Municipality</li> <li>• Five Batangas City cooperatives</li> </ul>
Globe-GXI	<ul style="list-style-type: none"> <li>• LGU - Batangas City</li> </ul>
SMART e-Money	<ul style="list-style-type: none"> <li>• National Confederation of Cooperatives (NATCCO)</li> <li>• Rural banks</li> <li>• SSS, PhilHealth and PAG-IBIG (cellphone load/credit as payment)</li> </ul>

The collaboration of the m-money providers with SIMM improved their public relations, promoted their m-money services, and allowed them to utilize SIMM-developed financial literacy training modules and IEC materials. Throughout the engagement process with LGUs, MFIs and cooperatives, the SIMM team was regarded by all three (3) m-money providers as “fair” in their provision of technical assistance and support to these competing companies. However, among the three m-money providers, SMART e-Money found engagement with LGUs not as profitable compared with other partners, thus it did not submit proposals.

## CONCLUSION

SIMM employed a systematic, participatory process in developing m-money services responsive to needs of assisted organizations, particularly the LGUs.

## RECOMMENDATION

1. The Mission should employ the relevant steps of the SIMM-instituted process for the partnership building of the upcoming E-PESO<sup>6</sup> Activity.
2. The Mission should likewise leverage the existing “community of champions” for m-money among the SIMM-assisted cities, for the cities that will be supported by the Mission’s Cities Development Initiative (CDI)<sup>7</sup>.

<sup>6</sup> As a follow-on Activity to SIMM, E-PESO will expand upon the Mission’s initial m-money deployment to facilitate the critical mass of e-Payment users towards broad e-Payment usage and widespread adoption. E-PESO is envisioned to accelerate the shift to digital payments by (1) driving transaction volume of large payment streams; (2) promoting retail and market-level infrastructure; (3) improving the enabling environment for e-Payments including policies that will promote consumer protection and security measures; and (4) addressing gaps in the broader e-Payment ecosystem.

<sup>7</sup> The CDI is a whole-of-mission approach to assisting specific partner cities, where resources from across USAID technical offices will be leveraged and directed to support economic development in priority cities ripe for higher growth. Currently being pilot-tested in Batangas, Iloilo, and Cagayan de Oro, USAID provides tailored assistance to improve local capacity to manage and sustain urban and rural growth, increase local economic development by fostering business enabling measures, and expand urban-rural connectivity and access. CDI likewise assists in improving health access, academe-industry linkages, and disaster preparedness.

### 3.2 What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?

#### FINDINGS

Table 3: Status of SIMM Deliverables

Indicator	Target	Actual (6/26/2014)	Pipeline Until end-August	Projected Cumulative
<b>ACHIEVED</b>				
No. of people opening savings accounts	10,000	53,149	96,750	149,899
No. of people trained	12,000	15,182	15,000	30,182
No. of conferences	3	3	1	4
No. of research papers	3	7	-	7
Value of activities funded by cost-sharing/ contribution arrangements with SIMM	100,000	350,000	-	350,000
<b>Projected to be Achieved</b>				
No. of govt agencies using e-payroll/e-bills payment	5	4	2	6
No. of cash merchants/agents	2,000	889	1,600	2,489
<b>Will Not Be Fully Achieved</b>				
<i>Contextual Indicator: No. of active mobile money users</i>	<i>1.3 million<sup>8</sup></i>	<i>776,298 (June 2013)</i>		
No. of businesses using e-payroll/e-bills payment	100	16	43	59 (60% of target) <sup>9</sup>
No. of new users	250,000	111,017	123,900	237,917 (95% of target) <sup>10</sup>

<sup>8</sup> SIMM team explained that the target was set using the old definition, which was more general. When the internationally accepted definition, which had narrower parameters, was recognized, the target became more challenging to achieve.

<sup>9</sup> Based on certified reports submitted by mobile money providers after this internal assessment report was written, there were 114 businesses that adopted mobile money payroll. Hence, SIMM's target of 100 businesses was achieved. This was also facilitated by the time extension and funding increase for the project, both of which occurred after the time of this assessment.

<sup>10</sup> Based on certified reports submitted by mobile money providers after this internal assessment report was written, there were 328,072 new m-money users. Hence, SIMM's target of 250,000 new m-money users was achieved. Overall, all SIMM targets have been achieved. This was also facilitated by the time extension and funding increase for the project, both of which occurred after the time of this assessment.

As shown in Table 3, five (5) of the nine (9) SIMM outputs have been achieved months before SIMM's completion date. Targets for two (2) outputs will not be fully achieved at the end: only 60% for number of new users and about 95% for number of businesses using e-payroll/e-bills payment. However, targets for another (2) outputs (number of government agencies using e-payroll/e-bills payment and number of cash merchants/agents) are projected to be achieved by the end of SIMM implementation.

The main benefits of m-money services cited during the KIIs and FGDs are the following:

- ✓ Convenience for the partner institution - LGU officials and implementing staff cited lesser transaction costs due to the m-money services. Despite the services being made available close to payment deadlines for specific fees like real property tax, the early, limited results were positive enough for the LGUs to be optimistic of future returns. In the first quarter of 2014, Quezon City collected about 3% of its projected collectible real property taxes through m-money, which already amounted to PhP 0.5 million, but what the city officials are eagerly anticipating is increased usage of m-money which would lead to potential savings on overtime salaries for its cashiers during peak periods of collection<sup>11</sup>. The staff effort previously needed to disburse scholarship stipends individually to 10,000 students was reduced mostly to responding to queries about the m-money service<sup>12</sup>. The municipal administrator<sup>13</sup> of Pulilan mentioned that approximately 150 of 320 municipal employees pay water bills through m-money, which meant lesser people to accommodate for the water district. An early implementer of online payments for real property tax, and business and construction permits, Valenzuela City is willing to expand m-money applications from these three (3) kinds of payments to the rest of its collectible fees, if usage substantially increases in the coming months<sup>14</sup>.
- ✓ Safety for personnel disbursing salaries and the small number of actual users - Without the need to transport huge amounts of actual cash every pay period, the Pulilan municipal treasurer<sup>15</sup> expressed relief and gratitude to the m-money intervention. While more users tend to utilize the ATM option, those who chose to use m-money believe they are safer for not carrying not-so-small fund amounts for utilities payments or grocery money.

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<sup>11</sup> p.36 of Annex D

<sup>12</sup> pp.39-40 of Annex D

<sup>13</sup> p.28 of Annex D

<sup>14</sup> p.44 of Annex D

<sup>15</sup> The municipal treasurer said she used to take the municipal ambulance with her when she transports payroll money, as this vehicle is allowed to go non-stop to its destination, and if it has its sirens on, she can ask the driver to run over any motorcycled robbers without fear of being held liable. She shared that four years ago, the service vehicle of a fellow treasurer from San Jose Del Monte municipality was halted and shot by robbers who wanted to take PhP 2 million worth of payroll bonuses. With mobile money services, she said she has been relieved of her worry of getting robbed and killed.

- ✓ Savings on transportation expenses by end users - An average of PhP 92.50 (\$2.15<sup>16</sup>) were saved from transportation fares when microsavings clients of the First Isabela Cooperative (FICO) Bank no longer had to travel to the municipal/city center, but instead remitted m-money through their mobile phones. Fare savings were as high as PhP 200 (\$4.65) for Pulilan water users living far from municipal hall, which now could pay their water bills through m-money. These savings are significant especially in rural areas.
- ✓ Ability of “unbanked” to have savings accounts - The BPI-Globe BankO official<sup>17</sup> told the team that the savings account product they offer “addresses barriers of high opening fees, penalty clauses, and the “9:00 a.m.-3:00 p.m.” limitation of traditional banking. This fact was validated by the abovementioned GCash-supported FICO microsaver-moms, who appreciated the ability to have their own savings accounts without the typical document requirements.
- ✓ Livelihood - Each m-money application offered by all three m-money providers gives the user/beneficiary an option to have a mobile phone “airtime load” business, because a user can buy phone load at a discounted rate and pass it on for a profit through a series of simple clicks.
- ✓ Return on Investment (ROI): Based on the team’s analysis, the cost to create new LGU m-money users is 50% cheaper and the cost to create new agents is 98% cheaper. (See Appendix I that works out the breakdown of costs per unit). LGU investment is showing a lower unit cost of acquiring new m-money users than MFIs because of timing effect. For example, there was a lag in the launch of m-money pilots by the MFIs, thus the MFIs have not yet generated their potential results (numbers) as of reporting time. The lag is due to the need to conduct a one-time investment to develop a business case analysis for the MFIs in order to demonstrate the feasibility of technology and process changes, the benefits they can gain from m-money, and the conditions needed to realize those benefits. Because of this, additional cost had to be incurred such as staff time and other cost to conduct the study. Unlike the MFIs, the LGUs did not require business cases and needed little investments in implementing m-money as direct product development costs were borne by the m-money provider.

## CONCLUSION

As of date, five (5) of the nine (9) SIMM outputs were achieved. Targets for two (2) outputs will not be fully achieved<sup>18</sup>, but targets for another (2) outputs are projected to be achieved by the end of August 2014.

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<sup>16</sup> \$1 = Php 43

<sup>17</sup> p.10 of Annex D

<sup>18</sup> As indicated in Table 3 of page 8, based on certified reports submitted by mobile money providers after this internal assessment report was written, these two (2) outputs have been fully achieved. Hence, all SIMM targets have been achieved. This was also facilitated by the time extension and funding increase for the project, both of which occurred after the time of this assessment.

## RECOMMENDATIONS

1. USAID/P should continue close supervision and DAI should maintain the accelerated implementation pace, to ensure attainment of projected achievements for the two abovementioned outputs.
2. USAID/P should utilize Return on Investment (ROI) analysis when it is time to select and define indicators for the upcoming E-PESO Activity.

### **3.3 Good Practices: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?**

#### FINDINGS: Key Strategies & Interventions

There are two pieces of work that are the cornerstones of SIMM's key interventions that have made the most impact on the mobile money ecosystem in the Philippines and perhaps globally. The first is their work on the National Retail Payment System (NRPS) and the second is their work with LGUs. The value they have been able to demonstrate through these two interventions is consistently reflected in almost all interviews with key stakeholders.

Sometime in Aug 2012 during the SIMM coordination meeting with the BSP, SIMM raised the issue about the lack of interoperability among bank deposit and e-money accounts as posing a structural barrier to growth of m-money and e-payments in general. It was very difficult to achieve scale as the m-money services, as well as banks e-payments services, were operating in closed loops, and therefore could not take advantage of network effects. It was decided for SIMM to pursue an effective framework on how this can be implemented in the Philippines. SIMM, in consultation with DAI home office, selected to work with Bankable Frontiers Associates because of their knowledge and experience in payments, m-money and in working in Philippines. BFA was charged to help create a framework for interoperability in the Philippines, and help USAID and SIMM bring the relevant stakeholders together in specific workshops that can help introduce the idea of an interoperable framework, why it is needed, and how it could help all of their organizations and business models.

SIMM has also done seminal work on helping integrate e-payments into four (4) LGUs in the Philippines, both for Government-to-People (G2P) and People-to-Government (P2G) payments. The key strategies used in SIMM included:

- *Supporting Needs of the Policy and Regulatory Environment.* The SIMM team drafted an inventory of existing regulations enabling e-payments to remind both local government and private sector stakeholders that the Bangko Sentral ng Pilipinas (BSP, the Central Bank) and the Commission on Audit (COA) had already allowed for specific regulations and policies. The SIMM team also

worked with the powerful COA to develop Circular No. 2013-007 of the “Guidelines for the Use of Electronic Official Receipts of Government (as explained in further detail on page 13). This circular was cited in almost every interview with representatives of LGUs, MFIs and cooperatives.

- *Bringing a New Variety of Stakeholders Together.* Through the National Retail Payment System Workshops, the three (3) key m-money providers were brought together with major banks, the regulator (BSP), large retail firms, pawnshops, ATM consortia, and other relevant government actors, to help address the opaque and non-standardized retail payment system. According to a BSP key informant<sup>19</sup>, prior to the workshops there was no clear understanding across the industry of what the terms “inclusive and efficient retail payments system” and “inter-operability” meant and what needed to be done, for all stakeholders including BSP. It was an eye opener on the need to increase technical knowledge and understand the bigger picture. Both workshops were successful in laying the foundation for possible USAID assistance in the broader e-payments sector, providing BSP an overview of possible regulations/policies to be developed, and in producing some tangible results (e.g., SMART e-money’s Bayad Load, P2G, other products were developed in the course of the three-day discussions).

The engagement of LGUs was unique: SIMM turned to local level actors, who seemed more aggressive to adopt faster, more modern efficient transactions for their payment systems. Revenue collection is a significant challenge for government actors at the local and national levels, but like small business entrepreneurs, LGU mayors (and their staff) were very enthusiastic and entrepreneurial. They were able to (a) adopt new systems helpful to their constituents, (b) capture increased revenues (based even on early implementation), and (c) remove the “human” element from payment systems (something consistently repeated in interviews). Corruption and leakages are a problem with government payments on every level in the Philippines. The steps they took to work with LGUs is further described below.

- *Catalyzing and Supporting the use of mobile money with LGUs.* The SIMM team chose some of the best LGUs who were recipients of the “Galing Pook” Award (akin to a “Good Housekeeping Award” for fiscally responsible LGUs) to “pitch” the use of m-money. The SIMM team then worked with LGUs which indicated strong interest, on all technical aspects of converting some payments of the LGU systems from cash/check to m-money (the process was earlier outlined in page 5).

The assessment team consistently heard how helpful SIMM (and their respective sub-contractor, Software Group), was in helping LGUs and Cooperatives/MFIs do the in-depth analysis on Business Process Reengineering and Change Management Advising. Spiral-bound books analyzing the business

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<sup>19</sup> p.6 of Annex D

processes of LGUs and MFIs were brought out during interviews and were frequently referenced as part of the change management process. Technical staff such as chief financial officers (CFOs) and chief information officers (CIOs) found the business process reengineering analysis invaluable as roadmaps for the transition from existing systems to ones that incorporated mobile money. These analyses also included a clear, succinct business case for each of the organizations that champions could use in conversations with staff at multiple levels of the organization. Respondents from LGUs and MFIs also consistently mentioned how the SIMM team provided what seemed like 24/7 coaching, trouble shooting and support. This was likely one of the reasons that the LGU work has been successful.

- *Financial and M-Money Literacy Trainings.* One of the fundamental requirements for increasing the use of m-money globally has been financial and m-money literacy trainings. In some markets, this has been covered by the private sector, through massively well-funded and strongly executed marketing campaigns. However, this has not been the case in the Philippines. Therefore, providing extensive trainings and “training the trainer” trainings (see Table 3 for number of people trained) has been rated very high by almost all stakeholders.

#### FINDINGS: Factors Contributing To Results

- *SIMM staff.* The team of DAI is regarded by most stakeholders as technically competent, customer oriented, and trustworthy advisors. As in most countries, relationship management was a critical component to accomplishing the objectives in the work plan, and the SIMM team has done a very good job with building, development, and maintenance of relationships with most stakeholders.
- *Strong support from the BSP.* In instances where critical stakeholders might have had some doubt as to whether m-money was a legitimate form of payment, or whether policies could or should be created around the increased legitimacy of these products, it was incredibly helpful to have members of the BSP team who presented their perspective and “stamp of approval”.
- *Alignment of current LGU needs with m-money technology.* There is a new sense in the Philippines of the ability of local government to drive change, modernization and innovation in government. Mayors and their staff have the technical expertise and (in larger cities’ cases) the information technology infrastructure to automate.
- *Clarity of Benefits.* In addition to benefits such as increased revenue capture and ease of use for constituents, the security issue was incredibly important to LGUs. As pointed out by the Pulilan municipal treasurer (page 8) whose fellow

treasurer from a nearby municipality was killed because of cash transport related issues), the transition to mobile money was “literally a lifesaver”.

## CONCLUSION

The SIMM team demonstrated strong value to the m-money ecosystem in facilitating the formulation and adoption of critical policies, as well as providing truly stakeholder-oriented, technical support to the BSP, LGUs, MFIs and Cooperatives. The LGU work brought new stakeholders into the m-money ecosystem in a way that is significantly valuable to both LGUs and the m-money providers.

## RECOMMENDATIONS

1. SIMM team and USAID should document the process and lessons learned from the National Retail Payment Systems work. The lack of standards and opaque transaction costs are especially problematic in the Philippines payment system, but are likely to have parallels in other markets, so the documented learnings will be a helpful public good to the growing community of m-money payment practitioners.
2. SIMM team should create a toolkit, based on good practices and lessons learned from work with LGUs, that could be used by other LGUs in the Philippines, especially LGUs that USAID will not be able to devote direct assistance/ investments.
3. SIMM team and USAID should create a Community of Practice of LGU e-payment champions within the League of Cities, so member LGUs can look to each other for advice on how to transition to electronic and m-money payments.
4. SIMM team and USAID should address the need for technical know-how at the CFO/CIO level, to help LGUs make the transition, possibly through the creation of a cadre of small-to-medium enterprises that focus on business models that assist LGUS

### **3.4 Lessons Learned: What strategies/interventions did not work? What factors constrained achievement of results?**

#### FINDINGS: Key Challenges

Inability to “Cash Out” - Despite the existence of mobile money services for almost a decade in the Philippines, there continues to be a significant deficiency in cash-outlet availability for mobile money services - whether it be in the form of mobile money agents, ATMs, or other branchless banking alternatives. In addition, when those outlets are available, there are often a lack of funds available at the time of withdrawal. A consistent finding from Focus Group Discussions (see Annex F) was that individuals who tried to use the services found challenges in finding liquid agents available when using mobile money services. This is a challenge faced by mobile

financial services globally. It was also discovered that in the agreements/contracts signed between the LGUs, MFI, and other organizations with Mobile Financial Service Operators did not include a requirement that there be sufficient agents with liquidity near to the required program participants, clients or beneficiaries.

Poor Customer Service - A consistent finding from interviews was a heavy reliance on SIMM staff to report challenges and/or complaints to the mobile money service provider. Quezon City reported that there was poor if not no response from BankO's customer service team when there was a problem with the service. If USAID is making investments in increasing demand for these services, it is definitely the responsibility of service providers to respond quickly and effectively to these "corporate" customers increasing the usage of these services, such as LGUs and MFIs.

Complaints over transaction problems & poor customer service ranged from:

- Withdrawals could not be processed after balance inquiry (teachers); transaction did not work in the phone and via ATM, forced to withdraw in pawnshops that charge higher fees (teachers); twice encountered liquidity problems in ATM machines (IBC13 BWC)
- Better BankO helpline services is needed; helpline staff cannot answer queries; landline is inaccessible (scholars, teachers)
- Slow resolution of liquidity problems, i.e., 1-2 weeks (IBC13 BWC)
- No feedback mechanism (teachers)
- Difficult to re-enroll in cases of lost SIM cards (scholars)
- P3000 "disappeared" from the account but the money 'came back' after seven working days since lodging the complaint (teachers)
- Outlets are inaccessible, out of reach (teachers)

The Myth of Universal Access and Universal Mobile Literacy - Though Manila (and the Philippines) is often called the "texting capital of the world", GSMA reports that only 49 million of the 100 million Filipinos population have access to a SIM card. Historically, the statistic of 110% penetration has been used, but this did not include individuals that owned more than one SIM card. After a more complete analysis, it was found that only half of the Filipino population actually has mobile access. This lack of access to mobile technology severely limits the ability of mobile money services to reach the larger population, especially the underserved and unbanked. This is confirmed by some of the interviews, such as the CCT MFI stated that the majority of their members do not have cell phones and that poor connectivity issues impact approximately 20% of their municipalities (see page 20, Annex F).

Competition of Existing Trusted Providers - As the Philippines has been the home of at least ten million overseas foreign workers (OFW), services for international and domestic remittances have long been established through pawnshops and other service providers. These providers have proven to be trusted and **always liquid**. Several individuals in Focus Group Discussion interviews referenced their preference or reference point of pawnshops in their neighbourhoods that had availability of both

cash outlets and their liquidity. To many Filipinos, mobile money services are still relatively new and don't compete well with existing, trusted services. Despite the price differential (see table 4 below) , individuals often felt a lower cost mattered less if the services weren't able to deliver in a timely fashion. It is also important to note that transaction costs between Filipino banks are somewhat opaque and it is difficult to determine the reasoning behind much of the pricing models of existing payment and bank systems.

**Transaction Fee price comparison Table 4**

Amount Sent (Php)	Mobile Money			Remittance Centers				
	GCash <sup>1</sup>	BanKO <sup>1</sup>	Smart Money <sup>2</sup>	Palawan Pawnshop	LBC	Western Union	ML Kwartá Padala	Cebuana
500	15	15	25	15	39	38	30	30
1,000	30	30	45	29	80	65	50	50
3,000	90	90	135	87	180	205	150	150
5,000	150	150	225	128	220	299	220	220
10,000	300	300	450	195	500	560	240	240

Fees is compose of 1% transaction fee and 2% Cash out fee

Fees compose of 2% cash-in, 2% cash-out and transaction fee

The Absolute Must of the Commision on Audit (COA) Policy - It is very clear that the SIMM team was not able to begin their work transitioning LGUs, MFIs and other organizations without the creation of the COA regulation circular governing e-payment/mobile money transactions of LGUs. This guidance and acceptance from the COA was absolutely critical for the willingness of institutions in the Philippines to shift from existing systems to electronic and mobile money systems. This regulation was not established until September 18, 2013 and therefore delayed the rest of SIMM's work.

The Receipt Conundrum - Despite the popularity of texting in the Philippines, there is also a very real culture of requiring a receipt to prove that payment has been made. In most mobile money services, confirmation of payment is sent via text, which can be easily deleted or lost if something happens to the phone. This creates a challenge when introducing mobile money services to important payments, such as local government bills. LGUs and/or mobile money services may want to research the ability of POS units integrated with mobile money accounts that can provide receipts, or mobile money accounts that can somehow record when a payment has been made for a service or bill.

Is Microfinance the enemy of scaling mobile money? It is important to examine one of the fundamental pieces behind the SIMM theory of change - that an investment in Microfinance Institutions (MFIs) to help them shift from the use of cash based systems to mobile money systems will help to scale mobile money in the Philippines.

With the SIMM program, this is the first time a systematic analysis can be done on the per-unit costs of investments in mobile money. The Mission and SIMM Team should be appreciated for this work, analysis and effort. Perennial questions, such as “how much does it cost for a development program to “create” a new user, or transition an organization from cash to mobile payments can begun to be answered here (See Annex I for a deeper quantitative analysis).

An initial analysis demonstrates that the investments into LGUs result in a higher number of new individuals using mobile money than that of investments into the MFIs. Is Microfinance the enemy of scaling mobile money? It is important to examine one of the fundamental pieces behind the SIMM theory of change - that an investment in Microfinance Institutions (MFIs) to help them shift from the use of cash based systems to mobile money systems will help to scale mobile money in the Philippines. In one example, the large Center for Community Transformation (CCT) MFI agreed that they would work to shift 6,000 current CCT members to mobile money, but this was later reduced through negotiation to 250 users in one specific branch, as a more measured initial pilot. However, when interviewed CCT did not envision any rapid or immediate expansion to the rest of the agreed members.

An initial analysis of the investments demonstrates that investments in LGUs result in a higher number of new individuals using mobile money than that of investments into the MFIs at a cheaper price (\$1.43/new user for LGUs vs. \$2.84/new user for MFIs). However, the initial data and results should be considered with the following caveats:

- a) Timing effects were significant. The fact that LGU activities were quicker to complete and generated earlier results than SIMM’s MFI experience. CCT’s case may also be considered an outlier because of the extraordinary delays that were encountered during the contracting (with MMP) stage, which were compounded by the reduced size of the pilot caused by the insufficient quality of initial pilot selection and an ongoing system migration. CCT branches that were nominated initially as pilots were later determined to be high risk due to high PAR (Portfolio at Risk), which measures the quality of the loan portfolio. In NATCCO’s case, implementation was expected to take longer than at FICO Bank because of the need for system integration with an m-money technical platform provider.
- b) MFIs required system integration. Of the 3 MFIs where m-money pilots were implemented, only FICO Bank could be considered representative of most MFIs that do not require system integration with an m-money technical platform provider.
- c) MFIs did not prioritize implementation. Implementation may also have been delayed due to the diversion of resources to other activities considered more urgent by NATCCO and Smart and due to inadequate operational capacity of NATCCO’s switch vendor. Given more time to launch their m-money service, NATCCO might well have been able to demonstrate greater potential as a cost-efficient change agent to generate new m-money users.

However, given the amount of time it took to assist MFIs integrate, the Mission (and other parties) may want to take this into consideration when creating a work plan and indicators for their e-payments/digital finance implementing partners to achieve.

Users are Cheap (aren't we all?) - User transaction costs and price sensitivity was a very popular topic in almost every FGD. Some of this discussion was based on the fact that traditionally, Filipino banks do not charge fees because they are able to draw revenue from the large amount of float that an organization such as an LGU would put into a bank before the funds are disbursed. Therefore, Filipino law now mandates that government entities should not be charged fees. The end result of this when a LGU is now using mobile money is that the end user is charged the transaction fee when cashing out their funds. For example, one of the mobile money services levies a P15 charge for ATM withdrawal and a 2% cash out fee at agent outlets. This is a major deterrent for users, who are used to being able to cash out without transaction fees or with transaction fees that have been paid elsewhere along the funds distribution chain.

Also, as mentioned earlier, other business models and services providers have been able to deliver services that charge no transaction fees to end users (LBC, a pawnshop, offers a remittance product that allows the sender of funds to pay a fee that would cover the end users' transaction fee). Another MFI interviewed, SIMCO, discontinued using mobile money services as a loan disbursement tool because of the P50 transaction fee. There is a real aversion for end users to paying transaction fees. Examples from Focus Group Discussion on this subject are below:

- A request from the Scholars for zero transaction fees, provide full scholars stipend as it is used as household income;
- QC teachers felt bad about deductions from their payments worth P15 & P3 for ATM withdrawal & ATM balance inquiry (teachers);
- Coop members of IBC13 BWC are critical of P10 per transaction charges
- QC employees requested that there be only one charge for inquiry & payment
- Teachers interviewed requested that there be no additional charges for cashing out of non-affiliated agents, such as pawnshops. Currently, they are charged 2% for every P2000 withdrawal

The cost of connectivity = the cost of creating financial inclusion - Converting from using existing systems to mobile money systems often requires an institution to upgrade their internal financial management systems, as well as some of the information technology systems. Making or accepting large batches of payments in real time or in near-real time requires investments in internal systems. Some of these investments include the ability to connect to a broadband internet connection so the payment information can be transmitted to the mobile money service provider and/or bank partner. Broadband costs in the Philippines can be quite high and could serve as a cost deterrent for large organizations to shift to the use of e-payments and

mobile money. This was a challenge mentioned both by CCT and Batangas City. Though Quezon City, with existing strong IT infrastructure, boasted that it did not prove a challenge for them as they already had robust investments into their underlying financial management and IT systems (see Annex D, page 36).

Technical Challenges - A choice that is common across organizations choosing to shift from cash to electronic payments in an environment where services are not interoperable (that is, where payments can be made from one provider and received by another provider (SMS messages are interoperable)), an organization will choose a service provider that most of their clients already are using. The majority of Filipinos use SMART as their general telco provider, as they serve 63% of the market. The lack of interoperability in the system has forced several organizations, like NATCCO, a large MFI, to choose SMART. Other organizations felt that their IT systems were more compatible with Globe BPI or BankO, so therefore chose those services as they more easily integrated into their back end IT systems.

## CONCLUSION

In a challenging environment with opaque transaction costs, lack of interoperability, and a short period of time given for the assessment, it was difficult to address the many factors that inhibit the use of mobile money in the Philippines. Against the challenges listed here, the SIMM team was still able to accomplish quite a bit and meet the majority of their targets. However, one particular factor that could have used more clear engagement was the requirement of agent availability and liquidity of funds (in cash and electronic float) in participating LGUs and MFI contracts with mobile money providers.

## RECOMMENDATIONS

1. Continue the National Retail Payment Systems work. By all accounts and interviews, the Philippines seems to be on its way to creating an interoperable payment system. This will help validate electronic payments and likely “even the playing field” for all service providers. This will resolve several of the challenges, especially technical issues that inhibit the uptake of mobile money services in the Philippines.
2. Address the factor of user transaction costs (beyond simply educating users about how low costs are) and determine how the host institutions (LGUs, MFIs), might be able to “eat” those costs. This could be manifested into a business model that demonstrates how once this issue is resolved, user uptake increases, resulting in more benefits for the institution and long term cost savings.
3. Work with mobile money service providers to improve their customer service and corporate client services. Creating a valid, valued customer feedback loop is incredibly important for these services to be trusted by users, especially the poor.

4. Address the ability of mobile money services to provide receipts to those that do not have email accounts.

### **3.5 What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?**

At the national level, the major policy accomplishment was the issuance on September 18, 2013 of COA circular No.2013-007, also known as 'Guidelines for the Use of Electronic Official Receipts of Government". The SIMM team in July 2012 encountered the reluctance of LGUs to make the transition to m-money because of existing COA regulations. SIMM conducted a review and inventory of regulations and found there was indeed a gap. With the help of USAID, the SIMM team contacted a COA Commissioner, and she liked the idea of mobile payments but recognized that auditors were uncomfortable with it. The SIMM team then conducted two workshops inviting auditors of Quezon City and Valenzuela City, to familiarize them with the concept and to solicit their inputs and recommendations.

SIMM also supported a learning trip between members of the Philippines Government and the Kenyan Government, for Philippine representatives to understand the Kenyan experience on digitization of government financial transactions (mobile and on-line payments) and apply the learning (where applicable) through relevant policy reforms and implementation initiatives to digitize Philippine government financial transactions. One of the delegation members included a COA Director, and she incorporated her m-money observations and learning into a draft COA Circular. The inputs of the city auditors were added into the initial draft circular, and that version was submitted to and eventually approved by the Commission proper. LGU concerns were centered on the ramifications of any possible negative audit findings, and the COA circular enabled the SIMM cities to pursue m-money and other e-payment options for regularly collected fees.

At the LGU level, several local ordinances institutionalized m-money adoption and use:

- Ordinance No.2012-139 of Valenzuela City, which authorized an automated system of payment of fees
- Resolution No.42-2013 of Pulilan, Bulacan, which recognized BPI Globe BankO as e-payments and e-disbursements provider
- Ordinance SP-2228-S-2013 (and implementing rules and regulations) of Quezon City, which authorized the City Treasurer to accept alternative payment mode for taxes & fees

The SIMM team has started the work needed to align national and sub-national objectives for boosting expansion and rapid adoption of e/m-money through the (a) conduct of the Interoperability study, and the earlier mentioned (b) establishment of the National Retail Payment System (which BSP aims to launch on December 2015). The SIMM team is also assisting LGUs in pursuing m-money payment option for their other regularly collected fees. Quezon City is seeking to include business tax and

market stall fees thru m-money, and online payment thru bank transfers and ATM debits; Batangas City on the other hand wants the Bureau of Fire's Safety Certification fees to be bundled with the m-money payment of real property tax, and other fees and charges for social security, PhilHealth, occupancy permits to also be paid through m-money<sup>20</sup>.

While COA auditors in the assisted cities provided their inputs to the approved COA circular and agreed that less manual intervention is better, they are still waiting for an opportunity to check LGU m-money payment systems and validate proof of compliance to audit standards. Aside from determining the extent of m-money use among targeted m-money users/beneficiaries, the COA auditor for Quezon City wants to prove the integrity of the documentation, records, and data. The auditor expressed eagerness and expectation to receive reports from both the SIMM team and the concerned Quezon City government departments so her team can compare and establish that internal controls are indeed in place<sup>21</sup>. It appears that it is not clear to assisted cities that they have to give monthly reports to COA, although the SIMM COP mentioned that cities submit regular financial reports which segregate cash from electronic payments for easier COA tracking<sup>22</sup>.

## CONCLUSION

The COA circular was a significant deliverable which enabled several LGU "proofs of m-money concept". However, policies/regulations which would usher wider impact in industry, geographic, and economic terms are still being developed and would likely move closer to adoption after SIMM completion.

## RECOMMENDATIONS

1. SIMM team should facilitate the start of COA monitoring/review of LGU m-money implementation and compliance to the COA circular, with the eventual E-PESO implementing partner to resume the facilitation once the Activity is implemented.
2. USAID should maintain support for ongoing policy work on NRPS and interoperability by including these in the workplan of the incoming E-PESO Activity.

### **3.6. Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?**

The USAID COR of SIMM approved its Monitoring and Evaluation (M&E) Plan on December 2012. As part of the SIMM internal assessment, the Mission M&E Specialist reviewed the December 2012 version and discussed<sup>23</sup> its contents with the SIMM M&E Specialist. Except for minor clarifications (i.e., few activities were actually outputs,

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<sup>20</sup> p.26 of Annex D

<sup>21</sup> p.34 of Annex D

<sup>22</sup> p.71 of Annex D

<sup>23</sup> p.72-75 of Annex D

the term “Performance Management Plan” is now referred to as “M&E Plan”), the Mission M&E Specialist—and in turn, the assessment team—found the SIMM M&E Plan substantially sufficient and compliant with current USAID Performance Monitoring and Evaluation guidance. An updated M&E Plan reflecting the suggested minor changes was submitted and subsequently approved by the USAID COR last July 20, 2014 (see Annex H).

The main M&E challenge of SIMM is in data gathering for several important indicators of m-money—particularly on quality, usage, and access—which are NOT required by BSP from the three (3) major m-money providers.

Table 5: Key M-Money Indicators

Tracked by BSP	Suggested for BSP Tracking
<u>Usage</u> <ul style="list-style-type: none"> <li>• Disaggregated by Inflow and Outflow</li> <li>• No. of transactions by account disaggregated by transaction type (quarterly)</li> </ul>	<u>Quality &amp; Usage</u> <ul style="list-style-type: none"> <li>• No. of transactions by unique users</li> <li>• No. of transactions by account disaggregated by transaction type</li> </ul>
	<u>Access</u> <ul style="list-style-type: none"> <li>• No. of <u>registered</u> m-money users by account &amp; unique subscriber</li> <li>• No. of <u>dormant registered</u> m-money users by account &amp; unique subscriber</li> <li>• No. of active &amp; inactive agents</li> <li>• Agent transaction volume</li> </ul>

As seen in Table 5, the indicators currently required by BSP from m-money providers reflect only the usage aspect, and do not provide important nuances. For quality and usage, the SIMM-suggested indicator of “number of transactions by unique users” would show the real number of m-money users (a user with multiple mobile numbers is counted only as one). For access, all four (4) SIMM-suggested indicators would accurately show active and inactive m-money users and agents, as well as transaction volume, information on which will be more useful for industry stakeholders and BSP as regulator. SIMM periodically requests data on the said relevant indicators, in addition to the ones required by BSP as regulator, though data provision is not uniform among the m-money providers. Globe GXI and Globe-BPI BankO could readily provide information related to indicators tracked by SIMM, because their systems allowed more ease in extraction. On the other hand, SMART e-Money has more challenges in generating the information because their information systems are configured differently and are still stored in the database of the telc-based mother entity (SMART Communications).

BSP is exerting effort to work with SIMM on the needed data: It is developing data capacity and increasing human resource and expertise on data management, but there is still significant progress that must be made. BSP anticipates that once amendments are adopted on its electronic money report, it would then have the capacity to generate data on the important indicators.

CONCLUSION

While the SIMM M&E system is USAID-compliant and sufficient, it would have provided more accurate and nuanced information on m-money use if several important indicators became “BSP mandatory” during SIMM implementation.

## RECOMMENDATIONS

1. SIMM team should support to BSP on amendments to e-money report, and for E-PESO to sustain any needed assistance once it commences implementation.
2. E-PESO should include in future cooperation agreements with m-money providers the provision on uniform submission of data on relevant indicators.

### **3.7 Lessons from the SIMM implementation for E-Peso**

#### Recommendations

Fixing the NRPS - As already planned, the continued focus on the NRPS will help create an interoperable framework where all financial actors - whether they be banks, pawn shops, mobile network operators, MFIs, or others, will be able to connect to each other and users will be able to make payments between these different actors in a much easier, transparent fashion. A few years ago, this would have been unthinkable - competitors coming together to make working together easier. However, as these actors are beginning to rely on each other more and more (brick-and-mortar operations such as banks beginning to rely on mobile channels and vice-versa), this is the time to begin investing in interoperable frameworks. This may take more time than expected. Despite the huge popularity of creating a credit bureau in the Philippines, this took approximately eight years.

Increased Co-leadership with the Private Sector - Though the SIMM team had very good relationships with the major mobile money providers, interviews seemed to indicate that the creation of the SIMM work plan, indicators and objectives did not involve the private sector. If that was the case, it might be helpful to find a way to do so, and even if there are staffing changes in the life of E-Peso in the private sector players, there should be some sort of Standard Operating Procedure to walk new leadership through the work plan/indicators and what was agreed to by their predecessor. This might help alleviate challenges in buy-in and data collection down the line. Also, it might be good for E-Peso to engage a wider variety of financial service providers, such as pawnshops, credit/debit card issuers, and others that traditionally have served the unbanked.

Requiring investments in agents and agent liquidity in contracts - One critical factor to success is the availability of liquid agents near users. This should be part of the contract signed with financial service providers, so if they fail to deliver on that factor, they can be held accountable. In SIMM, the team assumed their relationship was strong enough with these service providers that a verbal promise was sufficient. However, that did not prove true.

The Receipt Conundrum - As previously discussed, mobile money services' lack of ability to give receipts to those without email accounts is a major deterrent to the use of mobile money products to pay critical bills or make payments (see Quezon City's comments on page 17 of Annex F). LGUs and/or mobile money services may want to research the ability of POS units integrated with mobile money accounts that can provide receipts, or mobile money accounts that can somehow record when a payment has been made for a service or bill.

Watch for Lessons from upcoming Innovations - There are several services or organizations that are testing new business models that may prove to help resolve some of the challenges listed in this assessment. They are: SMART's Bayad Load in Tacloban, which makes use of load as a medium of payment for non-bank clients in the informal sector (domestic helpers); ASKI/BankO using Sari-Sari stores as cash-in/cash-outlets; and learning from the Tacloban response generally from the UN's Cash Working Group (see Annex X,) where more and more of the service providers are working with each other to deliver services to those in need.

Comprehensive transition of all LGU payments - LGUs cited concerns about transitioning their service payments "piecemeal" and users therefore still having to come in person for some of their payments. When this has been the case, some users forgo using the mobile money option at all - as they still have to physically come and pay other required local bills. If all payments were transitioned all at once, this would allow the user to avoid any requirement to come to the physical location of the LGU and would incent them to use the service more holistically. The specific requests were to expand services to include business taxes, market stall fees (QC employees); payments for cable TV, internet, and the Sirwasa water coop (SIMCO).

This would deliver on the costs savings and efficiencies that are valued by the LGUs as these services become more ubiquitous. However, this may also require transaction limits of P40,000 to be lifted or an exception to be made when these payments are being made to a LGU (See page 17, Annex F).

User Transaction costs - As mentioned in the previous section, user transaction costs and price sensitivity was a very popular topic in almost every FGD. This is a major deterrent for users, who are used to being able to cash out without or with transaction fees that have been paid elsewhere along the funds distribution chain. It would be good if E-Peso could address the factor of user transaction costs (beyond simply educating users about how low costs are) and determine how the host institutions (LGUs, MFIs, others), might be able to "eat" those costs. This could be manifested into a business model that demonstrates how once this issue is resolved, user uptake increases, resulting in more benefits for the institution and long term cost savings.

Create a Community of Practice of LGU e-payment champions - As USAID/Philippines makes e-payments one of the critical pillars of their CDI Cities initiatives, it will be helpful to create a community of practice within the League of Cities or other strategic umbrella government organizations, so member LGUs can look to each

other for advice on how to transition to electronic and m-money payments. The partnership and endorsement of high level government organizations for this community of practice may also help advance this work. This will also help assist the cities that are not direct targets for assistance from USAID/Philippines but are interested in how to utilize the relevant steps of the process. This could include peer-to-peer technical assistance between LGUs that have already implemented the use of m-money services and those that are just beginning.

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## SUMMARY OF ASSESSMENT CONCLUSIONS

1. SIMM was creatively inclusive in the process to transition LGUs and MFIs to using mobile money; however there might have been opportunity for increased engagement with the private sector.
2. Though the number of government organizations transitioned and number of individuals trained and new savings accounts reached targets, the number of total active users (contributing), new users, and businesses using e-payroll are unlikely to be met<sup>24</sup>.
3. The LGU work brought new stakeholders into the m-money space, which brought great value to the private sector.
4. In a short period of time and in a challenging environment, it was difficult to address all of the factors that inhibit financial inclusion and mobile money usage. Two particular factors that could have been more emphasized was a) requiring agent availability and liquidity and b) addressing end user transaction fees.
5. The COA circular enabled several LGU “proofs of m-money concept”, but translation to regional and national transition will require more work.
6. The USAID-compliant M&E system would have provided more accurate and nuanced m-money information if several important indicators became “BSP mandatory” during SIMM implementation.

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<sup>24</sup> As indicated in Table 3 of page 8, based on certified reports submitted by mobile money providers after this internal assessment report was written, these two (2) outputs have been fully achieved. Hence, all SIMM targets have been achieved. This was also facilitated by the time extension and funding increase for the project, both of which occurred after the time of this assessment.

7. Robust engagement with a variety of private sector players (including pawnshops) and integration of work plan against their strategic goals/investments will be critical for E-PESO's success.

# **ANNEX A**

# Internal Assessment Statement of Work

## **Abbreviated Statement of Work**

### **Internal Assessment**

### **USAID/Philippines' Scaling Innovations in Mobile Money Project (SIMM)**

#### **I. Identification of the Technical Assistance**

The United States Agency for International Development in the Philippines (USAID/P) seeks to conduct an internal assessment that will review the performance of the Scaling Innovations in Mobile Money (SIMM) Project.

Award Number: AID-492-C-12-00004  
Award Date: April 26, 2012 to April 25, 2014  
Funding: US\$ 1,993,001  
Implementing Partner: Development Alternatives Inc.  
COR: Maria Teresa Espenilla  
Previous Evaluation(s): None

The internal assessment will review each of the SIMM Project components to determine what contribution each made to the achievement of the development objective of expanding the adoption of mobile money and creating an enabling environment for it; provide lessons learned; make recommendations as to where the SIMM follow-on activity could be strengthened; and identify good practices for sharing with the Global Development Lab to benefit the Agency's mobile money initiatives.

In connection with this, USAID/P will enlist the expertise of a mobile money specialist from the Global Development Lab (Ms. Nandini Harihareswara), as well as its in-house monitoring and evaluation specialist (Mr. John Callanta), senior regional performance management & evaluation advisor (Dr. Gerald Britan), and program assistant (Ms. Lucila Deza) to conduct the internal assessment of SIMM covering the period April 26, 2012 - March 31, 2014. Fieldwork is anticipated to be conducted on or about June 16-27, 2014 followed by report writing from June 30-July 31, 2014.

#### **II. Background**

##### *Limited Access to Formal Financial Channels*

USAID believes that development entails facilitating inclusive access to economic opportunity. The lack of access to financial services in rural areas presents a major barrier to achieving broad-based economic growth. As such, mobile “m-money” offers an innovative, cost-effective means to reduce barriers to development that benefits marginalized populations.

With just 26 percent of Filipinos enjoying access to formal financial channels, a latent demand remains largely untapped; 610 out of 1635 municipalities do not have banks. Moreover, as much as one-half of mobile users in the Philippines are unbanked. The low level of access to

formal financial channels reflects the inadequacy of the most basic provisions of public services. Corruption and leakages in public procurement of goods and services further aggravates the insufficient and inefficient use of scarce resources to service the poor.

To the extent financial inclusion plays any role in addressing development challenges in the Philippines, interventions in m-money provide another avenue to reach the poor and financially under-served.

### *Potential for Mobile Money Services*

M-money presents a game-changing innovation with the potential to leapfrog not only conventional banking models but also development challenges of financial and economic inclusion. Yet while the number of m-money deployments has experienced explosive growth around the world, the number of active m-money users has not grown commensurately. Many worldwide deployments have potential to scale but remain stuck in a “sub-scale trap” characterized by the lack (or under-estimates) of large, upfront investments in marketing, merchant commissions, merchant and consumer awareness and training needed to overcome the major barriers to achieving critical mass.

The Philippines enjoys a high penetration rate (100.3 percent) of mobile phone subscribers. That is, the country registers as many mobile cellular subscriptions as the population at large (over 90 million). Yet internet penetration covers only 4 percent of the population, mostly in the urban areas. This disconnect, nonetheless, provides strong economic incentives (at least in theory) for mobile phone users to embrace m-money if this technology results in clear benefits for consumers. While computers and specialized point-of-sale (POS) terminals possess more capabilities for consumer retail transactions, mobile phones benefit from reduced cost of service delivery as an electronic banking interface.

The Philippines presents a fertile market for m-money. Two Mobile Network Operators (MNOs) dominate the nascent m-money sector, Globe (through its subsidiary G-Xchange, GXI) with G-Cash and Smart with SMART Money. Both MNOs have developed widespread, reliable network coverage throughout the Philippine archipelago. Having designed strong product offerings, these dominant mobile payment platforms have built and aligned the interests of supporting m-money ecosystems. As a result, the Philippines boasts one of the most successful m-money markets in the world.

With over 9.5 million accounts, the country registers more electronic wallets (e-wallets) than any other country in the world, save Kenya (where Safaricom’s M-PESA records 12.6 million e-wallets). Nonetheless, challenges to widespread adoption provide opportunities for USAID to catalyze this emerging sector and create an enabling environment for eventual private sector leadership.

A confluence of factors conspires to make SIMM a meaningful and timely undertaking. First, the Mission has broad experience working in microfinance and m-banking. SIMM can build upon gains in microfinance and m-banking from a recently completed program (Microenterprise Access to Banking Services Program-4, MABS-4). The Mission has worked extensively with the two main MNOs over the past few years and is poised to expand its cooperation with both public and private sector partners to reach scale. Second, reliable network coverage of the dominant MNOs and ubiquitous airtime distribution networks provide an established infrastructure to build a

nation-wide m-money platform. Third, the convergence of ubiquitous mobile handsets and limited internet connectivity coverage makes the Philippines an ideal market for m-money. Fourth, an enabling regulatory environment has facilitated the expansion of m-money. The central bank (Bangko Sentral ng Pilipinas, BSP) projects a strong financial inclusion mindset and constitutes a valuable advocate and partner for the objectives of SIMM. Fifth, the country comes second (behind only Peru) in an annual ranking of microfinance business environments worldwide. Its thriving microfinance industry continues to professionalize, commercialize, and innovate in ways that distinguish the Philippines as a trend-setter in financial inclusion. As such, the country appears ripe for broad adoption of m-money, especially for the poor and unbanked.

A ubiquitous quasi-financial services sector (e.g., pawnshops, cash-laden outlets, MFIs, cooperatives, remittance providers) continues to serve the poor and unbanked. From regulatory, investment, and organizational perspectives the microfinance sector provides a favorable environment for continued innovation that m-money promises to foster. Thus, m-money has the potential to enhance a wide range of development programs including microfinance, competitiveness, social transfers and cash-for-work programs, and other economic growth programming.

#### *USAID Philippines Support for Mobile Money Services*

The Philippines is regarded globally as “the texting capital of the world”. Recognizing the potential to boost access to financial services through innovative technologies, USAID, through an earlier program called Microenterprise Access to Banking Services (MABS) Program pioneered the use of mobile technology to deliver microfinance services. Under this program, USAID assisted Philippine rural banks in providing mobile phone banking and mobile commerce transactions by developing new products and services. MABS worked with the Rural Bankers Association of the Philippines to help obtain regulatory approval and support from the Bangko Sentral ng Pilipinas for mobile money-enabled banking services and to develop appropriate operations and procedures manual for rural banks. Under the Program, USAID also supported the expansion of a network of banks that provided cash-in and cash-out services; offered mobile phone banking services and promoted, trained, and educated new and existing clients who benefitted from increased access to financial services.

#### *SIMM Authorization and Project Description*

Building on USAID’s initial success in pioneering mobile phone banking in MABS-4 and realizing opportunities for greater development impact, USAID decided to increase and expand its efforts in supporting the development of mobile money. The SIMM Program commenced on April 26, 2012, with an original life of two years through April 25, 2014, and a life of project funding of \$1.993 million. The objective of the Program is to increase financial inclusion for broad-based economic growth by (1) boosting the expansion and rapid adoption of mobile money and (2) creating an enabling environment for mobile money. To reach its goals, SIMM targeted three strategic broad areas: (i) the payment system, (ii) government services, and (iii) electronic payroll (e-Payroll) distribution. Cutting across these strategic areas, the activities of SIMM will also address both (a) supply and (b) demand constraints to broader adoption of m-money in the Philippines by the population in general and (c) promote global knowledge sharing. Throughout, project activities will incorporate a strong component of pilot testing and experimentation to (i) create demonstration/catalytic effects for positive feedback and organic (i.e., private

sector-led) growth in the m-money sector and (ii) build trust and confidence in mobile money as an alternative to cash.

### III. Purpose

The purpose of this internal assessment is to determine whether or not SIMM's interventions have effectively laid the foundation that will allow USAID to achieve its goal of significantly contributing to greater financial inclusion. This will include determination of progress in establishing processes and partnerships including assessment of initial performance, and lessons learned. The evaluation, as guided by the [USAID Evaluation Policy](#), will cover 2 years of the project (April 26, 2012 through March 31, 2014).

The internal assessment will review performance in the development and implementation of the various components of the project. These include the promotion and use of mobile money in: (1) government services, covering government to person (G2P) and person to government (P2G) transactions, (2) electronic payroll, and (3) the payment system covering payment of utilities as well as goods and services. The evaluation will also assess processes and partnerships related to the cross-cutting strategic objectives that will (4) promote value-added to supply-side agent networks, (5) drive and enhance customer usage of mobile money, and (6) promote global knowledge sharing. In addition, evaluators will also review the status of training and technical assistance activities, consumer protection and consumer education activities, and activities to support the development of an enabling policy and regulatory environment for the development of mobile money services. The evaluators will analyze the common factors that contribute to initial success, and identify challenges and areas for improvement.

Results of this internal assessment will be disseminated and discussed with the Global Development Lab and the Mission. Findings (esp. good practices) and recommendations will serve as inputs to the work plan formulation of the SIMM follow-on activity in particular, and the design of the Agency's mobile money initiatives in general. The internal assessment team will be supported by the COR in terms of information, the PRM program assistant for logistical preparation, and a documenter for interview and focus group discussion proceedings.

The internal assessment will cover accomplishments in the following output indicators:

- Number of active mobile money users (including new subscribers to m-money services)
- Number of potential consumers, sales/bank staff trained on the use of mobile money
- Number of people opening savings account via m-banking
- Number of businesses and local government units adopting e-payroll
- Number of cash-in/cash-out merchant partners operating mostly in rural areas
  - Average daily transaction per merchant agent
  - Average liquidity of merchant agents
- % increase in the volume of mobile (monetary value) of mobile money transactions
- Number of conferences and networking venues supported to promote mobile money use
- Number of research papers and assessments produced for knowledge sharing

## IV. Specific Objectives and Illustrative Evaluation Questions

The list of questions below is illustrative and will be reviewed and revised if needed by the evaluation team to inform a reasonable data collection tool:

1. How did SIMM work to improve the capacity of its partners to use mobile money services (processes and partnerships)?
2. What interventions are working/not working?
3. What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by the project?
4. Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?
5. Overall as of date, what lessons have been learned from SIMM implementation?

## V. Methodology

The Team is expected to utilize qualitative and, as practicable, quantitative methods to obtain information necessary to conduct the internal assessment. The Mission's Office of Economic Development and Governance (OEDG) will assist the team as much as possible to ensure that all the appropriate and necessary inputs are obtained to maximize the results of this engagement.

### 1. Desk Review and Development of Work plan

The team will carry out a desk review of various sources of information pre-compiled and received by OEDG from the SIMM project management team, relevant GPH departments and city governments, and private sector partners. These include contracts, progress reports (quarterly and annual), work plans, M&E plan, and other relevant documents. The team can request from the USAID OEDG additional reports and data on SIMM and other Mission projects, as well as relevant government data. The team may also get in touch with the implementing contractor (Development Alternatives Inc.) for additional information.

The desk review will also help the Team organize the materials and develop the qualitative and quantitative data collection instruments. To ensure gender responsiveness, the evaluation team should be guided by the new [USAID's Gender Policy](#), and will ensure that for all people-level indicators, collection of data will be sex-disaggregated.

During the desk review time, the Team members, the COR for SIMM and the management of OEDG and the Program Resources Management (PRM) Office will discuss the evaluation work plan, which includes focus group discussions (FGDs) and key informant interviews (KIIs) with partners from government and the private sector. The work plan will include various elements elaborated in the first item under Deliverables (Section VIII below).

## 2. Field Work

The evaluation team will spend approximately two (2) weeks interviewing key stakeholders and partners and visiting project sites. Fieldwork will start with a Team Planning Meeting held at USAID/Philippines on the first day to:

- Review the work plan - field work schedule and data collection instruments
- Clarify any issues on the background material
- Receive a briefing from the contractor on the status of SIMM
- Review and make last revisions to the data collection methods and instruments

Interviews (group and individual) as well as visits will be made to:

- USAID Mission
- Philippine Government Officials (BSP, COA, DSWD, PhilHealth, etc.)
- Three partner mobile money providers (SMART, Globe-GXI, BPI-Globe BankKO)
- Pilot LGUs (cities of Batangas, Valenzuela, and Quezon City, and municipality of Pulilan)
- Private sector partners (NATCCO, selected microfinance institutions and cooperatives, etc.,)
- Mobile money users (if possible)

Global Development Lab will procure the services of a documenter to support the team, while the PRM program assistant will provide support by arranging internal and external meetings/appointments and travel requirements (lodging and transport) for the team, etc. OEDG will ensure that the contractor provides contact information of all the SIMM partners and contacts.

## 3. Debrief/Report

At the end of the site visits, the team will prepare a presentation of preliminary findings, conclusions and recommendations. It will first provide an internal preview/presentation for specific PRM and OEDG staff, followed by a meeting with the contractor, then finally a presentation to Mission Management. The Team is expected to provide the first and final drafts of the internal assessment report, with comments/inputs from the contractor, Mission management and staff, and Global Development Lab management within a specific number of days (see Section VII below for details).

## VI. Period of Performance

While document review will occur a month ahead, fieldwork is anticipated to be conducted on or about June 16-27, 2014, followed by report writing from June 30-July 31, 2014.

ACTIVITIES/TASK	Period
<p><b>Background Preparation</b></p> <ul style="list-style-type: none"> <li>▪ Desk review of relevant materials</li> <li>▪ Develop detailed work plan, inclusive of evaluation design, methodology (interview guides for KIIs and FGDs, and method of analysis), evaluation report outline, itinerary of site visits and interview schedule, and overall evaluation timeline</li> <li>▪ List other documents needed (to gather with USAID support)</li> <li>▪ Briefing with Mission staff on work plan</li> </ul>	<p><b>May 16-June 15, 2014</b></p>
<p><b>Fieldwork</b></p> <ul style="list-style-type: none"> <li>▪ Field visits/ interviews/ information collection, focus group discussions</li> <li>▪ Data analysis and drafting of summary findings (PowerPoint presentation) before debriefing</li> <li>▪ Debriefing of draft findings with OEDG and PRM management and staff</li> <li>▪ Debriefing of draft findings with contractor</li> <li>▪ Debriefing of draft findings with Mission management</li> </ul>	<p><b>June 16-27, 2014</b></p>
<p><b>Report Writing</b></p> <ul style="list-style-type: none"> <li>▪ Writing of detailed First Draft Report</li> <li>▪ Review and comments on First Draft Report by Mission (OEDG and PRM) and Global Development Lab</li> <li>▪ Writing of Final Draft Report</li> <li>▪ Review and comments on Final Draft Report</li> <li>▪ Writing of Final Report</li> </ul>	<p><b>June 30-July 31, 2014</b></p>

While the internal assessment is not as rigorous as an external evaluation, the report shall still, to the extent possible, (a) follow the USAID How to Note on Preparing Evaluation Reports, (b) satisfy the detailed USAID criteria for Evaluation Reports, and (c) contain all sections listed in the approved report outline.

# **ANNEX B**

# Internal Assessment Guide Questions

## SIMM INTERNAL ASSESSMENT GUIDE QUESTIONS FOR PROJECT MANAGEMENT STAFF

Key Questions	SIMM Staff
1. PROCESSES AND PARTNERSHIP: How did SIMM work to improve the capacity of its partners to use mobile money services?	– Briefly describe the process used by SIMM to improve the capacity of its partners to use mobile money services.
2. OUTPUTS: What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?	– Per Component: What are the outputs as of date? What are the planned or emerging benefits for target beneficiaries?
3. GOOD PRACTICES: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?	– Good Practices, Per Component: What were the key strategies and interventions that worked? What factors contributed to achievement of results?
4. LESSONS LEARNED: What strategies/interventions did not work? What factors constrained achievement of results?	– Lessons Learned, Per Component: What strategies/interventions did not work? What factors constrained achievement of results?
1. POLICIES: What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?	– What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?
2. M & E: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?	– (In addition to information in SIMM Overview presentation): What indicators are very important but are currently not required by BSP from mobile money providers?

## SIMM INTERNAL ASSESSMENT GUIDE QUESTIONS FOR BANGKO SENTRAL NG PILIPINAS

Key Questions	Bangko Sentral ng Pilipinas
1. PROCESSES AND PARTNERSHIPS: How did SIMM work to improve the capacity of its partners to use mobile money services?	
2. OUTPUTS: What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?	
3. GOOD PRACTICES: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?	– Good Practices: What were the key strategies and interventions that worked for SIMM? In your view, what factors contributed to achievement of results?
4. LESSONS LEARNED: What strategies/interventions did not work? What factors constrained achievement of results?	– Lessons Learned: What strategies/interventions did not work? In your view, what could SIMM have done differently?
5. POLICIES: What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?	– What policies or procedures have you introduced or are currently developing with the help of SIMM?
6. M& E: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?	– What indicators do you track for mobile money services? What relevant information has SIMM brought to your attention that mobile money providers should also be providing to BSP?

## SIMM INTERNAL ASSESSMENT GUIDE QUESTIONS FOR MOBILE MONEY PROVIDERS

Key Questions	Mobile Money Providers
1. PROCESSES AND PARTNERSHIPS: How did SIMM work to improve the capacity of its partners to use mobile money services?	– Process: Briefly describe how SIMM worked with you in the area of mobile money services.
2. OUTPUTS: What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?	– Together with SIMM, what are the specific services you are offering and the related benefits of each service to end users
3. GOOD PRACTICES: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?	– In the various areas of partnership/ engagement you have explored so far with SIMM, what are the ones you think are doing well? What are the factors that contributed to good achievement?
4. LESSONS LEARNED: What strategies/interventions did not work? What factors constrained achievement of results?	– Conversely, what interventions or areas of partnership did not proceed? What were the reasons?
5. POLICIES: What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?	– What policies or procedures have you introduced or are currently developing with the help of SIMM?
6. M& E: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?	– What indicators do you track for your mobile money services? What information are you sharing with SIMM that is in addition to what the BSP requires?

## SIMM INTERNAL ASSESSMENT GUIDE QUESTIONS FOR KEY INFORMANTS/ REPRESENTATIVES FROM SIMM PARTNER ORGANIZATIONS

Key Questions	Informants/ Representatives from SIMM Partner Organizations
1. PROCESSES AND PARTNERSHIPS: How did SIMM work to improve the capacity of its partners to use mobile money services?	– Process: Briefly describe how SIMM worked with you in the area of mobile money services.
2. OUTPUTS: What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?	– With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)
3. GOOD PRACTICES: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?	– Describe the results of the services so far. What are the reasons for the good progress?
4. LESSONS LEARNED: What strategies/interventions did not work? What factors constrained achievement of results?	– Are there any strategies which SIMM used that did not work as planned?
5. POLICIES: What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?	– What policies or procedures have you introduced or are currently developing with the help of SIMM?
6. M& E: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?	– What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

## SIMM INTERNAL ASSESSMENT GUIDE QUESTIONS FOR FGD PARTICIPANTS/ BENEFICIARIES OF SIMM PARTNER ORGANIZATIONS

Key Questions	FGD Participants / Beneficiaries from SIMM Partner Organizations
1. PROCESSES AND PARTNERSHIPS: How did SIMM work to improve the capacity of its partners to use mobile money services?	
2. OUTPUTS: What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?	– What mobile money services are you currently using? How is it helpful to you?
3. GOOD PRACTICES: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?	
4. LESSONS LEARNED: What strategies/interventions did not work? What factors constrained achievement of results?	– Is there anything about the service(s) which you think can be improved?
5. POLICIES: What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?	
6. M& E: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?	

## SIMM INTERNAL ASSESSMENT GUIDE QUESTIONS FOR ORGANIZATIONS THAT DID NOT PROCEED WITH SIMM PARTNERSHIP

Key Questions	Organizations that did not proceed with SIMM Partnership
1. PROCESSES AND PARTNERSHIPS: How did SIMM work to improve the capacity of its partners to use mobile money services?	– Process: Briefly describe how SIMM worked with you in the area of mobile money services.
2. OUTPUTS: What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?	– What mobile money services did you explore/ discuss with SIMM? What were the supposed benefits to end users? (members, tax payers, students, loan borrowers)
3. GOOD PRACTICES: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?	
4. LESSONS LEARNED: What strategies/interventions did not work? What factors constrained achievement of results?	<p>– What were the reasons why your organization did not proceed with the potential mobile money service?</p> <p>– Even if you did not proceed in partnering with SIMM, did you identify any potential mobile money services you can do with other organizations?</p>
5. POLICIES: What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?	– Even if you did not proceed in partnering with SIMM, did you identify any policies or procedures for improvement as a result of working with SIMM?
6. M& E: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?	

# **ANNEX C**

# Findings from Focus Group Discussions

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## Pulilan Municipal Government Employees



Date:	23 June 2014
Time Started/Ended:	10:36 AM to 11:48 AM (1:12:46)
Venue:	Pulilan Municipal Hall, Bulacan
Participants	<ol style="list-style-type: none"><li>1. LEONORA DEL ROSARIO, <i>Municipal Treasurer, F</i></li><li>2. LESTER GABA, <i>Rural Health Unit Registered Nurse I, M</i></li><li>3. ANASTACIO CALDERON, <i>Municipal Accountant, M</i></li><li>4. OSCAR CASIPIT JR., <i>Traffic Aide, Philippine National Police, M</i></li><li>5. ELENA ESGUERRA, <i>Human Resource Management Officer, F</i></li><li>6. ANNALYN FLORESTA, <i>from Pulilan Water System, F</i></li><li>7. ROMEL BERMEJO, <i>Municipal Information Technology Officer, M</i></li></ol> <p>Observers : MARK DE JESUS and TERESITA TATANGCO</p>

**KQ2. Outputs**  
What mobile money services are you currently using? How is it helpful to you

- The RHU nurse uses mobile money services to get his salary and pay bills for his Globe line
- The municipal accountant said he is not using mobile money services because he can't find his SIM card. He withdraws his salary using an ATM card once a month. The

*What mobile money services do you use?*

office collecting water bills is just beside his own office. He was not aware that he could also use it for paying groceries or for airtime loading.

- The traffic aide only uses it to get his salary. He is also unaware that mobile money services can be used for airtime loading and paying grocery bills.
- The HRMO only uses it for her payroll as the water collections office is very near her own. She once used it to pay for groceries
- The employee from the water system uses mobile money services for getting her salary and has not tried using it in the market. She did use it for airtime loading. She pays her water bills directly in her office.
- The municipal treasurer avails of her salary and uses mobile money services for payments of goods bought in Waltermart, Robinsons and another supermarket.
- The IT officer is a Smart subscriber and broached the need to push for interoperability, as mobile money services are locked with Globe subscribers only
- Summary:
  - Payroll (7) All
  - Not used for any payments (4) P3, P, P5, P7
  - Pay groceries (2) at P5, P7  
Waltermart, Robinson's & 1 mall
  - Airtime load (1) P6
  - Pay Globe line (1) P2
  - Pay electricity bill (1) P7

*Reasons for not using for payments*

- 2 are not aware of other uses (P3 ,P4)
- 1 lost his SIM card (P3)
- 1 has not tried yet (P5)
- 1 is a Smart user, not interoperable (P7)
- Water payments office is within office premises (7)

*Benefits*

- Safety and security
  - The municipal treasurer said she used to take an ambulance with her when he transports payroll money, as this vehicle is allowed to go non-stop to its destination, and if it has its sirens on, she can ask the driver to run over any motorcycled robbers without fear of being held liable. She recalled a fellow municipal treasurer in San Jose Del Monte around four years ago, whose service vehicle was halted and shot down by robbers who wanted the P2 million worth of payroll bonuses. With mobile money services, she is relieved of worry about getting robbed and killed
- Convenience

KQ4. Lessons Learned  
Is there anything about the  
service(s) which you think  
can be improved?

*Suggestions for improvement*

- It is an advantage for employees who are out on field work or for employees deployed in rural areas, such as rural health workers. Pulilan has four RHUs with 20 employees here.
- It is also an advantage for personnel who are out of town or attending conferences/ seminars.
- Others appreciate getting their salaries via ATM but cited as a disadvantage the long lines at ATM machines during payday.
- Time and money saved in payroll preparation and disbursement
  - Participants initially argued about how there was little difference on time saved for payroll preparation, but they all agreed that the difference was felt more on the area of releasing or disbursing funds.
  - Some believed time saved ranged from one full day to half day as transporting the money and queuing were eliminated. During the old payroll system, the treasurer added that there were week-long delays for some employees who did not submit their Daily Time Records on the cutoff dates prescribed. Under the new system, these delays were reduced significantly.
  - A study was presented by Mr. de Jesus on this matter (attached), which found that payroll preparation and distribution was reduced from an average of 2.5 to 2.2 days. Cost-wise, payroll preparation and disbursement also decreased from P5, 307 to P5, 019.
- Pride
  - The employees are proud that they edged other towns in modernizing their payroll system
- Accept additional services, e.g., e-payments for business licensing, electricity payments by the municipal government
  - The MITO has taken measures to make their system ready for business license payments and just needs software to enable this
  - Some employees are already paying their electricity bills using mobile money services; the LGU is still negotiating with MERALCO to allow them to accept electricity payments from the general public
- Besides a debit function, add credit features
- Provision of official receipts for electronic payments. Consumers demand this because some e-payments are not posted on time and they are charged again in the next payment cycle

- 
- Assistance for establishing more BPOs and attracting people to invest in BPOs. Besides low profitability, it is hard for small entrepreneurs with a small capital to invest in BPOs because they only have a small capital for this and if there are many clients cashing in and cashing out, they sometimes run out of funds.
  - Faster posting of payments. It takes the LGU 15 days before they can update at the portal. Meetings are on-going with BankKO to enable automatic real time payments posting. Currently, they have to download the file to update their system.
  - 2% transaction charges also discourage water consumers from paying through mobile. Although this amount is small, they will opt to go direct to PWS since they spend a considerable amount for transportation to nearest BPOs anyway.
- How provider problems are handled*
- Employees' and water consumers' problems with BankKO are consolidated by the LGU's SIMM Project Coordinator (Mr. de Jesus), who coordinates with the said provider for problem resolution; both BPI and Globe's poor customer services rendered for BPI Globe BankKO accounts were noted by participants
- Water collections*
- After almost 8 months of collecting through mobile, e-collections for water only amounted to P150, 000+. This is only a small percentage of Pulilan's monthly revenues derived from water services, which amounts to 3.7M.
- Mobile money accounts from water payments*
- Registered BankKO accounts availing of mobile money services were pegged at 2,700 as of June 2014. Most of these were delinquent accounts they forced to pay through the new system. There were many cases that did not opt to avail of mobile payments because they did not own cellphones, mostly belonging to the elderly population. Overall, there are around 11,000 water service users. A few months before, 5,800 of these were considered delinquent accounts.

SALAMAT PO

## Quezon City Government Employees



Date:	20 June 2014
Time Started/Ended:	10:52 AM to 11:26 AM (34:20)
Venue:	5/F Conference Room, Quezon City Hall
Participants	<ol style="list-style-type: none"><li>1. ARIES CAPIRAL, <i>City Treasurer's Office (CTO)</i>, M</li><li>2. ARVIN PHILIP GOTLADERA, <i>City Treasurer's Office</i>, M</li><li>3. MA. CAROLINA COROS, <i>City Treasurer's Office</i>, F</li><li>4. AYLENE BAUI, <i>City Treasurer's Office</i>, F</li><li>5. JOEM SALAZAR, <i>Information Technology and Development Office (ITDO)</i>, M</li><li>6. ARIES CRISTOBAL, <i>Information Technology and Development Office</i>, M</li><li>7. IRENE MELINDO, <i>Office of City Schools (OCS)</i>, F</li><li>8. JONATHAN ENGUERRA, <i>City Administrator's Office</i>, M</li></ol> <p>Observer: ALFREDO ABELLA, CCC Head</p>

KQ2. Outputs  
What mobile money services are you currently using? How is it helpful to you

*How SIMM helped*

- CTO: SIMM helped around 300 of about 600,000 real property taxpayers avail of mobile money services
- ITDO: SIMM connected the city government with providers and rendered technical assistance (including technical training and technology transfer) during systems interface.

- 
- Experts were sent to connect the QC system with GCash and do the Application Programming Interface (API).
  - Training is on-going and would continue until end July, with the acquisition of a web server and launching of additional services. API is to be modified to include other accounts (market stall fees, business license)
  - ITDO: SIMM provided financial literacy and orientation sessions on how to use mobile money.
  - OCS: Streamlined the process of disbursing allowances.
- Benefits of the program*
- CTO: Reduced workload by one step; impact on collections has yet to mature
  - ITDO: More efficient transactions; better system
    - We can now do web transactions, there is new infrastructure for the project; new database is being updated every quarter
  - OCS: The teachers' payroll was consolidated per district, instead of per school, and tracking was easier to do.
- How many FGD participants actually use mobile money services*
- Participants are not yet users of the service, as 7 of them are not city residents, and the lone QC resident among them is a Smart subscriber. Despite this, they challenged evaluators to look at the payment records, as there are taxpayers paying P20, 000 or more, indicating confidence for the service.
- KQ4. Lessons Learned*  
Is there anything about the service(s) which you think can be improved?
- Challenges, suggestions for improvement*
- CTO: After payment through mobile money, taxpayers still demand an Official Receipt, which they can get after two days. The QC government is now working to develop electronic receipts (target by July 2014, pending the approval of COA).
  - CTO: Commence collection of business taxes, other fees
  - ITDO: One limitation with mobile money, the provider only allows transactions of up to P40, 000. This is most telling with business taxes, as many taxpayers with such obligations cannot avail of the service. The QC government is considering accepting credit card payments in tax settlement. Initial talks have been undertaken with the Credit Cards Association of the Philippines
- How teachers were convinced to transition*
- OCS: Teachers, along with school superintendents, learned about the shift to mobile payments upon being given an orientation by BPI Globe BankO; teachers may not have been sufficiently consulted or made aware of the

city government's decision to use mobile money services in disbursing their allowances

*Feedback mechanism*

- CTO: The city government set up a booth/ helpdesk with computer, phone and dedicated personnel; utilized email, SMS, and hotline, to gather taxpayers' feedback

*Transaction fees*

- ITDO: There were no transaction fees charged in the first four months of implementation but this has lapsed last May 2013. They are now working for a P10 fee for successful transactions. Globe is trying to segregate and capture two segments, i.e., the inquiry and payment functions but there is a suggestion to impose only one charge for inquiry and payment.

*SALAMAT PO*

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## Teachers of Toro Hills Elementary School, Quezon City (Pilot Disbursement of City Living Allowances)



Date: 20 June 2014  
Time Started/Ended: 11:27 AM to 12:12 PM (44:50)  
Venue: 5/F Conference Room, Quezon City Hall  
Participants:  
1. MA. CORAZON CASTANEDA, *Master Teacher 1, F*  
2. YOLANDA CALIG, *Teacher 3, F*  
3. LEO FAUSTINO, *Teacher 1, M*  
4. CHERRYL CRUZ, *F*  
5. LALAINA CUYCO, *F*  
6. MARIA IMELDA PADDAYUMAN, *F*  
*Observers: ALFREDO ABELLA and JONATHAN ENGUERRA*  
*Note: Scholars arrived at the onset of the FGD and participated in the discussion*

KQ2. Outputs  
What mobile money services are you currently using? How is it helpful to you?

- 125 teachers from Toro Hills Elementary School have started receiving their City Living Allowance via mobile since December 2013. These amount to a minimum of P2000 monthly; P50 is added for teachers that have served for more than five years.

*Users*

- All 6 teachers withdraw their CLA using the ATM
- Only 2 used the BankO SIM card to check the balance/get the CLA
- 1 teacher used the pawnshop after encountering problems cashing out and with using the ATM

KQ4. Lessons Learned  
Is there anything about the service(s) which you think can be improved?

- Most teachers only have one cellphone and cannot devote another device to avail of mobile money services (some participants use the mobile money SIM card only once a month)

*Reasons for non-use;  
concerns raised in using  
mobile money services*

- Transaction problems
  - Withdrawals cannot be processed after balance inquiry
  - Transaction did not work in the phone and via ATM, forced to withdraw in pawnshops that charge higher fees
  - P3000 “disappeared” or was deducted from the account but the money ‘came back’ after seven working days since lodging the complaint
- Delayed, irregular disbursements
  - Payments are supposed to be monthly but they receive the CLA every quarter
  - CLA is not disbursed at the same time
- Discouraged by transaction costs
  - Teachers feel bad about losing P15 and P3 for withdrawal and balance inquiry fees, which are deducted from the CLA
  - The teacher that had to withdraw from Tambunting pawnshop was charged 140 for cashing out P9, 000. In later discussions, teachers estimated that pawnshops charge P35 for cashing out P2000 worth of allowances
- Poor BankO customer service
  - BankO helpline employees cannot help / provide answers to complaints
  - Landline is often inaccessible
  - Out of reach outlets
- Gaps in the orientation session and lack of updates
  - Teachers (and scholars) said they were all given an orientation on how to use mobile money by BankO but the rationale for charges is unclear
  - Teachers were unaware that they can use mobile money for good bought in National Bookstore, SM Supermarket

- Suggestions for improvement*
- Debit card function, additional services
  - Feedback mechanism; better customer service from BankO
  - Give teachers the opportunity to choose payment options and to choose their provider
  - Another round of orientation/ re-orientation on new services
  - No additional charges for cashing out in pawnshops

*SALAMAT PO*

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## IBC 13 Broadcast Workers Cooperative



Date: 20 June 2014  
Time Started/Ended: 3:16 PM to 3:48 PM (31:23)  
Venue: Cooperatives Office, IBC13, Broadcast City, Capitol Hills, Quezon City  
Participants  
1. LILIBETH CABILES, F  
2. TERENCE KHAN, M  
3. NELIA ANGELES, F  
4. IRIS ANGELES, F  
5. ANTONIO MONTEALTO, M  
*Observer/ Photographer: JENNY RUTH MAUJAN*

**KQ2. Outputs**  
What mobile money services are you currently using? How is it helpful to you?

*What mobile money services do you use?*

- 3 participants used their BankKO SIM and ATM cards to be updated on the status of their loan application and to cash out approved loans.
- 1 participant has yet to use his BankKO SIM/ATM card and said he is more confident with online banking
- 1 participant said she was notified of the loan approval by her mobile but has yet to try withdrawing the amount
- Besides loan approval and disbursement, only 1 coop member availed of other services, in particular airtime loading.
- Of the 3 users, none have used it for more than two times since the coop transitioned to this system.

*Benefits*

- Using mobile money services is convenient, especially for broadcast workers engaged in field activities
- Saves them time and money allotted for transportation

**KQ4. Lessons Learned**  
Is there anything about the service(s) which you think can be improved?

*Problems encountered*

- One coop member experienced difficulties in withdrawing his loan twice. On both occasions, money was not dispensed by the ATM machine after he indicated his request.
- Upon reporting these incidents, it took BankO two weeks to settle the problem
- One coop member was critical of transaction fees exacted for mobile money services amounting to P10 per transaction (balance inquiry or withdrawal)

*Suggestions for improvement*

- Educate more people on how to use mobile money services
- Provide electronic and paper receipts
- Innovate an application that will lessen the burden of pressing too many buttons prior to transaction

**SALAMAT PO**

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## San Isidro Multipurpose Cooperative (SIMCO), Batangas City



**Date:** 18 June 2014  
**Time Started/Ended:** 2:23 PM to 2:58 PM (34:31)  
**Venue:** SIMCO Office, San Isidro, Batangas City  
**Participants are SIMCO employees/ members**

1. LUISITA FORTES, *Bookkeeper*, F, 10 years in SIMCO
2. MARK WARREN DINGLAGAN, *Store keeper*, M, 5 years in SIMCO
3. MARIBETH LIGOT, *Sales clerk*, F, almost 1 month in SIMCO
4. JULIET ALDAY, *Loans disbursement staff*, F, 10 months in SIMCO

*Note: Towards the end, SIMCO General Manager MARITES RAMIREZ joined the discussion*

### KQ2. Outputs

What mobile money services are you currently using? How is it helpful to you?

*What mobile money services do you use?*

- All 4 respondents claim they avail of mobile money services. All 4 respondents use it for auto load, 3 respondents for cash in/out; 2 for savings; 1 respondent sends money for her children studying in the town center; and another 1 respondent uses it for utilities
  - Airtime load (4) P1, P2, P3, P4
  - Cash in/out (3) P1, P2, P3
  - Savings (2) P2, P3
  - Send money (1) P1
  - Utilities payment (1) P4
- Coop and non-coop members availing of the services save time and P16 from paying electricity bills electronically. All

<i>What benefits do you get from using mobile money services</i>	<p>4 respondents save from P25 to P45 a month from airtime load rates discounted at 10%. They also do not have to go to the nearest loading station.</p> <ul style="list-style-type: none"> <li>- Convenient, no queue (1) P3</li> <li>- Gets rebate from airtime loading (4) P1 (P25), P2 (P30), P3 (P30), P4 (P45)</li> <li>- Saves time (1); 20-40 minutes P2</li> <li>- Saves P16 transport fare from going to town/ Meralco office/ loading station (2) P2, P3</li> <li>- Coop provides CICO services (4) P1, P2, P3, P4</li> <li>- Gets tips, loose change (1) P4</li> </ul>
<i>Other information</i>	<ul style="list-style-type: none"> <li>▪ SIMCO has very recently covered OFW remittances, income tax and Paglbig payments but there are no transactions for these yet.</li> <li>▪ Participants said SIMCO does not charge transaction fees</li> </ul>
<p>KQ4. Lessons Learned Is there anything about the service(s) which you think can be improved?</p>	<ul style="list-style-type: none"> <li>▪ Participants cite the following challenges regarding the use of e-money services: <ul style="list-style-type: none"> <li>- Clients fear they will lose their money from pressing the wrong key pad on the cellphone P1, others in agreement</li> <li>- Majority of coop members belong to the elderly group and are afraid of using unfamiliar gadgets/ equipment P3, others in agreement</li> <li>- Limited experience in e-money transactions. P1, others in agreement</li> </ul> </li> </ul>
<i>Challenges</i>	
<i>Suggestions for improvement</i>	<ul style="list-style-type: none"> <li>▪ To improve the use of SIMCO's e-money services, FGD participants suggest the following <ul style="list-style-type: none"> <li>- More education, hands-on instruction on how to use e-money facilities; constant practice P1, others in agreement</li> <li>- Additional services e.g., cable TV coverage, internet services Chair joins in, others in agreement</li> <li>- Facilitation with the SIRWASA water coop to avail of mobile money payment schemes. All 800 coop population avail of water services from this water facility, not the Batangas City Water District. Chair joins in, others in agreement</li> </ul> </li> </ul>

SALAMAT PO

# **ANNEX D**

# Findings from Key Informant Interviews

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## Bangko Sentral ng Pilipinas (1)



**Key Informant:** RAYMOND ESTIOKO, *BSP Deputy Director and Head, Core Information Technology Specialist*  
**Date:** 19 June 2014  
**Time Started/Ended:** 8:05 AM to 8:30 AM (24:43)  
**Venue:** USAID Philippines Office, Manila

### KQ3 GOOD PRACTICES

What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results

#### *Involvement with SIMM*

- Worked with Mert Tangonan, Vice Custodio and those engaged in training, data gathering, as well as roadshow presentations for LGUs; BSP presence was demanded for confidence-building; usually invited together with mobile money providers and regulators (Valenzuela, Batangas and Quezon City)
- Assured regulators and provided confidence that people are served in using mobile money, proper security measures and controls are in place
- Provided inputs to COA ruling on LGUs/NGAs making electronic transactions
- Made 2 presentations to field auditors to assure that products and services are supervised by BSP and consumers are protected; walked them through risk measures incorporated in the business model; helped in the resolution of complaints

#### *What worked very well*

- Introduced mobile payments to LGUs; SIMM cities were set up for replication and built as an ecosystem

- National Payments System Workshop that started last year was well received and will be sponsored again this year (current engagement)
- Collaboration of different institutions, with SIMM providing logistics brought people together

#### KQ4 LESSONS LEARNED

What strategies/interventions did not work? In your view, what could SIMM have done differently?

#### *Challenges*

- SIMM set a target but did not meet it (due to barriers like lack of agents)
- Lack of interoperability of electronic payment systems
- Not enough merchants are into it

#### *Recommendations*

- More efforts to entice merchants to join electronic payment network
- Vital role of mass media in promotions

#### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies or procedures have you introduced or are currently developing with the help of SIMM?

#### KQ6 M & E SYSTEM

What indicators do you track for mobile money services? What relevant information has SIMM brought to your attention that mobile money providers should also be providing to BSP?

- Refer to Ms. Pia Tayag

## Bangko Sentral ng Pilipinas (2)



Key Informant: PIA TAYAG, *Head, Inclusive Finance Advocacy, BSP*  
Date: 25 June 2014  
Time Started/Ended: 9:33 AM to 10:11 AM (37:23)  
Venue: IFAS Office, IOF Multi-Storey Building, BSP Complex, Roxas Boulevard, Manila

**KQ3 GOOD PRACTICES**  
Good Practices: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results

*Key strategies/ interventions that worked for SIMM, factors that contributed to positive results*

- SIMM cities
  - Developing and showcasing a successful ecosystem was necessary for the buy in of different stakeholders.
  - The time of the SIMM project is too short for SIMM cities to really flourish and achieve its objective.
  - To have a successful demonstration effect of a successful ecosystem is important. This should be built upon in moving forward because from the BSP perspective, the result of SIMM cities are still quite limited. In large measure it's a question of time, it's hard to orchestrate but definitely a strength and a good strategy.

- Assistance in the conduct of two National Payments System Workshop (not in the original plan)
  - The first workshop succeeded in putting people on the same page, including BSP. Prior to this there was no clear understanding across the industry of what the terms “inclusive and efficient retail payments system” and “interoperability” meant and what needed to be done. It was a big eye opener in terms of increasing technical knowledge and understanding the bigger picture.
  - Both workshops were successful and many tangible things came out of it. For instance, Smart e-money’s Bayad Load, P2G, other products were developed because participants were able to talk and ideas formed. For Smart e-money, they were crafting their design in the course of the three days, it was like an unintended result.
  - People were able to network there as it brought together large retail firms, pawnshops, banks, ATM consortia. It was a good step and foundation laying for what e-Peso would like to do. That’s a crucial contribution of the SIMM program.
  - For BSP, it spelled what needed to be done policy and regulatory wise. That’s the most valuable contribution.

#### *Gains derived from the 2 Workshops*

- The 2 workshops had more impact on the more traditional players - the ATM consortia (Bank net Mega link), the big banks involved in clearing, switching of payments (Philippine clearing house, BDO). The service providers SIMM focused on were the mobile crowd, but mobile is really just a subset of this sector. These people did not think about inclusion but the workshop/s opened their eyes. Through the workshops, there was realization that mobile was a small piece in a bigger picture. Interoperability and mobile needed to be developed not in a piecemeal strategy but in the broader context of retail payments. This is a perfect segue for e-Peso. BSP is now looking at what strategies should be taken in the next years to get this off the ground.
- There was a lot of conceptual discussions on the importance of having a unified or central utility switching and clearing operator which is operated like a utility, a national one that is common for all. Payments experts said that all instruments and payment channels—ATMs, POS, mobile, can now more easily switch and clear because that clearing operator

is a utility. Fees are very minimal just cost recovery fees, so barriers to entry of players becomes quite low but competition on the fringes will be more robust. This will enable Smart and Globe to easily switch and clear, in effect become interoperable, because of that unified switch. That is the most tangible physical development that will happen.

- After the 1<sup>st</sup> workshop, Bancnet and Megalink were talking about merging, and they now have an MOU on how they are going to do that. In the other workshop there were ideas on who that switch should be, not necessarily the two consortia. There was general acceptance of the idea. BSP will be discussing that with the principals so that's quite important.
- Timeline: 18 months in the workshop, which is a little ambitious. BSP will work towards that if instructions from principals say so.

#### KQ4 LESSONS LEARNED

Lessons Learned: What strategies/interventions did not work? In your view, what could SIMM have done differently?

#### *Work that did not push through with SIMM, perspective on microfinance and cooperatives work*

- A lot of the work was on SIMM cities, BSP's focus was on policy and regulation and how it could support what SIMM was trying to do.
- Perspective on microfinance and cooperative work: conceptually it makes a lot of sense, the coop sector in Philippines has a wide outreach in the market SIMM wants to serve, but realistically it 777is always a struggle to work with the coop sector. A lot have issues on governance and fellow regulators. SIMM targeted key cooperatives, but this endeavor would entail more effort than results.
- What makes it difficult to work with coop sector: the coop regulator is both a regulator and development agency, so for just enforcing some governance, credential rules could be quite difficult. When you do find good cooperatives partners, it would be on a bilateral basis. For a project that wants to do scale, targeted bilateral is good but a more industry-wide approach may be more ideal. It may be a challenge for cooperatives.

#### *Strategies that did not work, that SIMM could have done differently*

- The work with the national government was an important piece, SIMM worked very closely with the Commission on Audit (COA) to get rulings on circulars.
- Not sure how much SIMM progressed with the Department of Budget and Management (DBM); there

could have been more focus on that to have a larger impact. DBM is a cooperative partner and it is a good time to work with them. SIMM was trying to work with DBM but they might have focused resources and time on SIMM cities. DBM could have used a push. Strong support from them could have been helpful.

**KQ5 POLICIES, REGULATIONS  
& ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

*Policies / procedures created with the help of SIMM*

- There were things SIMM brought to BSP attention that were actually addressable by current regulations (about IDs and things like that). There was openness on BSP's part, policies were already in place that would allow them to do what they wanted to do. They did not present other policy barriers for BSP to respond to.
- BSP spent time with COA folks but it was more SIMM that really pushed it. COA just needed to know that BSP was on board. SIMM put a lot of focus on following that up as it was something that was very fundamental.

**KQ6 M & E SYSTEM**

What indicators do you track for mobile money services? What relevant information has SIMM brought to your attention that mobile money providers should also be providing to BSP?

*On data management efforts, information*

- BSP tried to work with SIMM on data. It is developing data capacity and increasing human resource and expertise on data management but did not move too much forward on this as SIMM was also needing a lot of data that BSP was not capturing at this point. It had a list of indicators that were not part of what BSP required from mobile money providers.
- When BSP enhances its electronic money report and capture other digital payments, it will definitely inform SIMM. The limitation was on the part of BSP because the agency is currently in the process of amending its e-Money report. Some things that needed to be systematically collected were not finalized yet. However, those data needs have been flagged. When BSP finally puts up that revised e-Money report, a lot of those indicators would now be possible to generate.

## BPI Globe BankO



Key Informant/s:

ROBERTO NAZAL, *Vice President for Community Banking*  
MIGUEL SORIANO

Date:

17 June 2014

Time Started/Ended:

2:00 PM to 3:00 PM (1:00:47)

Venue:

3/F BankO Center, Ortigas Avenue, North Greenhills San  
Juan City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM  
worked with you in the area  
of mobile money services

*SIMM involvement with BPI Globe BankO; forms of assistance  
provided*

- Through the assistance of SIMM, BankO was able to enter into agreements with LGUs of Quezon City and Pulilan to provide services in the government payroll, for the disbursement of stipends and allowances of teachers/ scholars, and for the creation of a building facility for a water district.
- In Batangas, they piloted accreditation of barangay-based cooperatives to become community banks and render mobile money services to their constituents (5 barangay based coops in Ilihan, Balete, Pinagbuklod and 2 others). They were able to prove that even remote barangays with only 1 enterprise that provides consumer goods to constituents can actually be a channel by which people can have access to formal banking services. By accrediting cooperatives,

people can open accounts, pay their bills quickly without spending for transportation fare, promote the habit of savings (transaction fees are so cheap)

- Pulilan is one of the first LGUs using mobile money for payroll. They get SMS notifications for every transaction.

## KQ2. OUTPUTS

Together with SIMM, what are the specific services you are offering and the related benefits of each service to end users

### *About BankO and its services*

- One of the differentiators with GCash, it is a mobile wallet but it is also a savings account that earns interest of 3 or 1% per annum and provides life insurance times 5 of average daily balance. It is built on top of the GCash platform and is a joint venture between Globe Telecom Inc., Bank of the Philippine Islands and the Ayala Corporation. The reason for creation is to reach out to the unbanked sector. BPI was able to acquire only 5.5M customers after 160 years of operation. BankO addresses barriers of high opening fees, penalty clauses, and the 9AM-to-3PM culture around traditional banking.

## KQ3 GOOD PRACTICES

In the various areas of partnership/ engagement you have explored so far with SIMM, what are the ones you think are doing well? What are the factors that contributed to good achievement?

### *How SIMM program is aligned with BankO's strategy*

- BankO took part in SIMM LGUs' call for bids. They were not asked to waive all fees. It is a pay per transaction bank
- Working with LGUs and cooperatives in promoting mobile money is part of their financial inclusion mission
- Other initiatives brought forward by SIMM include public activities, conferences that gave them opportunity to disseminate their programs and services and value propositions and meet many cooperatives, utility entities under SIMM cities of CDI, other organizations
- 3 BankO launched in Payatas, USAID was invited to be part of this; it is a mutual partnership not confined within the bounds of the MOU

## KQ4 LESSONS LEARNED

Conversely, what interventions or areas of partnership did not proceed? What were the reasons?

### *SIMM initiatives that were not of interest*

- BankO pushed back invitations for bidding in areas where they are not yet present in 2013 and for a huge MFI for particular mobile money service

### *Suggested to dos for the next project*

- Include provisions for change management or social preparation
  - In the Philippines, the context is you manage relationships but in the same manner you also need to manage change that affects relationships.

When LGUs would introduce technology that would change how things are done, there would be a reaction, and going forward would need some attention. How to manage change for specific entities that would be adopting change as a result of mobile money promotion, if there is space for change management. It is not just about technology but also about managing the reaction of people, consultations with the people for them to have a greater sense of the values that are being put in place in exchange for manual ways of doing things. People need to have their voices heard and it is a matter of giving opportunities for them to be heard and be inputted in the execution of planning (social preparation in development parlance)

*Impact on bottom lines of services*

- It is difficult to draw a conclusion. They were created in 2009 but in late 2011, the retail banking product PONDO KO was launched. Aggressive selling happened in 2012, as of end of May 2014 they have 650,000 customers and look forward to hitting their first million by year ends. Active users are 25%. BankKO is currently doing a lot of campaigns to be pushing for more active behavior from its base, also acquiring a lot of “billers”
- Bottom line impacts of SIMM is too early to tell. In terms of acquisition and opening up of opportunities for new models of doing things, they have a number of good testing cases that can be brought to the next level. They plan to bring experiences with the 2-3 LGUs forward to other cities and municipalities of the League of Cities through the Quezon City Mayor who is currently LoC President

*Motivations for continuing initiatives despite low performance*

- BankKO is also profit driven as it is inherent in Banko being a joint venture. What makes BankKO different from other companies owned by the Ayala Corp is its social development mission. They consider what they do as CSR, an inclusive type of business. They are not pressured to earn but are bent on making a difference, shattering myths about banking at the micro DE market and just being viable. BankKO’s 2014-2016 roadmap consists of setting things up in Year 1, Breaking even in Year 2 (not yet breaking even), and making some profits by Year 3.

- Transaction fees: 2% compared to 6-8% of remittance company comparators

**KQ5 POLICIES, REGULATIONS & ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

*Policies and procedures introduced with the help of SIMM*

- BankO challenged their account opening processes. Going to scale and speeding up things tested their own internal processes

**KQ6 M & E SYSTEM**

What indicators do you track for your mobile money services? What information are you sharing with SIMM that is in addition to what the BSP requires?

*Information shared with SIMM*

- Regularly reports information on performance /behavior of customers, acquisitions as a result of partnerships, among others. These are tracking data almost the same as what BankO gives its regulators

*SALAMAT PO*

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## Globe G-Xchange Inc.



Key Informant/s:

RICARDO 'DON' ALAIR II, *P3 Issuance and Outlet Management Director GXI / M-Commerce Consumer Business (Head of Corporate Planning and Business Operations)*

*\* Mr. Altair has been with GXI since 2006; he was hired then as a strategist in corporate planning, eventually also handling the operations part of the business, current role is on operationalizing the business models focused on payrolls and rural coops*

JONATHAN NAZARIO, *GXI CICO Manager*

AL RANOLA, *GXI Account Manager*

Date:

17 June 2014

Time Started/Ended:

9:09 AM to 9:59 AM (49:26)

Venue:

24/F, The Globe Tower, 32<sup>nd</sup> corner 7<sup>th</sup> Avenue, Bonifacio Global City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

*Process and services offered with SIMM, benefits to end users*

- GXI was just setting up this service from 2004-2005; eight years this 2014. They focus on the payroll market (target is the 10M payroll accounts across all banks), offering mobile based payroll with an ATM channel.
- Features of their payroll accounts: simplified enrollment. With banks, they have to apply for a signature card and wait for 2-3 weeks before payment; for GCash, they just need a certification of employment and preposition it with the office account; real time end time disbursement even during

### KQ2. OUTPUTS

Together with SIMM, what are the specific services you are offering and the related benefits of each service to end users

holidays, whereas for a bank, payroll goes through batch processing, there is cut off after 3PM and only on weekdays. The ATM SIM kit is priced at the cost of the card (P50); they give the SIM kit for free but banks charge P120 for this; disbursement fee is only P5 while banks charge from P7-25 for this, depending on the company's ADB; GCash payroll accounts provide full mobile banking facilities, it can send remittances, pay bills on your phone, credit airtime loading with a 10% discount. It does not charge minimum balance dormancy fee. They give 2 free withdrawals on any given month on any ATM machine (it is 'ATM agnostic' already a member of mega link)

- SIMM helped them engage in payroll accounts, and actually provided a subsidy for a portion of the P50 ATM SIM kit.
- SIMM helped them link up with 3 primary groups of their target 'underbanked' market (11M members of credit and multipurpose cooperatives, 5M rural bank depositors, LGUs)
- GXI's strategy: opening existing mobile internet ATM banking assets to the coop & RB industry via a partner, RNET. Revenues from fees charged for using GCash are split three ways: GCash-RNet-Coop or Rural Bank. There are two agreements; GCash and RNet, RNet and coops/RBs. They signed with RNet last December 2013, launched officially 3 weeks ago. They have been doing business development efforts prior to launch and announcing this to partners.

### KQ3 GOOD PRACTICES

In the various areas of partnership/ engagement you have explored so far with SIMM, what are the ones you think are doing well? What are the factors that contributed to good achievement?

#### *Key things globe worked on with SIMM for the last 2 years:*

- SIMM linked telco providers with LGUs and helped them acquire bill payment facilities of LGUs. Globe was a partner of SIMM in terms of acquiring bill payment facilities of LGUs like business permits and real property taxes; SIMM facilitated engagement with GCash; they acquired additional subscribers using mobile banking; opened avenues to explore stuff in terms of government payments (Globe was not focused on this but SIMM helped and opened doors for this)
- SIMM helped improve telco providers' public relations and raise awareness on the mobile money technology. LGUs were initially not receptive to the idea of e-money and were wary of profit-seeking intents of telco providers and the private sector in general. SIMM helped raise awareness on the mobile money technology among LGUs and influenced them on how to regard them as partners in development.

*Factors / areas explored with SIMM that are doing well and contributed to good achievement*

- Introducing telco providers as a trusted party
- Helping telco providers get more costumers
- Helping governments understand how to integrate, assessing if LGUs are ready to integrate and if not, helping them to do that. It was a big break thru for LGUs to realize they have to shape up, innovate use and keep up with technology
- SIMM also tapped and linked them up with local businesses, as well as local utilities to get a complete ecosystem
- Some SIMM staff (Mert and Vice) were formerly from Globe and also came from the mobile finance industry; they bring the linkages with them when they approach target market segments for mobile money services

KQ4 LESSONS LEARNED  
Conversely, what interventions or areas of partnership did not proceed? What were the reasons?

*Interventions or areas of partnership that did not proceed or were not aligned with their interests; reasons*

- SIMM explored supporting RNet but the timing was not right as GXI was still developing the model
- None that did not work out, but there were interventions that just needed more time to roll out. An example was Batangas City. The technology side of the city was not yet ready for Globe to integrate with them, unlike in Quezon City and Valenzuela where the system was ready and Globe just connected with them and rolled out right away

*Motivations for continuing initiatives despite low performance*

- Aside from trying to break through other models, they realize there's a first mover advantage, for example, the EMI (?) license that BSP put together was patterned exactly how GXI designed it
- Old models were practically changed by new senior leaders with different perspectives that came in 4 years ago; the first three and a half years were spent on business development and testing of models; it was not yet focused on scale

KQ5 POLICIES,  
REGULATIONS & ENABLING  
LAWS  
What policies or procedures have you introduced or are

currently developing with  
the help of SIMM?

**KQ6 M & E SYSTEM**

What indicators do you track for your mobile money services? What information are you sharing with SIMM that is in addition to what the BSP requires?

*Information shared with SIMM*

- Primarily active subscription within 90 days, esp. payroll accounts that enrolled in the subsidy
- It is not difficult to generate data given to SIMM; most info are shared with BSP; systems are set up to give this data
- There's a timing issue sometimes, there's a lag between what gets reported and extracting that data to cut it for a specific program

*SALAMAT PO*

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## Smart e-Money



### Key Informant/s:

LITO VILLANUEVA, *Vice President and Head, Innovation, Digital Ecosystem and Alliances*

LAWRENCE FERRER, *Head of Financial Services*

*\* Mr. Villanueva's role in Smart e-Money Inc. is on innovation, ecosystem building and global engagements. He also handles initiatives with the government. Mr. Ferrer is involved with the mainstream business of Smart money, relationship with sales, payments as a business. They work with over 300 people. Smart e-Money Inc. is a specialized organization, a fully owned subsidiary of Smart Communications.*

Date:

17 June 2014

Time Started/Ended:

11:00 AM to 12:02 PM (01:01:40)

Venue:

9/F, Robinson's Cybergate 3, EDSA corner Pioneer Street, Mandaluyong City 1550

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *How SIMM worked with Smart e-Money*

- Smart e-Money Inc is involved with the savings and loan programs for CCT beneficiaries (PANALO SIKAP) with the LBP that begun 2013, Mobile loan saver and Bayad load program. SIMM's key contributions here are on the financial literacy program, linking up with various agencies/ partners. When SIMM came, Smart initiated a number of innovations or initiatives it practically formulated and believed were in accord

### KQ2. OUTPUTS

Together with SIMM, what are the specific services you

are offering and the related benefits of each service to end users?

with the objectives of SIMM. This includes the PANALO SIKAP savings link and loan program intended for CCT beneficiaries in partnership with LBP as the one providing the loan facility; select CCT beneficiaries with entrepreneurial spirit. SIMM's support here was on the financial literacy program. SIMM tapped a research firm and developed a comics-type material from which they did some retrofitting on the product design.

- SIMM had several possible government accounts they wanted Smart e-Money Inc. to bid for. SIMM played a key role with Bayad load, because Smart e-Money Inc. was able to touch base with SSS, PhilHealth, and Pagibig in partnership with SIMM. (SIMM linked and partnered them with these agencies). SIMM also helped Smart e-Money Inc. in their presentation to the BSP for Bayad load, which makes use of load as a medium of payment primarily for servicing non-bank clients in the informal sector, particularly *kasambahay* or domestic helpers.

**KQ3 GOOD PRACTICES**  
In the various areas of partnership/ engagement you have explored so far with SIMM, what are the ones you think are doing well? What are the factors that contributed to good achievement?

*Areas explored with SIMM that are doing well*

- One thing that Smart informants commended SIMM on was for facilitating their partnership with NATCCO. SIMM single handedly shepherded the engagement with NATCCO. They were able to rollout the end product during a General Assembly meeting in Laoag. Smart E-Money is excited with this because NATCCO is not under the supervision of the BSP; while Smart E-money is. It is the first time that they are doing the services with a cooperative, which happens to be the biggest in the Philippines.
- SIMM also opened the doors for Smart e-Money in engaging other rural banks. Rural banks are also a priority to them because it is aligned with their mandate of ecosystem building.
- They see working with rural banks and cooperatives as one solution to address the last mile approach, as these entities are pervasive in areas out of their coverage area.
- In a nutshell SIMM has been very supportive particularly in the rural bank , MFI, cooperative and LGUs segment

**KQ4 LESSONS LEARNED**  
Conversely, what interventions or areas of partnership did not proceed? What were the reasons?

*SIMM initiatives or suggestions that were not of interest to Smart e-Money*

- SIMM was pushing for engagement with LGUs but at the end of the day the model had no business sense because it did not strike a good balance between the

social component work and business. Smart felt the business model was not profitable, and would not be sustainable. It is not profitable because the model required Smart e-Money to waive all the fees. SIMM said this could be for a period of time but they could not define it. They thus never had the chance to bid formally because of these questions about the business model.

- When the LGU put out the bid/procurement, Smart was just asked to submit a bid because the deadline was nearing. They posed their questions to the business model to SIMM verbally but did not have the chance to talk to the LGUs. He checked the progress of GCash in QC and learned that it was not doing very well.
- This was the only initiative of SIMM they decided not to engage in

*Motivations for continuing initiatives despite low performance*

- Despite minimal revenues, people use Smart services more, it is part of corporate direction, and there is business viability. They believe mobile money can be profitable and there is promise that they will be headed in this direction. They are leveling up mobile money services.
  - They have established a network of Smart money centers that can effectively do payments, on its own they are able to experience financial inclusion
  - A handful of people are making money from their services; there is huge promise and Smart is still in the process of unlocking the huge potential of mobile money. These are the reasons for innovations. There is still a long way to go but there is a future for mobile money. Senior management has high hopes for it and believes they are on the right track.

**KQ5 POLICIES, REGULATIONS  
& ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

**KQ6 M & E SYSTEM**

What indicators do you track for your mobile money

*Information shared with SIMM*

- SIMM asked for user data (topline numbers) they also provide BSP. However SIMM asks for more detailed

services? What information are you sharing with SIMM that is in addition to what the BSP requires?

descriptions of why numbers are like this, how projects are executed. Not really sensitive information but more detailed. These requests required them to extract, and coordinate with their business operations team. Information could not be readily given.

- They suggested providing a template and giving them a sense of regularity on how data will be provided; some orientation on how KPIs can be achieved at the outset of program engagement
  - Prior to the engagement, there should be a stated requirement or a template with agreeable fields of data Smart should provide, so that they will be guided.
  - There were 3 emails for information requests with no template, just questions to answer. Smart is also interested in tracking the progress of the project and would want the same information. From day 0 to end of project date, this should be discussed and agreed upon by both parties.

*SALAMAT PO*

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## Batangas City Government (1)



**Key Informant:** ERICK ANTHONY SANOHAN, *Local Economic and Investment Promotion Officer (LEIPO)*  
**Date:** 18 June 2014  
**Time Started/Ended:** 10:15 AM to 11:13 AM (58:41)  
**Venue:** Office of the Mayor, Batangas City Hall

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *What did SIMM do for you*

- SIMM made it possible for the city to have a better option in paying taxes (parking is a problem)
- The technology introduced is up to date with current trends and made the local government more efficient in collecting tax payments
- Transactions with the city government are made more easier; one way of improving revenues
- Batangas City started with mobile business tax payments; SIMM gave them training and invited officials to a business forum
- The program helped some local government employees overcome their fears of new technology; learn and appreciate automation

### KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

#### *Time period from initiation to conclusion*

- March 2012
- December 2013 (business forum, re-introduction to SIMM)
- March 2014 (launched/started implementation/ collection)

### KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for good progress?

#### *Strategies that worked*

- Problems with COA initially stopped the city from pursuing innovations to the payment system. SIMM facilitated discussions and presented sample documents from pilot LGUs to the COA, to show the system is working well.
- While COA rules were being sorted out, SIMM reached out to small cooperatives and introduced the system to them; successful experiences were also disseminated to the city government.

#### *Processes and partnerships, factors for success*

- INVEST provided the city government with training and exposure to prominent cities here and abroad to learn how to attract investors
- The City Mayor was very keen on the INVEST and SIMM programs; she adopted the electronic signature undertaken by the Taguig city government
- Part of the INVEST program was the streamlining of business permits to be business friendly; it was here that SIMM came in. The interface proved successful.
- Looked for and mobilized people who were tech savvy to work on the digital finance system; currently thinking of covering all payments
- Proud to be among the first to use mobile payments for collecting business taxes; let other LGUs know about SIMM (Baguio, Cagayan de Oro, among others)
- Transparency and honesty of leadership; the city was awarded seal of good housekeeping and got noticed by influential people
- Reasons cited behind the strong support of the leadership for SIMM:
  - Commitment of the local government and people to pursue a vision for Batangas City
  - Good timing
  - Funds to buy equipment, get connectivity and hire experts on IT were available. Millions were expended to have hardware, have an IT person/department, and have connectivity for all departments of the local government

### KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

#### *Challenges encountered*

- There are offices that did not want/were resistant to automation

*Suggestions/ recommendations*

- Enjoin other municipalities in Batangas to have mobile money services covering various types of payments
- USAID should fund LGUs that have transparency in leadership, willingness and ability to share with other LGUs

**KQ5 POLICIES, REGULATIONS  
& ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

**KQ6 M & E SYSTEM**

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*Data/ information*

- Information in reporting is not difficult

*SALAMAT PO*

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## Batangas City Government (2)



Key Informant/s: DITAS AGUADO RIVERA, *Business Permit and Licensing Officer (BPLO), Batangas City*  
MARY GRACE JEAN MENDOZA, *ITSD/ Database Administration*

Date: 18 June 2014

Time Started/Ended: 5:30 PM to 6:04 PM (33:41)

Venue: Hotel Intercontinental, Makati City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *How SIMM worked*

- Worked closely with SIMM in a series of briefings conducted on mobile money; she was introduced to Globe BanKo and other providers by SIMM staff
- Many stakeholders felt it was really a need but there was resistance until a circular from COA was issued to formalize the transition
- 13 December 2013, there were renewed discussions among city government people on the matter; SIMM again invited Globe Exchange, Globe BanKo (does not remember attendance of Smart) in select fora where SIMM staff explained the existing system and presented Quezon City and Valenzuela as examples.
- Marked SIMM presence was observed from this period to integration. Activities involved the pilot test of GCash, lessons on making the Terms of References; demo launching (took place in Globe Towers in Metro Manila); training for frontline government staff; forum with coops using GCash that shared their

experiences with mobile money services, integration of business prices, pilot testing where 44 out of 100 business establishments expressed appreciation for the new payment scheme.

- On integration of the system, a third party consultant was hired by the city government that provided the database system for Batangas city; the IT division linked its existing database with that of GCash; SIMM staff also did some coaching. The adjustment process took about a month. Currently, the City Treasurer is making arrangements with the Land Bank to focus on the mobile payment system.
- Launching took place 31 March 2014, which was a bit late. The annual business registration process starts every January
- Other payment options /modalities are being explored

#### KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

##### *Benefits from using the system*

- Target market are business establishments located far from the licensing offices based in City Hall, as they need not go far to pay their dues.
- Long lines of payers in City Hall are expected to be reduced
- Savings on transport fare, other fees
- Transaction costs (P5 for every transaction) were free for the first six months of automation; the usual cost totals P10 for inquiry and payment
- Other services were introduced. The city also accepts payments for other bills like electricity

##### *Outputs*

- Users (business permits): so far only 3 people availed of the service but this is understandable as bulk of payments usually transpire during January

#### KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for good progress?

##### *Good practices*

- Patience and constant explanations/ discussions with LGUs who are resisting changes in the manual system
- SIMM communicating policy gaps, problems to concerned national agencies

#### KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

##### *Lessons*

- To make the shift more popular, payments for fire safety fees should also be automated. These safety certifications from the Bureau of Fire (BOF) are required before licenses are approved/renewed. In line with this, there is a need for BOF (a national

agency) to buy into this scheme. Other requirements related to business registration should likewise be automated.

- Need for IEC campaign at the national and local level
- Improve on presentations; some were impersonal and not attractive to potential clients

*Recommendations, areas for improvement*

- The Bureau of Fire's Safety Certification fees should be covered by the mobile payment system; other fees and charges for social security, PhilHealth, occupancy permits are also encouraged
- Prepare the policy environment through an ITC advocacy campaign; IEC campaigns (get providers to do this)
- Focused immersion of technical assistants in target areas

**KQ5 POLICIES, REGULATIONS  
& ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

**KQ6 M & E SYSTEM**

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

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## Pulilan Municipal Government (1)



Key Informant/s: VIC ESGUERRA, *Municipal Administrator*  
MARK DE JESUS, *Project Coordinator*  
Date: 23 June 2014  
Time Started/Ended: 9:00 AM to 9:45 AM (45:05)  
Venue: Pulilan Municipal Hall

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

- Mr. Esguerra learned about SIMM through one project staff, who was a schoolmate. He was interested in using mobile technology for the payroll of Pulilan municipal government employees, because they knew of a city treasurer in a neighboring town who was robbed and killed while transporting payroll cash from the bank to city hall.
- Besides the security and safety of their treasury staff, Mr. Esguerra also believed that a mobile money solution would be practical for receiving water bill payments. The local water system is administered by the municipal government, with only one collections office. People from far flung barangays usually spend more for going to the municipal hall to pay their water bills than for their water consumption. Transportation costs of these rural folks range from P150-200 while the minimum amount of a month's water consumption is P150.
- Mr. Esguerra also appreciates the financial literacy and financial inclusion component of the SIMM program, which was provided by BPI Globe BankO (all services are rendered by this provider).

## KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

- Users of mobile money services in Pulilan include around 320 municipal employees, half of whom (more or less 150 people) are estimated to be paying their water bills using e-money.
- Since accepting e-payments for water utilities in November 2013, an estimated 10-20 water consumers a day have been paying their bills in such fashion. Mr. Esguerra said they once ‘forced’ water consumers with outstanding balances to pay only through mobile transactions, in an effort to have more people pay their water bills using mobile money.

## KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for good progress?

### *Factor of success*

- Mr. Esguerra believes SIMM would find it difficult to have other LGUs buy in on the SIMM program unless these government units are as committed as Pulilan has been in implementing the project.

## KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

### *Initiatives and challenges encountered*

- Water consumers have a hard time looking for BankO Partner Outlets (BPO) to pay their bills through their mobile.
- Currently there are 6 BPOs per cluster covering 3-4 barangays. These are mostly owned by family friends of Mr. Esguerra, whom he urged to invest in setting up the facility despite the low profitability of such ventures (BPOs earn only 1% for every transaction).
- Pulilan’s target is to have a BPO outlet in each of the municipality’s 19 barangays. As such, they are encouraging small enterprises such as the *sari-sari* or variety stores to establish this facility as an additional income stream. The Pulilan government also deployed several staff to ensure that water consumers are aware of the town’s mobile money solutions and adept in making electronic transactions.
- Measures are also taken to have more stores and companies accept payments through mobile means. Mr. Esguerra said they have talked with MERALCO to accept mobile payments but the electric company refused to do so.

### *Suggested areas of improvement*

- Coverage of more fees engaged in mobile money services
- More promotions and education to encourage use of mobile money services and to have more BPO outlets.

- Improve water services to have more customers. At the moment, Pulilan cannot provide water services for all barangays within its borders.

*Others*

- There were no suggestions on transactions costs (1% or P1 per P100 transaction)
- Pulilan found it difficult to get the attention of BankO staff regarding complaints about its services, e.g., card capture, problems with dispensing money, etc. They have to call on a SIMM staff to have such problems resolved.
- They are curious about how this project became successful in other countries and would appreciate information on these matters

**KQ5 POLICIES, REGULATIONS  
& ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

**KQ6 M & E SYSTEM**

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

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## Pulilan Municipal Government (2)



**Key Informant:** TERESITA TATANGCO, *Municipal Public Affairs and Information Officer of Pulilan*  
**Date:** 23 June 2014  
**Time Started/Ended:** 10:12 AM to 10:22 AM (09:53)  
**Venue:** Pulilan Municipal Hall

**KQ1. PROCESSES AND PARTNERSHIPS**  
Briefly describe how SIMM worked with you in the area of mobile money services

- Ms. Tatangco was part of a Technical Working Group that worked with SIMM in the initial stages of engaging the municipality in mobile money services. Information about mobile money solutions and initiatives in this regard were communicated via e-newsletter, letters (email and snail) and announcements to the people, mostly volunteer workers, students, mother leaders, others sectors. She also helped in the conduct of financial literacy programs.

**KQ2. OUTPUTS**  
With the help of SIMM, what services are you now offering? What are the benefits to end users?

*Benefits of mobile money services*

- Employees are immediately notified of the availability of their salaries
- 1% transaction fees are waived twice in a month
- Thus far, no negative feedback

**KQ3 GOOD PRACTICES**

Describe the results of the services so far. What are the reasons for good progress?

**KQ4 LESSONS LEARNED**

Are there any strategies which SIMM used that did not work as planned?

*Challenges*

- Difficulties in making withdrawals via ATM, e.g., card capture, incorrect entries, replacement for lost cards

**KQ5 POLICIES, REGULATIONS & ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

**KQ6 M & E SYSTEM**

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

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## Quezon City Commission on Audit



Key Informant/s:

ROSA DELA CRUZ, *Quezon City Supervising Auditor*  
MA. LOURDES DESUASIDO, *Audit Team Leader*  
MR. JOSEPH PEREZ, *Audit Team Member*

Date:

23 June 2014

Time Started/Ended:

4:00 PM to 4:47 PM (41:43)

Venue:

2/F Quezon City Hall

### *Process how the circular for mobile tax payments came about*

- The circular was formulated in the COA Central Office. There are many reasons for developing a circular. It could be a call of the times, or due to requests from agencies. Whatever the cause, these are done by the COA Central Office. Particularly, the Systems Commissioners Group formulates the policies. It is approved by the Commission proper, a collegial body composed of two Commissioners and one Chairperson. They are the ones who approve of the circular.
- The COA Central Office promulgates the circulars, while the COA-QC looks into the compliance of management on the provisions of the circular
- Auditor dela Cruz said she is unaware of any requests from COA Quezon City or COA Valenzuela asking the Central Office to create a circular on mobile money tax payments. She and her staff are relatively new in

Quezon City (entry was January 2013). She reiterated that the circular came from the Central Office.

- On how long it takes to write a circular, the auditor said it could take three to six months depending on the necessity or urgency. She cited as an example a circular on the NDRRMC, which was formulated by the local sector for two years but reformulated and approved by Central COA in a much faster way because of the need to have such policies referred to. Another example is the revised policies for intelligence funds that was formulated for more than a year already but up to now is not yet approved. She said it would be hard to determine a standard timeframe for creating a circular.
- COA Quezon City added they usually come to know of [new] circulars in the course of evaluation of agency programs. On certain occasions, these circulars are disseminated prior to approval.

#### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *SIMM involvement with COA-QC*

- During the 4<sup>th</sup> quarter of 2013, SIMM came to them and informed COA of the plan to use mobile money services in the collection of real property taxes. In a meeting, SIMM presented how the program will work and asked them about their opinions on the program. QC COA said that for as long as the controls are in place, the reporting requirement of COA are met, and the prescribed rules and regulations are complied with, they can go ahead with the plan.
- The auditor remembered asking if they were already implementing the plan and about its applicability for other revenues. She was told that Quezon City will apply this only for real property taxes, the assessments of which were made available online. For other taxes, COA told them it may not be applicable at that point in time

#### KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? Benefits to end users? (members, tax payers, students, loan borrowers, etc.)

- COA Quezon City has not gotten hold of any reports from January up to the present insofar as official receipts for mobile payments are concerned. They cannot start an audit without these.

*Consultants were given copies of the circular in question*

#### KQ3 GOOD PRACTICES

Describe the results of the services so far. What are

- NA

the reasons for good progress?

#### KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

#### *Expectations, suggestions for the future*

- Auditor de la Cruz said SIMM and Quezon City would still have to prove that everything went well. COA would like to know what percentage of taxpayers were able to avail of the program. She believes that less manual intervention is better but the system should have integrity and COA wants to prove the integrity of the documentation, records, and data. She added that unlike real property taxes whose assessment is fixed, business taxes are not and it is in this area where amounts can be manipulated. Her COA team would appreciate if they could receive reports from both SIMM and Quezon City so they can compare and establish that internal controls are in place.
- The team reiterated that they were unaware if their predecessor made a request to the Central Office to draft the circular. They affirmed that the circular came from Central Office, not vice versa. They believe that circulars come about because there is a trigger but they do not know about how this particular circular came about.
- Auditor de la Cruz shared that her agency does not have enough people to verify or audit the automation of systems, which are becoming more pervasive now. She believes the circular created was in line with e-commerce circulars enacted since 2000. She underscored the need to be assured of the reliability of such systems. To do this, the most important is compliance with reporting requirements, which should be submitted 10 days after each month. In this regard, Quezon City is much delayed.

#### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

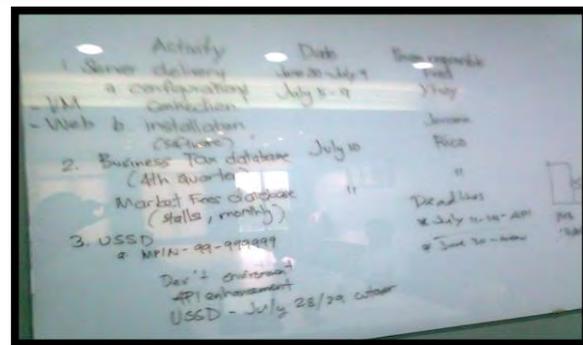
What policies or procedures have you introduced or are currently developing with the help of SIMM?

#### KQ6 M & E SYSTEM

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

## Quezon City Government



Key Informant/s:

ALDRIN CUÑA, *Quezon City (QC) Administrator*  
ALFREDO ABELLA, *Communications Coordinating Center Head*

Date:

REYNALD PAUL IMJADA, *QC ITDO Head*

Time Started/Ended:

20 June 2014

Venue:

10:08 AM to 10:49 AM (40:53)

4/F, Conference Room, Administrator's Office, Quezon City Hall

*\* During the interview, there were notes left on a white board in the venue, apparently by technical persons indicating their plan to buy servers to hook up with the Globe system.*

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

What SIMM is doing that is helpful

- It took them 9 months after MOU with Dir. Steele before they gave birth to the system.
- SIMM helped them with the IEC/communications aspect. They launched/posted this in the website. In

## KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

communities they posted posters and disseminated leaflets on this, they set up help desks in barangays to explain the rationale and how to use the system.

- Quezon City is now collecting and disbursing mobile money. They plan to buy servers to hook up with the Globe system. At the time of interview, the city government is procuring a webserver.
- They have been collecting real property taxes since January 2014, and have also begun disbursing scholars' stipends and teachers' allowances. By July, they plan to collect 4<sup>th</sup> quarter business tax dues, as well as collect market fees for stall owners using e-money. They are adding these services with what Globe is providing now and SIMM is still helping them with this.

### *Outputs*

- QC collected half a million real property taxes through mobile money during the 1<sup>st</sup> quarter. This represents less than 300 of the 600,000 real property units. They estimate this is around 3% for the first quarter. This may be small but it will eventually cover a lot of payments and they have only just begun. People benefit because they don't have to go to City hall and spend half a day to pay their dues.
- The QC government hopes revenues would increase, also expect to lessen overtime periods. During peak periods, their cashiers are on until midnight and are also working during weekends. They hope to do away with overtime pay, which is more costly to the city government.
- 10,000 scholars receive different levels of subsidy amounts. Initially, the pilot already disbursed around P400, 000. They are anticipating that all will be covered by the next quarter. Average stipend is P1, 500 per scholar. A total of P15M are expected to be disbursed.
- About 10,000 faculty receive monthly allowance of P1, 000 or P10M in a month. The pilot disbursement was done in the first quarter. They hope all will be covered by next month.
- Feedback is good among students but teachers have resistance. The latter have an old school mentality that prefers cash transactions.

## KQ3 GOOD PRACTICES

### *Aspects of work that was helpful*

- It is a simplified process, there were steps in the bureaucracy that can be skipped or simplified. They

Describe the results of the services so far. What are the reasons for the good progress

had a series of systems review that simplified the system. It is this business process reengineering part that helped them really understand how to simplify the process, most particularly on the disbursement side.

**KQ4 LESSONS LEARNED**  
Are there any strategies which SIMM used that did not work as planned?

- They are working on electronic receipts because people still go to city hall to get the receipts.
- So far, there is no negative feedback on the system. They just have to continue making the people realize that the service is available.

*SIMM initiatives that were not aligned with QC; issues and concerns*

- The only derailment was when elections were held and they had to suspend activities to wait from new resolutions from the city council. They hope in the future to go bigger. They already signed a MOA with Land Bank to start online payments thru bank transfers and ATM debits; they are just waiting for the server to start development on QC's side. Payments cover the same mobile money offerings.
- Limitation of mobile money accounts: There is a transaction cutoff of P40, 000 per day. They have taxpayers that pay more than this, esp. for business tax payments.
- On high connectivity costs: The costs is not the same for Quezon City which has existing facilities and spending for expansion, not for setting up. Costs are lower for this. Connectivity costs are higher for LGUs that would still have to set up. They have plans to set up 'payment kiosks.' They had to expand connectivity of the existing system to connect to the mobile money system. They have the needed bandwidth. The expansion is only for the server. They host their own website with a local server, they just added mobile money payments to the service. The new server could be a regular replacement and they look at this as an investment.
- On leakages: The leakage is with the manual system. Estimates of leakages are less than 5% of P13B collections. Cashier systems are computerized and automatically recorded and monitored. It will flag if you manipulate the system. It will prompt if you have back taxes. They want to take out human intervention because that is where leakage or 'negotiation' happens during the assessment.
- On e-money providers: Talked with Smart during the initial phase of the program but the provider begged

off because they were retooling their e-money system. Smart also did not follow up like they said they would during the first quarter of the year and QC assumed they are still integrating their system. COA required money to be transmitted the next day.

- QC's system is only working with GCash. Customers are asking why Smart and Sun are not covered and they tell them that these telcos are not ready. As soon as these telcos are accredited, QC is ready to accept payments. For disbursements, QC chose only one provider, the BPI Globe BankO. They think this decision is more efficient, as it would be difficult to do accounting and recording with many side, it would be difficult to use more than one service for disbursement. BankO was also chosen because it is essentially a branchless bank and it is promoting financial literacy and savings to beneficiaries.

*Costs of having customers pay or be paid in e-money*

- A convenience fee is shouldered by the taxpayer. The taxpayer is aware of this, which costs P10 per transaction. This is lower compared to manual transactions as the minimum transportation fare is P8.50 for 4 kilometers (one way).

**KQ5 POLICIES, REGULATIONS & ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

*Policies*

- QC officers are in contact with credit card companies who are asking QC if they want to collect taxes via credit. They are working to have the legal mandate/ policies put in place.

**KQ6 M & E SYSTEM**

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*On information providing data requested by SIMM*

- Figures are easier to provide with their existing electronic system. Unlike other cities that are in process of building the system, QC's systems are internally developed so the government controls it.

*SALAMAT PO*

## Quezon City Student Youth and Development Program



Key Informant/s:

MARICRIS SIS, *Assistant Head, Student Youth and Development Program (SYDP)*

DIANE TENASA, *SYDP Project Monitoring Officer*

Date:

20 June 2014

Time Started/Ended:

12:13 PM to 12:42 PM (29:19)

Venue:

5/F Conference Room, Quezon City Hall

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *SIMM's help in executing release of scholars' stipends*

- Both informants were part of inter-agency meetings acting on the decision to disburse scholars' monthly stipend using mobile money. Under the manual system, disbursements took time and effort, as scholars had to allot time and queue for payouts.
- SIMM helped organize two 3-hour orientation sessions (in one day) on how to use mobile money services, with some financial literacy inputs. It was during such sessions that more than 600 scholars immediately acquired BankO accounts
- Training of Trainers (TOT) were provided last March 2014. There is an action plan to hold training/ orientation sessions for each chapter of scholars.

### KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

#### *Scholars' experience and feedback*

- Academic scholars or schools' Top 10 students receive bigger allowances than most scholars. The school valedictorian and salutatorian receive P10, 000 monthly stipend. The Top 3 to 8 students receive P5, 000; while the Top 9 to 10 receive P1, 500. The 44 scholar beneficiaries chosen to 'pilot' mobile

money services came from their ranks because they are easier to track.

- Scholars find it convenient to get their money from ATMs and BankO outlets. They are also interested to save from the stipend they receive

### KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for the good progress

### KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

#### *Some concerns raised:*

- Informants noted gaps on how SIMM and BankO explained the context for changing the way they disburse scholars' stipend, flyers were appreciated
- Despite the huge turnout, there were still many scholars that did not attend orientation sessions. There were around 6,000 academic scholars (top ten students of public schools) in all, excluding scholars from polytechnic universities
- Scholars want to receive the full amount due them (which is used to augment household income) and are much averse to any deduction that result from transaction fees charged to facilitate disbursements. In cases of lost SIM cards, scholars found it time consuming and difficult to undergo re-enrollment.

#### *Others*

- Respondents conducted a survey and talked with beneficiaries to generate pilot scholars' feedback on mobile money services. Results will be shared to the internal assessment team by email.
- Respondents want to be informed if the 500+ accounts of enrolled scholars are activated
- Better BankO helpline services is needed

### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies or procedures have you introduced or are currently developing with the help of SIMM?

### KQ6 M & E SYSTEM

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

## Valenzuela City Commission on Audit



Key Informant: ROSALIA ALMO, Auditor, Commission on Audit Valenzuela City  
Date: 24 June 2014  
Time Started/Ended: 9:30 AM to 10:04 AM (32:46)  
Venue: 2/F Valenzuela Convention Hall

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

- SIMM engaged Valenzuela City officials on the use of mobile money services to perform important government functions, particularly tax collection. This started in November 2012, and carried on in 2013 following a series of meetings, discussions and training.

#### *Role in the drafting of the COA circular*

- COA Valenzuela, together with COA Quezon City, received communications from COA Central Office to contribute required comments and inputs to the circular. The Valenzuela City Government and COA Valenzuela did not make any request for a circular on mobile payments. It is possible that people from SIMM brought up this matter to COA Central Office.
- Auditor Almo's inputs concern the provision of official receipts to mobile money transactions, which could be done through electronic means. The problem is official paper receipts will be mailed to the taxpayers, which would take longer (she is not sure but thinks this would take 20-30 days) than when taxpayers go to the city treasury and receipts can be issued immediately upon payment. She is anticipating that

this would be a problem area, as people could accidentally delete text receipts.

## KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

### *List of taxpayers making e-payments*

- Auditor Almo presented a list of taxpayers that used mobile money to pay their dues. She requested for this from the city government. There were 7 entities with 11 payments in the list. A business enterprise made 3 e-payments; an individual made 2 e-payments.
- She noted that the bulk of e-payments were made thru POS and ATM.
- The assessment on mobile money payments will be included as one of the audit areas for the 2014

## KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for the good progress

## KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

### *Others*

- So far there were no complaints yet on mobile payments. One problem with electronic receipts is if people are not connected to the internet. She believes the OR issue should be addressed.
- She has not yet talked with city hall's IT and treasury about it and therefore is not ready with a suggestion on how this problem could be resolved.
- Auditor Almo last met with Mert and Vice for three times last year; not yet this year

## KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies or procedures have you introduced or are currently developing with the help of SIMM?

## KQ6 M & E SYSTEM

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

SALAMAT PO

## Valenzuela City Government

Key Informant:	ATTY. CECILYNNE ANDRADE, <i>Acting City Assessor of Valenzuela City</i>
Date:	24 June 2014
Time Started/Ended:	9:00 AM to 10:00 AM
Venue:	Valenzuela City Hall

### KQ1. PROCESSES & PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

- Valenzuela City already had online billing prior to working with SIMM (covering real property tax, business permit and construction permit)

### KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users?

#### *Outputs*

- The online payment for real property taxes started July 2013. There was a soft launch Sept-Oct 2013 and a big launch January 2014. So far, there were nine entities that made e-payments for their RPT. There are 50 to 100 real property units in Valenzuela, so this represents less than 1% of taxpayers availing of mobile money services

### KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for the good progress?

### KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

- Valenzuela first approached SMART with their desired platform, as there are more subscribers to this telco in the city. However, SMART's system had a lot of steps that could be prone to input errors. Globe is more aggressive (inquire-payment)
- She is unaware of the reasons behind the low uptake (3 so far). People are less wary of using mobile money (P10 for 2 transactions). She notes that there are more users for visa card payment.
- Few loading centers /partners already near the main road
- During the first 6 months of the program, no signed MOA yet; 25% shouldered by DBP 1.5%
- There was a suggestion to try to reduce convenience fee

- Concern: once online payments are paid up and debit card might further reduce incentive to use e-money

**KQ5 POLICIES, REGULATIONS  
& ENABLING LAWS**

What policies or procedures have you introduced or are currently developing with the help of SIMM?

*Policies*

- Will consider expanding if current services take off; the city government is really interested in covering all payments
- SSL -required by MMPs and partner banks; 30T/year
- Limits of LGU - just allowed to deal with government banks
- Interoperability using the chikka account sent to Globe or Smart

**KQ6 M & E SYSTEM**

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

## Center for Community Transformation (CCT)



Key Informant/s: DENNIS MONONG, *CCT General Manager*  
REMEDIOS PASCUAL, *CCT Chief Finance Officer*  
Date: 19 June 2014  
Time Started/Ended: 10:30 AM to 11:20 AM (50:15)  
Venue: CCT Office, 5/F, Joshua Center, 1428 Taft Avenue, Manila

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *Processes and partnerships facilitated by SIMM*

- Invited and entered an agreement with SIMM to pilot test the integration of mobile money in one of their branches (April 2013); meetings with service providers (Smart, Globe and Banko) were conducted in a CCT branch in Malibay where proposals were presented
- FGDs were conducted with the branch, and from these they made a manual/business model integrating mobile money in the CCT branches. RFP for the three providers were developed to use for the three providers (October 2013)
- Process of bidding (Globe, BankO) and re-bidding (Globe, Smart) took place; finally awarded to Smart due to previous difficulties experienced with the branch automated system using Globe (February, 2014)
- Training happened in March, 2014
- Launching in July 2014; all loans lined up will be done using e-money

## KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

### *Perceived end benefits for partners*

- Financial inclusion of partners/clients (most CCT members are unbanked)
- Awareness of the technology; quicker responses, payments and business transactions
- Saving transportation costs
- Easier loan disbursements to partners/clients; efficiency, as loan disbursement officers saved on time (used to expend more time for encoding, had frequent overtimes)

## KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for the good progress?

- NA

## KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

### *Strategies that did not work*

- Originally they requested 6,000 borrowers covering 5 areas in Metro Manila for transition; CCT negotiated that it would transition only 1 branch with 250 borrowers. Reason for the move: loan portfolio profile was not problematic; the branch has 100% repayment. CCT was also not fully automated and wanted to proceed with caution before scaling up; wants to perfect manual of operations

### *Lessons*

- Concerns on the costs of hardware, internet and slow connectivity
- Requested for some help during the expected expansion period

## KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies or procedures have you introduced or are currently developing with the help of SIMM?

## KQ6 M & E SYSTEM

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

### *Data / information*

- Non-disclosure agreement; shared what they gave providers (operations, how much CCT collects, no. of users, among others)

*SALAMAT PO*

## FICO Bank Wais na Nanay Program Beneficiaries

Key Informant/s	1. LEONORA ALAM 2. MARILYN ALONZO	3. ANALYN LORENZO 4. JOYCE SORIANO
Date:	24 June 2014	
Time Started/Ended:	Mid-afternoon	
Venue:	Phone interview from USAID Philippines Office, Manila	
<b>KQ1. PROCESSES AND PARTNERSHIPS</b> Briefly describe how SIMM worked with you in the area of mobile money services	<ul style="list-style-type: none"> <li>▪ Attended Orientation</li> <li>▪ Attended Feb 13 Orientation</li> <li>▪ Curious about FICO Bank; husband attended orientation</li> </ul>	<ul style="list-style-type: none"> <li>KI 1, KI 3</li> <li>KI 2</li> <li>KI 4</li> </ul>
<b>KQ2. OUTPUTS</b> With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)	<ul style="list-style-type: none"> <li>▪ Transport fare savings more than P100; P120 vs. transport of P20 and P7,000 savings</li> <li>▪ Transport fare savings P100 versus transaction fee P5; savings for children around P2000</li> <li>▪ Transport fare savings P120 vs. fee P5 more than 1,000 savings (for kids' studies)</li> <li>▪ Does the transaction at home (convenience); transport savings of P50 vs. fee of P5; business airtime loading; bills payment (cable TV, Avon, average savings P6,000)</li> </ul>	<ul style="list-style-type: none"> <li>KI 1</li> <li>KI 2</li> <li>KI 3</li> <li>KI 4</li> </ul>
<b>KQ3 GOOD PRACTICES</b> Describe the results of the services so far. What are the reasons for the good progress?		
<b>KQ4 LESSONS LEARNED</b> Are there any strategies which SIMM used that did not work as planned?	<ul style="list-style-type: none"> <li>▪ Passbook not yet updated to reflect what is in the SMS notification</li> <li>▪ Satisfied with service</li> <li>▪ No suggestions</li> </ul>	<ul style="list-style-type: none"> <li>KI 1</li> <li>KI 2</li> <li>KI 3, KI 4</li> </ul>
<i>SALAMAT PO</i>		

## IBC 13 Broadcast Workers Cooperative



Key Informant:

ROMMEL RIVERA, *Chairperson, IBC13 Broadcast Workers Cooperative*

Date:

20 June 2014

Time Started/Ended:

3:50 PM to 4:08 PM (12:36)

Venue:

Cooperatives Office, IBC13, Broadcast City, Capitol Hills, Quezon City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *Involvement with SIMM*

- Mr. Rivera was introduced to SIMM when he chanced upon a DAI presentation in a cooperative seminar he attended. He approached them so that the cooperative can avail of mobile money services for loan disbursements, which he believed was most convenient for broadcasters covering field assignments.
- The cooperative agreed to sign up with BPI Globe BankO and members soon trained and launched seminars teaching how to use mobile money services, including utilities payment, send money and loan disbursement. Financial literacy trainings were also conducted, attended by more than 50 persons. Mr. Rivera said there was no integration of systems that ensued

### KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

- The IBC 13 Broadcast Workers Cooperative has 320 members, half of whom or about 150 avail of mobile money services.
- Rebates from airtime load, ability to pay utilities and cash outs for emergencies were also cited as benefits that coop members derive from mobile money services.

### KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for the good progress?

### KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

#### *Areas for improvement*

- Mr. Rivera said transaction fees discourage most members from e-money transactions. There is a P15 charge for balance inquiry and P50 charge for withdrawals.

### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies or procedures have you introduced or are currently developing with the help of SIMM?

### KQ6 M & E SYSTEM

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

## National Confederation of Cooperatives



**Key Informant:** EVANGELINE LOPEZ, *IT Head, National Confederation of Cooperatives (NATCCO)*  
**Date:** 20 June 2014  
**Time Started/Ended:** 1:30 PM to 2:04 PM (33:07)  
**Venue:** NATTCO Office, 22 JP Rizal Street, Project 4, Quezon City

**KQ1. PROCESSES AND PARTNERSHIPS**  
Briefly describe how SIMM worked with you in the area of mobile money services

- Two years ago, the NATTCO CEO heard about the SIMM program in a seminar in Washington, got in touch with USAID Philippines' Tess Espenilla, signified interest for the SIMM project and was subsequently linked with the SIMM project team. Informant was assigned as the SIMM project team head of NATTCO.

### *NATTCO's work with SIMM*

- Their cooperative group had been availing of mobile banking services for six months but they postponed marketing of Megalink services when they linked up with SIMM. SIMM provided consultancy services for the Megalink business model, and arranged meetings with different mobile money service providers. Smart's new business model seemed to fit with their system, i.e., mobile accounts should be within the NATTCO network; so they went with Smart. With Globe, they had to open accounts and set up a float, which was not acceptable to NATTCO. After negotiations and finalizing agreements with Smart,

SIMM assisted them in a business process review for a pilot with SOEMCO in Mindanao.

- There had been no transactions yet due to technological challenges found last November 2013. Smart said they have to customize their system based on the new business model but NATTCO saw that no new changes were done. They felt that the Smart system was not that flexible when it comes to their requirements; i.e., savings collection, loans collection and similar transactions they want to be mobile enabled. Smart is still integrating systems with their Bayad centers. SIMM helped them address technological challenges and deployed an intern to help. They hope to launch by mid-July and SIMM is also helping provide TOTs for NATCCO staff trainers and assisting in the development of marketing materials.

#### KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

#### *Expected benefits*

- Cost sharing and revenue sharing are practiced by NATTCO

#### KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for the good progress?

#### *SIMM's good practices*

- Development of the business model was very helpful; templates were provided that NATTCO could customize and use with partner cooperatives
- Development of marketing materials were also helpful. SIMM developed the look and content of materials and helped with its publication upon NATTCO's request

#### KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

#### *Areas for further assistance*

- Assistance for developing auto reconciliation facility, which is the current bottleneck in their system. They are rolling out POS devices and anticipate transactions to grow

#### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies or procedures have you introduced or are currently developing with the help of SIMM?

#### *Policies and procedures developed or have developed with SIMM*

- More on how to adjust coop procedures related to mobile banking

**KQ6 M & E SYSTEM**

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*Information*

- No data was given yet as no transactions happened but there were discussions on how transactions can be monitored. After a series of delays in rolling out, she could not remember what the plans were on M&E and information dissemination. However, she believes that most of the required data can be easily provided by the NATTCO system.

*SALAMAT PO*

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## Office of the City Veterinary and Agricultural Services



Key Informant/s:	MARCIANA MANDIGMA, <i>City Coop Officer</i> ALEX FACTOLERIN
Date:	18 June 2014
Time Started/Ended:	9:20 AM to 9:55 AM (34:19)
Venue:	Office of the City Veterinary and Agricultural Services (OCVAS), Bolbok, Batangas City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *Involvement with SIMM*

- OCVAS is an office under the city government whose function is cooperative development, among others. It has worked with SIMM since June/July 2013, initially helping to screen 5 to 6 cooperative beneficiaries for the program (There are 57 cooperatives in all).

Criteria for selection included distance from the city; volume of transactions; nature of business; culture of members; and awareness in using mobile money gadgets.

## KQ2. OUTPUTS

With the help of SIMM, what services are you now offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

## KQ3 GOOD PRACTICES

Describe the results of the services so far. What are the reasons for the good progress

### *Benefits derived from SIMM; outputs*

- Besides benefiting from the convenience of paying bills using mobile solutions, enhancing financial literacy, instilling the value of and enhancing savings practices esp. among students, SIMM interventions was also credited for enhancing the capacity of some cooperatives / associations (such as the Tricycle Operators and Drivers Associations) to function like banks in providing financial services to its members. Coops earn from the transaction fees. They charge PhP 20 for members and PhP25 for non-members (Transportation to and from the urban center costs PhP90-100). The coops acquired two laptop units and cell phones from Globe as an incentive. Some coop beneficiaries are now currently engaged in acquiring birth certificates from the National Statistics Office using GCash.
- Out of 1, 930 coop members, there are 1,717 that have registered SIM with mobile money accounts. An estimated 30% use mobile money in their transactions. Around 300 students of Pinagbuklod MPC were reportedly registered for savings.

## KQ4 LESSONS LEARNED

Are there any strategies which SIMM used that did not work as planned?

### *Challenges and recommendations*

- Lingered challenges include fears among elderly coop members to use the system, while others cannot cope with the system (i.e., members are not fixed income earners).
- Informants recommend the provision of seminars on entrepreneurship, assistance in dealing with problems

## KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies or procedures have you introduced or are currently developing with the help of SIMM?

## KQ6 M & E SYSTEM

What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

*SALAMAT PO*

## San Isidro Multipurpose Cooperative



**Key Informant:** MARITES RAMIREZ, *General Manager, San Isidro Multipurpose Cooperative*  
**Date:** 18 June 2014  
**Time Started/Ended:** 2:00 PM to 2:35 PM (34:16)  
**Venue:** SIMCO Office, San Isidro, Batangas City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

#### *Experiences with SIMM*

- OCVAS introduced SIMCO to SIMM, who subsequently introduced mobile money services through Globe Banko during the cooperative's first anniversary. During that time, 100 accounts were opened. Another 2-300 are expected to open new open accounts. Unfortunately, most of the members are senior citizens who are not familiar with the technology and don't know how to use cellphones. SIMM contacted the Globe BankO agents and they set up an event where Globe BankO made the demonstration. The BOD met with SIMM in a demo last 23 March 2013.
- SIMCO officials were given trainers' training to fully introduce Globe BankO to members; financial literacy campaign was also conducted for members.

### KQ2. OUTPUTS

With the help of SIMM, what services are you now

#### *Coop members availing of mobile money services*

- Out of the targeted 300, only 129 members are account holders. SIMCO has a total membership base

offering? What are the benefits to end users? (members, tax payers, students, loan borrowers, etc.)

of 408 members. Only 36 members have availed of the cash in/out mobile transactions. Most transactions involved sending money by airtime load, and to pay some bills.

- SIMCO decided not to avail of mobile money services for their loan disbursement transactions because of the transaction fees attached by the provider. Globe BankO charges P50 transaction fee for this.
- SIMCO has requested SIMM and Globe BankO for some assistance in providing incentives for some coop activities. They are expected to help SIMCO in encouraging students from 3 national high schools to enroll and avail of e-money services

#### *Benefits*

- Mobile money is very useful, saves people's time to pay bills.

**KQ3 GOOD PRACTICES**  
Describe the results of the services so far. What are the reasons for the good progress

**KQ4 LESSONS LEARNED**  
Are there any strategies which SIMM used that did not work as planned?

#### *Suggestions for future work*

- Promotion and advertisement

**KQ5 POLICIES, REGULATIONS & ENABLING LAWS**  
What policies or procedures have you introduced or are currently developing with the help of SIMM?

**KQ6 M & E SYSTEM**  
What information are you sharing with SIMM in relation to the mobile money services? How and when do you provide it?

#### *Data/ information*

- SIMM requests for a monthly report from SIMCO through e-mail and phone calls

**SALAMAT PO**

## Water District of Calamba, Laguna

Key Informant:	RESTITUTO SUMANGA, Sr., <i>General Manager</i>
Date:	24 June 2014
Time Started/Ended:	Mid-afternoon
Venue:	Phone interview from USAID Philippines Office, Manila

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services

- SIMM did one meeting to discuss the program (November 2013)

### KQ2. OUTPUTS

What mobile money services did you explore/ discuss with SIMM? What were the supposed benefits to end users? (members, tax payers, students, loan borrowers)

### KQ4 LESSONS LEARNED

What were the reasons why your organization did not proceed with the potential mobile money service?

- SIMM did not talk about benefits

*Note: Most water users are middle class; there are 3,000 commercial establishments the rest are residential (There are 48,000 connections)*

Even if you did not proceed in partnering with SIMM, did you identify any potential mobile money services you can do with other organizations?

### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

Even if you did not proceed in partnering with SIMM, did you identify any policies or procedures for improvement as a result of working with SIMM?

## Department of Social Welfare and Development



Key Informant/s:

RON RABE, *PDOV*  
ENGELS DEL ROSARIO, *Projects Officer*

Date:

23 June 2014

Time Started/Ended:

2:15 PM to 2:47 PM (32:34)

Venue:

2/F Mahusay Building, DSWD compound, BIR Road, Batasan Complex, Constitution Hills, Quezon City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe how SIMM worked with you in the area of mobile money services.

#### *Process of working with SIMM*

- Mr. Rabe said DSWD did not opt not to proceed with the SIMM program.
- DSWD had a series of meetings with SIMM about their offer of mobile money solutions to ease the agency's payments, which are done through the Land Bank's eight conduits. Meetings with SIMM started around March 2013. Mr. Rabe was called upon by a superior to attend a business forum attended by mobile money service providers, where the proposals were made. SIMM eventually came up with a proposal on the actual transfer of money. After another series of meetings, they proposed to test it in some challenging areas, either in Coron, Palawan or somewhere in Region IV-A. They scheduled the test last 20 December 2013 but this did not push through. They tried to reschedule this through email but were unable to connect with SIMM and the mobile money

service providers. The last email came from USAID requesting an audience for an assessment of the project.

- Since then, Mr. Rabe said there is no exact directive from DSWD superiors of continuing or discontinuing the pursuit of mobile money services as a solution to their payout problems.

## KQ2. OUTPUTS

What mobile money services did you explore/ discuss with SIMM? What were the supposed benefits to end users? (members, tax payers, students, loan borrowers)

### *Expected benefits*

- SIMM opened an option for DSWD, which is boxed into a solution with Land Bank, the postal office and several conduits, which involve transporting cash for distribution to beneficiaries. There have been four instances of robberies and leakages from this method of payment. As mentioned earlier, DSWD considers the CCT payouts as one of their biggest problems because there were plenty of risk factors with the payment method observed. As such, they welcomed the mobile money solution proposed by SIMM and wanted to test it out.
- Since they did not proceed with the test, DSWD extended its bidding for who would want to join the conduits.

## KQ4 LESSONS LEARNED

What were the reasons why your organization did not proceed with the potential mobile money service?

Even if you did not proceed in partnering with SIMM, did you identify any potential mobile money services you can do with other organizations?

### *DSWD is open to it despite the following challenges:*

- Out of less 3,000 municipalities in the Philippines, an estimated 20% had no phone signal from any telco provider (these are Mr. Rabe's personal estimates from what he remembers reading in a report). These areas include island municipalities in Palawan, Romblon and Bicol, as well as areas in Abra and other parts of the Cordillera Administrative Region. There are also areas with problematic internet and cell phone signals in Northern Luzon and the Visayas.
- Municipalities under the 80% with cellphone or internet signals have connectivity issues
- Expectations that most CCT beneficiaries own cellphones is a "killer assumption," although beneficiaries were observed to be hiding their cellphone units from DSWD during Family Development Sessions (FDS) or other occasions when they have to meet with social workers.

### *Policies/procedures that improved; extent of the problem*

- DSWD is still trying to improve its payments process. The CCT program has a budget of 42B, all deposited in Land Bank and distributed through multiple conduits, which includes NATTCO (for assessment), FICO, PhilPost, among others

- CCT payouts are conducted six times a year. They have huge problems on connectivity and signals in places they are trying to serve.
- The World Bank provided consultants to help them with this. USAID referred them to an action program by OXFAM regarding experiences of partnering with providers to manage risks of transporting cash
- If partnerships with SIMM proceeded, they would have dealt with the LBP. They referred Mr. Domingo Galcimal, the Land Bank's Project Management Officer for the CCT (Pantawid) Program as another good key informant on the CCT payments system.

#### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

Even if you did not proceed in partnering with SIMM, did you identify any policies or procedures for improvement as a result of working with SIMM?

*SALAMAT PO*

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## Millennium Change Corporation



Key Informant/s:

JEFF AMPALAN  
MARIA CHRISTINA FERNANDO, *Revenue Administration  
Reform Project (RARP) Specialist*  
CHERYL ORATA-IDJAO, *RARP Deputy Manager*  
JANSEN MAYOR

Date:

25 June 2014

Time Started/Ended:

3:30 PM to 4:14 PM (43:32)

Venue:

MCC Office, Department of Finance, Roxas Boulevard corner  
Pablo Ocampo Street, Manila

### *MCC engagements with the Bureau of Internal Revenue*

- MCC has no engagements as far as the SIMM project is concerned but they have seen some activities and effects of the SIMM project in some places
- Initiatives with the BIR in line with this include the Revenue Administration Reform Project (RARP), the Electronic Tax Information System or ETIS (one of the major projects in BIR), and the Revenue Integrity Protection Service. Initiatives include automated auditing tools (software and hardware automated auditing tools that will aid examiners in their audit activities), training for the use of these tools, public awareness campaigns (RFP or Register, File, Pay) conducted through various media channels.
- RFP targets individuals and corporations. The system was internally developed but they sourced out a contractor. Target functionality is by December 2014.

*BIR transactions that would lend itself well to mobile services*

- Transactions within BIR cover a whole range. There are big transactions involving the actual payment of taxes. In between, there are small, fixed price transactions like applying for certification of registration, request for printing of receipts, and the like. This would include fees for BIR services. At this point. It is not possible to pay taxes by phone. Regular requests for small transactions are not that many but these are the most regular.
- It would be interesting for SIMM and e-Peso to consider the profile of people who engage in small transactions with the BIR, how they pay, among other information. Data sets on these questions will be available by January 2015, as MCC is actually just collecting data (baseline).
- MCC is willing to share this information once available

*Challenges and recommendations*

- One of the challenges e-Peso may encounter with full implementation of e-Money concerns how to verify if it is actual collection of particular revenue districts. Check up on the attrition law to avoid complications.
- Popular government transactions include anything that has to do with census (e.g., birth certificates, marriage licenses, etc.). There are opportunities for one or two government agencies that have a website and engage in online payments. Passports are tricky and require face-to-face engagements.
- Developing applications for paying electronically. Issues that need to be addressed for this include devices, as this service is only limited to those with Smart phones; promotion or how to let people know these services exist; interoperability.

SALAMAT PO

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## Mission Contracting Officer Representative for SIMM

Key Informant: TESS ESPENILLA, Contracting Officer Representative for SIMM  
Date: 24 June 2014  
Time Started/Ended: Early afternoon  
Venue: USAID Office

### *Is investment in time and resources to work with MFIs worth it?*

- Too early to tell. Work with MFIs were just launched, benefits still outweigh the costs and this has to be communicated. It takes time to convince people to change behavior that involves their money

### *On FGD findings that there are few users; and users only avail services that have no fees*

- Agrees with this statement

### *On hand holding vs. replicability in non-assisted areas*

- Peer to peer TA between LGUs who are implementing mobile money services and those that are just starting
- Have private sector providers which can provide TA to LGUs
- Partnership with DOST, because it can accredit service providers
- Patience is needed at the start but promise is there. Higher level government endorsement can enhance the trust factor

### *On SMART e Money being asked to waive transaction fees for services*

- In bidding with Valenzuela City, Smart e-Money requested them to pay 250,000 to be capable of doing visa transactions. Willing to invest only if Valenzuela can commit an amount that would go through the system. It was a business decision; not because they were asked to waive transaction fees

### *On poor customer service of mobile money providers*

- “Customer service of Globe BankO is poor” - this can be reported to the regulator

### *Motivations of MMPs in doing e-Money; reasons for not investing in marketing, better services*

- Motivated by interests of retaining market share
- MMPs are not investing more because they want to free ride on whoever will invest
- Interoperability will be key, that is why this is an E-PESO centerpiece

### *On policies*

- Joint Department AO between DTI & DOF on mobile money transactions

### *On settlements*

- “Lay in clearing /settlement of payments made leads to fear of being assessed penalties” - this is a problem that will hopefully be resolved by the National Retail Payments System

SALAMAT PO

## SIMM Staff



Key Informant/s

MAMERTO TANGONAN, *Chief of Party*  
NIKOLE ALICER  
VICENTE CATUDIO  
DONATO PUA  
CHERYL BALINGIT  
ANGEL SACEDA

Date:

16 June 2014

Time Started/Ended:

2:30 PM to 5:58 PM (2:27:24)

Venue:

10/F 139 Corporate Center, 139 Valero Street, Salcedo  
Village, Makati City

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe the process used by SIMM to improve the capacity of its partners to use mobile money services.

#### *Local area engagement*

- Process:
  - Project introduction
  - Enabling regulatory framework
  - Needs assessment
  - Forging partnerships
  - Value proposition
  - Operations management
  - Training
  - Communication

## KQ2. OUTPUTS

Per Component: What are the outputs as of date? What are the planned or emerging benefits for target beneficiaries?

- LGU mobile services - Local policies enabling e-payments - LGU toolkit - Financial literacy and MFS training program - Behavior change (communications)
- 2/3 of actual man hours spent on enabling and aligning business processes; literacy and awareness raising increases confidence of stakeholders on mobile solutions
- Different timelines from initial engagement to actual payments; approximately 6-10 months; there is one respondent who believes it can be done in 4 months
  - 6 months for Pulilan
  - 10 months for Quezon City (3 months election period)
  - 2-3 months for Batangas
- No of active mobile money users: 776,298 as of June 2013 out of a target of 1.3 M. Due to system limitations and continuous reorganization, the definitions vary across providers, SIMM is working with the providers and BSP to standardize and institutionalize definitions
  - Easier to measure registered rather than active users; BSP regulation is in the last stages of approval
- No. of business using e-payroll/e-bills payment: 16 out of a target of 100
- No. of government agencies using e-payroll e-bills: 4 out of a target of 5
- No. of cash merchants/agents: 889 out of a target of 1,111
- No. of new users: 100,586 out of a target of 250,000
- No. of people opening savings accounts: 42,718 out of a target of 10,000
- No. of people trained: 15,182 out of a target of 12,000
- No of conferences: 3 out of a target of 3
- No. of research papers: 5 out of 5
- Value of activities funded by cost sharing/ contribution arrangements with SIMM: 350,000 out of a target of 100,000

## KQ3 GOOD PRACTICES

Per Component: What were the key strategies and interventions that worked? What factors contributed to achievement of results?

### *Local area engagement*

- Commitment building and mobilization of capable Local Government Units as change agents
- SIMM-LGU “relationship management”
  - Valenzuela: Alignment with the VMG and program priorities of the of the city government called 3S plus program (Simple, Speed and Service)

- Quezon City: Challenges of the city government with tax collections and disbursement to beneficiaries aligned with project objectives
- Batangas: (i) Collaboration with USAID projects related to improving business processes (INVEST) was crucial in implementing the SIMM project in CDI cities focusing on the establishment of payment systems; (ii) Providing MMoney services to savings and credit cooperatives under the coop office and encouraging them to become MMoney agents/ financial service providers in the area
- Pulilan: Leveraging public and private resources to develop appropriate products that serve the low income households
- For all: Developing mobile solutions ‘champions’ and mechanisms (committees, dedicated staff)

#### *MFI models*

- Problem of recording payments addressed by sending reports at day’s end
- SIMM project led by industry experts facilitate strong partnerships with the private sector
- Strengthening partnerships with mobile money providers
- Understanding the barriers of current strategies thru research and consultations
- Developing and presenting new strategies with clear business case

#### *Best practices*

- Proof of concept models for each sector (LGU, MFI, cooperatives, large SMEs) for replication
- Business process review and reengineering for sustainability
- Needs based and business case selling for public and private sector partnerships
- Combined industrial and development leadership
- Relationship management across sectors
- Change management interventions

#### **KQ4 LESSONS LEARNED**

Per Component: What strategies/interventions did not work? What factors constrained achievement of results?

#### *LGU Model*

- Lack of awareness about mobile money and using mobile money payment systems
- Low trust level
- Adoption barriers from low ID ownership
- Large numbers of stakeholders to engage for ecosystem building
- Impasse between developing customer base and agent distribution network

- Getting stakeholders to use their own resources for the program objectives

#### *MFI models*

- Low awareness on products and switching cost to convert to m-money
- Insufficient number of agents
- Unclear pricing
- Complex registration process
- Organizational capacity and access to technology; difficulty to make the change
- Gaps of existing model from lack of scale, liquidity requirement and compensation

#### **KQ5 POLICIES, REGULATIONS & ENABLING LAWS**

What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?

#### *National government engagement*

- Alignment of national and sub national objectives for boosting expansion and rapid adoption of e/m-money
  - Interoperability study
  - National Retail Payment System (BSP and key players from bank and non-bank financial institutions)
  - Online portal for government transactions (DOST)
- Placing program policy gaps in the national priority agenda
  - COA circular no 2013-007 also known as ‘Guidelines for the Use of Electronic Official Receipts of Government’ as released on September 18, 2013
- Alignment of objectives and strengthening interagency collaboration thru partnership with government finance agencies and USAID PFG program
  - USAID/Invest and USAID/Basa
  - Public Financial Management Committee [DBM, DOF-BLGF, COA, BTr]
  - DILG i.e., Innovation in Technology

#### **KQ6 M & E SYSTEM**

What indicators are very important but are currently not required by BSP from mobile money providers?

- Institutionalize and standardize key performance indicators with BSP including the following to track user and agent data (quarterly and cumulative):
  - Quality and usage (# of transactions by unique users; # of transaction by account disaggregated by transaction type)
  - Access (# of registered/ dormant MMoney users by account and unique subscriber; # of active and inactive agents; agent transaction volume)

*SALAMAT PO*

## SIMM Chief of Party



Key Informant: MAMERTO TANGONAN, *SIMM Chief of Party*  
Date: 25 June 2014  
Time Started/Ended: 2:00 PM to 3:00 PM (59:11)  
Venue: 10/F 139 Corporate Center, 139 Valero Street, Salcedo Village, Makati City

### *Data requests from the staff*

- Chart showing how transaction costs vary across LGUs and MFIs
- Data / calculation of ROI of LGU work vs. MFI work; how much is spent including time spent by staff versus actual users using mobile money services
- Include projected program outputs until August 2014 in the matrix of program outputs

### KQ1. PROCESSES AND PARTNERSHIPS

Briefly describe the process used by SIMM to improve the capacity of its partners to use mobile money services.

### *Process of bidding for LGUs and MFIs, costs of transition*

- For LGUs: First a needs assessment. SIMM works with them to get their scale, ask them for priority areas (i.e., disbursements, collections), as well as volume. Second, a process of accreditation. SIMM helps LGUs to prepare requirements and sends it to the three providers. Third, the presentation. SIMM leaves it up to the LGUs to decide who to work with. For LGUs, it is clear that government cannot bear any costs. If they do, it would be taken as a procurement and they

have to put it up for public bidding. It is clear to partner LGUs that there are no costs to the government but regulations allow MMPs to charge consumers, so government is ok with that.

- For NATCCO, they look at the service as something their members will use. There is a value created they hope to capture and make money out of. It is clear to them that there is a cost to deliver the service. It is clear to all parties.
- For MMPs, they see the accounts as being transactional. People do not accumulate wealth in it, as in many case the balances are zero or close to zero. So they have to charge transaction fees.
- In sum, regulations allow providers to charge consumers, unlike LGUs. Providers charge fees because consumers don't save.

#### KQ4 LESSONS LEARNED

What strategies/  
interventions did not work?  
What factors constrained  
achievement of results?

#### KQ5 POLICIES, REGULATIONS & ENABLING LAWS

What policies, regulations,  
and other enabling laws have  
been introduced or are  
currently being developed as  
a result of interventions  
carried out by SIMM?

*On Smart e-Money's view that SIMM's work with LGUs made no business sense*

- Explanation on Smart e-Money's information stating they were asked by SIMM to waive transaction fees, which made no business sense to them, so they did not move forward with it: All three MMPs underwent organizational changes while the SIMM program was on-going. For Smart, there was a total change of partners, as a new company (Smart e-Money) emerged from the reorganization (this happened early to mid-2013). It is clear in SIMM's TOR/ letter that MMPs cannot charge government but they can charge the consumer or end-user. SIMM makes it a point to respond to any inquiries and the informant cannot recall if there were email or verbal inquiries made by Smart e-Money on this matter.

*On problems re: availability of agents and funds, among others, encountered by end-users and gaps in customer service*

- Informant cannot recall if there are provisions in the TOR that MMPs will be responsible for ensuring the availability of agents and funds for mobile money end-users. It may not be in the TOR but advice was given to MMPs regarding end-user feedback.
- Informant agrees that the provider should ensure liquidity and availability of CICO outlets and good customer service. If users raise a problem and it does not get addressed appropriately, SIMM staff brings it up with the MMP. Although there were some improvements, there were also many times they were told by the MMPs that it cannot act on it these

because it competes with their investment priorities. SIMM encourages MMPs to invest in good customer service but it is hard to get them to move and fix it. Their investment priorities are not transparent to SIMM.

*On the subsidy given to GCash for the ATM sim kit*

- SIMM found out from MMPs that they charged to cover switching costs and asked them what would make them offer the product for free. SIMM thus provided P30 subsidy to the P50 ATM sim kit of GCash to put this in effect. Smart e-Money was also negotiating for support but it was higher than P30, so it did not push thru for them.

*Reasons for not pursuing initiatives with DBM*

- DBM initially said they would work on the national payroll system but liked to pilot it first for six agencies. They tried to develop it until they reached the point that they decided to just procure the system, so they conducted a bidding last December 2013. Until now, DBM has yet to make a selection on which payroll system to use. It has not been implemented yet but in preparing for eventual implementation, SIMM asked DBM to consider mobile money as a payment method. They got into the challenges again of DBM not incurring any costs. They decided not to procure it and asked MMPs to just sell it directly to the government employees. But this was challenging to MMPs so they de-prioritized DBM

*On costs of connectivity*

- Costs of connectivity is an issue for shifting to mobile money payments for small LGUs but it is not 'un-addressable,' as the case of Pulilan shows. Initially, this LGU did not have internet. SIMM helped them appreciate what is needed and helped make arrangements so that initial investment would not be discouraging. For scaling, the service level may not be as good but SIMM is looking for where to strike the balance.

*On how the COA circular was developed*

- SIMM started in May 2012 but met the problem head-on around July-August 2012, when there was reluctance for LGUs to make the transition because of COA regulations. SIMM conducted a review and inventory of regulations and found there was indeed a gap. They contacted COA thru one commissioner

(Comm. Heidi Mendoza) with the help of USAID. Comm. Mendoza liked the idea of mobile payments but recognized that auditors were uncomfortable with it. They also conducted two workshops inviting local auditors, to familiarize them with the concept. SIMM was asked to help in drafting the needed circular but there was one director that already had it prepared (Dir. Lorna Kabuchan). Since this path was easier, they had this approved by the Commission proper.

- Quezon City and Valenzuela auditors took part in the workshops. They were asked what could be done, what tips they could give, which found its way in the draft circular SIMM was starting. After this came Dir. Kabuchan's draft, which eventually made its way for approval by the Commission proper.
- Cities may not be aware that they have to give monthly reports to COA on how they were doing, although they have been giving regular reports in accordance with what COA asked for, which is to segregate cash from electronic payments to make it easier to track.

#### *Role of SIMM in the NPSW*

- All three MMPs were invited to the April 2013 workshop and were in attendance.
- SIMM helped make the NPSW happen after meetings with BSP. They raised the issue of closed loops and said no amount of resources would make mobile retail payments innovation work unless this become interoperable. SIMM got into a discussion with the deputy governor on why we are not interoperable, why the industry did not get around to doing it. They were thinking of a framework but decided to engage experts. They decided on getting BFA because of their experience in South America, Africa, Indonesia and familiarity with the Philippine context.
- SIMM's work with the BFA is not proprietary, except for the course

SALAMAT PO

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## SIMM Monitoring and Evaluation Officer

Key Informant: NIKOLE ALICER, *SIMM Monitoring and Evaluation Officer*  
Date: 3 July 2014  
Time Started/Ended: 10:16 AM to 11:29 AM  
Venue: USAID Office

### *Some items for revision to the SIMM M&E Plan*

- It was clarified that the three items under page 8 of the *SIMM M&E Plan*, *SIMM Results Framework*, IR1.1 ACTIVITIES, under 1.1.1. *Signed Agreements on Payroll between Companies, Government Agencies and MPIs* were in fact tangible OUTPUTS. These and all other items under 1.1.2 and 1.1.3, including “Developed training platform” and “Pilot testing of FCMG,” should be categorized as such.
- The last output referred pertains to a discontinued partnership with Coke Philippines involving the use of mobile money to have a direct credit line to goods or inventory. It was agreed that SIMM should continue to keep track and give a cumulative account of terminated engagements like this in its progress reports.
- It was agreed that the table showing the SIMM PERFORMANCE INDICATOR AND TASK MATRICES starting on page 9 be translated into a log frame format. Mr. Callanta shall provide Ms. Alicer with the updated log frame template.

### *Experiences and lessons on data collection*

- SIMM’s experiences and lessons in conducting the FILE AND DOCUMENT REVIEW, an M&E tool specified on page 13, under *Data Collection Tools*, and defined as “reviewing data that has previously been collected and is available from government agencies, USAID and other multilateral agencies, beneficiaries and other secondary sources,” are as follows:
  - SIMM gathers information for context level and project level indicators
  - Context level indicators involve getting user data, primarily sourced from mobile money providers. SIMM gets this information directly from them. At times data is also made available by the Bangko Sentral ng Pilipinas, although the time to process and transfer information takes longer.
  - SIMM found it difficult to gather information from MMPs because it was not compliance data. Because there is no standard definition, data parameters sometimes change, depending on what is suitable for MMP’s own performance indicators.
  - Ms. Alicer took on the role of M&E officer for SIMM in November 2012. When she came in, her predecessor had already been collecting data but it was under her watch when they started synthesizing information. They agreed that the baseline would be September.
  - User data initially given by the MMPs were information on registered people that opened accounts, regardless of the status. There were no dropout rates. During this time some MMPs were also in the process of systems enhancement / reorganization, so there was a lot of discussion on data parameters that should be set. Furthermore there were several turnovers of people who were repository

of reports across the three providers: twice for GCash, thrice for Smart, and four times for BankO. There was no adequate knowledge transfer, and SIMM had to brief the new people involved.

- For instance, Smart e-Money used to be part of Smart and got their data from their mother company, even when the company came into its own. It doesn't have the systems that can generate its own information yet and still rely on Smart IT to generate data, whose metrics have been set for quite some time. That is why data available that they gave to SIMM was considered static data. This year (2014), Smart e-Money organizational structures are still being created, and they just got licensed. The information system is slated to come in later. The MPP and SIMM have met more frequently to discuss definitions, how they set their parameters for the data, and how they can generate their own information. During the life of the program, SIMM thus found it very hard to collect quality information on a regular basis from Smart.
- On the part of Globe, their systems are already very robust. BPI Globe BankO and Globe starts with a GCash account before it becomes BPI, so any data required was sourced from GCash. Also, each entity has their own system, which can generate its own statistics. There is less difficulty in acquiring data from them but the problem lies with the definitions of the indicators, as they do not have a standard. Data is provided upon request. It was only during the period of July-September 2013, with the intervention of a new staff that GCash was able to create a script that can generate data automatically once it is set. With BankO, even if they have their own system, they have to extract information manually, process it, and then generate the report that SIMM required.

*Extent SIMM conducted customer satisfaction surveys, and other methods among beneficiaries; MMPs' response*

- SIMM conducted CUSTOMER SATISFACTION SURVEYS several times for the purpose of understanding clients' needs, and mostly for disbursement projects. One instance was with Quezon City students and teachers. They were requested to go online, accomplish the survey questions and then SIMM collected and tabulated the data. Another survey was conducted for Batangas City to demonstrate the needs of cooperative partners. Survey results were presented to the beneficiaries to rationalize and showcase value models or business cases.
- The Batangas survey was more integrated with program management, whereas the Quezon City survey was conducted to ensure presentation of client feedback to MMPs, for corresponding action and points for improvement. On the latter, system problems were common, e.g., limited/ no access to agents/ hotline.
- Ms. Alicer agreed with the observation that MMPs do not invest in market research, marketing and customer service, which are much needed to determine appropriateness of products to specific clients catered to. Apparently MMPs do not have enough funds to allocate for these matters, as they are concerned with making the business exist for now. She adds that MMPs initiatives are heavy on acquisitions or opening accounts. As such there is a huge discrepancy between active usage and registration.
- Other data generation methods SIMM employed is the SUCCESS STORY, a human interest feature story that combines the case study and key informant interview methods.

### *Usefulness of the Technical Administrative Management Information System*

- Ms. Alicer recognizes the importance of having a tool for project management, esp. TAMIS, which can custom-build the collection, presentation and generation of information. However they were able to use it only on a limited capacity for program management (estimated at 50%). TAMIS was much more useful for knowledge management, or as a repository of information used for reference, esp. when they were making progress reports. TAMIS was also critical in procurement, or for administrative and financial processes (e.g., publications).

### *On SIMM GIS*

- The SIMM GIS was difficult and costly to do and the staff only accomplished the GIS for SIMM cities, not nationwide, detailing how many MMPs there are for specific areas, among other information.
- They were approached by Mixed Market, an organization catering to MFIs that was commissioned by Citibank to conduct a GIS of all financial institutions in the Philippines. The organization was able to map the banks, coops and other financial agents on a city and regional level. These were centralized in certain areas only. Mixed Market tapped SIMM to help address data gaps they have on mobile money agents. Consequently, SIMM got approval from BSP to share aggregate street level areas of the agents but had to go through non-disclosure agreements.
- Mr. Callanta shared that the Cash Working Group has a similar initiative to map the presence of various FSPs within disaster prone areas as part of the lessons learned in coordinating relief efforts on communities affected by Super typhoon Haiyan.
- In the future, SIMM is suggesting just tapping the services of Mixed Market to coordinate on GIS and similar projects. Ms. Alicer will send a link of the Mixed Market website and prototype to Mr. Callanta.

### *On Data Quality Assessment*

- SIM conducted DATA QUALITY ASSESSMENT with selected indicators, namely active users, number of people who opened a savings account and new users [difference between the last two indicators: all three MMPs provide data on new users; only BanKO covers the savings account]. These user data are the ones that Washington is tracking and SIMM also had high results for these during the time DQA was conducted.
- Process: After MMPs submitted data, Ms. Alicer looks again at the data parameters, then undertakes data processing and analysis. Sourced info is entered in one spreadsheet for each indicator and collated in aggregate figures. Data is again translated to generate a summary of the performance.
- Delayed submissions were among the difficulties encountered. Effective communication with MMPs was very critical. Ms. Alicer suggested BSP to require these data from MMPs, to get more support for compliance.

### *Others*

- Mr. Callanta requested for a screen shot of TAMIS
- Ms. Alicer reiterated a pending request forwarded to the contracting officer to consolidate the due April-June quarterly report to cover the period May to July 2014. This will serve as the Final Report due for submission on 25 July 2014
- The updated Performance Indicator Reference Sheet will be due 7 July 2014
- Some clarifications from discrepancies on user data sourced during the field study and reported in the quarterly reports:

- Reported information is sourced straight from the MMPs and observed gaps or additional information were presented by Project Officers that partners delegated to oversee the program. These officers submit a monthly report on the project's progress
- Ms. Alicer will send a breakdown of the data from Quezon City to determine which among the reported users are teachers, students, employees, payers
- Ms Alicer will also send a list of Project Coordinators in the SIMM areas and include a short description of their role in relation to SIMM

*SALAMAT PO*

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# **ANNEX E**

# Directory of Information Sources

## List of Focus Group Discussion Sessions

Number	Date	Category	Group/ Location	Participants		
				Male	Female	Total
1	06/23/14	LGU Employees	Pulilan Municipal Government, Bulacan Province	4	3	7
2	06/20/14	LGU Employees	Quezon City Government, National Capital Region	5	3	8
3	06/20/14	Public School Teachers	Quezon City Public School Teachers, Quezon City	1	5	6
4	06/20/14	Cooperative Members	IBC13 Broadcast Workers Cooperative, Quezon City	2	3	5
5	06/18/14	Cooperative Members	San Isidro Multipurpose Cooperative, Batangas City	1	3	4
				<b>13</b>	<b>17</b>	<b>30</b>

## List of Focus Group Discussion Participants

FGD Number	Participant	Position	Contact Information/ Email	Date	Venue
FGD 1	ROMEL BERMEJO	Municipal Information Technology Officer	09178068198 ROMELBERMEJO@gmail.com	06/23/14	Pulilan Municipal Hall
FGD 1	ANASTACIO CALDERON	Municipal Accountant	-		
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			24	26			

## ANNEX F

# Consolidated Findings from FGDs and KIIs

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## Processes and Partnerships

How did SIMM work to improve the capacity of its partners to use mobile money services (processes and partnerships)?

Groups	Key Results	
	Within FGDs and KIIs	Across FGDs and KIIs
Project staff	<ul style="list-style-type: none"> <li>▪ Partnership with 3 major m-money players for ecosystem-building</li> <li>▪ Selected 4 out of 1,610 LGUs that were engaged to pilot the adoption of several m-money services</li> <li>▪ Strong support of key LCEs &amp; officials, dedicated people/ mechanisms for transition were established</li> <li>▪ Currently developing an LGU toolkit for m-money adoption                             <ul style="list-style-type: none"> <li>– Project introduction</li> <li>– Enabling regulatory framework</li> <li>– Needs assessment</li> <li>– Forging partnerships</li> <li>– Value proposition</li> <li>– Operations management</li> <li>– Training</li> <li>– Communication</li> </ul> </li> <li>▪ Studies on interoperability &amp; 2 conferences for a National Retail Payment System were completed</li> <li>▪ Helped open online portal for government transactions (DOST)</li> <li>▪ COA circular providing guidelines on electronic receipts was issued</li> <li>▪ Inter-agency collaboration &amp; partnership between government finance agencies &amp; USAID programs were forged/ strengthened</li> <li>▪ M-money models for 3 out of 5 MFIs were developed</li> <li>▪ Induced 11 out of 100 business establishments to switch to m-money payroll</li> <li>▪ Developed IEC materials &amp; provided/ supported financial literacy &amp; e/m money use campaigns</li> </ul>	<p>Transition to m-money options were initiated/ piloted or set for roll out in selected LGUs &amp; MFIs through the following:</p> <ul style="list-style-type: none"> <li>▪ M-money services were introduced to targeted change agents &amp; NGAs; awareness &amp; appreciation for e/m-money services were raised</li> <li>▪ Transition was expedited through the use of change management/ relationship management interventions                             <ul style="list-style-type: none"> <li>– Identified &amp; coordinated with ‘key influential,’ e.g., mayors, administrators, coop leaders</li> <li>– Set up mechanisms, deployed/ hired dedicated personnel</li> <li>– Built confidence through policy discussion/ development in local &amp; national venues</li> <li>– Unbanked groups from various sectors were trained on financial literacy &amp; how to avail/use m-money services</li> </ul> </li> </ul>
BSP		
Mobile money providers	<ul style="list-style-type: none"> <li>▪ Linkages/ partnerships were established                             <ul style="list-style-type: none"> <li>– M-money service agreements between BPI Globe BankO, 3 LGUs &amp; 5 Batangas City cooperatives were established</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Linkages were facilitated &amp; partnerships established between MMPs, LGUs, MFIs,</li> </ul>

	<ul style="list-style-type: none"> <li>– GXI was able to link up with LGUs, coops, rural bank depositors; engage in payroll accounts &amp; acquire LGU bill payment facilities</li> <li>– Smart e-Money was able to link up with SSS, PhilHealth &amp; Paglbig Fund re: <i>BayadLoad</i> (product targeting domestic helpers); engage with NATCCO; &amp; connect with rural banks.</li> <li>▪ GXI was able to give the P50 ATM SIM kit for free through a P30 subsidy provided by SIMM</li> <li>▪ Smart e-Money was able to make a presentation to the BSP for Bayad load</li> <li>▪ MMPs’ public relations improved &amp; their m-money services were promoted</li> <li>▪ Financial literacy training inputs/ modules &amp; IEC materials were developed &amp; utilized by MMPs, e.g., Smart e-Money &amp; LBP’s savings &amp; loan program for CCT beneficiaries, BankO training &amp; information campaigns</li> <li>▪ Although SMART e-money found engagement with LGUs unprofitable, SIMM was highly regarded as fair by all MMPs</li> </ul>	<p>NGAs, other national &amp; sub-national stakeholders in the financial sector</p> <ul style="list-style-type: none"> <li>– Alignment of objectives towards the expansion &amp; adoption of e/m-money</li> <li>– Agreements for various services</li> </ul> <p>▪ Built/ strengthened capacity of MMPs, LGUs &amp; MFIs to provide better financial products/services</p> <ul style="list-style-type: none"> <li>– TA (coaching/ handholding)</li> <li>– Business process re-engineering &amp; technology development</li> <li>– Subsidy provision; product presentation to BSP</li> </ul>
<p>LGU change agent</p> <p>Batangas City (BC) Pulilan Municipality Quezon City (QC) Valenzuela City (VC)</p>	<ul style="list-style-type: none"> <li>▪ LCEs &amp; LGU officials were introduced &amp; capacitated to undertake m-money services <ul style="list-style-type: none"> <li>– Series of briefings, business fora with MMPs, training &amp; info campaigns introduced the project &amp; prepared people for transition</li> <li>– QC, VC &amp; BC cooperative’ experiences were used in social marketing for BC LGU &amp; INVEST cities</li> <li>– Dedicated personnel, TWGs/ committees were created to enable e/m money services (Pulilan, QC)</li> <li>– Relevant local ordinances were drafted &amp; approved (QC); coordination &amp; interventions for the issuance of an enabling COA policy was made</li> <li>– LGUs were equipped with appropriate technical/ technological know-how</li> <li>– M-money services were launched <ul style="list-style-type: none"> <li>✓ BC: business permit (31 Mar 2014)</li> <li>✓ Pulilan: water bills payment, LGU employees’ payroll</li> <li>✓ QC: real property tax, public school teachers allowances, QC scholars’ stipend</li> <li>✓ VC: real property tax, construction permit</li> </ul> </li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>▪ Project goals were aligned with LGU objectives to provide the public/ constituents with more efficient financial services, have safer &amp; more convenient financial transactions &amp; improve revenue collections</li> <li>▪ Fears &amp; gaps in awareness &amp; understanding of e/m money were overcome; LGU employees were proud of innovations (BC, Pulilan, QC)</li> <li>▪ Payers, esp. those from far-flung areas were able to save time &amp; transport costs, e.g., in Pulilan, savings from transport is P150-200 compared to average P150 water consumption</li> <li>▪ COA circular was issued &amp; allayed resistance to innovate; local COA (Valenzuela) were able to participate in drafting process</li> <li>▪ TORs were forged, systems integrated &amp; business models piloted. Other mobile payment options/ modalities are currently being explored (BC, QC)</li> <li>▪ Training, information sessions/ campaigns were planned &amp; conducted; trainers on financial literacy &amp; m-money usage were trained; IEC materials were developed &amp; disseminated</li> </ul>	
<p>MFI change agent</p>	<ul style="list-style-type: none"> <li>▪ MFIs were introduced to m-money &amp; MMPs; capacitated for mobile money-enabled microfinance &amp; other services                         <ul style="list-style-type: none"> <li>– 5 BC rural multipurpose coops were introduced &amp; enabled to function as community banks/ m-money agents                                 <ul style="list-style-type: none"> <li>✓ Lobbying/ promotional campaigns during coop General Assemblies, meetings with coop board leaders</li> </ul> </li> <li>– 1 QC urban workers coop availed of m-money services for loan disbursements &amp; other financial services</li> <li>– 2 national confederations (NATCCO &amp; CCT) were introduced &amp; enabled to manage microfinance &amp; other services                                 <ul style="list-style-type: none"> <li>✓ Meetings, demo sessions with confederation leaders</li> <li>✓ FGDs</li> <li>✓ Business process review, re-engineering/integration, consultancy services, piloting</li> </ul> </li> <li>– BC coop development office (OCVAS) was mobilized to fulfill project objectives &amp; help in selecting &amp; monitoring pilot coops</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>▪ Coop members were able to or are expected to save on time &amp; transport costs in availing of loans &amp; other microfinance/ financial services</li> <li>▪ Financial literacy training &amp; seminars on how to use m-money services, including utilities payment, send money, loan disbursement &amp; other services were conducted (CCT, IBC13BWC, SIMCO); trainers were trained &amp; IEC/ marketing materials developed (NATCCO &amp; SIMCO)</li> </ul>	
Beneficiaries/end-users	<ul style="list-style-type: none"> <li>▪ Beneficiaries were introduced &amp; oriented on how to use m-money services (QC scholars, FICO clients)                             <ul style="list-style-type: none"> <li>– Inter-agency meetings, orientation sessions</li> <li>– Flyers &amp; other IEC materials were disseminated, info campaigns launched</li> </ul> </li> <li>▪ Students, women from the informal sector, among other unbanked sectors acquired bank accounts &amp; saved on time &amp; transport fare in doing their transactions</li> <li>▪ Trainers were trained &amp; training/ orientation sessions planned for each chapter of scholars</li> </ul>	
Non-SIMM partners	<ul style="list-style-type: none"> <li>▪ M-money options were introduced to various establishments                             <ul style="list-style-type: none"> <li>– Meetings (Calamba Water District, DSWD)</li> <li>– Business forum (DSWD)</li> </ul> </li> </ul>	

**Conclusion/s:**

- Processes & strategies utilized were consistent with the ecosystem-building approach
  - Networking & change/ relationship management interventions were key to introducing mobile options among stakeholders, helping raise awareness & building trust, as well as overseeing core formation & mobilization of m-money champions to carry out SIMM plans & programs to fruition
  - There may be need to reflect on how alignment of goals among project implementers was ensured
  - Not much information on strategies to promote mobile options among business establishments
- Products/services developed for LGUs & MFIs were needs-based, state-of-the-art, apparently cost-effective & determined through consultative processes among project staff, providers & change agents
- Expectations/confidence among change agents regarding benefits accruing from mobile money services are high even if realization largely remains to be seen. Among LGUs, many informants are proud of their product/services, are keen & active in improving these further and have championed mobile solutions among peers.
- Training & behavior change campaign IEC materials specifically on financial literacy and how to use mobile money services were developed & utilized; trainers were also trained & training plans developed among various groups. Training / orientation sessions & information campaigns

conducted were used to enlist new users among basic social sectors (students, women, informal sector workers).

**Recommendation/s:**

- Utilize relevant steps of the process for E-PESO partnership building, and leverage “community of champions” from SIMM cities for CDI cities
  - Peer to peer TA between LGUs who are implementing m-money services & those just starting
  - Have private sector providers that can provide TA to LGUs
  - Partnership with DOST, because it can accredit service providers
  - Partnership with League of Cities & other strategic government & umbrella organizations that could scale
  - Higher level government endorsement to enhance the trust factor
- Toolkit for MFIs in addition to the LGU toolkit
- Review training program, BCC & IEC materials for effectiveness
- Review of policies (laws on attrition, procurement) that are likely to affect alignment of goals among partner implementers
- Study/ map key NGA/ NGA transactions, e.g., BIR, NSO, DILG, which lend itself well to m-money services

## Outputs and Expected/Emerging Benefits

What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?

Groups	Key Results	
	Within FGDs and KIIs	Across FGDs and KIIs
Project staff (outputs as of Jun 2014)	<ul style="list-style-type: none"> <li>▪ Targets achieved as of June 2014                             <ul style="list-style-type: none"> <li>– No. of people opening savings accounts: 42,718 out of a target of 10,000</li> <li>– No. of people trained: 15,182 from 12,000 target</li> <li>– No of conferences: 3 out of a target of 3</li> <li>– No. of research papers: 5 out of a target of 5</li> <li>– Value of activities funded by cost sharing/ contribution arrangements with SIMM: 350,000 out of a target of 100,000</li> </ul> </li> <li>▪ Targets that may be achieved by Aug 2014                             <ul style="list-style-type: none"> <li>– No. of government agencies/units using e-payroll e-bills: 4 out of a target of 5 (Iloilo &amp; CDO launching by July 2014)</li> <li>– No. of cash merchants/agents: 889 out of a target of 2,000 (1,600 in the pipeline)</li> </ul> </li> <li>▪ Targets not likely to be achieved by Aug 2014                             <ul style="list-style-type: none"> <li>– No. of active mobile money users: 776,298 out of a target of 1.3 M</li> <li>– No. of business using e-payroll/e-bills payment: 16 out of a target of 100 (with 43 in the pipeline, 60% of target by end-Aug)</li> <li>– No. of new users: 100,586 out of 250,000 target (123,900 in the pipeline for 95%)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Promoted savings</li> <li>▪ More efficient, cost-effective service delivery</li> <li>▪ Improved access to financial services                             <ul style="list-style-type: none"> <li>– More convenient, safe &amp; cost-effective for users</li> <li>– Inclusion of unbanked/informal sectors</li> </ul> </li> <li>▪ More revenues, earnings expected</li> <li>▪ Mobile money still 'under-used'</li> </ul>
BSP		
MMPs	<ul style="list-style-type: none"> <li>▪ BPI Globe BankO offers a mobile wallet cum savings account that earns interest at 3 or 1%/annum, provides life insurance &amp; addresses barriers of high opening fees, penalty clauses, 9AM-to-3PM culture of traditional banking; provides financial literacy training &amp; hopes to reach unbanked sectors</li> <li>▪ GXI payroll accounts feature simplified enrollment; real time end time disbursement even during holidays, free SIM kit; P5 disbursement fee (banks charge from P7-25); full mobile banking facilities (can send remittances, pay bills by phone, credit</li> </ul>	

	<p>airtime loading with a 10% discount); no dormancy fees &amp; 2 free withdrawals on any given month on any ATM machine</p> <ul style="list-style-type: none"> <li>▪ Smart e-Money provided financial literacy training for CCT beneficiaries enrolled in LBP savings &amp; loan programs; offers Bayad load, which makes use of load as a medium of payment for non-bank clients in the informal sector (domestic helpers); established Smart money centers network to do payments &amp; promote financial inclusion</li> </ul>	
<p>LGU change agents</p>	<ul style="list-style-type: none"> <li>▪ User coverage/ revenue collections is less 1% for BC &amp; VC; 3% for QC &amp; estimated at 8-15% for Pulilan at outset of piloting; also for same period, disbursements are less 1% for QC scholars; a little over 1% for QC teachers. Also 1 out of the 4 LGUs use mobile options for payroll             <ul style="list-style-type: none"> <li>– BC launched 31 March 2014 (business permit) or over 2 months prior to SIMM IA</li> <li>– Pulilan launched November 2013 (LGU payroll, water payments) or over 6 months prior to SIMM IA</li> <li>– QC launched December 2013 (RPT, scholars/ teachers allowance) or over 5 months prior to SIMM IA</li> <li>– VC launched Jan 2014 (RPT, construction permit) or over 4 months prior to SIMM IA</li> </ul> </li> <li>▪ Expected benefits             <ul style="list-style-type: none"> <li>– Cost/ time efficiency for LGUs &amp; payers/ beneficiaries                 <ul style="list-style-type: none"> <li>✓ No need for overtime services (QC);</li> <li>✓ savings on time &amp; transport fare (BC, Pulilan, QC)</li> <li>✓ Free services for 1<sup>st</sup> 6 months (BC)</li> <li>✓ Minimal transaction cost; i.e., P5 per transaction, P10 for inquiry &amp; payment/withdrawals</li> <li>✓ Waived transaction fees twice a month for payroll withdrawals (Pulilan)</li> <li>✓ Immediate notification on availability of salaries (Pulilan)</li> </ul> </li> <li>– Accountability/ transparency (QC, VC)</li> <li>– Convenience for LGU employees &amp; payers/beneficiaries                 <ul style="list-style-type: none"> <li>✓ more manageable, no need to travel (BC, Pulilan, QC)</li> </ul> </li> <li>– Safety, security for disbursing personnel, users (Pulilan/ QC)</li> <li>– Expected to increase revenue collections</li> </ul> </li> </ul>	

	(QC)	
MFI change agents	<ul style="list-style-type: none"> <li>▪ Users &amp; services                             <ul style="list-style-type: none"> <li>– No transactions yet for 2 confederations (CCT, NATCCO launching by July 2014)</li> <li>– User coverage for various services is less 50% of IBC13-BWC coop members; 30% of 5 OCVAS rural coop membership &amp; around 11% of SIMCO members.</li> <li>– Transactions include send money/airtime load, bills payment. SIMCO backed out of loan disbursement services because of P50 transaction charges</li> <li>– OCVAS: 2, 230 have registered m-money accounts</li> </ul> </li> <li>▪ Emerging benefits                             <ul style="list-style-type: none"> <li>– Cost/time efficiency (CCT, IBC13-BWC, OCVAS, SIMCO)                                     <ul style="list-style-type: none"> <li>✓ Quicker response time for payments &amp; other business transactions; quick cash out for emergencies</li> <li>✓ Less overtime for personnel</li> <li>✓ Savings from transportation costs (OCVAS: P90-100)</li> </ul> </li> <li>– Earned income from transaction fees, expected revenue sharing; received discounts or gift incentives                                     <ul style="list-style-type: none"> <li>✓ IBC13 BWC: rebate from airtime loading</li> <li>✓ OCVAS: charges P20 for members/ P25 for non-members</li> <li>✓ OCVAS: received 2 free lap top &amp; cell phone units</li> <li>✓ NATCCO: revenue sharing</li> </ul> </li> <li>– Convenience, ease of transactions (CCT, OCVAS)                                     <ul style="list-style-type: none"> <li>✓ Easier to disburse loans, less encoding</li> <li>✓ Payments for other services/ products, e.g., electricity/ water bills, NSO birth certificates</li> </ul> </li> <li>– Financial inclusion of unbanked members/ clients (CCT, OCVAS)</li> <li>– Savings promotion (OCVAS, SIMCO)</li> <li>– Awareness of the technology (CCT)</li> <li>– Enhanced financial literacy among coop members (OCVAS)</li> <li>– Enhanced organizational capacity; i.e., informal workers associations as community banks (OCVAS)</li> </ul> </li> </ul>	
Beneficiaries	<ul style="list-style-type: none"> <li>▪ Of 27 FGD &amp; KII beneficiaries with m-money accounts:</li> </ul>	

	<ul style="list-style-type: none"> <li>– 59.3% use mobile options to get their salary (25%), deposit savings (22%) or avail of allowances/loans (11%).</li> <li>– 40.7% said they do not use it for any other transactions other than these purposes</li> <li>– 22% use it to avail of airtime load</li> <li>– 11% use it to send /receive money</li> <li>– 11% use it to pay for their groceries</li> <li>– 7.2% use it to pay for electricity</li> <li>– 3.7% use it for other services</li> <li>▪ Emerging benefits             <ul style="list-style-type: none"> <li>– Convenience, ease of transacting (IBC13 coop members, scholars, Pulilan employees, SIMCO)                 <ul style="list-style-type: none"> <li>✓ Work made more organized, easier to track (QC employees)</li> </ul> </li> <li>– Cost/ time efficient                 <ul style="list-style-type: none"> <li>✓ Saves time, transport costs (FICO clients, IBC13 coop members, Pulilan employees, SIMCO)                     <ul style="list-style-type: none"> <li>• FICO: transport costs range from P50-P120 vs. P5 transaction cost</li> <li>• SIMCO: saves P16 transport fare; 20-40 minutes travel time, no transaction cost</li> </ul> </li> </ul> </li> <li>– Savings promotion (FICO clients, scholars)</li> <li>– Proud of ‘modernized,’ better system (Pulilan &amp; QC employees)</li> <li>– Earns tips, rebates from airtime loading (SIMCO)</li> <li>– Improved safety/ security (Pulilan employees)</li> <li>– Reduced workload (QC employees)</li> </ul> </li> </ul>	
Non-SIMM Partners	<ul style="list-style-type: none"> <li>▪ Good option for CCT payouts rather than transportation of cash for distribution to beneficiaries (DSWD)</li> <li>▪ Improved safety/ reduced risk from robberies/ leakages (DSWD)</li> </ul>	

**Conclusion/s:**

- Accomplishment is largely in the area of savings promotion. Based on reported project output in research & events organized by staff, accomplishments are also substantial in the area of policy discourse & development.
- Government organizations using e-payroll & e-bills are mostly Luzon-based local governments & zero/no NGAs, although there were efforts made with DSWD & DBM. Similar target outputs for business establishments will likely achieve only 60% of target by end-August (from 16% as of SIMM IA field study in June 2014).
- Various stakeholders aver that mobile options resulted in improved, cost-effective government financial services & better access by individual & institutional users. Unbanked sectors (mostly from the youth/students & women) now enjoy financial inclusion & more are

expected when products/ services of big MFIs roll out. Improved revenue collections/MFI earnings are also highly anticipated.

- Buy-in of individual & institutional users is slow & range from low to moderate, but likely due to timing factors, as well as gaps in marketing/ promotions work & customer service
  - By end-August, outputs on new & active users are likely to reach 95% (from 44.4% in June) and almost 60% of targets, respectively
  - Usage & reception of current users can be described as minimal & unenthusiastic; there are many complaints over deficiencies in agent availability & liquidity/funds, poor customer service, as well as transaction charges
    - ✓ Only around 44% of target cash merchants/agents were achieved as of June, although 1,600 is in the pipeline by end-August
    - ✓ Fear factor & mistrust over transitioning to mobile options is reinforced by reports of transaction difficulties

**Recommendation/s:**

- Need immediate/ prompt action to address supply- and demand-side issues & constraints
  - Conduct service satisfaction surveys & user profiling (esp. for business entities) to better inform product development/service improvement as well as marketing/ promotions work
    - ✓ Some KIIs have indicated a need for a more comprehensive transition of local government service payment systems, esp. for business licensing & similar fees that require certifications from many agencies
  - Engage MMPs towards ensuring the availability of agent networks & liquidity
  - Sustain IEC campaigns & social marketing of mobile money services
- Closely monitor performance of m-money services in project areas, document/ make a study of all cases & success stories of pilot LGUs & MFIs for use in social marketing
- Review SIMM for return on Investment, to include cost to transition LGUs & MFIs

## Good Practices

What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?

Groups	Key Results	
	Within FGDs and KIs	Across FGDs and KIs
Project staff	<ul style="list-style-type: none"> <li>▪ Commitment building &amp; mobilization of capable LGUs as change agents</li> <li>▪ SIMM-LGU ‘relationship management’                             <ul style="list-style-type: none"> <li>– Developing mobile solutions ‘champions’ &amp; mechanisms, e.g., committees, dedicated staff in all areas</li> <li>– VC: alignment with VMG &amp; program priorities of the LGU</li> <li>– QC: alignment with LGU goals of efficient financial services (revenue collection &amp; disbursement)</li> <li>– BC: (i) Collaboration with projects related to improving business processes; (ii) building organizational capacity of local coops to provide financial services</li> <li>– Pulilan: Leveraging public &amp; private resources to develop appropriate products for low income households</li> </ul> </li> <li>▪ <i>MFI models</i> <ul style="list-style-type: none"> <li>– Problem of recording payments addressed by sending reports at day’s end</li> <li>– Strong partnerships with the private sector &amp; MMPs</li> <li>– Research &amp; consultation</li> <li>– Developing and presenting new strategies with clear business case</li> </ul> </li> <li>▪ <i>Best practices</i> <ul style="list-style-type: none"> <li>▪ Proof of concept models for each sector (LGU, MFI, cooperatives, large SMEs) for replication</li> <li>▪ Business process review and reengineering for sustainability</li> <li>▪ Needs based and business case selling for public and private sector partnerships</li> <li>▪ Combined industrial and development leadership</li> <li>▪ Relationship management across sectors</li> <li>▪ Change management interventions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Social marketing (5 groups: staff, BSP, MMP, LGU, MFI)</li> <li>▪ Business process review &amp; re-engineering/ business model development (4 groups: staff, MMP, LGU, MFI)</li> <li>▪ Policy discourse &amp; development (3 groups: staff, BSP, LGU)                             <ul style="list-style-type: none"> <li>– National Retail Payments System Workshop</li> <li>– COA</li> </ul> </li> <li>▪ Alignment/ harmonization of goals towards adoption/ scaling up of m-money services (3 groups: staff, MMP, LGU)</li> <li>▪ Establishing links/ partnerships; facilitating coordination/ collaboration among various stakeholders (3 groups: staff, BSP, MMPs)</li> <li>▪ Developing a successful ecosystem (2 groups: BSP, MMP)</li> <li>▪ Mobilizing public &amp; private resources for product development/ digital infrastructure/ connectivity (2 groups: staff, LGU)</li> </ul>
BSP	<ul style="list-style-type: none"> <li>▪ Enabling policy &amp; regulatory environment</li> <li>▪ SIMM cities: developing &amp; showcasing a successful ecosystem (although success still limited due to short time of implementation)</li> </ul>	

	<ul style="list-style-type: none"> <li>▪ National Retail Payments System Workshop/s: Interoperability within the retail payments system within 18 months</li> <li>▪ BSP involvement &amp; presence in roadshows, COA &amp; other policy interventions</li> <li>▪ Collaboration of different institutions</li> </ul>	
Mobile money providers	<p><i>BankO</i></p> <ul style="list-style-type: none"> <li>▪ Working with LGUs, coops in promoting m-money; taking part in activities for building SIMM cities</li> </ul> <p><i>GXI</i></p> <ul style="list-style-type: none"> <li>▪ Introducing MMPs as a trusted party to potential clients, linking them up with local businesses, as well as local utilities to get a complete ecosystem</li> <li>▪ Assessing readiness &amp; helping LGUs/NGAs understand how to integrate &amp; keep up with the technology</li> </ul> <p><i>Smart e-Money</i></p> <ul style="list-style-type: none"> <li>▪ Facilitating partnerships &amp; engagements with coop confederations &amp; rural banks that can reach areas out of their coverage; aligning with the mandate of ecosystem building</li> </ul>	
LGU change agent	<ul style="list-style-type: none"> <li>▪ Commitment (BC, Pulilan)</li> <li>▪ Social marketing of successful experiences of small cooperatives, other SIMM cities (BC)</li> <li>▪ Interfacing SIMM with the INVEST program of streamlining business permits (BC)</li> <li>▪ Alignment with the city’s vision of efficient service delivery (BC)</li> <li>▪ Funding for digital infrastructure, connectivity &amp; human resources/IT experts (BC)</li> <li>▪ Patience in dealing with resistance (BC)</li> <li>▪ Addressing policy constraints (BC)</li> <li>▪ Systems review, business process re-engineering (QC)</li> </ul>	
MFI change agent	<ul style="list-style-type: none"> <li>▪ Development of the business model (NATCCO)</li> <li>▪ Development &amp; support for marketing materials (NATCCO)</li> </ul>	
Beneficiaries/end-users		
Non-SIMM partners		
<p><b>Conclusion/s:</b> Key practices for scaling up use of mobile money services include those that serve to promote individual user demand (social marketing); practices that work for enabling policies that impact on the system (policy discourse &amp; development); and practices that enhance capacity of institutional partners to provide quality m-money services (business process review &amp; re-engineering/ business model development, alignment/ harmonization of goals &amp; establishing partnerships/strengthening collaboration among MMPs, LGUs/MFIs, NGAs).</p>		

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**Recommendation/s:**

- Firm up social marketing plans
  - Follow up on gains achieved in the policy department
    - Work with BSP towards interoperability
    - Monitor LGU compliance to the COA circular; help address any adverse audit findings
  - Use lessons learned to replicate among LGUs, especially those that USAID cannot devote investment
  - Consider forming a cadre of service providers to help organizations shift from cash to electronic
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## Lessons Learned

What strategies/interventions did not work? What factors constrained achievement of results?

Groups	Key Results	
	Within FGDs and KIIs	Across FGDs and KIIs
Project staff	<p><i>LGU Model</i></p> <ul style="list-style-type: none"> <li>▪ Lack of awareness about mobile money &amp; using mobile money payment systems</li> <li>▪ Low trust level</li> <li>▪ Adoption barriers from low ID ownership</li> <li>▪ Large numbers of stakeholders to engage for ecosystem building</li> <li>▪ Impasse between developing customer base &amp; agent distribution network</li> <li>▪ Getting stakeholders to use their own resources for the program objectives</li> </ul> <p><i>MFI model</i></p> <ul style="list-style-type: none"> <li>▪ Low awareness on products &amp; switching cost to convert to m-money</li> <li>▪ Insufficient number of agents</li> <li>▪ Unclear pricing</li> <li>▪ Complex registration process</li> <li>▪ Organizational capacity &amp; access to technology; difficulty to make the change</li> <li>▪ Gaps of existing model from lack of scale, liquidity requirement &amp; compensation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Concerns mentioned by 5 informant groups               <ul style="list-style-type: none"> <li>– Agent availability &amp; liquidity problems (staff, BSP, MMP, LGU, users)                   <ul style="list-style-type: none"> <li>✓ Hard to encourage more agents (staff, LGU)</li> <li>✓ Not enough merchants into e/m-money (BSP)</li> </ul> </li> <li>– Product/service design problems (staff, MMP, LGU, MFI, users)                   <ul style="list-style-type: none"> <li>✓ Lack of IT experts/TA (LGU)</li> </ul> </li> <li>– No connectivity, hardware (funds)/gadgets (staff, MMPs, LGU, MFI, non-SIMM)                   <ul style="list-style-type: none"> <li>✓ Getting stakeholders to use their own resources for the program objectives (1 group: staff)</li> </ul> </li> <li>– Lack promotions &amp; training (BSP, LGU, MFI, users)                   <ul style="list-style-type: none"> <li>✓ Large numbers of stakeholders to engage for ecosystem building (staff)</li> </ul> </li> <li>✓ Lack of awareness, fears/resistance to change (staff, MFI, users)</li> <li>✓ Gaps in orientation (users)</li> </ul> </li> </ul>
BSP	<ul style="list-style-type: none"> <li>▪ Lack of interoperability of electronic payment systems</li> <li>▪ Some targets were not met due to barriers like lack of agents</li> <li>▪ Not enough merchants were enticed to join the electronic payment network</li> <li>▪ Consider vital role of mass media in promoting mobile options</li> <li>▪ There could have been more focus / work with DBM; strong support from them could have been helpful</li> <li>▪ On work with cooperatives, targeted bilateral is good but a more industry-wide approach may be more ideal.</li> </ul>	
Mobile money providers	<ul style="list-style-type: none"> <li>▪ May need to improve provisions for change management; provide opportunities for people/ entities that would be adopting change as a result of m-money promotion to be heard, include relevant inputs in the execution of planning (BanKO)</li> <li>▪ Readiness &amp; timing issues</li> <li>▪ BanKO pushed back invitations for bidding in areas where they were not yet present</li> </ul>	<ul style="list-style-type: none"> <li>▪ Concerns mentioned by 3</li> </ul>

	<ul style="list-style-type: none"> <li>▪ BC intervention needed more time to roll out because the LGU was not ready yet technology-wise</li> <li>▪ Consider bringing experiences forward to the League of Cities through QC mayor, the current LoC President (BankO)</li> <li>▪ Smart e-money thought SIMM LGU model had no business sense; it was not profitable &amp; sustainable</li> </ul>	<p>informant groups:</p> <ul style="list-style-type: none"> <li>– Transaction costs (LGU, MFI, users)</li> <li>– Consultation/ participatory processes (MMP, users) <ul style="list-style-type: none"> <li>✓ Lack of trust (staff)</li> </ul> </li> </ul>
<p>LGU change agent</p>	<ul style="list-style-type: none"> <li>▪ Lack of agents, customer service problems <ul style="list-style-type: none"> <li>– Difficulties accessing CICO outlets by payers; LGU finds it difficult to encourage establishments to set up CICO counters (Pulilan)</li> <li>– Difficulties in making withdrawals via ATM, e.g., card capture, incorrect entries, replacement for lost cards (Pulilan)</li> <li>– Few loading centers /partners already near the main road (VC)</li> <li>– Unhelpful BankO customer service (Pulilan)</li> </ul> </li> <li>▪ Gaps/ suggestions in product/service design <ul style="list-style-type: none"> <li>– Other requirements before business licenses are approved/renewed, esp. fire safety certification fees, should be covered by mobile payment system; buy-in of Bureau of Fire (a national agency) is needed (BC)</li> <li>– Transaction cutoff of P40, 000 per day, there are taxpayers that pay more than this (QC)</li> <li>– Other fees &amp; charges for social security, PhilHealth, occupancy permits are recommended for automation (BC)</li> </ul> </li> <li>▪ Need for electronic receipts; compliance with COA requirements <ul style="list-style-type: none"> <li>– COA still wary of integrity of mobile options (QC)</li> <li>– Still working on electronic receipts (QC)</li> <li>– Issue of OR; electronic receipts is a problem for people with no internet connection (VC)</li> </ul> </li> <li>▪ Gaps in promotions, marketing <ul style="list-style-type: none"> <li>– Providers need to conduct ICT/IEC campaigns at the national &amp; local level; presentations need to be less impersonal &amp; more attractive to targeted clients (BC)</li> <li>– Still need to make people aware of</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Concerns mentioned by 2 groups of informants <ul style="list-style-type: none"> <li>– Lack of interoperability (BSP, LGU)</li> <li>– Poor customer service (LGU, users)</li> <li>– Demand for paper receipts (LGU, users)</li> </ul> </li> <li>▪ Other concerns <ul style="list-style-type: none"> <li>– Focus on DBM (BSP)</li> <li>– Industry-wide approach for cooperatives (BSP)</li> <li>– Consider League of Cities thru QC mayor (current President) as partner (MMP)</li> <li>– Check on poor compliance to COA (LGU)</li> </ul> </li> </ul>

	<p>availability of the service (QC)</p> <ul style="list-style-type: none"> <li>▪ Local capacity, connectivity problems <ul style="list-style-type: none"> <li>– Connectivity costs, esp. for LGUs that still do not have ICT facilities (QC)</li> <li>– Focused immersion of technical assistants in target areas (BC)</li> </ul> </li> <li>▪ Interoperability (QC)</li> <li>▪ Low uptake (VC)</li> <li>▪ Suggestion to reduce convenience fee (VC)</li> </ul>	
MFI change agent	<ul style="list-style-type: none"> <li>▪ CCT made an abrupt change of plan to transition only 1 branch from 5, with 250 from 6,000 borrowers because they were not fully automated; leadership was concerned over costs of hardware, internet &amp; slow connectivity</li> <li>▪ High transaction costs discourage IBC13 BWC members from using mobile services <ul style="list-style-type: none"> <li>– P15 balance inquiry &amp; 50 withdrawal charges</li> </ul> </li> <li>▪ NATCCO encountered problems with developing their auto reconciliation facility</li> <li>▪ Most informal sector elderly members of OCVAS coops are either afraid of using the system or cannot cope with the system; suggests provision of sessions on how to use the system &amp; entrepreneurship</li> <li>▪ SIMCO suggests more promotion &amp; advertisement</li> </ul>	
Beneficiaries/end-users	<ul style="list-style-type: none"> <li>▪ Complaints over transaction problems &amp; poor customer service <ul style="list-style-type: none"> <li>– Withdrawals cannot be processed after balance inquiry (teachers); transaction did not work in the phone and via ATM, forced to withdraw in pawnshops that charge higher fees (teachers); twice encountered liquidity problems in ATM machines (IBC13 BWC)</li> <li>– Better BankO helpline services is needed; helpline staff cannot answer queries; landline is inaccessible (scholars, teachers)</li> <li>– Slow resolution of liquidity problems, i.e., 1-2 weeks (IBC13 BWC)</li> <li>– No feedback mechanism (teachers)</li> <li>– Difficult to re-enroll in cases of lost SIM cards (scholars)</li> <li>– P3000 “disappeared” from the account but the money ‘came back’ after seven working days since lodging the complaint (teachers)</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>– Outlets are inaccessible, out of reach (teachers)</li> <li>▪ Gaps in consultation, orientation             <ul style="list-style-type: none"> <li>– Teachers were not given opportunities to choose payment options &amp; to choose their provider (teachers, QC employees)</li> <li>– QC LGU’s decision to transition to mobile services was not explained well to scholars</li> <li>– Rationale behind transaction fees were unclear &amp; should be explained (teachers)</li> <li>– Teachers were unaware/ not updated that they can use m-money services for goods bought in National Bookstore, SM Supermarket</li> <li>– Two 3-hour orientation sessions attended by only 10% QC scholars were deemed insufficient; teachers demand another round of orientation/ re-orientation on m-money</li> </ul> </li> <li>▪ Problems, suggestions on transaction fees             <ul style="list-style-type: none"> <li>– No to transaction fees, provide full scholars stipend as it is used as household income (scholars); QC teachers feel bad about deductions worth P15 &amp; P3 for withdrawal &amp; balance inquiry (teachers); coop members are critical of P10 per transaction charges (IBC13 BWC)</li> <li>– Impose only one charge for inquiry &amp; payment (QC employees)</li> <li>– No additional charges for cashing out of pawnshops, i.e., P35 for every P2000 withdrawal (teachers)</li> </ul> </li> <li>▪ Fear of pressing wrong keypad &amp; losing money; unfamiliar &amp; wary of using e/m gadgets (SIMCO)</li> <li>▪ Improvements needed for better services             <ul style="list-style-type: none"> <li>– Payers demand electronic/ paper receipts; provide receipts (QC employees, IBC13 BWC)</li> <li>– Higher transaction cutoff, i.e., current rate of P40,000 limits many taxpayers with obligations higher than this amount from availing of mobile options (QC employees)</li> <li>– Avoid delayed, irregular disbursements (teachers)</li> <li>– Include debit function (teachers)</li> <li>– Update passbook to reflect what is in the SMS notification (FICO clients)</li> </ul> </li> </ul>	
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	<ul style="list-style-type: none"> <li>– Expand services to include business taxes, market stall fees (QC employees); payments for cable TV, internet, Sirwasa water coop (SIMCO)</li> <li>– More orientation/ training/ instructional sessions on how to use m-money facilities (teachers, scholars, IBC 13 BWC, SIMCO)</li> </ul>	
Non-SIMM partners	<ul style="list-style-type: none"> <li>▪ CCT beneficiaries have no cell phones</li> <li>▪ Connectivity issues affect 20% of CCT municipalities</li> </ul>	

**Conclusion/s:** In the two-year course of SIMM implementation, there were many factors that inhibited financial inclusion and mobile money use. Among the most frequently-cited are (i) technological resource constraints, which include lack of connectivity & ICT hardware/gadgets that affected implementation even in a first class pilot city & municipality (Batangas City & Pulilan), as well as one confederation of cooperatives; (ii) problems with agent availability & liquidity; and (iii) gaps in the business model/ service design. Another frequently-cited concern were inadequacies in promotions work & training, which include low awareness levels & diffident behavior (this despite achievements made in this regard). Other challenges include:

- Negative feedback over transaction costs
- Gaps in consultative/ participatory processes (involvement of users in decision-making)
- Lack of interoperability
- Poor customer service
- Demand for (paper) receipts

**Recommendation/s:**

- Tap the League of Cities & if feasible the League of Municipalities as partners; be meticulous in the choice of catalyst cities/municipalities, as well as key MFIs & NGAs targeted to adopt m-money options.
  - Involve service providers & change agents in designing the work plan and indicators
  - Expand engagement with cash/credit agents
- Require investments in agent networks & liquidity as part of template contracts for LGUs/MFIs with service providers
- Work for the comprehensive transition of LGU payments
- Consider using mass media in promoting m-money services
- Utilize free pricing strategies for charging all mobile transactions
- Require MMPs to improve/strengthen customer services
- Work out credible mobile solutions in addressing the demand for receipts, especially for users without email accounts

## Policies, Regulations and Enabling Laws

What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?

Groups	Key Results	
	Within FGDs and KIIs	Across FGDs and KIIs
Project staff	<ul style="list-style-type: none"> <li>▪ Interoperability study</li> <li>▪ National retail payment system workshops</li> <li>▪ COA Circular No. 2013-007 Guidelines for the Use of Electronic Official Receipts to Acknowledge Collection of Income &amp; Other Receipts of Government</li> <li>▪ Local ordinances                             <ul style="list-style-type: none"> <li>– Pulilan Resolution No. 42-2013 recognizing BPI Globe BankO as e-payments &amp; e-disbursements provider</li> <li>– QC Ordinance SP 2228-S-2013 &amp; IRR authorizing city treasurer to accept alternative payment mode for taxes/fees</li> <li>– VC Ordinance No. 2012-139 authorizing automated system of paying fees</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ COA Circular No. 2013-007: Guidelines for the Use of Electronic Official Receipts to Acknowledge Collection of Income &amp; Other Receipts of Government, issued September 2013 (3 groups: staff, BSP, LGU)</li> <li>▪ Interoperability (3 groups: staff, BSP, LGU)</li> </ul>
BSP	<ul style="list-style-type: none"> <li>▪ Provided support to work with COA, assured them that BSP was on board mobile options</li> <li>▪ National retail payment system workshops enhanced understanding &amp; appreciation of interoperability &amp; efficient/inclusive national payments system across industry stakeholders; BSP will work towards interoperability within next 18 months</li> </ul>	
Mobile money providers	<ul style="list-style-type: none"> <li>▪ Challenged internal policies &amp; processes (BankO)</li> </ul>	
LGU change agent	<ul style="list-style-type: none"> <li>▪ QC: working to expand coverage to business taxes &amp; market stall fees; also to get legal mandate for collecting taxes via credit card companies</li> <li>▪ VC: provided inputs to COA circular; may consider covering all payments</li> <li>▪ VC: Interoperability using the chikka account sent to Globe or Smart</li> </ul>	
MFI change agent	<ul style="list-style-type: none"> <li>▪ Adjusted coop procedures related to m-money</li> </ul>	
Beneficiaries/end-users		
Non-SIMM partners		
<p><b>Conclusion/s:</b> The issue with COA over electronic official receipts that began July 2012 was favorably resolved with the issuance of Circular 2013-007 on September 2013, enabling pilot LGUs to commence with the transition process.</p>		

- Research and workshops on the national retail payments system allowed industry stakeholders to reach a consensus on the plausibility of, and progression towards interoperability. An enabling law is being advanced & other initiatives are underway for regional/national transition.
- Institutional policies and regulations were developed/ adjusted:
  - Joint Department AO between DTI & DOF on mobile money transactions
  - LGU ordinances
  - MFI/ MMP internal policies

**Recommendation/s:**

- Support momentum of ongoing policy work on NRPS and Inter-operability thru E-PESO
- Monitor compliance of LGUs to COA circular, COA audit findings

## Monitoring and Evaluation System

Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?

Groups	Key Results	
	Within FGDs and KIIs	Across FGDs/KIIs
Project staff	<ul style="list-style-type: none"> <li>▪ System limitations &amp; continuous reorganization of MMPs make M&amp;E difficult; indicator definitions vary across MMPs</li> <li>▪ Need to institutionalize &amp; standardize key performance indicators with BSP to track user and agent data (quarterly &amp; cumulative)</li> <li>▪ Include indicators on Quality &amp; Usage                             <ul style="list-style-type: none"> <li>– No. of transactions by unique users</li> <li>– No. of transaction by account disaggregated by transaction type</li> </ul> </li> <li>▪ Include indicators on Access                             <ul style="list-style-type: none"> <li>– No. of registered/ dormant mobile money users by account &amp; unique subscriber</li> <li>– No. of active &amp; inactive agents</li> <li>– Agent transaction volume</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Some key indicators were not the standard for reporting and took time &amp; effort to generate (3 groups: staff, BSP, MMP)</li> </ul>
BSP	<ul style="list-style-type: none"> <li>▪ SIMM data needs are not captured by BSP; list of indicators are not part of data required from MMPs</li> <li>▪ BSP is currently enhancing its Electronic Money Report &amp; expects to generate SIMM indicators once amendments are finalized</li> </ul>	
Mobile money providers	<ul style="list-style-type: none"> <li>▪ Performance/ behavior of customers; acquisitions as a result of partnerships; other tracking data (BanKO)</li> <li>▪ Primarily active subscription within 90 days, esp. payroll accounts that enrolled in the subsidy (GXI)</li> <li>▪ User data but with more detailed descriptions (Smart e-Money)</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ Almost the same as data given to regulators (BanKO)</li> <li>▪ Most info are shared with BSP (GXI)</li> <li>▪ Data is also provided to BSP (Smart e-Money)</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ Data is not difficult to generate; data &amp; systems are set up to give this data but there's a timing issue (GXI)</li> <li>▪ Data requests requires extraction by &amp; coordination with business operations team; information could not be readily given (Smart e-Money)</li> </ul>	

	<ul style="list-style-type: none"> <li>▪ Suggestions by Smart e-Money               <ul style="list-style-type: none"> <li>– Template</li> <li>– advice on frequency of data updating</li> <li>– orientation on how KPIs can be achieved at the onset of engagement</li> </ul> </li> </ul>	
LGU change agent	<ul style="list-style-type: none"> <li>▪ Reporting info is not difficult to generate (BC)</li> <li>▪ Existing electronic system makes it easier to provide required data (QC)</li> </ul>	
MFI change agent	<ul style="list-style-type: none"> <li>▪ SIMM requests for a monthly report thru e-mail &amp; phone calls (SIMCO)</li> <li>▪ Non-disclosure agreement; Info that will be shared is mostly on operations, i.e., how much CCT collects, no. of users, among others (CCT)</li> <li>▪ Most of the required data can be easily provided once transactions commence (NATCCO)</li> </ul>	
Beneficiaries/ end-users		
Non-SIMM Partners		
<p><b>Conclusion/s:</b> Measuring performance could be more precise if some important indicators were 'BSP mandatory.'</p>		
<p><b>Recommendation/s:</b></p> <ul style="list-style-type: none"> <li>▪ Support BSP on its planned amendments to the e-money report</li> <li>▪ Level-off understanding of relevant indicators with MMPs; require the provision of uniform data in future agreements</li> </ul>		

# **ANNEX G**

# Presentations and Highlights of Discussions

## CONTENTS

### SIMM Project Updates as of June 2014 for the SIMM Internal Assessment Team

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## SIMM Project Updates of June 2014 for the SIMM Internal Assessment Team

Presenters from SIMM Project Management: MAMERTO TANGONAN, *Chief of Party*  
VICENTE CATUDIO, *Deputy Chief*  
NIKOLE ALICER, *M&E Specialist*  
DONATO PUA  
CHERYL BALINGIT  
ANGEL SACEDA

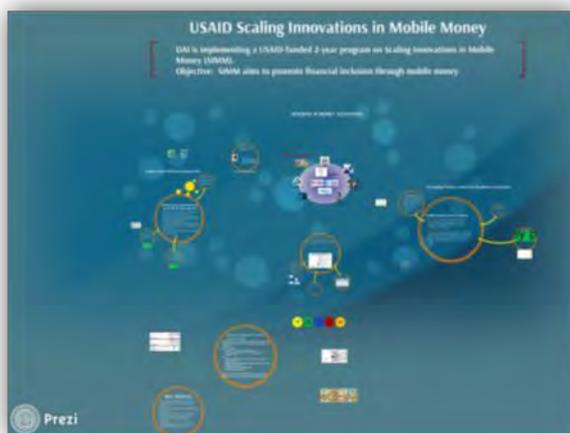
Date: 16 June 2014  
Venue: SIMM Project Management Office, Makati  
Time Started/Ended: 2:30 PM to 5:58 PM

Internal Assessment Team: NANDINI HARIHARESWARA, *Mobile Solutions Expert*  
JOHN CALLANTA, *Monitoring and Evaluation Specialist*  
JOSEPHINE JOSON, *Documenter*

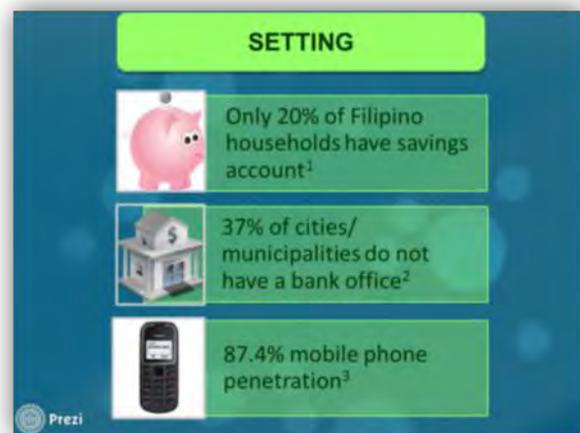
Mission Contracting Officer: TESS ESPENILLA

## Presentation

SL1



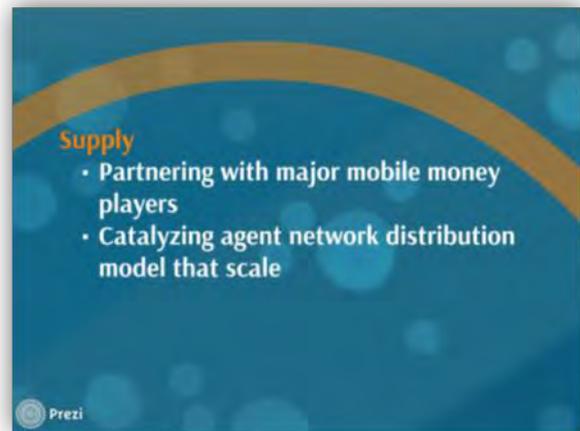
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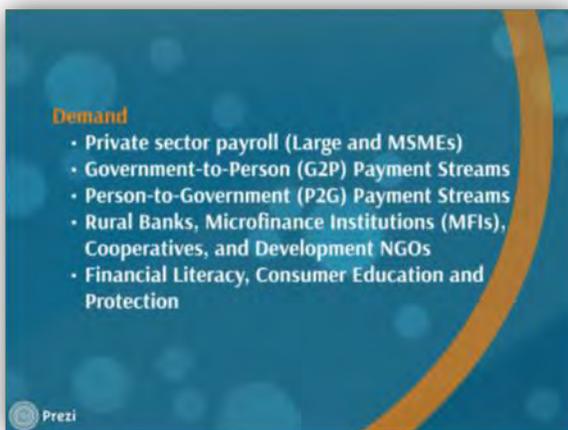
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SL4



SL5



SL6



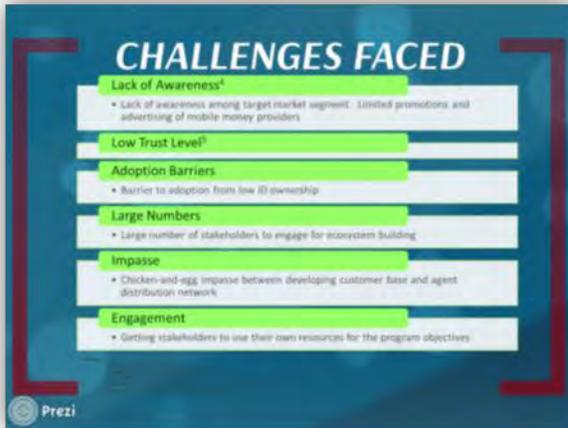
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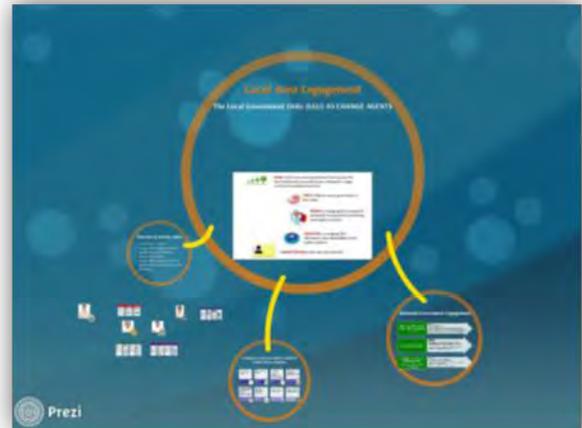
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SL9



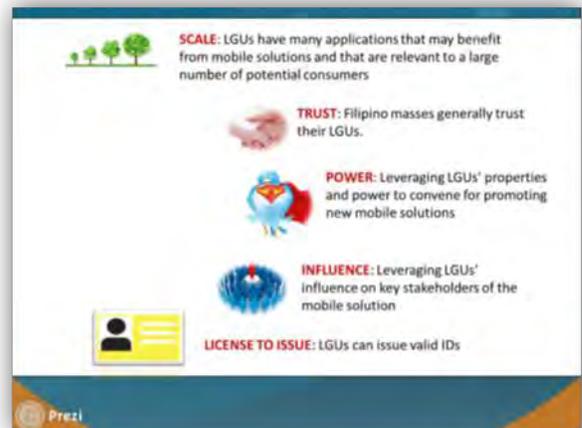
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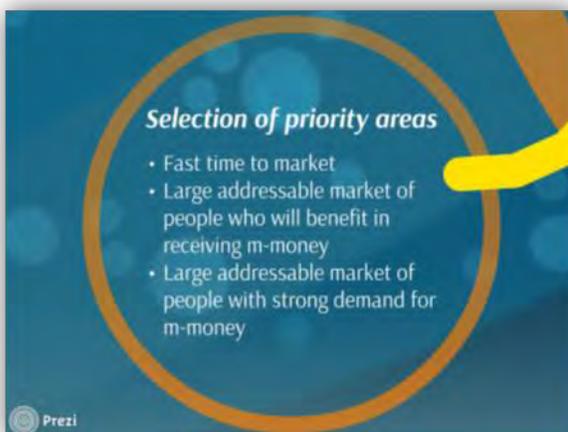
SL11



SL12



SL13



SL14



SL15

Valenzuela City Profile	Project Results	Relationship Management
<ul style="list-style-type: none"> <li>Mayor Rex Gatchalian</li> <li>Population (575, 356)</li> <li>Household (130, 171)</li> <li>Payroll: Private (64, 243)</li> <li>Power and Water (130, 171)</li> <li>Business Tax (209 million)</li> <li>Real Property Tax (196 million)</li> </ul>	<ul style="list-style-type: none"> <li><b>Local Policy issued on Feb 25, 2013</b></li> <li>Ordinance No. 2012-139, providing for authorization and recognition of the automated system of payment transactions of taxes fees and other payments</li> <li><b>Mobile Money Services launched on Jan 21, 2014</b></li> <li>Real Property Tax</li> <li>Construction Permits</li> </ul>	<ul style="list-style-type: none"> <li>Strong partnership and support of the Mayor of Valenzuela City</li> <li>Dedicated program manager at the city government to lead the project</li> <li>Alignment with the mission vision and program priorities of the city government called "3S Plus" program: Simple, Speed, and Service</li> </ul>

SL16

Prezi

SL17

Dalagang City Profile	Project Results	Project Results	Relationship Management
<ul style="list-style-type: none"> <li>Mayor Mayor Gilda B. Demosita</li> <li>Population: 395,697</li> <li>Household: 85,722</li> <li>Payroll: Private(24,973), LGU (1,340)</li> <li>Power (33,243)</li> <li>Water District: 30,386</li> <li>Business Tax (260 Million)</li> <li>Real Property Tax (184 Million)</li> </ul>	<ul style="list-style-type: none"> <li><b>SIMM forged partnership with USAID/Univest in COO Office</b></li> <li><b>LGU Mobile Services launched on March 31, 2014</b></li> <li>Business Permit</li> <li><b>New Mobile Money Users</b></li> <li>More than 10,000 accounts opened i.e. cooperative members, clients, and students</li> <li><b>Mobile Financial Service for Cooperatives launched on November 2013</b></li> <li>Sandigan Baitan Development Cooperative, Inc. (SDDCI) Loan Disbursement facility</li> </ul>	<ul style="list-style-type: none"> <li><b>Cooperatives as Mobile Money Agents</b></li> <li>San Isidro Multipurpose Cooperative on Mar 23, 2013</li> <li>Pinamulan Trade Multipurpose Cooperative in Mar 2013</li> <li>San Multipurpose Cooperative on Oct 18 2013</li> <li>Pinagbukid Multipurpose Cooperative on Nov 30, 2013</li> <li>Muhakal Multipurpose Cooperative in Mar 2014</li> </ul>	<ul style="list-style-type: none"> <li>The strong support of the Mayor and Secretary to the Mayor is integral to the sustainability of the project</li> <li>Collaboration with USAID projects related to improving business processes was crucial in implementing the SIMM project in COO offices focusing on the establishment of payment systems.</li> <li>Working with other offices within the local government such as the coop office, COA, has gained considerable results in terms of project reach. This office has become a champion in promoting mobile money to its cooperative members and even endorsed cooperatives that are likely to adopt the technology.</li> </ul>

SL18

Prezi

SL19

Municipality of Pulilan, Bulacan Profile	Project Results	Project Results	Relationship Management
<ul style="list-style-type: none"> <li>Mayor Vicente B. Espinoza, Sr.</li> <li>Population: 31,844</li> <li>Household: 16,372</li> <li>Payroll: Private(207), LGU (0)</li> <li>Power (15,694)</li> <li>Public Water System (10,586)</li> <li>Business Tax (27 Million)</li> <li>Real Property Tax (130 Million)</li> </ul>	<ul style="list-style-type: none"> <li><b>Local Policy</b></li> <li>Resolution No. 42 2013, recognizing BPI (Cebu Branch) as the electronic payments and disbursements service provider of the Municipality of Pulilan, Bulacan at July 2013</li> <li><b>LGU Mobile Services launched on August 4, 2013</b></li> <li>Government Payroll</li> <li>Public Water System</li> <li><b>New Mobile Money Account Users</b></li> <li>More than 10,000 opened savings accounts through internet banking (students, teachers, commissioners, CCT beneficiaries, magery and bicycle drivers, water commissioners)</li> </ul>	<ul style="list-style-type: none"> <li><b>SIMM Mobile Money Agents</b></li> <li>Bulaci Cooperative on Sep 25, 2013</li> <li>OneCoCebu on Dec 2013</li> <li>Dyhan Call on May 16, 2014</li> <li>Margal Central Merchandising on April 20, 2014</li> <li>Thyde's Store on April 30, 2014</li> <li><b>Development of new mobile money agent models for small MSMEs</b></li> <li>SFO (offer to document documentary requirements and minimum liquidity)</li> <li>Bayad Agent</li> </ul>	<ul style="list-style-type: none"> <li>Having an innovative mayor and municipal administrator has fast tracked project deliverables through gaps in policy</li> <li>Leveraging public and private resources to develop innovative products that serve the low income households</li> <li>In the initial stages of the partnership, regular progress updates and quick response to issues gave confidence to all stakeholders to collaborate as well as continue their own efforts to promote common project objectives</li> <li>The municipal administrator assigned a dedicated staff to the project to ensure adequate transfer of knowledge to continue partnerships even after the project life</li> </ul>

SL20

Prezi

SL21

**Quezon City Profile**

- Mayor: Arroyo (March 2010 to present)
- Population: 2,781,730
- Household: 624,824
- Payroll: ₱1,558,479,179 (₱10,236)
- Microfinance Institution/NGOs (MIAs)
- Power and Water (₱88.04)
- Business Tax (₱7,410, 5.16 Billion)
- Real Property Tax (₱76,351, 3.65 Billion)

**Project Results**

- Local Policy**
  - Ordinance SP-2228-S-2013, authorizing the City Treasurer to accept as an alternative mode of payment for taxes and fees from taxpayers through over the counter payments in accredited Banks, Internet Banking and Automated Teller Machine and Mobile Money issued on Oct 14, 2013
  - Issuance of Implementing Rules and Regulations pursuant to Ordinance SP-2228, S-2103 on December 20, 2013
- LGU Mobile Services launched on December 11, 2013**
  - Disbursement of allowances and stipends to teachers and students
  - Collection of Real Property Tax
- New Mobile Money Users**
  - About 15,000 savings accounts opened via branchless banking (students and teachers)
- Mobile Financial Service for Collections on August 14, 2013**
  - IBC 13 BWC Loan Disbursement facility

**Relationship Management**

- Challenges of the city government with tax collection and disbursement to beneficiaries align with project objectives
- Strong relationship with the City Administrator was crucial in communicating and enforcing the commitments of the local government to the project. The City Administrator's influence to all involved officers ensured buy in to the project.
- Establishment of a dedicated committee for the project to oversee policy and technical issues

SL22

**Creating a Local Government Toolkit for mobile money adoption**

- Understanding e-payments system including mobile money
- National and Local policies to enable e-payments
- Identifying key priorities for conversion to e-payments
- Multisectoral partnerships from international organizations, public to private sector
- Disbursements to enable use, stimulate trials and build habits
- Financial Literacy and Mobile Financial Services Program for vulnerable sector
- Behavioral Change Communications as an approach to public information campaigns

SL23

**mobile money adoption**

- Project Introduction
- Enabling Regulatory Framework
- Needs Assessment
- Forging Partnerships
- Value Proposition
- Operations Management
- Training
- Communication

SL24

- LGU Mobile Services (\*137#)
- Local policies enabling e-payments
- LGU Toolkit
- Financial Literacy and MFIS Training Program
- Behavioral Change Communications

SL25

**USAID** *Now holding your neighborhood's Real Property Tax grant and GCash mobile money on being on any phone!*

**Ayaw mo na bang pambala sa pagbayad ng Real Property Tax (RPT)?**  
 Ngayon, pwede kang magbayad ng RPT gamit ang iyong cellphone in less than **10 minutes!**

1. 2. 3. 4. 5. 6. 7. 8. 9. 10.

www.gcash.com.ph

SL26

- Paghandaan ang Kinabukasan**
- Magipon Para sa Kinabukasan**
- Sa Pag-utang nang Tama, Ginawa ang Dala**
- Sa Insurance, Proteksyon ay Maasahan**

SL27



SL28



SL29

**CHALLENGES FACED**

A study of the Philippine market showed that there is low usage of M-money, in spite of a robust telecommunications infrastructure and products being introduced as early as the year 2000. The reasons for these are:

- Low awareness on MM products;
- Insufficient number of agents;
- Unclear pricing, and;
- Complex registration process.

SL30

**Mobile Financial Service Program**

- RATIONALE:** Program focus on Microfinance Institutions (MFI) as they represent huge transactions related to microfinance services especially in the rural areas.
- STRATEGY:** Develop and Pilot test Mobile Financial Services (MFS) business models for MFIs, to design impacted business processes, and document new models that integrate mobile money in MFI operations.

SL31

**Program Objectives**

- Reduce operating costs of MFIs in loan disbursement and collections of loan amortization, microinsurance premiums, savings from customers, etc.
- Increase revenues by increasing the number of accounts that can be handled by account or loan officers.
- Expand outreach and footprint of MFI branches to include areas that are otherwise cost-inefficient to reach.
- Enable MFIs to offer new products or services.
- Promote transparency in cash receipts and disbursements of MFI staff.
- Improve transparency and client satisfaction convenience in loans payment and collection.

SL32

**Selecting pilot MFIs**

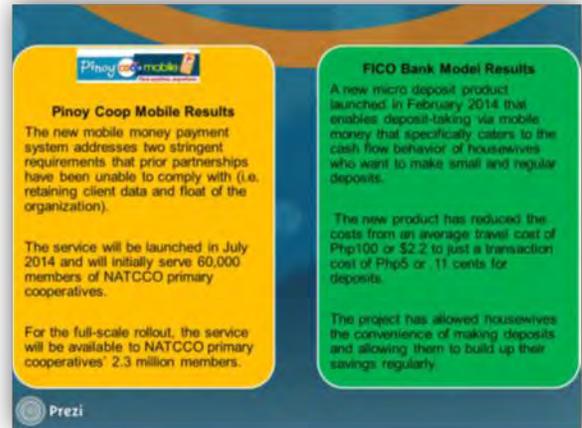
Pilot MFIs were selected based on geographical reach (with preference over those operating in SIMM cities), large membership base, financial capacity and services

- **Financial para sa Mambal sa Bulubog ng (FAMBS) - Iloilo**
- **First Isabela Cooperative Bank (FICO)**
- **Center for Community Transformation (CCT)**
- **1st Bank of Cebu, Inc. - Iloilo**
- **National Confederation of Cooperatives (NATCCO)**

SL33



SL34



SL35



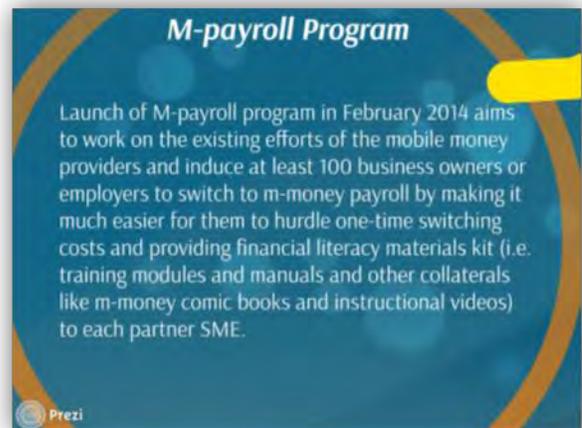
SL36



SL37



SL38



SL39

**RESULTS:**

The M-payroll program is fast moving with a total of 11 small, medium and large enterprises availing of the program with 47,000 new users activated.



SL40

**Agent Aggregator**

- Lack of Scale - Leveraging on other financial services (i.e. bills payment, remittance, ticketing etc. ) instead of offering standard cash in cash out services.
- Liquidity - Using universal wallet system enables agents to optimize their working capital.
- Compensation - Leveraging high margin and low margin services by bundling fast moving good with cash in cash out services providing a better value proposition



SL41

**RESULTS:**

Through SIMM, Gxchange Inc. and Smart e-money has forged partnerships with:

- Remitbox with 800 outlets and;
- Agnostic Network/Auto Top Up Ventures Inc. (ATVI) with 1,600 outlets nationwide



SL42

**Addressing m-money barriers of M-payroll and Agent Network**

- SIMM project led by industry experts facilitate strong partnerships with private sector
- Strengthening partnerships with mobile money providers are key in ensuring SIMM objectives are in the key priority programs
- Understanding the barriers of current strategies of mobile money providers through research and consultations
- Developing and presenting new strategies with clear business case



SL43

Key Performance Indicators	Total	Target	Gap	Status/Project activities to address Gaps
Number of active mobile money users	776,296 (as of June 2013)	1.3 million		Due to system limitations and continuous reorganization the definitions vary across providers. SIMM is working with the providers and BSP to standardize and institutionalize definitions
No. of businesses using e-payroll/bills payment	16	100	( 84 )	M-Payroll program
No. of govt. agencies using e-payroll/bills payment	4	5	( 1 )	Launching of CDI cities Iloilo and Cagayan De Oro in July 2014
No. of cash merchants/agents	869	2,000	( 1,111 )	Completing implementing agreement with ATVI with 1,600 outlets
No. of new users	100,586	250,000	(149,414)	Completion of project cycle, activation of new mobile money users specifically mobile money provider partnerships, Banking the Unbanked program and M-Payroll program, and MFS Models
No. of people opening savings accounts	42,718	10,000	+32,718	↑
No. of people trained	15,182	12,000	+3,182	↑
No. of conferences	3	3	-	↑
No. of research papers	5	5	-	↑
Value of activities funded by cost-sharing/contribution arrangements with SIMM	350,000	100,000	+250,000	↑



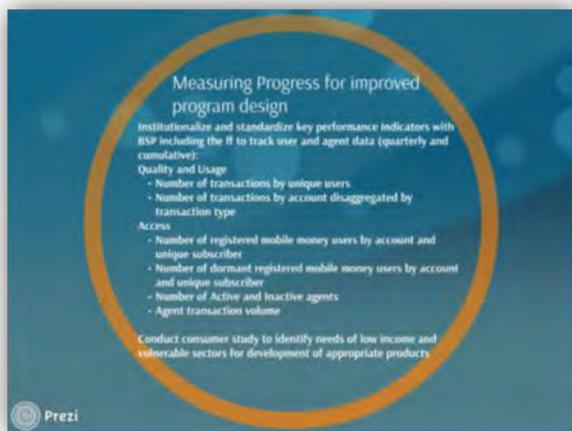
SL44

**Best Practices**

- Proof of Concept Models for each sector (i.e. LGU, MFI, cooperatives, large, SMEs) for replication
- Business Process Review and Reengineering for sustainability
- Needs based and Business Case Selling for Public and Private Sector partnerships
- Combined industry and development leadership
- Relationship Management across sectors
- Change Management interventions



SL45



## SIMM Project Updates Discussion Highlights

### *Comments and clarifications*

#### a. SL13: On selection of project areas (local engagement)

The SIMM team was asked to elaborate on the criteria and process for selecting pilot areas.

Selection of pilot LGUs were based on three considerations: (i) fast time to market, (ii) large addressable market of people who will benefit in receiving m-money, and (iii) large addressable market of people with strong demand for m-money. There are 115 cities and 1,495 municipalities in the Philippines (total of 1,610). The SIMM team selected four pilot cities/municipality by first ranking these LGUs according to the last two criteria.

Under “large addressable market of people who would benefit in receiving m-money,” they considered the number of LGU employees and MFI clients. Under “large addressable market of people with strong demand for m-money,” they considered the number of customers of entities like water concessionaires. After ranking the LGUs, they assigned some weights and chose those that have a demonstrated appetite for innovation. They determined this by considering the LGUs that performed well in the *Galing Pook Awards* and/or Seal of Good Housekeeping Awards of the LGU management (DILG). Receiving such awards indicate that the LGUs have completed and operationalized innovative concepts.

The “fast time to market” criteria means LGUs that have both willingness and (operational) capacity to undertake m-money services.

b. SL15, 21 and SL27: On interventions with the Commission on Audit (COA)

A question on the difference of Valenzuela City's local policy on m-money with that of COA led to a discussion on why securing the COA circular was important, as well as how the SIMM team helped bring this about. Additional information on COA interventions were provided later on during the discussion on how the SIMM team engaged the national government.

At the outset, there was a lot of hesitancy from LGUs to engage in mobile services because they were afraid COA would disallow budget allocations for this. The SIMM team found that financial management regulations in the Philippines were all manual based. As such, SIMM sponsored a study tour in Kenya that included a key COA person. She helped a lot in clarifying COA policies on mobile money. She also eventually became instrumental in helping push the issuance of the enabling circular internally in COA.

The process of transition is not just a change from cash to electronic. Underlying systems make reporting reconciliation and settlement processes difficult. The law is requiring something that systems do not allow. Matching up requires making some policy changes to fit the actual business process

The SIMM team also conducted two series of workshops with auditors to help them understand e-payments. They sought to make COA understand that e/m payments leave audit trails and promote transparency and accountability.

These interventions resulted in the drafting and issuance of COA circular no 2013-007 also known as 'Guidelines for the Use of Electronic Official Receipts of Government,' which was released 18 September 2013.

- c. SL15: Not much difference or impact can be discerned yet (in terms of revenue collections) since the services were just recently launched in the four LGU pilot areas: November 2013 for Pulilan, December 2013 for Quezon City, January 2014 for Valenzuela City and March 2014 for Batangas City.
- d. SL17: On reasons why the SIMM team focused on business permits in Batangas City and how they worked with cooperatives.
- INVEST, another USAID project, had an initiative improving the business permit system in Batangas City. This became an entry point for SIMM in the area.
  - The SIMM team encouraged rural savings and credit cooperatives to disburse loans to members using mobile money. They first identified/ located local cooperatives, convened them and proposed that they raise additional revenues by being m-money agents and delivering various financial services to members. Five cooperatives became agents and signed up their members for branchless accounts with BPI Globe BanKo. It was the first time for many cooperative members to avail of banking services.
  - The SIMM team believed that cooperatives, especially those operating in far-flung barangays, are trusted by the community and can play a big role in being agents. There are no other financial service providers (pawnshops, rural banks) in these areas.

Mobile payments thus enable members to save on time and transport fares, as it takes about an hour to travel to the city proper to pay for utilities and other fees.

- e. SL19: Municipalities are different from cities as they have a much smaller population; the government structure is also simpler. For example, there are only over 300 government employees in Pulilan Municipality compared to 10,000 in Quezon City.
- f. SL21: On the level of technical assistance required from start-up to end of process in terms of person hours
  - The SIMM team estimated that about two thirds of the entire transition process was spent on enabling and aligning business processes, training, as well as buy-in.
  - From initial engagement to actual payments, Pulilan took six months; Batangas 2-3 months (after policy matters were resolved); Quezon City 10 months (3 months of inactivity due to election period); and Valenzuela 5-6 months. They added that models are being replicated in Cagayan de Oro after Batangas City. Based on these experiences, the process took 6-10 months.
  - Because of lessons learned in pilot implementation, the SIMM team believed that the transition process could be done in four months.
- g. SL23: Ms. Harihareswara provided references for the LGU toolkit that the SIMM team is developing.
- h. SL28-SL34: On transitioning MFIs
  - Preferred MFIs are those with wide geographical reach, large membership base (5,000 up) and large transaction volumes. Effectiveness of umbrella organizations (confederations) are determined by looking at their relationship with member organizations and their industry associations.
  - The level of effort to transition MFIs was the same level as that of LGUs. The challenges are different, as with MFIs, it is organizational capacity and access to technology that is the challenge. Addressing the business case is less clear for MFIs and more time is spent explaining this to them. With LGUs, more time is spent convening people from various offices (legal, finance, treasury, accounting, IT).
  - Big and small MFIs realize huge savings when they transition. The costs of transition depends on the model chosen. In the case of FICO Bank, the MFI did not invest much in technology (work on this was on the side of MMPs) but in training, especially shifting clients. If interventions stopped, the larger MFIs could handle the transition process but the smaller ones would need a development catalyst. In Batangas City, the development catalyst is OCVAS, particularly a coop development division based in this office.
  - Sending reports a day after the transaction is one barrier. MFIs need the transaction report during the day because they are penalized if they are late. In FICO Bank, the SIMM team found a way to produce needed reports during the day.

i. SL35 to SL42: On agent issues

- Distribution proved to be a problem as Globe and Smart e-Money relied heavily on the electronic load distribution network, which largely did not offer CICO services. On the other hand, BankO partnered with pawnshops and other financial service providers.
- Agent issues include lack of scale, liquidity, and thin compensation margins (1% for m-money compared to 10% for e-load)
- Through SIMM, MMPs partnered with agent aggregators, which offer bundled services, to address the gap

j. SL43: On outputs

- On active users
  - Definition of active usage was not clear at the outset. MMPs can only count once a month, not one out of 90 days. Except for G-cash, the SIMM team is not really getting an accurate picture of this indicator. In the case of Smart e-Money they average it. The SIMM team works with MMPs in extracting data to make sure data parameters are comparable.
  - When SIMM targeted 1.3M users, the active user definition was not yet standardized; they were still using no. of registered users, which was easier to measure. It was only when the global definition of 1/90 for active usage was agreed upon did SIMM ask MMPs to track it in this way. SIMM is also asking BSP to adopt the global standard and require MMPs to report in this manner
- The SIMM team was confident of meeting most target outputs by end-August. They were asked to submit figures in the pipeline

k. SL44: On best practices and SIMM's roadmap for the future

- “Industrial and development leadership” refers to partners that SIMM engaged with, some of whom are national and local leaders
- Follow-on activities or conditions that would ensure sustainability
  - The LGU toolkit will be released
  - MMPs have reached a level of understanding LGU operations and the regulatory framework and can thus work with partners on their own
  - Buy-in of the Bureau of Local Government Finance was obtained. They are expected to make a circular on e/m-payments to raise more awareness and demand
  - Building LGU capacity/ competency in terms of IT and IT human resources; a policy on this matter or incentives to automate would help ensure sustainability
  - Continue working for a framework for national retail payments; interoperability
- SIMM will provide the internal assessment team with documentation on financial service players and costs of m-money services to users

m. Other questions

- Ultimate results of training and education programs
  - Active usage
  - Knowledge on the relevance of mobile money resulted in better household cash/ financial management; financial resiliency as 27,000 accounts were in Haiyan-affected areas
  - Expected increase in income/ revenues for partners
- Why some stakeholders assumed that SIMM had a profit motive: they are not used to working with development institutions
- For the Pulilan case, payroll processes were reduced by only two hours because in the disbursement facility process, it was only the time of transporting and queuing for their salary that was reduced. Payroll preparation still followed the usual manual processes.
- MMPs are profit-driven; this is the real incentive for scaling up. They have a mandate from shareholders to start showing profits.

## SIMM Internal Assessment Preliminary Findings Presentation for Mission Management and SIMM Project Management

Mission Management: GLORIA STEELE, *Mission Director*  
ROGER CARLSON, *Deputy Mission Director*  
TERESITA ESPENILLA, *Contracting Officer Representative for SIMM*  
NORA PINZON, *Program Office Acting Office Director*  
DANIEL MILLER, *OEDG Office Director*  
BROOKE PATTERSON

Date: 27 June 2014  
Venue: USAID Philippines Office, Manila  
Time Started/Ended: 1:45 PM to 3:06 PM

SIMM Project Management MAMERTO TANGONAN, *Chief of Party*  
NIKOLE ALICER  
VICENTE CATUDIO

Time Started/Ended: 1:45 PM to 3:06 PM

Internal Assessment Team: NANDINI HARIHARESWARA, *Mobile Solutions Expert*  
JOHN CALLANTA, *Monitoring and Evaluation Specialist*  
JOSEPHINE JOSON, *Documenter*

### Presentation

SL1



SL2



SL3



**Evaluation Purpose**

- Examine performance in the development and implementation of the various SIMM components, as well as progress in establishing processes and partnerships
- Determine lessons learned, and develop recommendations to strengthen the ongoing implementation of SIMM, and inform work plan of E-PESO
- Assessment fieldwork: June 16-27, 2014
- Team Members
  - Nandini Harihareswara (Mobile Solutions Expert)
  - John Callanta (Monitoring and Evaluation Specialist)
  - Lucia Deza (Administrative/Logistics Coordinator)
  - Josephine Josen (Documenter)
  - Gerald Britan (Report Editor)
  - Mr. Honorato Santos (Transport Coordinator)

SL4



**Key Evaluation Questions**

- How did SIMM work to improve the capacity of its partners to use mobile money services (including processes and partnerships)?
- What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?
- Good Practices: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?
- Lessons Learned: What strategies/interventions did not work? What factors constrained achievement of results?
- What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?
- Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?
- What learnings can we apply to E-PESO?

SL5



**Project Background**

- \$ 2.9 million; April 26, 2012 to August 30, 2014
- SIMM aims to increase financial inclusion for broad-based economic growth by
  - boosting the expansion and rapid adoption of mobile money
  - creating an enabling environment for mobile money
- SIMM targeted three strategic areas
  - payment system
  - government services
  - electronic payroll distribution
- Cross cutting
  - supply and demand constraints to broader adoption of m-money
  - promote global knowledge sharing

SL6



**Methods Used in the Performance Evaluation**

- Review of relevant project documents
- Interviews of 40 key informants
  - LGUs: Batangas (5), QC (3), Pullian (3)
  - 5 Coop leaders – 2 local coop SIMCO, IBC13, 3 coop feds
  - 2 QC Students
  - 4 Community bank clients
  - 1 Utilities personnel
  - 6 GPH departments - 2 DSWD, 2 BSP, 2 City COA
  - 7 from 3 providers 3 Globe, 2 Smart, 2 BankKO
  - 6 Project staff
  - 1 mission staff
  - 4 MCC
- 6 focus group discussions/ 30 participants
  - 4 Rural coop members
  - 5 Workers coop members
  - 6 public school teachers
  - 15 LGU employees – 8 Quezon City & 7 Pullian

*To Do: Assessments of M&E Plan and Gender Action Plan*

SL7



**Q #1: How did SIMM work to improve the capacity of its partners to use mobile money services (including processes and partnerships)?**

<b>Project introduction</b>	<ul style="list-style-type: none"> <li>Orientation events involving LGUs, MFIs, mobile money providers, and main government partner (BSP)</li> <li>Individual briefings – e.g., Calamba Water District</li> </ul>
<b>Enabling regulatory framework</b>	<ul style="list-style-type: none"> <li>Review of existing laws/ordinances/policies</li> <li>Commission on Audit (COA) circular on eORs enabled use of m-money in LGUs</li> </ul>
<b>Needs assessment</b>	Actual needs (LGUs, beneficiaries) shape priorities for conversion to m-money applications
<b>Forging partnerships</b>	<ul style="list-style-type: none"> <li>MOUs between SIMM and partner organizations</li> <li>Contracts between m-money providers and partner organizations</li> </ul>
<b>Value proposition</b>	TOR development for needs to be part of business cases for mobile money providers
<b>Operations mgt</b>	Business process review and reengineering, technology development
<b>Training</b>	Implementing staff of partners (m-money systems) and actual end users (financial literacy, orientation on m-money use)
<b>Communication</b>	M-money campaigns for behavior change of targeted users

SL8



**Q #1: How did SIMM work to improve the capacity of its partners to use mobile money services (including processes and partnerships)?**

**FINDINGS**

- SIMM facilitated the linkages/partnerships between m-money providers and the LGUs and MFIs, and provided constant TA (coaching/handholding)
- Use of change management interventions
- Relationship management employed by SIMM team
- Private sector interview indicated SIMM workplan/indicators could have been more aligned with company's strategic goals

SL9

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**Q #1: How did SIMM work to improve the capacity of its partners to use mobile money services (including processes and partnerships)?**

**CONCLUSION:**  
SIMM employed a systematic, participatory process in developing m-money services responsive to needs of LGUs and MFIs, but there might have been opportunities for increased engagement with mobile money providers.

**RECOMMENDATION:**  
Utilize relevant steps of the process for E-PESO partnership building, and leverage "community of champions" from SIMM cities for CDI cities

SL10

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**Q#2: What are the outputs of SIMM as of date?**

Indicator	Target	Actual (6/26/2014)	Pipeline Until end-August	Projected Cumulative
<b>ACHIEVED</b>				
No. of people opening savings accounts	10,000	53,149	96,750	149,899
No. of people trained	12,000	15,182	15,000	30,182
No. of conferences	3	3	1	4
No. of research papers	3	7	-	7
Value of activities funded by cost-sharing/ contribution arrangements with SIMM	100,000	350,000	-	350,000

SL11

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**Q#2: What are the outputs of SIMM as of date?**

Indicator	Target	Actual (6/26/2014)	Pipeline Until end-August	Projected Cumulative
<b>Projected to be Achieved</b>				
No. of gov't agencies using e-payroll/e-bills payment	5	4	2	6
No. of cash merchants/agents	2,000	889	1,600	2,489
<b>Will Not Be Fully Achieved</b>				
<i>Contextual Indicator: No. of active mobile money users</i>	1.3 M	776,298 (June 2013)		
No. of businesses using e-payroll/e-bills payment	100	16	43	59 (60% of target)
No. of new users	250,000	111,017	123,900	237,917 (95% of target)

SL12

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**Q#2: What are the planned or emerging benefits for target beneficiaries?**

**FINDINGS**

- Transparency of transactions/ accountability
- Convenience for the partner institution
- Safety for disbursing personnel, actual users
- Savings on transportation expenses by end users - average of PhP 92.50 for FICO microsavings clients; as high as PhP 200 for Putilan water users living far from municipal hall
- Ability of "unbanked" to have savings accounts – FICO microsaver-moms
- Livelihood – airtime load business
- Initial analysis on Return on Investment: Cost to transition LGUs & MFIs similar, but cost to create new LGU users is 80% cheaper

SL13

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**Q#2: What are the outputs of SIMM as of date? What are the planned or emerging benefits for target beneficiaries?**

**CONCLUSION**

- Targets for 5 of 9 Outputs achieved.
- Targets for 2 Outputs will not be fully achieved (60% for no. of new users & 95% for no. of businesses using e-payroll/e-bills payment)
- Targets for 2 Outputs are projected to be achieved by end-August - no. of gov't agencies using e-payroll/e-bills payment & no. of cash merchants/agents

**RECOMMENDATION**

- Maintain close supervision and accelerated implementation pace to ensure attainment of projected achievements; reflect on Return on Investment when setting up indicators for E-PESO

SL14

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**Q#3: Good Practices: What were the key strategies and interventions that worked for SIMM? What factors contributed to achievement of results?**

**FINDINGS: Key Strategies & Interventions**

- Creating Policy and Regulatory environment
  - Creating inventory of existing regulations enabling e-payments
  - Formulation of relevant COA policy governing m-money services
- Commitment building and mobilization of capable LGUs as change agents
- Strengthening partnerships with mobile money providers and demonstrating value to them

SL15



**Q#3: Good Practices (continued)**

**FINDINGS: Key Strategies & Interventions continued**

- Bringing a new variety of stakeholders & institutions together
  - National Payment Systems Analysis and Workshops
  - Local Government Units
  - Kenya Learning Trip
- Developing and presenting new strategies with clear business case
- Business Process Reengineering & Change Management Advising for LGUs and MFIs. – Very Technical yet user-friendly
- Constant coaching and trouble shooting to LGUs and MFIs/Cooperatives
- Provided strong training for financial literacy and mobile money

SL16



**Q#3: Good Practices (continued)**

**FINDINGS: Factors contributing to results**

- SIMM staff - Technically competent and customer oriented, but also perceived as trusted advisers. Good management of relationships
- Strong BSP support
- Interest of LGU leadership and technical staff/bureaucracy to automate + existence of IT capacity;
- Benefits to LGUs very clear – especially to Treasurers (literally a life-saver)

SL17



**Q#3: Good Practices (continued)**

**CONCLUSION**

The SIMM team demonstrated strong value to the ecosystem both in enabling critical policies as well as providing truly stakeholder-oriented, technical support to LGUs and MFIs/Cooperatives. The LGU work brought new stakeholders into this work in a thoughtful, strategic manner.

**RECOMMENDATIONS**

- Use lessons learned from this work (including local policies/regulations drafted) and LGU toolkit (currently in draft) to replicate among other LGUs, especially to those that USAID cannot devote investment
- Address need for a cadre of service providers that can help organizations shift from cash to electronic

SL18



**Q#4: Lessons Learned: What strategies/interventions did not work? What factors constrained achievement of results?**

**FINDINGS: Key Strategies & Interventions that did not work**

- Assumed sufficiency of coverage by existing network of ATMs and agent partner outlets – in reality mobile money end-users found deficient the (a) location of the ATMs and partner outlets and availability of funds at time of withdrawal
- Is Microfinance the enemy of Scaling Mobile Money?
  - Return on Investment LGUs vs. MFIs
  - With CCT, once the MOA was reduced significantly from 6000 to 250 users, should the engagement have been postponed/cancelled?
- Engagement with Water Utility
- Engagement with National Government – DSWD & DBM

SL19



**Q#4: Lessons Learned (continued)**

**FINDINGS: Factors constraining results**

- The Myth of Universal Access and Universal Mobile Literacy
  - According to GSMA: 49 million unique subscribers only have 50% access
- Competition of Existing, Trusted Providers - Presence of less cumbersome, more familiar payment options (pawnshops, electronic payment online, debit and ATM cards)
- The Absolute Must of COA Policy: Absence of COA regulation/circular governing m-money transactions of LGUs delayed the operationalization of the services

SL20



**Q#4: Lessons Learned (continued)**

**FINDINGS: Factors constraining results continued**

- Users are Cheap (aren't we all?) – Transaction Costs/Price Sensitivity
  - Banks don't charge fees because they make money on the float. So law determines that Gov't should not be charged fees, so fees are then charged to end users.
  - LBC has determined a business model that charges no transaction fees to users
  - SIMCO discontinued loan disbursement service because of P50 Transaction fee

SL21



**Q#4: Lessons Learned (continued)**

**FINDINGS: Factors constraining results continued**

- Cost of Connectivity = Cost of creating Financial Inclusion?
  - Center for Community Transformation (MFI)
  - Batangas City
- Culture Wars: Receipts vs. Texting
  - COA concern
  - IBC13 requests paper receipts
- 1-800- MyMobileMoney: Poor customer service of BPI Globe BankO
  - unanswered calls or insufficiently informed hotline staff
  - QC reports poor Customer Service from BankO
- Technical Challenges:
  - Choice of one provider over another because of incompatible IT systems
  - NATTCO and Smart – still waiting...

SL22



**Q#4: Lessons Learned (continued)**

**CONCLUSION**

- In a challenging environment with opaque transaction costs, lack of interoperability and in a short period of time, it was difficult to address many factors that inhibit the use of mobile money in the Philippines.
- One particular factor that could have used more clear engagement was the requirement of agent availability and liquidity/funds (in cash & electronic float) in participating LGUs and MFI contracts with Mobile Money Providers

SL23



**Q#4: Lessons Learned (continued)**

**RECOMMENDATIONS**

- Continue National Payment Systems work;
- Address the limiting factor of transaction costs to users (beyond education of users) by figuring out how institutions might be able to “eat” the costs;
- Work with Mobile Money Providers to strengthen customer service hotlines/services
- Address the ability of e-payments to give receipts to users without email accounts

SL24



**Q#5: What policies, regulations, and other enabling laws have been introduced or are currently being developed as a result of interventions carried out by SIMM?**

**FINDINGS**

- Introduced at National Level: COA Circular no. 2013-007 a.k.a. “Guidelines for the Use of Electronic Official Receipts of Government” (Sept 18, 2013)
  - Enabled by same circular, SIMM cities to pursue m-money & other e-payment options for other regularly collected fees
- Introduced at Local Level
  - Valenzuela City: Ordinance No.2012-139 which authorized an automated system of payment of fees
  - Pulilan, Bulacan: Resolution No.42-2013 which recognized BPI Globe BankO as e-payments and e-disbursements provider
  - Quezon City: Ordinance SP-2228-S-2013 and its IRR which authorized City Treasurer to accept alternative payment mode for taxes & fees

SL25



**Q#5: Policies, regulations, and other enabling laws (continued)**

**FINDINGS**

- Being Developed: Start to align national and sub-national objectives for boosting expansion and rapid adoption of m-money
  - Interoperability study
  - National Retail Payment System (target: launch in 18 months)

**CONCLUSION**

COA circular enabled several LGU “proofs of m-money concept”, but policies/regulations which would usher wider industry/geographic/economic impact are still being processed

**RECOMMENDATIONS**

- Support momentum of ongoing policy work on NRPS and Inter-operability thru E-PESO
- Request SIMM to engage & monitor compliance of LGUs to COA circular
- E-PESO to also monitor compliance and COA audit findings

SL26



**Q#6: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?**

**FINDINGS**

- Requesting data on several important indicators of m-money (quality and usage, access) not required by BSP is challenging
- BSP still to complete the amendment of the e-money report which will make permanent the inclusion of the new indicators

Tracked by BSP	Suggested for BSP Tracking
<b>Usage</b>	<b>Quality &amp; Usage</b>
* Disaggregated by Inflow and Outflow	* No. of transactions by unique users
* No. of transactions by account disaggregated by transaction type (quarterly)	* No. of transactions by account disaggregated by transaction type
	<b>Access</b>
	* No. of registered m-money users by account & unique subscriber
	* No. of dormant registered m-money users by account & unique subscriber
	* No. of active & inactive agents
	* Agent transaction volume

SL27



**Q#6: Did the monitoring and evaluation system adequately measure the planned outputs and outcomes?**

**CONCLUSION**

- M&E system would have benefited if several important indicators became "BSP mandatory"

**RECOMMENDATIONS**

- Continue support to BSP on amendments to e-money report
- Inclusion in future agreements with m-money providers the provision of uniform data on relevant indicators

SL28



**Q#7: What lessons can be learned for E-PESO?**

**FINDING: Key Strategies & Interventions**

- National Payment Systems Work:
  - Understanding the larger payments system is critical, as there are so many competing players
  - China mobile payments is exploding because they are interoperable and standardized but it took 8 years to create a credit bureau in the Philippines

SL29



**Q#7: Lessons for E-PESO (continued)**

**FINDINGS: Key Strategies & Interventions**

- Co-leadership with the Private Sector –
  - engaging service providers in the design of the workplan and indicators, mapping against the strategic goals of the FSPs?
  - Expanded Engagement with the Pawnshops and other Service providers & Credit Cards?
- Requiring investments in agent networks and liquidity as part of template contracts for LGUs/MFIs with Service Providers
  - The 1% Challenge
- Working with the National Government for scale and replication
  - Can LGU level enthusiasm energize the national level?

SL30



**Q#7: Lessons for E-PESO (continued)**

**FINDINGS: Key Strategies & Interventions**

- The Receipt Conundrum – Culture wars: Receipts vs Texting
- Watch for Lessons:
  - Smart Bayad Load pilot in Tablolan
  - ASKI/BankO transitioning Sari-sari stores to also becoming Cash in/cash out outlets
  - Tablolan response: FSPs are already harmonizing. Digital & Brick-and-mortar depend on each other to be successful
- Reorienting New Staff in institutions, especially FSPs
- MNO engagement with media/marketing/training?
- Enemy of One is the Many - LGU payments need to be comprehensively transitioned; if users need to pay some fees in person they might end up paying all fees in cash

SL31



**Q#7: Lessons for E-PESO (continued)**

**RECOMMENDATIONS**

As SIMM has begun to do, E-PESO should continue to engage on a variety of levels of the e-payment ecosystem. Areas that will be critical for success will be:

- Continued support to the policy/regulatory framework
- Robust engagement with a variety of private sector players (including pawnshops) and integration of workplan against their strategic goals/investments
- Addressing agent availability and liquidity
- Addressing user transaction fees

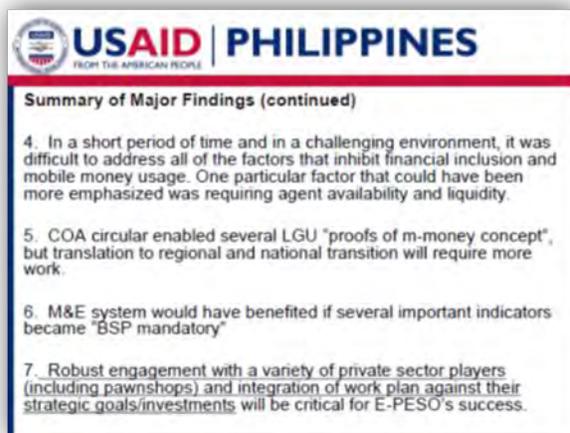
SL32



**Summary of Major Findings**

- SIMM was creatively inclusive in the process to transition LGUs and MFIs to using mobile money; however there might have been opportunity for increased engagement with the private sector.
- Though the number of government organizations transitioned and number of individuals trained and new savings accounts reached targets, the number of total active users (contributing), new users, and businesses using e-payroll are unlikely to be met.
- The LGU work brought new stakeholders into this space, which brought great value to the private sector.

SL33



## Mission Management Debriefing Discussion Highlights

### Resolutions

- a. SL7: Dig deeper on which of SIMM goals were not aligned with that of one provider; reflect how SIMM ensured the alignment of goals among partners.

Presenters noted the strong confidence among LGUs and providers in implementing the SIMM program. However, there is one provider that said they could have ‘partnered more’ if SIMM had been more aligned with its strategic goals.

Mission management advised the Internal Assessment Team to delve deeper on which of SIMM goals were not aligned with that of the concerned provider, as alignment of goals is key to moving the mobile money agenda forward. Assessment findings should also reflect how the mission ensured the alignment of goals among partner implementers.

- b. SL8: The recommendation “...leveraging the *community of champions* from SIMM cities for CDI cities” was acknowledged as a great idea by mission management. There was consensus that besides the toolkits, SIMM’s group of mobile money champions should be mobilized to move the next program forward.
- c. SL10: Generate a profile of businesses using e-payroll/ e-bills payment; this could be a baseline study

Mission management noted the importance of getting a profile of businesses using e-payroll/e-bills payment, especially since output indicators presented gave no indication of how the use of mobile money relates with big business operations.

The team agreed to ask project staff for this profile, to possibly include the business name, related industry, size of the business, where located, no. of users per business.

d. SL14: Consider developing a toolkit for MFIs

Ms. Harihareswara said 2 or 3 MFIs she has spoken with underscored the effectiveness of having a clear business case and having a clear understanding of the Business Process Reengineering to have their systems switch to electronic payments. The MFIs also stressed the value of observing change management processes as part of this reengineering.

Mission management suggested developing a toolkit for MFIs, to include lessons and guidelines on what has been learned from the SIMM experience (currently only an LGU toolkit is being drafted).

e. SL16: Involve the League of Cities as the contractor's 'must' partner in the succeeding e-money program, as the organization can serve as a line to cities that the program cannot reach.

f. SL17: Make sure that contracts with the service provider include commitments to provide agent partner outlets and liquidity in project areas, and that there be a consequence if this is not done.

This was agreed upon in light of findings noting the glaring lack of ATMs and partner outlets where mobile money end users can cash in and cash out, as well as deficiencies in the availability of funds at time of withdrawal. In Pulilan municipality, project implementers were the ones worrying about the establishment of outlets in barangays instead of the service provider.

g. SL20: Explore ways of addressing needs for strong connectivity and improving customer service

Findings show that having a strong broadband connection and other technological requirements add on to the costs of financial inclusion, especially for small cities/municipalities who want to transition to mobile money services (e.g., Pulilan and Batangas City). Ways of addressing this need, such as the planned partnership with DOST under the e-Peso program, need to be explored.

Consistent complaints about poor customer service, especially of BPI Globe BankO, and related concerns on partner outlets, should likewise be brought to the attention of service providers. These concerns should be their primary responsibility, less so of the implementing partners.

h. SL24: Be vigilant on audit findings

COA will audit the cities on their use of mobile systems and SIMM and e-Peso should be on hand to monitor LGU compliance to the circular, as well as help address any adverse audit findings. This measure is necessary to avoid difficulties with this agency, especially in moving the CDI cities initiative forward.

- i. SL25: Determine if amendments to the BSP's e-money report will include gender

The Bangko Sentral ng Pilipinas (BSP) is currently making amendments to its e-money report which is expected to incorporate new indicators required for adequate monitoring and evaluation of mobile money outputs and outcomes. The mission should determine if indicators for gender are included in the amendments.

*Comments and clarifications*

- j. SL9: Target, actual and projected cumulative outputs of SIMM as of June and end-August showed that the mission under-targeted in some expected result areas (no. of people opening savings accounts; no. of people trained; no. of conferences; no. of research papers; value of activities funded by cost-sharing/ contribution arrangements with SIMM).

Note: Evaluators did not make an analysis on the likelihood of pipelines

- k. SL10: Mission management clarified performance on the following:

- The kind of government agencies using e-payrolls/e-bills payment were all Local Government Units (LGUs). These are subnational agencies. There were attempts to work with the Department of Budget and Management (DBM) for the national payroll but readiness issues derailed progress. Most federal agencies are already receiving electronic payments but do not have one consolidated system.
- 'Active' mobile money users was described as 90 days
- The no. of businesses using e-payrolls/e-bills payment is projected to be 60% short of target, likely due to the delays encountered in moving the program forward until the Commission on Audit (COA) issued a circular giving permission for LGUs to proceed with the project. Almost all projects started implementation in the beginning of this year.
- The COA issue began at the onset of engagement on July 2012 (SIMM started May 2012) and took a while before it was favorably resolved. The study tour helped a lot in the successful outcome.

- l. SL11: Mission management looks forward to the assessment team's initial analysis on Return on Investment. Initial findings show that LGUs may have reached more people than MFIs but it was noted that most MFIs engaged by SIMM have yet to rollout the project.

- m. SL13: The Contracting Officer Representative of SIMM clarified assumptions on COA policies governing mobile money services. SIMM knew at the onset of policy gaps on e-money that needed fixing but it was the post-payment side that emerged as an issue in the course of implementation, which was not foreseen.

- n. SL17/18: The Contracting Officer Representative of SIMM gave the following clarifications on contentions suggesting MFIs' poor performance in scaling mobile money, organizations that did not move forward with SIMM, and some factors constraining results:

- Engagements with the Center for Community Transformation (CCT)—a big confederation of cooperatives that significantly scaled down pilot users from 6000 to 250—were neither cancelled or postponed, as investments here considered the potential large number of people that can be transitioned after the organization is assured of how well the new system would work.
- The engagement with the Department of Social Work and Development just require follow up. However, they were concerned about the feasibility of the project, considering that majority of Pantawid Program/Conditional Cash Transfer beneficiaries do not own cellphones.
- The engagement with the water utility did not push through because associations managing it were not cohesive and required negotiation with various entities.
- SIMM is reaching the extreme poor through MFI partners like NATTCO that serve as conduit for the transfer of grants to Pantawid Program/CCT beneficiaries

### **SIMM Project Management Staff Debriefing Discussion Highlights**

- a. SL12: SIMM staff can and will help profile businesses availing of mobile money services

Evaluators shared mission management’s interest on the profile of businesses using e-bills payment / e-payroll.

SIMM staff said most are small companies in terms of assets but with a large employee base like security guards, manpower, those who provide cleaning ladies, messengers and construction. The companies are mostly in the services sector with large number of employees that are dispersed or not in one location, and with high employee turnover (contractuals). Data they have can generate a profile of these businesses. They promised to help with the profiling.

- b. SL14: SIMM staff shared some considerations and limitations that may be factored in, in doing an analysis of costing; would like to help in doing the analysis

Ms. Harihareswara said an analysis of the cost of transitioning LGUs and MFIs will be included in the internal assessment. SIMM staff commented that this is a challenging undertaking. For cost per new user for MFIs, it could be influenced by timing issues, while LGUs have mandated capacity. For costs coming from mobile money providers or LGUs, there will be limitations unless they are direct.

Later on after the presentation, the SIMM staff expressed their desire to help in making the final analysis on this matter.

- c. SL19/20 and 22: SIMM staff made the following suggestions to address some interventions that did not work and factors that constrained results:

- *Biometric authentication for Pantawid/CCT beneficiaries.* SIMM staff will not be following up DSWD engagement at the moment as 60% of target users are already reached with e-payments and the remaining 40% have connectivity issues and have no

access to a mobile device. However, SIMM/e-Peso can still help beneficiaries who experience difficulties in remembering their TIN and using ATMs during payout transactions, which happen once every two months by using biometric authentication.

- *Developing an application for automatic access to mobile money services.* This was also a suggestion during one of the FGDs, especially for users who forget or have difficulty in taking the steps to avail of desired mobile money services.
- *Ensuring compliance to the COA circular.* SIMM staff acknowledged the challenge of implementing and complying with the COA circular. They are still working on electronic official receipts and use electronic data capture to be able to produce paper receipts. They agreed that these moves reinforce prevailing culture.

SIMM staff agreed with recommendations for the service provider to improve customer service.

- d. Working on the National Retail Payments System and investments in customer service as among key things to do

The SIMM staff expressed their appreciation for the assessment and said the findings were on point with what they experienced.

They also expressed appreciation for the experiences in scaling mobile money during the past years, which enabled them to identify and articulate key issues, even those beyond the scope of the program. They realize a lot of work still has to be done and the successes won't be meaningful unless these are continued and scaled in the near future. They underscored moving forward with the National Retail Payments System, especially advancing an enabling law to increase confidence in the industry, and urging service providers to invest in customer service as among key things to do from hereon.

They also acknowledged the flexibility of the Mission, which realized the issues and challenges the project faced. The extension provided was a big support that enabled them to get many of the items shown up to a level that can be replicated and scaled.



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# USAID/PHILIPPINES SCALING INNOVATIONS IN MOBILE MONEY (SIMM) PROJECT

PERFORMANCE MANAGEMENT PLAN

JUNE 2014

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

# USAID/PHILIPPINES SCALING INNOVATIONS IN MOBILE MONEY (SIMM) PROJECT

## PERFORMANCE MANAGEMENT PLAN

**Program Title:** USAID/Scaling Innovations in Mobile Money (SIMM) Project

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# 1.0 OVERVIEW

The Scaling Innovations in Mobile Money (SIMM) Project, a two-year project supported by the U.S. Agency for International Development (USAID) aims to build upon current interventions in microenterprise access and mobile banking to expand financial services through new technologies. Its overall goal is to advance financial inclusion by 1) boosting expansion and rapid adoption of mobile money services; and 2) creating an enabling environment for m-money.

SIMM will utilize the Performance Management Plan (PMP) as a tool for monitoring, analyzing, and reporting progress towards achieving the overall project goal of “improving access to economic opportunities in the Philippines.” The PMP is intended to be a living document that is developed, used, and updated periodically based on project accomplishments.

The PMP delineates the major achievements constituting the key result areas of SIMM. Results per indicator will be monitored to document progress vis a vis targets. The PMP complements the SIMM work plan, a document that describes the activities, outputs, and resources necessary to achieve project milestones and intended results by providing indicator definitions and assumptions, setting baselines and targets, and delineating staff responsibilities for data collection, data quality assessments, and evaluation planning.

# 2.0 MEASURING PROJECT PERFORMANCE

SIMM recognizes that having an effective monitoring and evaluation (M&E) system is fundamental to project management. Projects should be able to demonstrate evidence-based results that can inform program decision-making and guide development work. Thus, the project has ensured that provisions for effective M&E systems are integrated in all its work processes. The PMP is designed to measure key performance indicators and results of the project. It has two objectives: to provide useful, timely information for results-based management decision-making, accountability, and mutual learning experiences for USAID and SIMM management team; and to increase the probability of impact attribution over the project life. The information provided in this section describes the development of the PMP, the project performance indicators, source, method, and frequency of data collection, baselines, targets, and data quality implementation procedures.

## 2.1 GUIDING PRINCIPLES

The PMP is an important tool for managing and documenting project performance. It enables timely and consistent collection of comparable performance data, which allows management to make informed decisions on the implementation of the program as well as any necessary changes in the design. The principles governing PMP design and development are based on USAID’s

guidelines for assessing and learning.<sup>1</sup> Several guiding principles underscore the development of this plan:

- **The PMP must be a useful tool for management and organizational learning.** It should be a constant desk reference to guide the assessment of results, and it should be updated periodically. The PMP should not be developed only to satisfy external reporting requirements.
- **Performance indicators should serve as the basis of the plan.** Effective performance monitoring starts with indicators that are direct, objective, practical, and adequate. Indicators should be useful for timely management decisions and should credibly reflect the actual performance of USAID-funded projects.
- **An effective monitoring system will yield performance information that can help SIMM communicate its story more effectively.** The SIMM team’s ability to communicate the achievement of project results and to share lessons learned is dependent on its ability to collect, analyze, and interpret useful performance information.
- **The development, use, and assessment of performance monitoring systems should involve the participation of customers, stakeholders, and partners.** The SIMM team should consider special information needs of its partners. Whenever feasible, the team should integrate its monitoring activities with those of its partners.
- **Performance monitoring should be based upon access to and use of high quality data.** Management decisions should be based upon data that are valid, reliable, and timely. The performance monitoring system should include regular assessments of data quality.

The SIMM PMP will consist of the results framework, performance management plan with indicators, life of project targets, and performance indicator reference sheets.

## 2.2 THE RESULTS FRAMEWORK

The main objective of SIMM is to increase financial inclusion with two inter-connected goals: boost expansion and rapid adoption of m-money services and create an enabling environment for m-money. SIMM will target four broad areas of strategic intervention: the payment system, government services, electronic payroll distribution, and the agent distribution network.

Figures 1 and 2 present SIMM’s results framework with the corresponding performance indicators at each level to provide an overall picture of the project specifically on how results will be monitored and evaluated from activities, results to the goal.

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<sup>1</sup> USAID Automated Directives System Chapters 200-203.

In addition, the results framework feeds into the Mission's development objectives, designed to help achieve USAID programming on mobile money to foster growth through improved efficiency in financial transactions.

## 2.3 LEVELS OF PERFORMANCE DATA

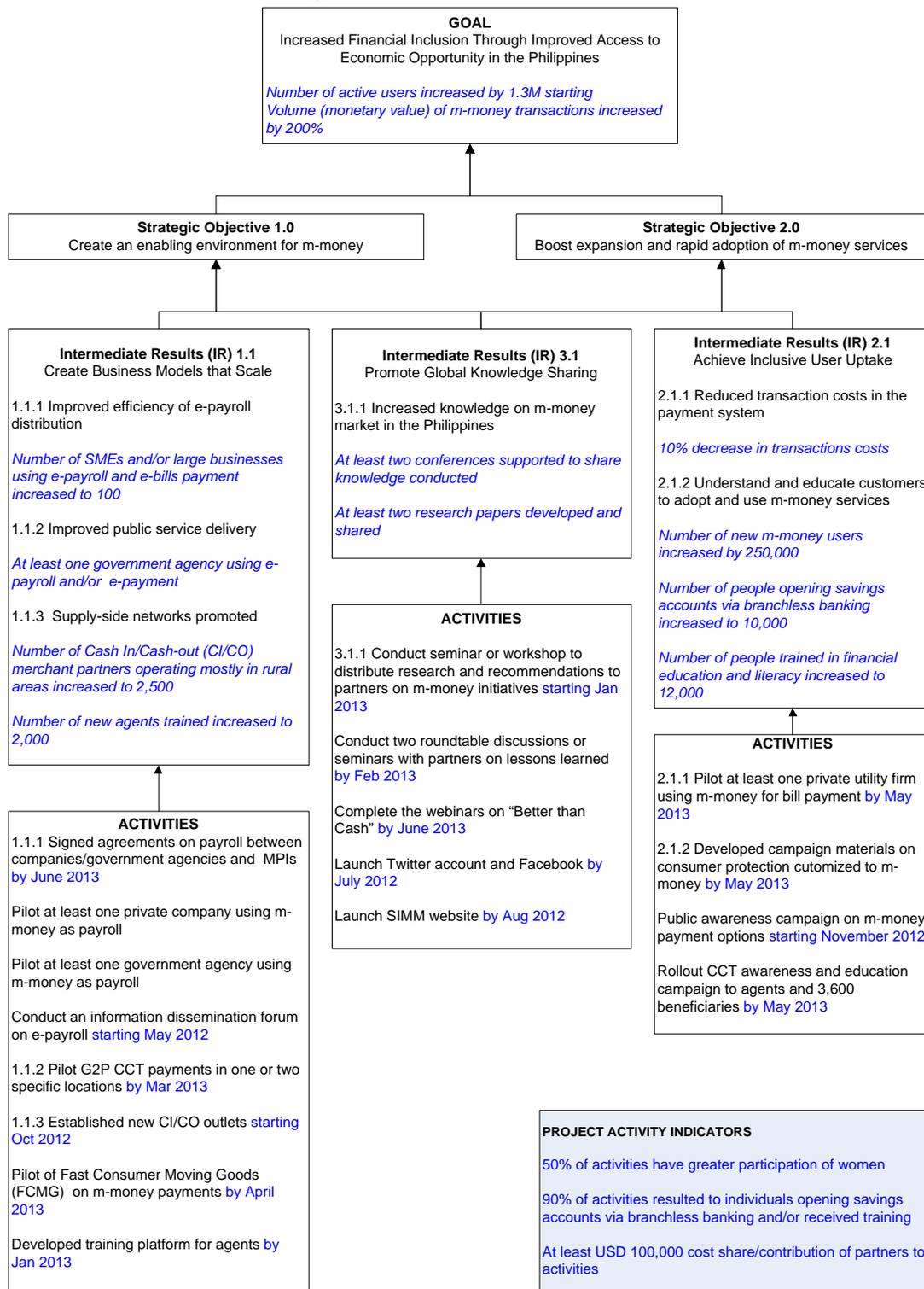
The PMP will measure performance data at three levels: at the program objectives level with emphasis on project results; activity outcomes; and the broader contextual results of SIMM in its identified pilot areas.

- **Context-level** indicators are measures that provide a broader perspective on the context within which project assistance is being provided. Sometimes they are indicators of development results that are influenced by multiple factors, such as donor assistance, government action, or climatic conditions, and therefore cannot be directly attributed to USAID project assistance. Context indicators could also be measures of assumptions that underpin USAID's development strategy in a given country. In general, context indicators are macro-statistics that provide valuable information on the environment in which USAID projects operate.<sup>2</sup>
- **Results-level** indicators refer to program outcome results that can be reasonably attributable to SIMM efforts. Attribution exists when the causal linkages between the project activities and measured results are clear and significant. These indicators are critical guideposts to project performance and serve as the basis for performance reporting to USAID.
- **Activity-level** indicators refer to indicators that provide useful data for ongoing, continuous management of activities. These indicators generally provide more output data than results oriented data. Activity-level data can therefore be used to assess performance and operational issues.

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<sup>2</sup> Context indicators can be country demographic categories (e.g., population, health, environmental conditions) or national customs and mores, and citizen attitudes exclusive of the actual project/program intervention areas.

**Figure 1: SIMM Results Framework<sup>3</sup>**



<sup>3</sup> The results framework shows the logical flow of the project moving upward from activity outputs, results to the overall goal with the corresponding performance indicators and targets at every level as indicated in blue text.

**Table 1: SIMM Performance Indicators and Task Matrices (2012 - 2014)**

Performance Indicator	Unit of Measurement	Definition of Indicator	Data Source	Schedule of Collection	Reporting Responsibility
Number of active users	Number of people	Active user refers to a person who has used m-money-related services during the past 90 days or 3 months. Based on Alliance for financial inclusion (AFI) Definition: 'Active user refers to a person who has used m-money-related services during the past 90 days or 3 months'. However, due to system limitations and to ensure comparative data across all providers, active users were identified based on monthly average or month with the highest number of active users within the quarter period covered. Further, active user will refer to mobile money accounts and not unique user. This indicator measures the subscribers actively using m-money transactions in rural and urban areas.	System generated reports from Mobile Money Partner database	Quarterly	M&E Specialist
Percent (%) increase in volume of m-money transactions	Percent increase	Volume refers to the monetary value of transactions completed using m-money. This indicator will measure the increased access to financing by the level of economic activity in an area. M-money transactions refer to the following: <ul style="list-style-type: none"> <li>a. Conversion from cash centers</li> <li>b. ATM/Mobile/Internet Banking</li> <li>c. Remco Partners Abroad</li> <li>d. Conversion from cash centers of each provider</li> <li>e. ATM/POS withdrawals</li> <li>f. Funds transfer from e-money wallets to deposit accounts</li> <li>g. Payment to Merchants</li> <li>h. Bills Payments</li> <li>i. Transfer to Other Subscribers (P2P/W2W)</li> <li>j. Airtime Purchases</li> <li>k. Donations</li> </ul>	System generated reports from Mobile Money Partner database	Quarterly	M&E Specialist

**Strategic Objective 1: Create an Enabling Environment for Mobile Money by Creating Business Models that Scale**

**IR1 Improved Efficiency of E-Payroll Distribution**

Performance Indicator	Unit of Measurement	Definition of Indicator	Data Source	Schedule of Collection	Reporting Responsibility
Number of SMEs and/or large businesses using e-payroll and e-bills payment	Number of new businesses	<p>This indicator includes the following stakeholders: Schools, Microfinance institutions, Utilities, Businesses (large, small, and medium enterprises which are categorized based on asset and no. of employees (SOURCE: dti.gov.ph))</p> <ul style="list-style-type: none"> <li>▪ Small - P3,000,001 - P15,000,000 ; 10-99 employees</li> <li>▪ Medium - P15,000,001 - P100,000,000; 100-199 employees</li> <li>▪ Large above - P100,000,000; more than 200 employees</li> </ul> <p>Measures the project's ability to scale m-money adoption by increasing both supply and demand through m-money e-payroll disbursements and accepting e-bills payment. This will be measured through the m-money accounts opened under payroll and payments</p>	<p>Service Level Agreement from MMP and/or partner</p> <p>Stakeholder Progress Report to USAID/SIMM project</p> <p>Monthly report from partner organizations</p>	Monthly / Quarterly	Technical Specialist
<b>IR 2 Improved Public Service Delivery</b>					
Number of government agencies using e-payroll and/or e- bills payment	Number of agencies	<p>Government agencies refer to both local and national levels. E-bills payment here refers to disbursement of funds to beneficiaries (G2P) or collection of payments for contributions, taxes and other fees (P2G) for government services. This will be measured through the m-money accounts opened under payroll and payments.</p>	<p>Service Level Agreement from MMP and/or partner</p> <p>Stakeholder Progress Report</p> <p>Certificate of Partnership from mobile money providers</p>	Monthly / Quarterly	Technical Specialist
<b>IR 3 Supply-side Networks Promoted</b>					
Number of cash-in/cash-out merchant partners operating mostly in rural areas	Number of new CI/COs	<p>CI/CO refers to banks, ATMS or authorized agents (i.e. pawnshops, sari stores, gas stations, pharmacies, post office etc.) where cash can be converted to m-money and vice-versa. Measures the ability of SIMM to increase the presence of CI/CO partners that can serve rural communities. Indicator will be disaggregated by agents operating in urban and rural areas.</p>	<p>MMP report on outlet coverage submitted to BSP</p> <p>Certificate of Partnership from mobile money providers and partner organization</p>	Monthly / Quarterly	Technical Specialist

Performance Indicator	Unit of Measurement	Definition of Indicator	Data Source	Schedule of Collection	Reporting Responsibility
Number of new agents trained	Number of agents trained	Agents refer to individuals working for a CI/CO. Measures the ability of SIMM to ensure new agents are trained on m-money products.	Project Attendance Sheets  Certificate of Partnership from mobile money providers and partner organization  Report from SIMM consultant	Monthly / Quarterly	Activity Manager
<b>Strategic Objective 2: Boost Expansion and Rapid Adoption of Mobile Money Services By Achieving Inclusive User Uptake</b>					
<b>IR 4 Reduced transaction costs in the payment system</b>					
Percentage (%) by which transaction costs are reduced	Percent decrease in transactions costs	Transaction costs refer to the fee charged for use of payment services. Measures the success of SIMM to reduce the costs for businesses and customers of paying bills and paying employees.	Case Study of select Partner organizations on transactions costs	Annually	M&E Specialist
<b>IR 5 Increased adoption and use of m-money services</b>					
Number of new m-money users	Number of people	M-money users refer to registered accounts that are linked to a mobile number. It must be noted that one of the MMPs can have two mobile money accounts per mobile number. This indicator measures the ability of SIMM to expand the reach, relevance, and rapid adoption of m-money services.	Certificate of Partnership from mobile money providers and partner organization  Post-activity surveys	Monthly / Quarterly	M&E Specialist
Number of people opening savings accounts via branchless banking	Number of persons	Savings accounts refer to deposit accounts that earn modest interest. Branchless banking refers to mobile-phone based banks. This indicator will measure the number of customers who registered for a BankKO account, a branchless bank. Measures SIMM's ability to increase access to financial services through mobile money.	System generated reports from Mobile-Money BankKO database  Certificate of Partnership from BankKO	Monthly / Quarterly	Technical Specialist
Number of people trained in financial education and literacy	Number of CCT beneficiaries; Number of non-CCT beneficiaries trained	People refer to all CCT beneficiaries <sup>4</sup> and all other individuals who participate in SIMM activities such as orientations, forums, conferences and end-user trainings on m-money and financial education.	Attendance Sheets  Project training reports  Partner quarterly reports	Monthly / Quarterly	Activity Manager

<sup>4</sup> Poorest households in the municipalities selected through the National Household Targeting System for Poverty Reduction (NHTS-PR)

Performance Indicator	Unit of Measurement	Definition of Indicator	Data Source	Schedule of Collection	Reporting Responsibility
<b>Cross Cutting IR 6 Promote Global Knowledge Sharing</b>					
Number of conferences supported to share knowledge	Number of conferences	Conferences refer to a gathering of local and/or international organizations, discussing and exchanging information on m-money market in the Philippines/region. Measures the ability of SIMM to share project insights and lessons with the broader m-money community	Project records	Annually	M&E Specialist
Number of research papers shared and developed	Number of research papers	Research papers include studies, business models and project concept papers developed on mobile money in the Philippines. and shared in various portals in conferences, website and social media. Measures the ability of SIMM to apply project activities to a broader m-money context in order to formulate research proposals and papers.	Project records  Copies of the studies and Business Model, Operations Manual	Annually	M&E Specialist
<b>Project Activity Level Indicators</b>					
Percent (%) of activities that improved financial inclusion of women	Percent of activities	This indicator measures the percentage ratio of SIMM activities wherein participation of female is greater than male. Activities may include trainings, workshops, roundtable discussions, seminars, etc. Measures the ability of SIMM to effectively incorporate women into program activities.  Formula: Total no. of female participants /Total no. of all participants	Project training reports  SIMM project management system generated reports thru TAMIS	Monthly / Quarterly	M&E Specialist
Percent (%) of activities that improved financial inclusion for individuals and households in rural areas	Percent of activities	This indicator measures the percentage of individuals and households who participated in SIMM activities relating to financial inclusion particularly participants that opened savings account and received financial inclusion training.  Formula: Total no. of people trained in financial education and literacy + Total no. of individuals who opened branchless banking accounts / Total no. of all participants	Project training reports  SIMM project management system generated reports thru TAMIS	Monthly / Quarterly	M&E Specialist

Performance Indicator	Unit of Measurement	Definition of Indicator	Data Source	Schedule of Collection	Reporting Responsibility
Value of activities funded by cost-sharing/contribution arrangements with SIMM	Dollar value of activities	<p>Measures the success of SIMM to obtain buy-in and to leverage public, private and donor funds for the project. For SIMM, cost-share is defined as any cash and/or in-kind resources not borne by USAID but leveraged by SIMM from public and private sector partners.</p> <p>Counterpart resources of implementing partners could be anything from:</p> <ul style="list-style-type: none"> <li>▪ staff time for participation to SIMM events (salary);</li> <li>▪ cost of office space for meetings or other events involving SIMM (venue);</li> <li>▪ meals provided to participants (meals);</li> <li>▪ supplies and other event materials (instruction);</li> <li>▪ marketing collaterals or tokens distributed to participants (others);</li> <li>▪ press release and other outreach materials (others);</li> <li>▪ honorarium for resource speakers (instruction); and</li> <li>▪ Subsidized cost of technology e.g., setting up m-money infrastructure or platform (others).</li> </ul> <p>Expense items particularly for training events are categorized as Instruction, Participant and Travel expenses per USAID ADS 253.</p>	<p>Cost Share report</p> <p>Certificate of Partnership from mobile money providers and partner organization</p>	Monthly / Quarterly	M&E Specialist

# 3.0 METHODOLOGY AND TOOLS

SIMM Project will utilize an array of tools from DAI that were applied successfully in similar projects around the world. These include marketing tools for understanding the needs of end users, and designing services and marketing messages and channels around those needs; analytic tools for identifying challenges and opportunities within business models; inclusive processes for engaging a range of stakeholders; and analytic tools for understanding and improving the enabling environment for mobile money, such as DAI’s Mobile Money Landscape Analysis Framework.

## 3.1 DATA COLLECTION RESPONSIBILITIES

The M&E Specialist is responsible for collecting data on the progress and performance of SIMM. He will work closely with other technical staff to collect project data as indicated in the PMP. Table 2 illustrates the delineation of data collection responsibilities.

**Table 2: Data Collection Responsibilities**

Milestones	Responsible Person
Collecting performance data	M&E Specialist, Technical Specialist, and Activity Manager
Reviewing performance information	SIMM Team Leader, USAID COR
Reporting performance results	COP
Assessing data quality	M&E Specialist
Reviewing and updating PMP	M&E Specialist and COP

## 3.2 DATA COLLECTION TOOLS

Given the timeframe of SIMM, considerations had to be made on the level of simplicity and practicality in data collection efforts with the caveat that this might limit the project’s ability to assess more complex M&E issues. Although most of the indicators in the PMP require quantitative measurements, considerations will be made in capturing qualitative or process data through any of the following methods, direct observation; key informants interviews; and informal group interviews. These methods usually result in documentation of qualitative information that can be an important source of project performance.

While performance indicators can show achievement of project’s intended results, some of these findings may need to be complemented with selective data to explain why a certain result or phenomenon is occurring. It is anticipated that the M&E Specialist will work with technical team and implementing partners to conduct additional data collection activities to tease out some of the underlying dimensions of performance outcomes. Below are some of the methodologies that SIMM will utilize for monitoring performance.

- **Baseline Survey.** SIMM will collect all of the information required to obtain accurate and reliable baseline data that will serve as the benchmark for measuring changes in outputs and outcomes within the project’s two-year implementation.

- **Direct observation.** SIMM is able to count, measure, and document figures such as number of m-money establishments using e-payroll, transaction values from system-generated reports, and a host of other information that can be verified based on regular reporting validation and crosschecks.
- **Key informant interviews.** In-depth discussions with beneficiaries and m-money experts will be conducted to verify changes in outcomes over time. Self-reporting from partners, BanKO, Globe, SMART as indicated in the signed memoranda of understanding is vital for SIMM to track the number of new and active users, accounts, and transaction volumes.
- **File and document review.** Reviewing data that has previously been collected and is available from government agencies, USAID and other multilateral agencies, beneficiaries, and other secondary sources will be a valuable source of information. This type of review offers a relatively quick method to discover what data have already been collected with an eye toward minimizing the need for additional data collection and the costs associated with this effort. File and document reviews will likely be used for documenting a variety of indicators such as: number of agents trained; number of trainings conducted on financial literacy; and papers published, among others. This review would also focus on the number of government programs using m-money, for example, government-to-person (G2P) and person-to-government (P2G).
- **Customer satisfaction survey.** Depending on the specific indicator, it may be important to gauge consumer attitudes and satisfaction about m-money operations and services. SIMM is considering using surveys for different consumers and/or partners as a means to gather data, depending on the cost and USAID’s feedback.
- **Case studies.** These will capture success stories of what worked and what did not, innovative ideas, lessons learned, and challenge during project implementation.
- **System-generated reports.** SIMM will enter into MOUs with m-money service providers to receive data generated from their existing databases.

## 4.0 REPORTING

SIMM is required to submit quarterly and annual progress reports to USAID as part of its contract deliverables. These reports will describe progress made during the period against deliverables identified in the work plan, discuss problems encountered, and report any changes that might suggest project design modifications. Findings will be presented in such a way that a clear “telling of the SIMM story” is communicated, reinforced with appropriate tables, charts and maps.. Both reports will present PMP data to show progress vis a vis SIMM’s approved indicators.

# 5.0 MANAGEMENT PLAN

A strong management approach is required to ensure that a practical and streamlined M&E system is built in and well-integrated into all components of the project. SIMM's management structure will ensure that essential communication pertaining to M&E is maintained throughout the duration of the project and will also serve to meet specialized M&E needs.

## 5.1 Technical and Administrative Management Information System (TAMIS)

To support the project's M&E functions particularly for data collection and generation, SIMM will utilize DAI's proprietary information system, Technical and Administrative Management Information System or TAMIS, a Lotus-based application that DAI projects around the world are using to facilitate project work flow and processes. TAMIS allows project staff to design their own system by creating customized modules that can link workplans to all project events, create project databases, track PMP results, and archive pertinent project research, photos, and knowledge products. It can also enable USAID and other key partners to view the system and monitor the project's progress in real-time.

The full-time M&E Specialist will take the lead in implementing and coordinating all tasks associated with SIMM's PMP. He will also be responsible in synchronizing data collection efforts in the field in conjunction with partners, ensuring that M&E data are reported on a timely basis, and are inputted in the SIMM TAMIS. The M&E Specialist will actively support the project's workplanning and capacity building on M&E, as well as perform periodic project implementation reviews.

Considering that the SIMM project deals with multiple stakeholders with project activities that undergo an entire project cycle, a stakeholder module was developed to include pertinent details of the partner organizations from profile, contacts, milestone, adoption figures and activities conducted from meetings, trainings to other events. Other enhancements have been made to track progress of activities through the action logs which details the issue items, agreements, persons responsible, due dates and next steps. The new modules may serve as a template for future DAI mobile money projects around the world. It must be noted that the TAMIS is primarily used for project management and knowledge management tool and still requires on-going refinements and development of the reportorial tools. Please see Annex B for the screenshots of the major modules.

## 5.2 SIMM Geographic Information System (GIS)

In addition to TAMIS, a GIS will be developed for SIMM, USAID, and key government and private sector partners. The GIS will be used as a planning and analytical tool to better understand spatial factors affecting m-money adoption and usage. The GIS will also serve as a decision and communication tool for presenting to partners and the general public the visual maps of mobile money source, usage, and distribution in the SIMM pilot areas. GIS

will also be used to monitor results and local conditions including the growing density of mobile money elements in control and treatment areas.

In FY 2013, SIMM conducted a mapping of registered agents in the SIMM cities based on the list of agents provided by mobile money providers. The mapping covered both registered agents as well as non-registered agents that were identified during mapping. A total of 152 CI/CO outlets were mapped, with 67 in Batangas City, 79 in Valenzuela City, and 6 in Pulilan. The exact map coordinates of the CI/CO outlets were taken using a global positioning system (GPS) and plotted in a Google map. The mapping will be used as an input in developing CI/CO agent network expansion strategies and action plans to support m-money ecosystem development in SIMM cities. Below is a preliminary prototype of the Google mapping of SIMM cities Batangas, Pulilan and Valenzuela. Mapping in Quezon City, which has a total of 622 CI/CO agents was initially scheduled in the fourth quarter of 2013.

<https://mapsengine.google.com/map/edit?mid=z6QKwTgPGsBc.kP9FJ8WDmWvM>

Upon communication with counterpart agency, Bangko Sentral ng Pilipinas (BSP), SIMM was informed that a similar initiative is already being developed to cover all financial institutions in the country including mobile money agents. On January 24, 2014, SIMM was approached by MIX market, Amarnath Samarapally (asamarapally@themix.org) to discuss the Philippine tools being developed on the data and market insight to demonstrate status of financial inclusion to be launched on March 2013. Data was gathered from multiple sources in the country, data is disaggregated by city/municipality and region. Possible collaboration was the inclusion of mobile money agent information in the platform tool.

MIX is the premier source for objective, qualified and relevant microfinance performance data and analysis. Committed to strengthening financial inclusion and the microfinance sector by promoting transparency, MIX provides performance information on microfinance institutions (MFIs), funders, networks and service providers dedicated to serving the financial sector needs for low-income clients. MIX fulfills its mission through a variety of platforms. Read more: <http://www.mixmarket.org>. Below is the link to the Philippine workbook for your reference: <http://finclusionlab.org/country/Philippines/analytics>.

SIMM communicated the current initiative to Mr. Raymond Estioko of BSP to share mobile money agent data BSP to ensure no confidentiality of information is breached. Next step is the signing of the non-disclosure agreement with Mix Market to include data on mobile money agents. However, due to other impending project activities, SIMM has discontinued this component.

# 6.0 IMPLEMENTATION PLAN

To operationalize the PMP, SIMM will focus on the following tasks and activities with dates of completion noted for each task.

- **Development of PMP**

The project PMP will be crafted in consultation with key partners and USAID. This document defines the project performance indicators and the results framework and describes the logic of the causal model. For each indicator, the PMP outlines a unit of measure, data source, acquisition methodology, and indicator description. The PMP spells out the M&E activities to be undertaken with corresponding management plans and reporting requirements to USAID.

- **Develop data collection tools and collect baseline information**

SIMM will design data collection tools and methods as described in Section 3, including the SIMM baseline survey. The M&E Specialist will collaborate with technical staff to ensure that the tools to be developed are technically appropriate, user-friendly, and cost-effective.

- **Train and orient staff and implementing partners on project M&E system**

SIMM will provide training to staff and partners on the project M&E system. Specifically, SIMM staff will be trained on data collection methods. Partners such as mobile money providers (MMPs), microfinance institutions (MFIs), and government agencies will be oriented on the use of data collection tools that correspond to certain performance indicators, including volume of transactions, monetary value, transaction costs, number of active users, and customer satisfaction surveys.

- **Conduct data quality assessments for performance indicators**

SIMM will complete a detailed data accessibility and quality assessment to determine if information sources are readily available, reliable, accurate, and replicable. While efforts have been made to design a system that makes this possible, further study should be undertaken on the potential use of data and plans made for collection of baseline and other data over the life of the project.

- **Develop compilation of articles on mobile money in the Philippines**

SIMM will collect articles related to m-money in the Philippines such as, news clippings, photo and press releases, and abstracts for the entire duration of the project. These will be stored in the SIMM TAMIS.

- **Develop compilation of policies and regulations pertaining to mobile money in the Philippines**

SIMM will compile government regulations such as Republic Acts, memorandum circulars, administrative orders, and other issuances applicable to m-money in the Philippines to track the progress in the promotion of m-money. These will be uploaded onto TAMIS.

- **Link PMP to TAMIS and GIS database**

The M&E Specialist will facilitate the linking of the PMP to the SIMM TAMIS and GIS to provide ready access to performance data and results to all project staff and stakeholders, as well as USAID.

- **Progress Reports, Annual Reports, and Final Report**  
In compliance with USAID reporting requirements, SIMM will prepare and submit quarterly progress reports, annual reports, and final report.

**Table 3: Key M&E Milestones with Delivery Dates**

Key Milestones	Planned Delivery Dates	Actual Delivery Dates
Development of PMP (FY 2013)	July 25, 2012	July 25, 2012
Develop data collection tools and collect baseline information	August 30, 2012	August 30 and November 2013 <sup>5</sup>
Train and orient staff on data collection system and implementing partners on collection tools	September 20, 2012	July 2013
Development of PMP (FY 2014)		January 16, 2014
Conduct USAID data quality assessment for select performance indicators	October 16, 2012	June 2014 <sup>6</sup>
Develop compilation of articles on mobile money in the Philippines	April 15, 2014	June 10, 2013
Develop compilation of policies and regulations pertaining to mobile money in the Philippines	April 15, 2014	December 2013
Link PMP to TAMIS and GIS database	September 15, 2012	July 2013
Quarterly progress reports (FY2013)	July 30 and October 30, 2012, January 30 and April 30, 2013	July 24, October 31, January 30, April 30, July 31
Annual report (FY2013)	June 30, 2013	October 31, 2013
Quarterly progress reports (FY2014)	July 30 and October 30, 2013, January 30 and April 30, 2014	Jan 31, April 30, 2014 <sup>7</sup>
Final report (Y2)	May 25, 2014	July 25, 2014 (pending submission)

<sup>5</sup> It must be noted that M&E Specialist Rommel G. de la Rosa resigned on September 6, 2012. The new M&E Specialist was hired on November 23, 2012.

<sup>6</sup> USAID COR conducted a Data Quality Assessment of two select performance indicators namely, Number of people opening savings accounts via branchless banking, Number of New Users and Number of Active Users. It must be noted that SIMM works with the mobile money providers to refine data parameters and quality.

<sup>7</sup> Pending approval from COR on the Quarterly Progress Report for period April - June (due for submission on July 31) to be included as part of the final report due on July 25, 2014.

# 7.0 PERFORMANCE INDICATORS AND TARGETS

The performance indicator reference sheets provide a complete overview of the SIMM Project performance indicator, including the definition, unit of measurement, data disaggregation, source of data, data utility, baselines, targets, actual project figures, and data quality issues.

The M&E team will incorporate baseline results into the indicator reference sheets that describe in detail how each indicator value will be established and how often they will be measured, along with a description of the indicator, a plan for data acquisition, a section on data quality issues, reporting requirements, and recording annual achievements against established targets. Life-of-project targets (shown in Table 4) are tracked on the reference sheets (refer to Annex A), and the baseline values will be added after the baseline survey is completed.

Result- and activity-level indicators will allow management to monitor and evaluate whether SIMM activities are achieving desired project results that are directly attributable to SIMM interventions in an efficient and timely manner. Where possible, contextual information will also be collected and reviewed to monitor changes in sectors associated with SIMM efforts. It should be noted that the PMP is only one part of the project's integrated M&E system. Monitoring of day-to-day activities will also be done through the SIMM TAMIS.

The following fundamental assumptions underpin the activities that SIMM is implementing.

- Exogenous factors such as civil unrest, military conflict, and natural disasters do not dampen prospects for substantially increasing levels of economic activity in the identified pilot areas.
- Counterparts with government, private organizations, and international agencies will work collaboratively and in good faith with the project.
- Governance, private sectors, civil society, and regulatory reform will continue to be high priorities of the Government of the Philippines.

**Table 4: SIMM Targets Broken Down by Fiscal Year<sup>8</sup>**

Performance Indicator	Unit of Measurement	FY2	FY3	LOP Target <sup>9</sup>
Number of active users	Number of people	741,000	559,000	1,300,000
Percent (%) increase in volume (monetary value) of m-money transactions	Percent increase	115%	200%	200% from baseline
<b>Strategic Objective 1: Create an Enabling Environment for Mobile Money</b>				
<b>IR1.1: Create Business Models that Scale</b>				
<b>1.1.1 Improved Efficiency of E-Payroll Distribution</b>				
Number of SMEs and/or large businesses using e-payroll and/or e-bills payment	Number of new businesses	57	43	100
<b>1.1.2 Improved Public Service Delivery</b>				
Number of government agencies using e-payroll/e-bills payment	Number of agencies	3	2	5
<b>1.1.3 Supply-side Networks Promoted</b>				
Number of cash-in/cash-out merchant partners operating mostly in rural areas	Number of new CI/COs	1,425	1,075	2,500
Number of new agents trained	Number of agents trained	1,140	860	2,000
<b>Strategic Objective 2: Boost Expansion and Rapid Adoption of Mobile Money Services</b>				
<b>IR 2.1: Achieve Inclusive User Uptake</b>				
<b>2.1.1 Reduced transaction costs in the payment system</b>				
Percentage (%) by which transaction costs are reduced	Percent decrease in transactions costs	10%	10%	10%
<b>2.1.2 Increased adoption and use of m-money services</b>				
Number of new m-money users	Number of people	142,500	107,500	250,000
Number of people opening savings accounts via branchless banking	Number of persons	5,700	4,300	10,000
Number of people trained in financial education and literacy	Number of CCT beneficiaries; Number of non-CCT beneficiaries trained	6,840	5,160	12,000
<b>Cross Cutting IR 3.1 Promote Global Knowledge Sharing</b>				
Number of conferences supported to share knowledge	Number of conferences	2	1	3
Number of research papers shared and developed	Number of research papers	2	1	3
<b>Project Activity Level Indicators</b>				
Percent (%) of activities that improved financial inclusion of women	Percent of activities	30%	50%	50%

<sup>8</sup> The contract was awarded during the third quarter of FY2012 hence most of the progress for FY 1 was on project set-up and mobilization.

<sup>9</sup> Cumulative result of FY1 to FY3

<b>Performance Indicator</b>	<b>Unit of Measurement</b>	<b>FY2</b>	<b>FY3</b>	<b>LOP Target<sup>9</sup></b>
2. Percent (%) of activities that improved financial inclusion for individuals and households in rural areas	Percent of activities	50%	90%	90%
3. Value of activities funded by cost-sharing/contribution arrangements with SIMM	Dollar value of activities	\$57,000	\$43,000	\$100,000

# **ANNEX A: PERFORMANCE INDICATOR REFERENCE SHEETS**

# Context Level Indicators

SIMM Performance Indicator Reference Sheet	
<b>Indicator:</b> Number of active users	
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: April 2012 to April 2014	
Description	
<p><b>Precise Definition(s):</b> Based on Alliance for financial inclusion (AFI) Definition: 'Active user refers to a person who has used m-money-related services during the past 90 days or 3 months'. However, due to system limitations and to ensure comparative data across all providers, active users were identified based on monthly average or month with the highest number of active users within the quarter period covered. Further, active user will refer to mobile money accounts and not unique user.</p> <p><b>Proposed Standard Definition:</b> Number of registered mobile money accounts that used any m-money transaction (inflow and outflow) withdrawals for the past 90 days. Previously, one of the providers only included inflow transactions. Transactions include the following:</p> <ol style="list-style-type: none"> <li>1. Conversion from cash centers</li> <li>2. ATM/Mobile/Internet Banking</li> <li>3. Remco Partners Abroad</li> <li>4. MasterCard Money Send</li> <li>5. Conversion from cash centers of each provider</li> <li>6. ATM/POS withdrawals</li> <li>7. Funds transfer from e-money wallets to deposit accounts</li> <li>8. Payment to Merchants</li> <li>9. Bills Payments</li> <li>10. Transfer to Other Subscribers (P2P/W2W)</li> <li>11. Airtime Purchases</li> <li>12. Donations</li> </ol>	
<b>Unit of Measure:</b> Number of mobile money accounts	
<b>Disaggregated by:</b> Active rate, type of transaction	
<p><b>Justification and Management Utility:</b> Active users determine the extent of regular usage of mobile money based on subscribers and types of transactions. This indicator measures the rate at which subscribers used any m-money transaction for the past 90 days. Transactions include the following:(a) Purchase of Airtime/Internet, (b) Send Money/Remittance, (c) Pay Bills, (d) Balance Inquiry (e) Transfer to Other Subscribers (P2P/W2W).</p>	
Plan for Data Acquisition	
<p><b>Data Collection Method:</b></p> <p>Data is collected from the mobile money providers respectively every end of the quarter for submission on the 15th of the following month. It must be noted that data is not part of regular reports generated for BSP compliance and are extracted from the system manually. M&amp;E Specialist consolidates all reports in a MS Excel spread sheet to generate aggregate figures that are crosschecked with the raw data.</p>	
<p><b>Data Source:</b> System-generated reports from MMP databases.</p>	
<p><b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports</p>	
<p><b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (baseline September 2012 to April 2014)</p>	
<p><b>Individuals Responsible for Providing to USAID:</b> M&amp;E Specialist and COP</p>	
<p><b>Location of Data Storage:</b> C:\Users\Nalicer\Desktop\Project Documents\PMP\SIMM Reports; TAMIS database</p>	
Data Quality Issues	
<p><b>Date of Initial Data Quality Assessment:</b> October 2012</p>	

**Known Data Limitations and Significance (if any):**

Since beginning of the project, SIMM has been working with the providers to continuously standardize and update figures to generate comparable data. However, it must be noted that, Mobile Money User data (i.e. no. of registered mobile money accounts, active user) are not part of the reportorial requirements of Bangko Sentral ng Pilipinas (BSP) hence additional data requests were made to generate baseline figures starting Sep 2012. As a result, SIMM encounters challenges in collecting this information due to the MMPs system enhancements and changing data parameters. In addition, currently, MMPs submit on the date of submission of report to USAID, giving limited time for SIMM to review data for verification resulting to addendums every succeeding quarter. Moreover, data provided is partial. SIMM is working with the BSP and the MMPs to discuss and agree on a standard definition and interpretation in preparation for expanded BSP report on electronic money.

Provider	Data limitations	Actions Taken to Address Data Limitations
<b>Smart Money</b>	Active use includes any transaction made during the month. Only average monthly and cumulative total numbers for the quarter are provided. Lastly, the report script is currently not configured to generate unique usage quarterly.	Generated report is subject to double counting. The most accurate approximation is the monthly average.
<b>GCash</b>	Active use includes only transactions initiated (i.e. Payment to merchants, bills payment, P2P, donations and Purchase of airtime load) by the subscriber and not going out of the mobile money system (GCash registration is not counted as a transaction.)	Active users will include both inflow and outflow of transactions. Number indicates unique user (unique mobile number linked to a mobile money account) regardless of the number of transactions. To get a comparable figure, the maximum or highest number of active users for the period covered is used.
<b>BankO</b>	Active use includes any transaction made during the month. Report script includes only monthly active use and not unique for the past 90 days	Number indicates unique user (unique mobile number linked to a mobile money account) regardless of the number of transactions. To get a comparable figure, the maximum or highest number of active users for the period covered is used.

**Actions Taken or Planned to Address Data Limitations:**

**Dates of Future Data Quality Assessments:** July 2014

**Procedures for Future Data Quality Assessments:** M&E Specialist conducted spot checks of own source and partner data; site visits to selected areas.

**Plan for Data Analysis, Review, and Reporting**

**Data Analysis:** Annual Report

**Presentation of Data:** Written analyses of results using graphs and tables.

**Review of Data:** Quarterly each project year by M&E Specialist

**Reporting of Data:** SIMM reports from April 2012 to August 2014

**Other Notes****Notes on Baselines/Targets:****Performance Indicator Values**

Year	Baseline	Actual	Target	Project Target achievement (%)
<b>FY2013</b>	539,101 <sup>10</sup>	512,818 <sup>11</sup> (Sep 2013)	741,000	
<b>FY2014</b>		478,404 <sup>12</sup> (Mar 2014)	559,000	
<b>LOP</b>		0	1,300,000	0%

**This Sheet Last Updated on: June 9, 2013**

<sup>10</sup> There was an increase in previously reported data of 388,277 in October 2013 as systems of mobile money providers were enhanced to gather more accurate figures based on agreed definitions.

<sup>11</sup> In June 2013 the total number of active users exceeded project targets by 4 percent at 772,521.

<sup>12</sup> Mobile money accounts are linked to a sim card or mobile number and not by unique user. Hence, a unique user can have multiple mobile money accounts. Notably, the decrease starting Oct 2013 was due to the change in one of the providers' definition of active user extracting information by unique user regardless of multiple mobile money accounts (e.g. if John Doe has 5 mobile money accounts, he is only counted once). To ensure comparable data, by next quarter, SIMM will collect information per mobile money account. It has been observed that some providers have more robust and flexible systems to extract specific set of parameters as defined while others encounter limitations in data extraction often resulting to manual generation of reports.

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>Indicator:</b> Percent increase in volume (monetary value) of m-money transactions				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Volume refers to the monetary value of transactions completed using m-money. This indicator will measure the increased access to financing by the level of economic activity in an area. M-money transactions refer to the following:				
<ol style="list-style-type: none"> <li>1. Conversion from cash centers</li> <li>2. ATM/Mobile/Internet Banking</li> <li>3. Remco Partners Abroad</li> <li>4. MasterCard Money Send</li> <li>5. Conversion from cash centers of each provider</li> <li>6. ATM/POS withdrawals</li> <li>7. Funds transfer from e-money wallets to deposit accounts</li> <li>8. Payment to Merchants</li> <li>9. Bills Payments</li> <li>10. Transfer to Other Subscribers (P2P/W2W)</li> <li>11. Airtime Purchases</li> <li>12. Donations</li> </ol>				
<b>Unit of Measure:</b> Percentage				
<b>Disaggregated by:</b> Type of transaction				
<b>Justification and Management Utility:</b> This indicator measures volume of m-money transactions disaggregated by type of transaction.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> System-generated reports from MMP databases.				
<b>Data Source:</b> MMP databases				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> Disaggregation of data at MMP database level				
<b>Actions Taken or Planned to Address Data Limitations:</b> To be determined while baseline data gathering is ongoing.				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Rate of Increase/Decrease				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
<b>Year</b>	<b>Baseline</b>	<b>Actual in millions</b>	<b>Target</b>	<b>Project Target achievement (%)</b>
<b>FY 2013</b>	PHP 53,058	PHP65,709 (Sep 2013)	115%	23.8%
<b>FY 2014</b>		PHP63,159 (Mar 2014)	200%	19.0%
<b>LOP<sup>13</sup></b>			200%	0%
<b>This Sheet Last Updated on: June 2014</b>				

<sup>13</sup> Percentage refers to increase from baseline

# Results Level Indicators

## Strategic Objective 1: Create an Enabling Environment for Mobile Money

### Intermediate Result 1.1: Create Business Models that Scale

SIMM Performance Indicator Reference Sheet				
<b>1.1.1. Improved Efficiency of E-Payroll Distribution</b>				
<b>Indicator:</b> Number of SMEs and/or large businesses and microfinance institutions using e/mMoney payroll and loan disbursement mobile money services				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Activity/enterprise engaged in industry, agri-business/services categorized based on asset and number of employees. This indicator includes organizations that provide microfinance services such as Banks (mainly rural and thrift), Non-governmental Organizations (NGOs), and Cooperatives. Measures the project's ability to scale m-money adoption by increasing both supply and demand through e/mMoney payroll/loan disbursements. This will be measured through the m-money accounts opened under payroll.				
Type	Asset	Employees		
Small	P3,000,001 - P15,000,000	10 -- 99 employees		
Medium	P15,000,001 - P100,000,000	100 -- 199 employees		
Large	above P100,000,000	More than 200 employees		
<b>Unit of Measure:</b> Number of businesses and microfinance institutions				
<b>Disaggregated by:</b> Micro, small, medium, large, type of microfinance institution				
<b>Justification and Management Utility:</b> This indicator measures the total number of businesses and microfinance institutions using mobile money disbursement services for employee payroll or loan release to its members.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> System-generated reports from MMP databases				
<b>Data Source:</b> MMP databases, project records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> Disaggregation of data at MMP database level				
<b>Actions Taken or Planned to Address Data Limitations:</b> To be determined while baseline data gathering is ongoing.				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Mobile Money Payroll Adoption Analysis looking at the cost, competition, ease of use of acceptance of new technology, market, geographic location				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly each project year by M&E Specialist				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY013	0	3 (Sep 2013)	57	5.2%
FY3		8 (March 2014)	43	37.2%
LOP		5 <sup>14</sup> (as of date)	100	0%
<b>This Sheet Last Updated on: June 2014</b>				

<sup>14</sup> There are 43 companies who have availed of the SIMM MPayroll program and are currently completing documentation and activation

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>1.1.2 Improved Public Service Delivery</b>				
<b>Indicator:</b> Number of government agencies using e/mMoney payroll and collections				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Government agencies refer to both local and national levels. e/mMoney payroll here refers to disbursement of funds to beneficiaries (G2P) and e/mMoney collection of payments for contributions, taxes and other fees (P2G) for government services. This will be measured through e/mMoney accounts opened under payroll and collections.				
<b>Unit of Measure:</b> Number of government agencies				
<b>Disaggregated by:</b> City/Municipality, area, type of tax				
<b>Justification and Management Utility:</b> This indicator measures the total number of public institutions accepting e/mMoney payroll and collections systems. Measures the ability of SIMM to increase Philippine government institutions to accept payment of taxes and disbursement through e/mMoney systems.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> System-generated reports from MMP databases				
<b>Data Source:</b> MMP databases				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b>				
<b>Actions Taken or Planned to Address Data Limitations:</b>				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Time and motion and operational savings because of the shift from cash to e/mMoney				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly each project year by M&E Specialist				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY 2013	0	1 <sup>15</sup>	3	33%
FY 2014		3	2	150%
LOP		0	5	0%
<b>This Sheet Last Updated on: June 2014</b>				

<sup>15</sup> Previously counted as two because Pulilan Bulacan installed both collections and disbursements mobile money services

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>1.1.3: Supply-side Networks Promoted</b>				
<b>Indicator:</b> Number of Cash-In/Cash-Out merchant partners operating mostly in rural areas				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> CI/CO refers to banks, ATMS or authorized agents (i.e. pawnshops, sari stores, gas stations, pharmacies, post office etc.) where cash can be converted to m-money and vice-versa. Measures the ability of SIMM to increase the presence of CI/CO partners that can serve rural communities. Indicator will be disaggregated by agents operating in urban and rural areas.				
<b>Unit of Measure:</b> Number of new cash-in/cash-out (CI/CO)				
<b>Disaggregated by:</b> Urban and rural areas				
<b>Justification and Management Utility:</b> This indicator measures the number of new CI/CO merchants established by MMPs in rural areas.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> System-generated reports from MMPs				
<b>Data Source:</b> MMP database, Project records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database, MMP database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> Disaggregation of data at MMP database level				
<b>Actions Taken or Planned to Address Data Limitations:</b> Certification of Partnership to consolidate all results generated as a result of the SIMM project collaboration				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Cash Management Strategy Study				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY 2013	0	9	1,425	0.6
FY 2014		886 <sup>16</sup>	1,075	82%
LOP		0	2,500	0%
<b>This Sheet Last Updated on: June 2014</b>				

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>1.1.3: Supply-side Networks Promoted</b>				
<b>Indicator:</b> Number of new agents trained				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Agents refer to individuals working for a CI/CO. Measures the ability of SIMM to ensure new agents are trained on e/mMoney products.				
<b>Unit of Measure:</b> Number of agents				
<b>Disaggregated by:</b> Urban, rural, male, female				
<b>Justification and Management Utility:</b> This indicator measures the number of new agents trained by SIMM and implementing partners.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> Post-activity and training reports, MMP reports/database				

<sup>16</sup> SIMM is currently completing implementing agreement of ATVI with 1,600 outlets and 6 more agents in local SIMM cities Valenzuela and Batangas

<b>Data Source:</b> Project records, MMP records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> None				
<b>Actions Taken or Planned to Address Data Limitations:</b> None				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Training statistics disaggregated by type of training conducted, name of partner organization and participant by male and female				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
<b>Year</b>	<b>Baseline</b>	<b>Actual</b>	<b>Target</b>	<b>Project Target achievement (%)</b>
FY 2013	0	9	1,140	0.7
FY 2014		231	860	27%
LOP		0	2,000	0%
<b>This Sheet Last Updated on: June 2014</b>				

**Strategic Objective 2:** Create an Enabling Environment for Mobile Money  
**Intermediate Result 2.1:** Achieve Inclusive User Uptake

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>2.1.1:</b> Reduced Transaction Costs in the Payment System				
<b>Indicator:</b> Percentage by which transactions costs are reduced				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Transaction costs refer to the fee charged for use of payment services. Measures the success of SIMM to reduce costs for both businesses and customers of paying bills and paying employees.				
<b>Unit of Measure:</b> Percent decrease in transaction costs				
<b>Disaggregated by:</b> Type of transaction				
<b>Justification and Management Utility:</b> This indicator measures the percentage reduction in costs incurred by the subscriber and the agencies (government and private) as a result of m-money transaction.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> Key informant interviews with m-money subscribers and focus group discussions with government and private businesses. Guide questions and templates will be prepared to capture calculations on savings in fare, reduction in travel time, etc. for customers and operating costs e.g. cash transit security, productivity, bank average daily balance, etc for businesses.				
<b>Puilan Experience</b>				
The old manual payroll process takes total of <b>1215 minutes or 20 hours (2 days and a half)</b> . Total cost amounts to <b>Php 5,307.50 (or \$126.37)</b> per payroll period of 15 days attributed to time spent by the employees in preparing payroll, traveling, queuing and releasing time.				
<ul style="list-style-type: none"> <li>▪ The new payroll process takes total of <b>1,076 minutes or 18 hours (2.2 days) reducing the manual system by 2 hours</b>. Total cost of the new system amounts to only <b>Php 519 (or \$12.35)</b> per payroll period of 15 days. Rate of decrease of actual costs is 90 percent. Reduced time is attributed to the streamlining of processes to one-time travel cost and eliminating time to queue for releasing and receiving of salary.</li> </ul>				

In the next quarter, case studies will be made to assess the decrease in transactions costs of the assessment and payment systems of Valenzuela, Quezon City and Batangas City				
<b>Data Source:</b> M-money subscriber – respondent, post FGD reports				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> Estimates are based on specific variables identified such as the process, time and cost				
<b>Actions Taken or Planned to Address Data Limitations:</b>				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> TBD				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> : Time and motion and operational savings because of the shift from cash to e/mMoney				
<b>Presentation of Data:</b> Mini-case studies, success stories				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
<b>Year</b>	<b>Baseline</b>	<b>Actual</b>	<b>Target</b>	<b>Project Target achievement (%)</b>
FY2	TBD	90% (Pulilan Payroll)	10%	0%
FY3	TBD	0	10%	0%
LOP	TBD	0	10%	0%
<b>This Sheet Last Updated on: June 2014</b>				

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>2.1.2: Increased Adoption and Use of M-Money Services</b>				
<b>Indicator:</b> Number of new m-money users				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: April 2012 – April 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> New m-money users refer to individuals who have registered for an m-money account. This indicator measures the ability of SIMM to expand the reach, relevance, and rapid adoption of m-money services.				
<b>Unit of Measure:</b> Number of people				
<b>Disaggregated by:</b> Urban, rural				
<b>Justification and Management Utility:</b> This indicator measures the total number of new m-money subscribers that have access to new financial services				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b>				
<ol style="list-style-type: none"> <li>1. Data is collected from two sources: <ol style="list-style-type: none"> <li>a. Partner Organization- Activation reports are collected from each partner institution indicating accounts opened from money account number and name. Data is collected during the onsite activation reports or prepared by the partner organization every quarter or upon request</li> <li>b. Mobile Money Providers - Activations reports collected from provider and certification on aggregate figures per institution members/clients activated.</li> </ol> </li> <li>2. SIMM populate information in the TAMIS Stakeholder Mobile with the attached the report from partners.</li> <li>3. M&amp;E reports are generated under the PMP modules and database</li> <li>4. Reports are directly lifted from the PMP modules to the PMP Results Indicator Table</li> </ol>				
<b>Data Source:</b> Mobile Money Provider (MMP) certification on users for SIMM and Report submitted by partner organizations				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (April 2012 to April 2014)				

<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b>				
	<b>Provider</b>	<b>Limitations</b>	<b>Actions Taken to Address Data Limitations</b>	
	GCash	Some activations are made over-the-air. However, these are underestimated primarily because Gcash system is unable to track over the air registration per area/location.  It must be noted that activation reports per event and partner organization is not part of regular reporting and requires rigorous data extraction. Hence data is not regularly submitted. Only aggregate figures GCash wide can be submitted regularly.	During the event, participants fill up the activation report provided by SIMM.	
	BankO	It must be noted that BankO is bound by the Bank Secrecy Law and is prohibited in providing detailed information on mobile money accounts opened.	SIMM implemented signing of waivers from clients/members of the partner institution to generate activation reports. However, it must be noted that this is still not standard across activations pending BankO discretion.	
<b>Actions Taken or Planned to Address Data Limitations:</b>				
<b>Dates of Future Data Quality Assessments:</b> March 2014				
<b>Procedures for Future Data Quality Assessments:</b> M&E Specialist conducted spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Rate of Increase				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly by M&E Specialist				
<b>Reporting of Data:</b> SIMM reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
<b>Year</b>	<b>Baseline</b>	<b>Actual</b>	<b>Target</b>	<b>Project Target achievement (%)</b>
<b>FY 2013</b>	0	3,043	142,500	2.1%
<b>FY 2014</b>	TBD		107,500	%
<b>LOP</b>	TBD	111,017 (cumulative) <sup>17</sup>	250,000	44%
<b>This Sheet Last Updated on: June 2014</b>				

<b>SIMM Performance Indicator Reference Sheet</b>	
<b>2.1.2:</b> Increased Adoption and Use of M-Money Services	
<b>Indicator:</b> Number of people opening savings accounts via branchless banking	
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: April 2012 – April 2014	

<sup>17</sup> There is currently 123,900 new users in the pipeline. SIMM is currently completing the project cycle to activate new mobile money users specifically for mobile money provider partnerships, Banking the Unbanked program and M-payroll program; and MFS Models

<b>Description</b>
<b>Precise Definition(s):</b> Savings accounts refer to deposit accounts that earn modest interest. Branchless banking refers to mobile-phone based banks. Measures SIMM's ability to increase access to financial services through mobile money.
<b>Unit of Measure:</b> Number of savings accounts
<b>Disaggregated by:</b> Urban, rural, male, female
<b>Justification and Management Utility:</b> This indicator measures the total number of m-money subscribers who opened savings account via branchless banking.
<b>Plan for Data Acquisition</b>
<b>Data Collection Method:</b>
<i>SIMM Procedure:</i>
<ol style="list-style-type: none"> <li>1. Data is collected from two sources: <ol style="list-style-type: none"> <li>a. Partner Organization- Activation reports are collected from each partner institution indicating accounts opened from money account number and name</li> <li>b. BPI Globe BankO - Activations reports collected from provider and certification on aggregate figures per insitution members/clients activated signed by SIMM focal person VP for community banking Rob Nazal</li> </ol> </li> <li>2. SIMM populate information in the TAMIS Stakeholder Mobule with the attached the report from partners.</li> <li>3. M&amp;E reports are generated. under the PMP modules and database</li> <li>4. Reports are then converted to the PMP Results Indicator Table</li> </ol>
<i>BankO System Procedure:</i>
<ol style="list-style-type: none"> <li>1. Data will be downloaded from a system. This data file contains the client account number, count of transaction, amount of transaction and the type of transaction. Example, choose the type of transaction (i.e. Cash In) and filter the unique account numbers (delete duplicates). The result will be the count of customer who transacted cash in.</li> <li>2. A different Data system is used for Transaction count and Amount.</li> <li>3. ATM transactions are gathered daily in a different data system as well.</li> </ol>
BankO issues a Certificate of Partnership detailing new BankO accounts opened, collection and disbursement services installed, BPOs activated and cost share provided
<b>Data Source:</b> MMP databases and partner reports
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly April 2012 to April 2014
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database
<b>Data Quality Issues</b>
<b>Date of Initial Data Quality Assessment:</b> October 2012
<b>Known Data Limitations and Significance (if any):</b>
Account opening maybe done during activation events or activated by CI/CO agents acquired through SIMM efforts. It must be noted that there may be some differences due to the timing of data collection originating from the partner organizations and processing by the providers. For example if new accounts were opened by the partner organization at the end of the reporting period, processing by the provider may be completed the following week.
Data of partner organizations is based on the manual audit log books required by the provider per BSP regulation. Data from providers are system generated, if there any changes in the numbers it will primarily be due to changes in parameters/definitions
<b>Actions Taken or Planned to Address Data Limitations:</b>
SIMM collects live data from partner organizations quarterly certified by authorized/approving officer. BankO has started tagging all partner institution onsite activations and other activities conducted attributed to USAID/SIMM project
<b>Dates of Future Data Quality Assessments:</b> July 2014
<b>Procedures for Future Data Quality Assessments:</b> M&E Specialist conducted spot checks of own source and partner data; site visits to selected areas.

<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Rate of increase				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly by M&E Specialist				
<b>Reporting of Data:</b> SIMM reports from mid FY 2012 to FY 2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY2	0	822 <sup>18</sup>	5,700	17%
FY3	TBD		4,300	%
LOP	TBD	53,149 (cumulative)	10,000	531%
<b>This Sheet Last Updated on: June 2014</b>				

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>2.1.2: Increased Adoption and Use of M-Money Services</b>				
<b>Indicator:</b> Number of people trained in financial education and literacy				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> People refer to all CCT beneficiaries and all other individuals who participate in SIMM activities such as project introductions, workshops, product presentations, coordination meetings, roundtable discussions, business forum to financial education trainings.				
<b>Unit of Measure:</b> Number of people trained				
<b>Disaggregated by:</b> Urban, rural, CCT beneficiaries, non-CCT beneficiaries, male, female				
<b>Justification and Management Utility:</b> This indicator measures the total number of people trained on financial education and literacy.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> Post-activity and training reports, reports from DSWD, MMPs, MFIs and other partner agencies				
<b>Data Source:</b> Project records, records from DSWD, MMPs, MFIs and partners				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> Since the trainings are Training of Trainers and results are shared based on collaboration, the partner organizations do not regularly send training statistics				
<b>Actions Taken or Planned to Address Data Limitations:</b> Certification of Partnership to consolidate all results generated as a result of the SIMM project collaboration				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> TBD				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Training statistics disaggregated by partner organization, type of training, participants by male and female				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY2	0	2,139	6,840	31%

<sup>18</sup> Considering the project cycle from forging partnerships, business review, installation of the system, technical training to opening of accounts take time for each partner organization depending on the segment.

FY3	TBD		5,160	0%
LOP	TBD	15,182 (cumulative)	12,000	126%
<b>This Sheet Last Updated on: June 2014</b>				

### Cross-Cutting Intermediate Result 3.1: Promote Global Knowledge Sharing

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>Indicator:</b> Number of conferences supported to share knowledge				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Conferences refer to a gathering of local and/or international organizations, discussing and exchanging information on m-money market in the Philippines/region. Measures the ability of SIMM to share project insights and lessons with the broader m-money community				
<b>Unit of Measure:</b> Number of conferences				
<b>Disaggregated by:</b> Type of conference, type of knowledge product				
<b>Justification and Management Utility:</b> This indicator measures the total number of conferences supported to share knowledge products generated as a result of SIMM implementation.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> Post-activity and training reports				
<b>Data Source:</b> Project records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Annually (2013 to 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b>				
<b>Actions Taken or Planned to Address Data Limitations:</b>				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> Lessons Learned Workshop				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Best practices and lessons learned				
<b>Presentation of Data:</b> Final Report				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
1) COA Auditors' Mobile Money Training Workshop in Sep 2013				
2) Mobile Solutions Forum Asia in Bangkok, Thailand on Jan 6, 2014				
3) NPS workshops				
4) Lessons Learned Workshop on July 16				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY2	0	1	2	50%
FY3			1	%
LOP		3 <sup>19</sup>	3	100%
<b>This Sheet Last Updated on: June 2014</b>				

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>Indicator:</b> Number of research papers shared and developed				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Measures the ability of SIMM to apply project activities to a broader m-money context in order to formulate research proposals and papers. Research papers will be shared in various portals in conferences, website and social media				
<b>Unit of Measure:</b> Number of research papers				
<b>Disaggregated by:</b> Type of research paper				

<sup>19</sup> SIMM will be holding a Lessons Learned Workshop in July 2014

<b>Justification and Management Utility:</b> This indicator measures the total number of researches developed related to mobile money and financial inclusion and shared through conferences, webinars, and/or roundtable discussions.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> Compilation of research papers				
<b>Data Source:</b> Project records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Annually (2013 to 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> TBD				
<b>Actions Taken or Planned to Address Data Limitations:</b> TBD				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b>				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Best Practices and Lessons Learned, Identify activities for replication				
<b>Presentation of Data:</b> Final Report				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
Target Achieved.				
(1) Interoperability study has been submitted to BSP for final approval in July 2013.				
(2-6) The 5 business models for Mobile Financial Services of NATCCO, FICO Bank, GM Bank of Luzon, KMBI and CCT Credit and Savings Cooperative were completed and submitted to USAID in September.				
(7) Behavioral Change Communications Study completed in December 2013.				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY2	0	1	2	0%
FY3	TBD	0	1	0%
LOP	TBD	7 <sup>20</sup>	3	233%
<b>This Sheet Last Updated on: June 2014</b>				

<sup>20</sup> In August 2014, the Channel Management Strategy Study is scheduled for completion

## Activity Level Indicators

SIMM Performance Indicator Reference Sheet				
<b>Indicator:</b> Percent of activities that improved financial inclusion of women				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
Description				
<b>Precise Definition(s):</b> Measures the ability of SIMM to effectively incorporate women into program activities. FORMULA by participants: Total no. of female participants / Total no. of all participants FORMULA by activity: Total number of activities (training or activation of new users participated by women/ Total activities				
<b>Unit of Measure:</b> Percent of activities				
<b>Disaggregated by:</b> Urban, rural, type of activities, number of activities, percent male, percent female				
<b>Justification and Management Utility:</b> This indicator measures the percentage ratio of SIMM activities wherein participation of female is greater than male. Activities may include trainings, workshops, roundtable discussions, seminars, etc. It demonstrates the increasing importance of participation of females in financial inclusion related activities of SIMM.				
Plan for Data Acquisition				
<b>Data Collection Method:</b> Through post-activity and post-training reports				
<b>Data Source:</b> Project records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
Data Quality Issues				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> Opening of new mobile money accounts is not disaggregated by male or female.				
<b>Actions Taken or Planned to Address Data Limitations:</b> Computation is limited to female individuals who participated in training activities				
<b>Dates of Future Data Quality Assessments:</b> October 2013				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
Plan for Data Analysis, Review, and Reporting				
<b>Data Analysis:</b> Data will be analysed using trends in participation of women in financial inclusion related activities.				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables with data from sample site visits				
<b>Review of Data:</b> Quarterly each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
Other Notes				
<b>Notes on Baselines/Targets:</b>				
Performance Indicator Values				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY 2013	TBD	57% <sup>21</sup> (Sep 2013)	30	0%
FY 2014	TBD	57% (Mar 2014_	50	0%
LOP	TBD	0	50	0%
<b>This Sheet Last Updated on: June 2014</b>				

<sup>21</sup> During the year, SIMM conducted total of 387 activities ranging from project introductions, workshops, product presentations, coordination meetings, roundtable discussions, business forum to financial education trainings. Of the total, 69 training activities on the benefits and uses of mobile money were conducted covering a total of 2,009 individuals of which 1,159 were women. Note: Results are partial as DAI's Technical and Administrative Management Information System (TAMIS), which houses all project data, is still undergoing revisions and data population. Data will be available by next quarter.

<b>SIMM Performance Indicator Reference Sheet</b>				
<b>Indicator:</b> Percent of activities that improved financial inclusion for individuals and households in rural areas				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Measures the ability of SIMM to effectively incorporate rural individuals and households in to the program activities.				
FORMULA: Total no. of people trained in financial education and literacy + Total no. of individuals who opened branchless banking accounts / Total no. of all participants				
FORMULA by activity: Total number of activities (training or activation of new users/ Total activities				
<b>Unit of Measure:</b> Percent of activities				
<b>Disaggregated by:</b> Urban, rural, type of activities, number of activities, percent male, percent female				
<b>Justification and Management Utility:</b> This indicator measures the percentage of individuals and households who opened savings account and received financial inclusion training.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> Through post-activity and post-training reports				
<b>Data Source:</b> Project records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> Opening of new mobile money accounts is not disaggregated by male or female.				
<b>Actions Taken or Planned to Address Data Limitations:</b> Computation is limited to individuals who participated in training activities				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> Data will be analysed using trends in participation of individuals and households in financial inclusion related activities.				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables with data from sample site visits.				
<b>Review of Data:</b> Semi-annually each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
Year	Baseline	Actual	Target	Project Target achievement (%)
FY2	0	88%	50	0%
FY3	TBD	90%	50	0%
LOP	TBD	0	90	0%
<b>This Sheet Last Updated on: June 2014</b>				

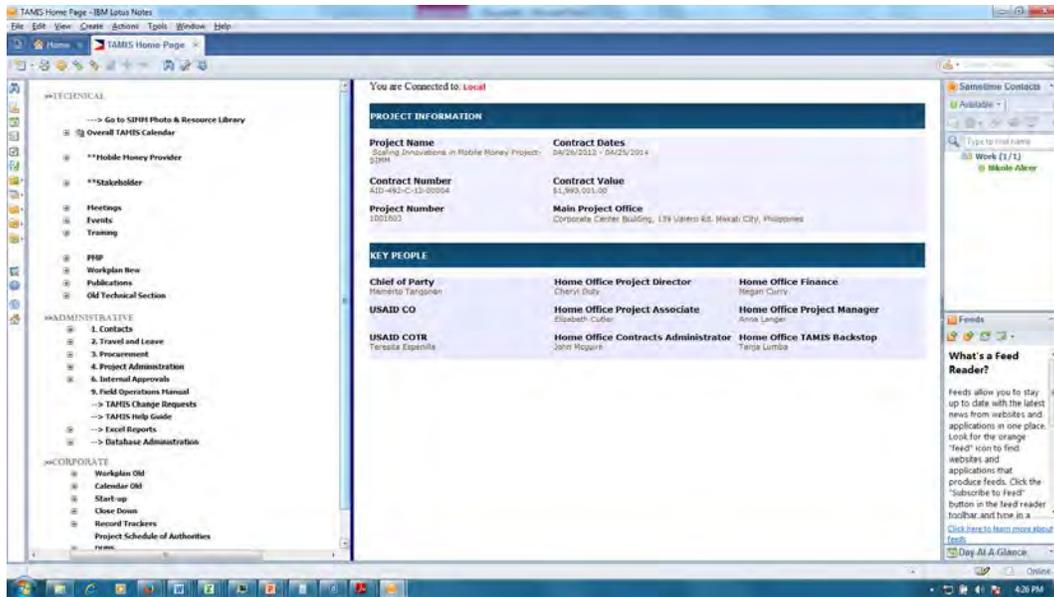
<b>SIMM Performance Indicator Reference Sheet</b>				
<b>Indicator:</b> Value of activities funded by cost-sharing/contribution arrangements with SIMM				
<b>Is this a USAID Annual Report Indicator?</b> Yes for Reporting Years: FY 2012 - 2014				
<b>Description</b>				
<b>Precise Definition(s):</b> Measures the success of SIMM to obtain buy-in and to leverage public, private and donor funds for the project.				
Cost-share is defined as any cash and/or in-kind resources contributed by partners to the SIMM project (i.e. salary, supplies and event materials, marketing collateral, press release and other outreach materials, technology set-up such as setting up m-money infrastructure or platform. This includes costs incurred for the SIMM project launches, trainings and activation events with national and local counterpart agencies hosting the event (venue, use of amenities). Total amount leveraged for the project includes both public and private sector contributions.				
<b>Unit of Measure:</b> US Dollar or PH Peso				
<b>Disaggregated by:</b> Source of funds, type of partner organization				
<b>Justification and Management Utility:</b> This indicator measures the ability to mobilize funds from other partners in the implementation of SIMM activities.				
<b>Plan for Data Acquisition</b>				
<b>Data Collection Method:</b> Through post-activity, post-training reports, certificate of counterpart funding from partners.				
<b>Data Source:</b> Project records				
<b>Method of Data Reporting to USAID Mission:</b> Periodic performance reports, Quarterly and Annual Reports				
<b>Frequency and Timing of Data Reporting to USAID:</b> Quarterly (start September 2012 to August 2014)				
<b>Individuals Responsible for Providing to USAID:</b> M&E Specialist and COP				
<b>Location of Data Storage:</b> SIMM Project Office – TAMIS Database				
<b>Data Quality Issues</b>				
<b>Date of Initial Data Quality Assessment:</b> October 2012				
<b>Known Data Limitations and Significance (if any):</b> None				
<b>Actions Taken or Planned to Address Data Limitations:</b> TBD				
<b>Dates of Future Data Quality Assessments:</b> July 2014				
<b>Procedures for Future Data Quality Assessments:</b> The M&E team will conduct spot checks of own source and partner data; site visits to selected areas.				
<b>Plan for Data Analysis, Review, and Reporting</b>				
<b>Data Analysis:</b> TBD				
<b>Presentation of Data:</b> Written analyses of results using graphs and tables.				
<b>Review of Data:</b> Semi-annually each project year by M&E team				
<b>Reporting of Data:</b> SIMM quarterly reports from mid FY2012 to FY2014				
<b>Other Notes</b>				
<b>Notes on Baselines/Targets:</b>				
<b>Performance Indicator Values</b>				
<b>Year</b>	<b>Baseline</b>	<b>Actual</b>	<b>Target</b>	<b>Project Target achievement (%)</b>
<b>FY 2</b>	0	\$32,000	\$57,000	56%
<b>FY 3</b>	TBD		\$43,000	0%
<b>LOP</b>	TBD	\$350,000 <sup>22</sup>	\$100,000	350%
<b>This Sheet Last Updated on: June 2014</b>				

<sup>22</sup> Major contributions are from the four SIMM cities (Batangas City, Valenzuela City, Quezon City and Municipality of Pulilan, Bulacan), Bangko Sentral ng Pilipinas (BSP), Commission on Audit (COA), the three mobile money providers (BPI Globe BankO, Gcash and Smartmoney,

## ANNEX B

### Technical and Administrative Management Information System (TAMIS)

To support the project's M&E functions particularly for data collection and generation, SIMM will utilize DAI's proprietary information system, Technical and Administrative Management Information System or TAMIS, a Lotus-based application that DAI projects around the world are using to facilitate project work flow and processes. TAMIS allows project staff to design their own system by creating customized modules that can link workplans to all project events, create project databases, track PMP results, and archive pertinent project research, photos, and knowledge products. It can also enable USAID and other key partners to view the system and monitor the project's progress in real-time.



Considering that the SIMM project deals with multiple stakeholders with project activities that undergo an entire project cycle, the modules are created and integrated to track progress of activities including the Calendar, Stakeholder information, Meetings, Events, Training, Performance Indicators, and Publications containing official project documents submitted to USAID.

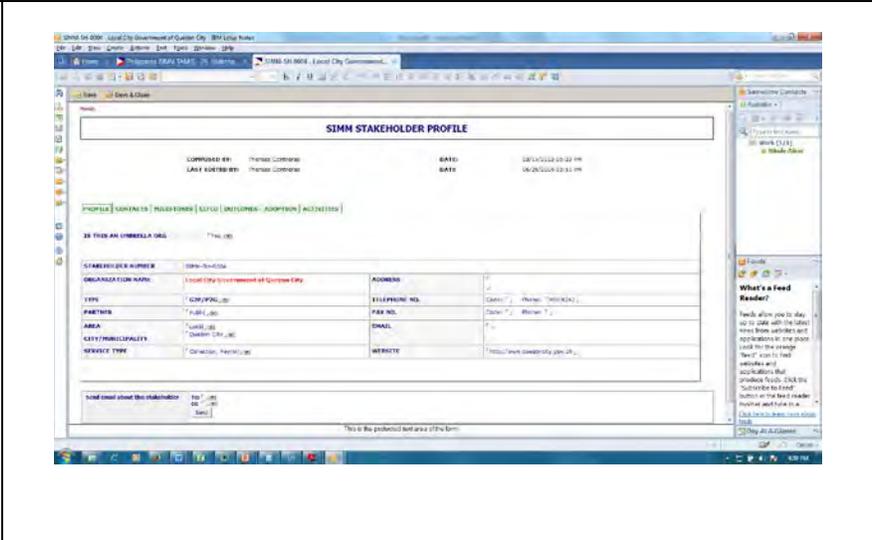
The TAMIS Calendar is populated based on the inputs coming from the Meeting, Training and Events Module. The activities are color coded for each type of activity – Meeting (green), Training (yellow) and Event (blue).



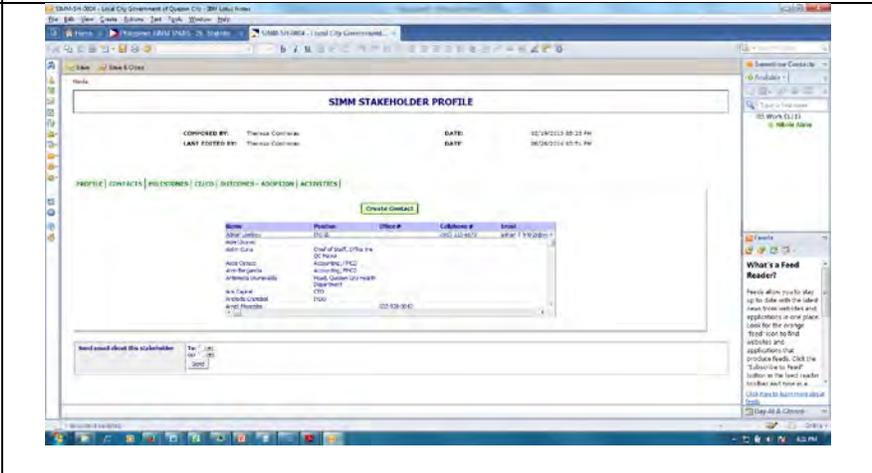
**Stakeholder Module Tabs**

**Screenshot**

The Profile tab contains name, type, partner, area, city/municipality, mobile money service type, and contact information, website.

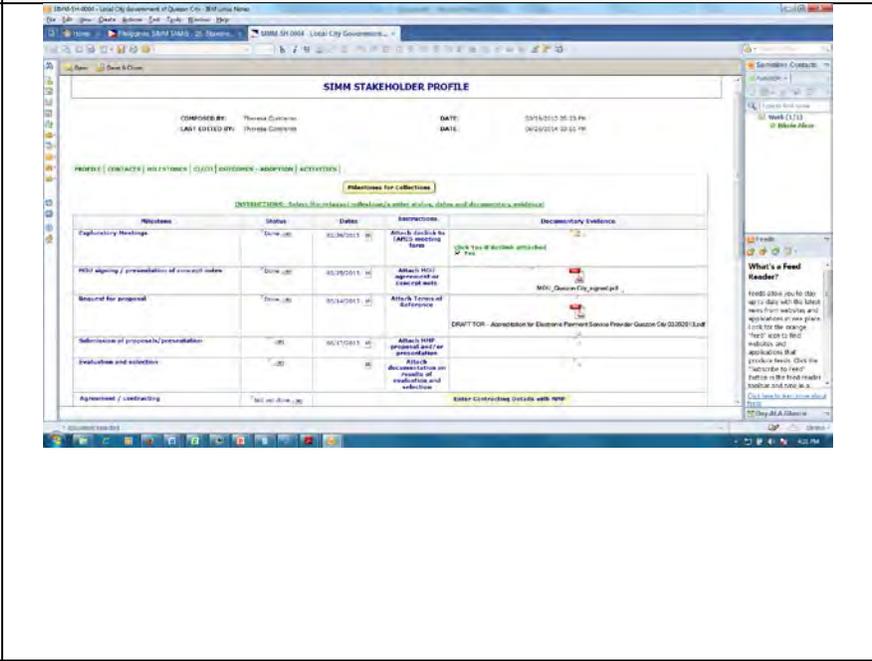


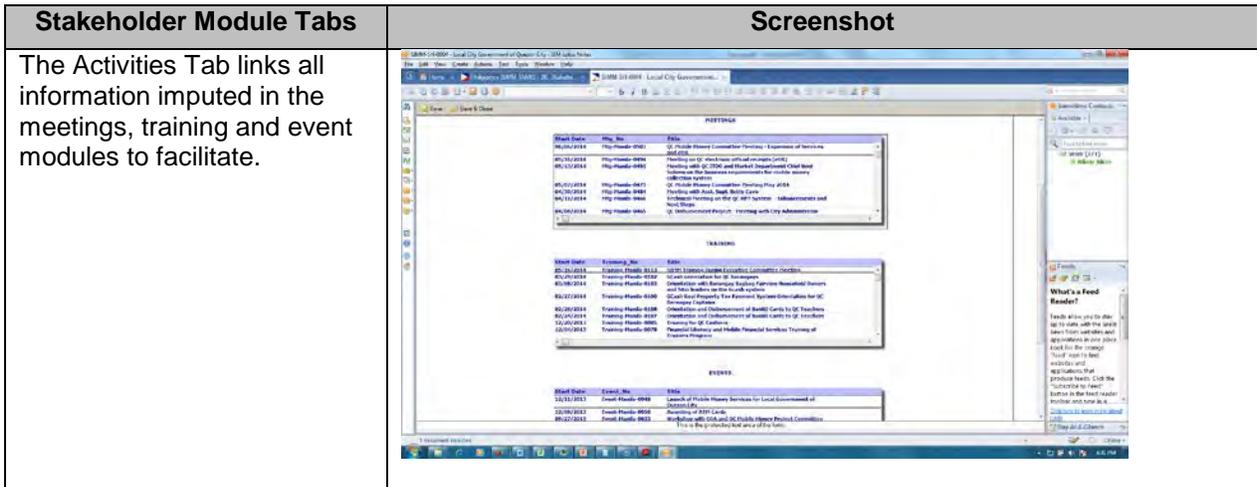
The Contacts Tab include individual contact information who participate in SIMM activities from planning to implementation



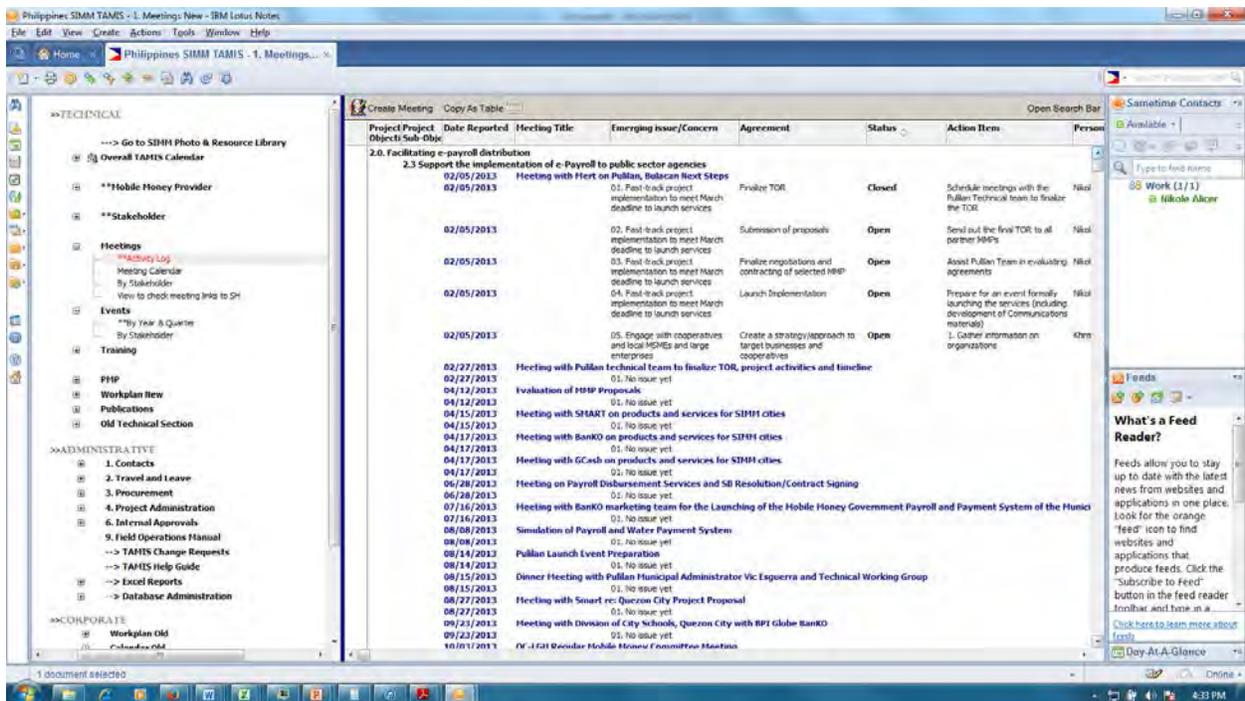
The Milestone Tab tracks the progress of SIMM from engagement to adoption of m-money services. Below are the milestones:

- Exploratory Meetings, MOU signing/presentation of concept notes
- Request for Proposal
- Submission of proposals
- Evaluation and Selection
- Agreement and Contracting
- Business Process Documentation/Technical Set up
- Ready for Service/Launch
- Users Training
- Disengagement

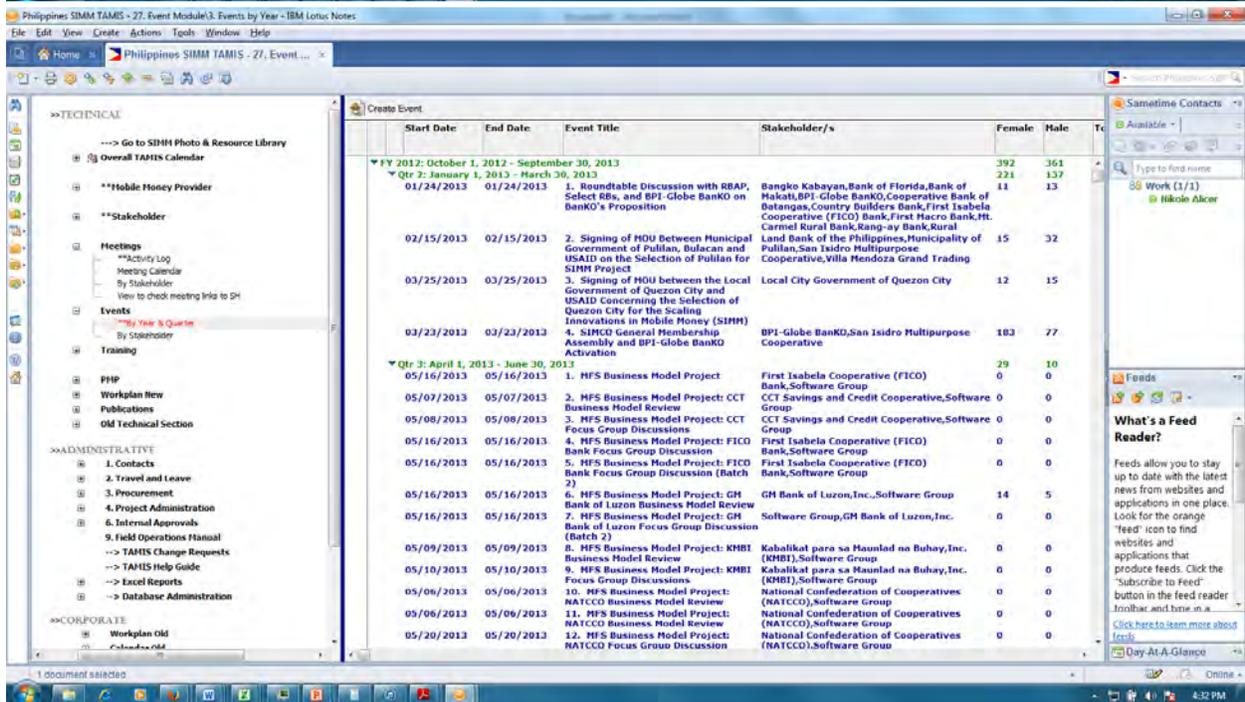
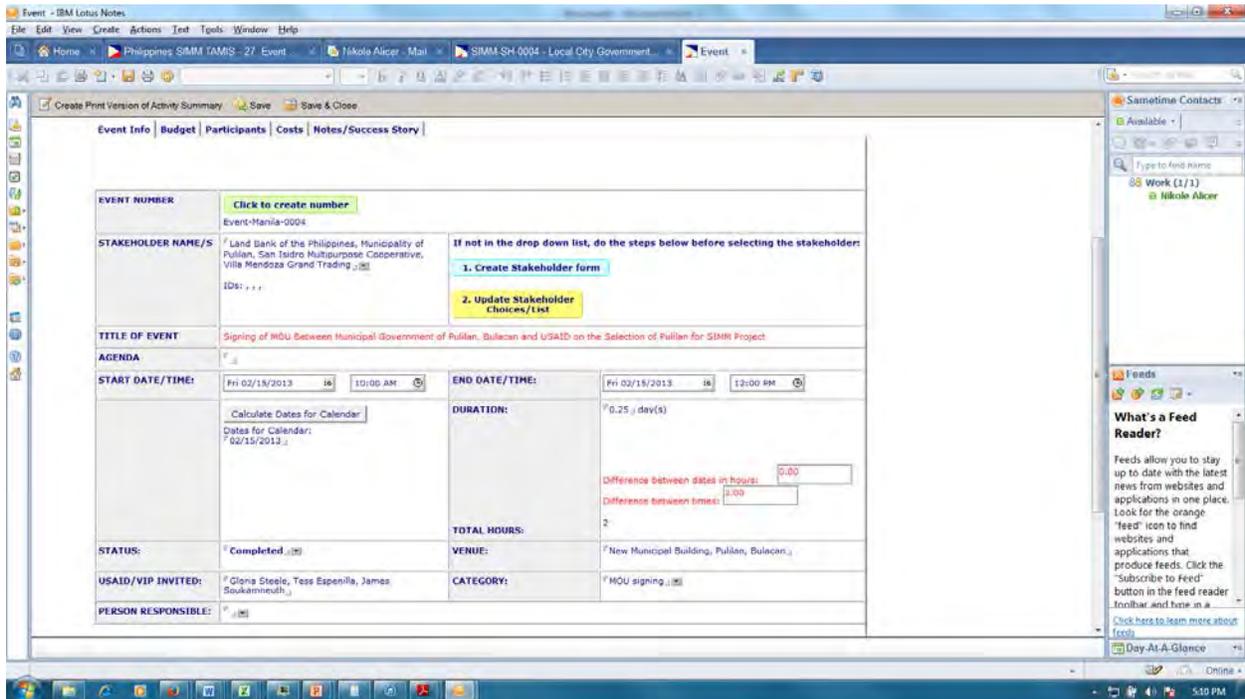




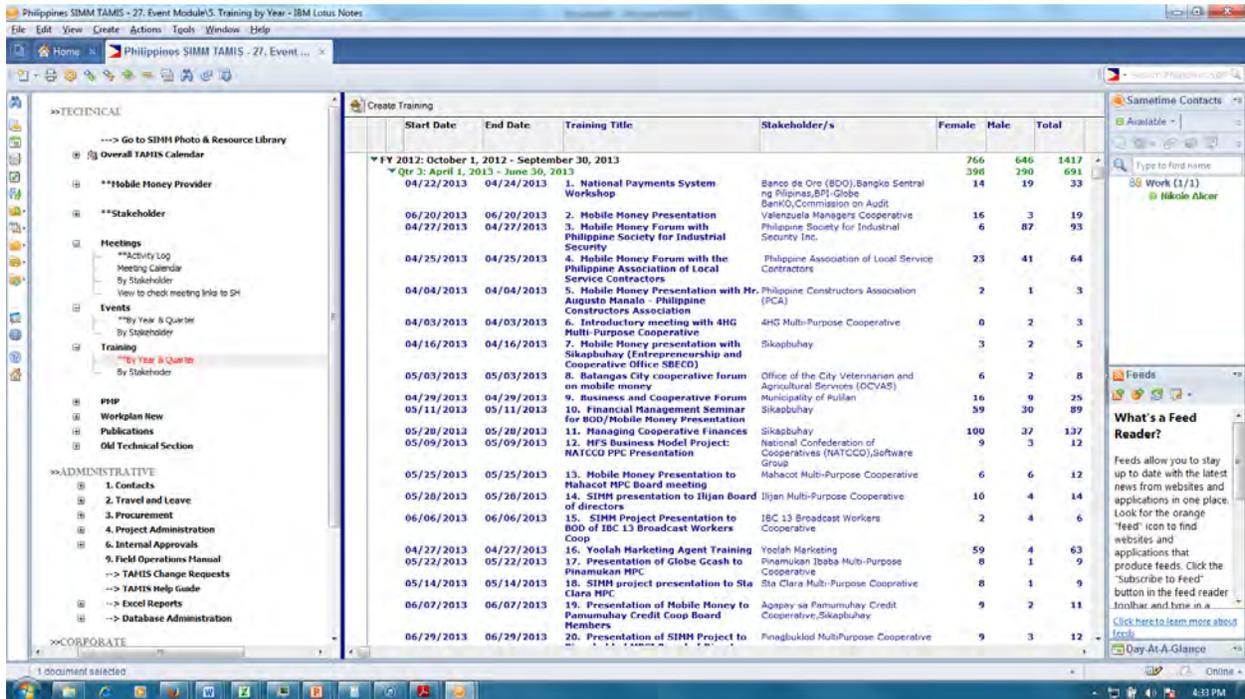
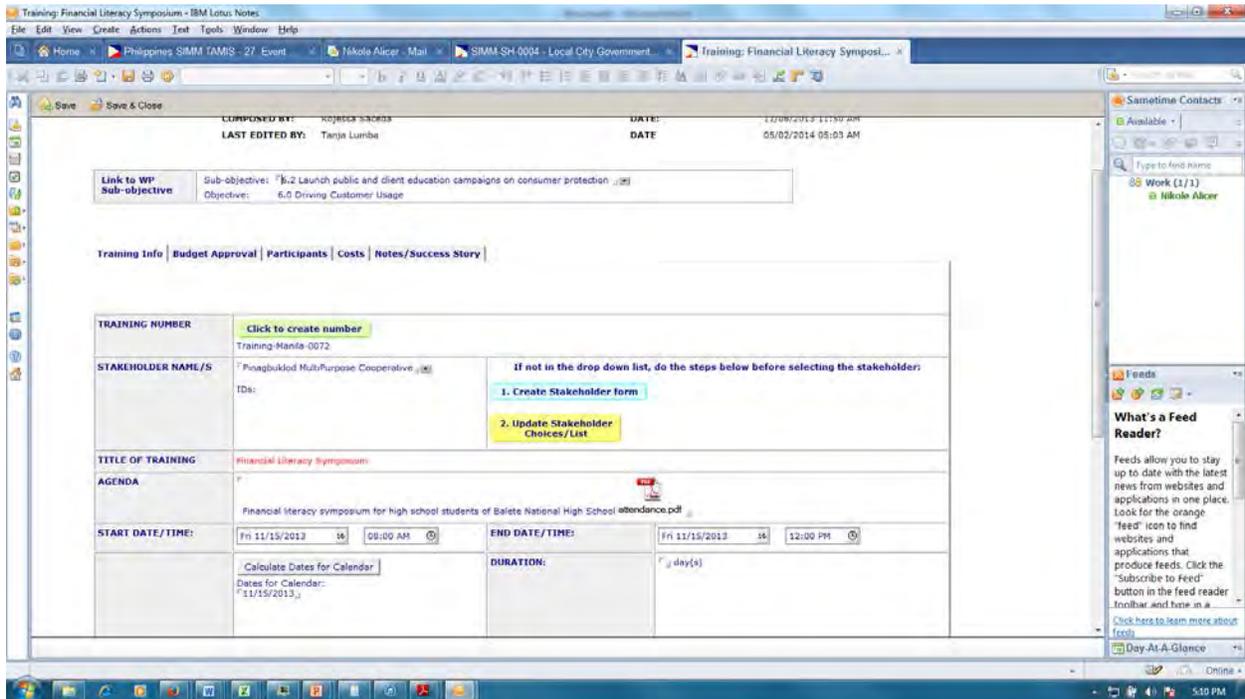
The Meeting Module is a tool used to input detailed and pertinent information from meeting title, issues/concerns, agreements, status, action item, person responsible, due date, next steps, remarks. This is linked to the Calendar and Stakeholder module.



The Event module contains pertinent information related to events ranging from business forums, conference, MOU signing, activation events and roundtable discussions. It includes budget, participants, cost share and success story information. This tool provides input to the communications manager in preparing events, informing USAID of high level events, generating reports and meaningful information for success stories. The tool also generates summary information disaggregated by event and male and female for report writing.



Training Tab includes activities from project introductions, workshops, product presentations, coordination meetings, roundtable discussions, business forum to financial education trainings. It includes budget, participants, cost share and success story information. The tool also generates summary information disaggregated by event and male and female for report writing. This tool provides the training details and provides input for generating reports and success stories. The tool also generates summary information disaggregated by training and male and female for report writing.



The PMP Module is a reportorial tool that automatically consolidates and summarizes all relevant information inputted in all the other modules. Data contains total of 15 SIMM key performance indicators. However, due to system and data limitations, SIMM is only able to use the module in limited capacity mostly for tracking of activity level performance indicators.

Philippines SIMM TAMIS - 5. Results/L7. No. of new M-money users by Month - IBM Lotus Notes

File Edit View Create Actions Tools Window Help

Home Philippines SIMM TAMIS - 5. Results... Yakola Alicer - Mail SIMM-SH-0004 - Local City Government Training - Financial Literacy Sympos...

How Did We Arrive at these Numbers

YR	QTR/Mon	Stakeholder	Participants Name	Male	Female	Total
▼ FY 2012: October 1, 2012 - September 30, 2013						
▼ FY 2012: October 1, 2012 - September 30, 2013						
▼ September 2013						
G2P/P2G						
City of Rodriguez (Montalban), Rizal						
Municipality of Pulilan						
MSME						
VMobile Technologies Inc.						
▼ August 2013						
G2P/P2G						
Municipality of Pulilan						
▼ July 2013						
MF1						
IBC 13 Broadcast Workers Cooperative						
▼ June 2013						
MF1						
San Isidro Multipurpose Cooperative						
Soro-Soro Ibabab Development Cooperative						
MSME						
Yoolah Marketing						
▼ May 2013						
MF1						
Sikapbuhay						
▼ FY 2013: October 1, 2013 - April 30, 2014						
▼ December 2013						
MF1						
Pinagbuklod MultiPurpose Cooperative						
▼ November 2013						

1 document selected

The Publications Module contains all official and final project documents as WorkPlan, Performance Monitoring Plan, Weekly Reports, Quarterly Reports, Annual Reports etc.

Philippines SIMM TAMIS - 6. Publications/1. Publication Series - IBM Lotus Notes

File Edit View Create Actions Tools Window Help

Home Philippines SIMM TAMIS - 6. Publicat... Go to Main Workplan View

Status	Series #	Date	Title	Author
Draft				
		02/04/2013	Proposed Ordinance No. 2012-138 Series of 2012: An Ordinance Providing for Authorization and Recognition of the	Aty. Cecylme Andrade, Hon. Mator Alejandro, Hon. Antonio Espetu, and Hon. Lorena Nativedad-Boja
			High-level Glidpath to interoperability in the payments system in the Philippines.	BFA
Final/Accepted by USAID				
		01/15/2013	SIMM Project Revised LOP and Year 1 Workplan Final and Approved.	SIMM Project
		05/28/2012	USAID Talking Points for President Aquino's Trip to Washington, DC	Met. Tangonan
		12/20/2012	SIMM Project Revised Performance Management Plan (PMP)	SIMM Project
Policy Memos/Briefs				
		02/15/2013	MOU Between USAID and Municipality of Pulilan, Bulacan	USAID and Municipality of Pulilan, Bulacan
		03/25/2013	Final and signed MOU between USAID and Local Government of Quezon City	USAID and Local Government of Quezon City
Project Report				
		02/14/2012	SIMM Three Month Start-up Plan	Adam Brann
Research Paper				
		11/05/2013	INTEGRATING PAYMENT SYSTEMS IN THE PHILIPPINES: A HIGH LEVEL GUIDE PATH TO INTEROPERABILITY	Bankable Frontier Associates
Special Report				
		11/14/2013	Concept Paper for Technical Assistance Program (TAP) for Mobile Money Payment	Met. Tangonan, Roessa Saccas
Final/Sent to USAID for Review				
		10/31/2013	SIMM Annual Progress Report for October 2012 to Sept 2013	Met. Tangonan, Roessa Saccas, Nicole Alicer, Vince Cauda, Cheryl Baint, Don Pua
		06/25/2012	SIMM Life of Project and Year 1 Workplan	SIMM Team
		06/03/2012	Revised Year 1 Workplan Sent to USAID for Review (and final, approved version yet)	SIMM Project Team
Consultant Report				

1 document selected

## ANNEX B

### SIMM PROJECT STAKEHOLDER ENGAGEMENT MATRIX as of June 2014

Stakeholder	Description of cooperation	Contact person	Milestone process	Status	
<b>Building mobile money ecosystems in SIMM Cities</b>					
1	<b>Batangas City</b>	<b>SIMM City:</b> Pilot P2G payment of business registration	Mayor Vilma Dimacuha Secretary to the Mayor Victor Reginald Dimacuha LEIPO Erick Sanohan City Treasurer Tess Geron	Ready for Service/Launching	<p>The City Government of Batangas launched its business tax m-money payment system on March 31, to complement its recent success in streamlining business permit registration process. With the support of the USAID/Investment Enabling Environment (INVEST) Project, this process has been reduced from seventeen (17) steps which can take up to three days to complete, to two simple steps completed in just two hours. This m-money payment system is a result of SIMM's collaboration with another USAID project, INVEST, with the shared goal of providing a more convenient government transaction for constituents. SIMM facilitated the City Government's partnership with GXI to enable the use of the GCash platform for the business tax payment</p> <p>Following the m-money intervention in Brgy. Balete, where partner organization, Pinagbuklod Multi-Purpose Cooperative, is situated in SIMM and BPI Globe BanKO conducted a one-day financial literacy symposium on November 18 for more than 500 high school students of the Balete National High School, focusing on the topic of saving. The symposium was also at the same time an activation event which was able to acquire more than 400 new users from the school.</p>
2	<b>Valenzuela City</b>	<b>SIMM City:</b> Pilot P2G payment of real property taxes (RPT) which is estimated at 130,000 entities paying RPT per year	Mayor Sherwin Gatchalian Acting City Assessor Cecilynne Andrade IT Head Randy Sison	Ready for Service/Launching	<p>Valenzuela City's m-money real property tax (RPT) payment system went live last quarter and was formally launched on January 21 which allows real property owners in Valenzuela City to have their real properties assessed and pay the tax due using their mobile phones. The service was launched in partnership with GXI.</p> <p>Following this success, on March 26 mobile payment for business permits and construction permits went live. The construction permit payment through m-money complements the construction permit electronic kiosk launched by Valenzuela City on January 21 which features filing of application for engineering permits via drop box system, which eliminates human interface in the application process. Using the bar code reference number, the applicant can inquire the status of the application through GXI's USSD service and pay the corresponding fee without the need to go to the city hall to follow-up or inquire status and make payment.</p>

	Stakeholder	Description of cooperation	Contact person	Milestone process	Status
3	<b>Municipality of Pulilan, Bulacan</b>	<b>SIMM City:</b> Pilot payroll of over 200 government employees and payments made to the municipality's water system with 10,000 concessionaires	<p>Municipal Administrator Vic Esguerra Jr. T – 0917-5351275 vic_esguerra@yahoo.com,</p> <p>Mark De Jesus Project Coordinator in Pulilan 0915-2243114 dejesusmrk@gmail.com</p> <p>Tess Tetangco Public Information Office Head 0915-232-3074</p>	Ready for Service/Launching	<p>The government payroll is now sustainable and has been implemented for 10 months.</p> <p>As part of the efforts to build an ecosystem in Pulilan, the Municipal Administrator has mandated delinquent accounts to pay their water dues to the Pulilan water system via mobile. Pulilan has also prioritized opening of accounts for various sectors including schools, CCT beneficiaries, mother leaders, tricycle and jeepney drivers. To complement this effort, Pulilan is establishing more mobile money agents in far flung barangays to service the communities.</p> <p>The Pulilan Water System is now enhancing its systems for full integration of local systems and mobile money technology. In building the ecosystem, the project targeted the water concessionaires ensuring that the need and scope was there with thousands residing in farflung areas that needed a more convenient payment option to settle their dues. To complement the efforts and facilitate the tracking of payments, delinquent accounts were mandated to pay through mobile money collection system</p> <p>Other engagements include 8GAD Corporation, OtsoDosOtso, Sylver Café, Maruel General Mechandising, Rhoda's Store for the m-money agents.</p>
4	<b>Quezon City</b>	<b>SIMM City</b> Pilot payroll of over 12,000 teachers and students allowances and stipends and collections of real property tax payments	City Administrator Aldrin Cuna	Ready for Service/Launching	<p>In March 25, 2014, Mayor Herbert Bautista signed a Memorandum of Agreement with USAID to implement the SIMM project.</p> <p>In October, Ordinance no. SP-2228, S-2103 was approved with the inclusion of mobile money as an authorized alternative method of payment. The Implementing Rules and Regulations pursuant to Ordinance SP-2228, S-2103 was issued on December 20, 2013.</p> <p>After 10 months of planning and implementation, was the city government's launching of one of the first local government mobile services in the country. The "Go-Live Launch" of this project took place on December 11, 2013, which demonstrated the first payment by a Quezon City real property taxpayer (RPT) of her RPT dues and disbursement of allowances and subsidies to public school teachers and student scholars.</p> <p>For the pilot run, the payment of RPT is limited to Globe and TM subscribers without late payments. As of March 31, 2014, a total of 276 payments were coursed through GCASH with total tax collection of about Php550, 000, each payment ranging from Php200 to Php19, 000. In March 2014, the first disbursement to student scholars was released. Disbursement to more than 10,000 teachers through mobile money is targeted for implementation in June 2014.</p> <p>One major concern of the City Government is the reconciliation of payments and issuance of official receipts which has prevented the City from shifting towards electronic transactions.</p>

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
5		Division of City Schools	Assistant Superintendent Betty Cavo 0947-9960678 bccav0@gmail.com  Assitant Superintendent Helen Go 02352-6811; 0927-7129393 hgvgh_6@yahoo.com	Ready for Service/Launching	SIMM continued to streamline the disbursement processes of Quezon City to reduce delay of disbursement by improving the Division Office and Student Youth and Development Program (SYDP) electronic database, reducing the number of reports and physical transport of documents from SYDP and Division office to Quezon City hall and across departments; and building confidence in the new electronic process.  SIMM encountered challenges with some teachers primarily due to the cash withdrawal charges under the new BPI Globe BankKO accounts during registration and distribution of new m-money accounts. This was due to insufficient communication and education regarding the shift from Landbank to BankKO and the benefits, products and services of m-money. Aside from poor information dissemination from the Division of City Schools down to the principals, faculty presidents, and teachers, SIMM also observed there was a need for sessions on personal financial management especially for public school teachers.  With the continuous effort to gather information on the underlying issues and information dissemination on the benefits of mobile money, the teachers came to appreciate the benefits of m-money and have requested training on financial literacy and cash management, as well as more information on the features in preparation for the roll out of the new disbursement process in July.
6		Student Youth Development Program	Maricris Sis Assistant Chief of SYDP 0917-8540217 maricris.sis@gmail.com,	Ready for Service/Launching	In March, the first electronic disbursement to Quezon City student scholars was completed. From travelling to Quezon City Hall to get their stipends, often taking three months to get disbursed, the scholars receive them straight in their mobile phones. The feedback has been generally positive, but several scholars report that more education and information materials on the products, services and charges are needed.  To address the concerns, SIMM immediately conducted a Training of Trainers (ToT) to equip the SYDP staff in cascading the information and responding to questions raised by scholars. SIMM is closely monitoring the progress of the pilot run to ensure that adequate after sales support is in place within the Quezon City government and with BankKO. BankKO also produced customized primers for the teachers and students in response to the frequently asked questions (see Annex A). After the pilot run, SYDP plans to implement the mobile money system to all 5,000 scholars.
7		Homeowners Association (HOA), Montalban		Information Education Campaign (IEC) activities	This partnership was forged through the efforts of the partner MMP, BPI Globe BankKO. SIMM supported activation and training efforts
8	<b>Municipality of La Paz, Tarlac</b>	Explore possible collaboration with the city government to implement m-money for payment and revenue streams	Mayor Michael Manuel	<b>Disengagement</b>	SIMM reached out to La Paz, Tarlac last August 31 to look into their possible engagement as SIMM City. Given the difficulty in securing an appointment with the Mayor, SIMM decided to forego their engagement in favor of other shortlisted cities/municipalities.  Lack of interest of LGU in the project
9	<b>Municipality of Orion, Bataan</b>	Explore possible collaboration with the city government to implement m-money for payment and revenue streams	Mayor Jose Santos	<b>Disengagement</b>	SIMM reached out to Orion, Bataan last October 15 to look into their possible engagement as SIMM City. Given the difficulty in securing an appointment with the Mayor, SIMM decided to forego their engagement in favor of other shortlisted cities/municipalities.  Lack of interest of LGU in the project

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
10	<b>Municipality of Capas, Tarlac</b>	Explore possible collaboration with the city government to implement m-money for payment and revenue streams	Mayor Antonio Rodriguez, Jr. MPD Coordinator Felicidad Baun	Disengagement	SIMM met with Mayor Antonio Rodriguez, Jr. of the Municipality of Capas, Tarlac last November 12 to gauge LGU interest in adopting mobile money for government payment streams. Right off the bat, the LGU questioned the applicability of the technology to their existing payment system since a bulk of their transactions are still being done manually.  Last December 4, the LGU sent word that they will not pursue partnership with SIMM due to their lack of readiness to adopt electronic payment system. SIMM sent an official letter to the Mayor on December 11 acknowledging their decision.  Lack of readiness of LGU to adopt electronic payment systems
11	<b>Cagayan De Oro City</b>	SIMM City		Business Process Documentation and Technical Set up	Ongoing hearings on the issuance of the city ordinance enabling electronic payments including m-money  Currently in the process of procuring the servers for the development of the mobile platform starting with RPT and business permits. Launching of services is scheduled in July.
12	<b>Iloilo City</b>	SIMM City		Business Process Documentation and Technical Set up	SIMM is working with Iloilo business clubs particularly innovative businesses to establish proof of concepts for replication later on
13	<b>Calamba City</b>	Explore engagement as SIMM City	CPDO Imelda Pranas City Treasurer Precy Adrian City Assessor's Office Graciana Aldabe	Disengagement	SIMM met with officials of the City Government of Calamba, Laguna to gauge their interest in adopting mobile money for government financial transactions.  If they decide to implement mobile money, the City officials wish to do a study tour in Valenzuela City to learn about their automated back-end systems and their experience in implementing mobile money for real property tax collection.  Lack of readiness of LGU to adopt electronic payment systems
14	<b>Tagaytay City</b>	Explore engagement as SIMM City		Disengagement	
15	<b>Cabanatuan City</b>	Explore engagement as SIMM City		Disengagement	Letter sent to the Mayor on January 21, 2013
16	<b>San Fernando City</b>	Explore engagement as SIMM City		Disengagement	Letter sent to the Mayor on January 21, 2013
17	<b>Tarlac City</b>	Explore engagement as SIMM City		Disengagement	Letter sent to the Mayor on January 21, 2013
<b>Facilitating e-payroll distribution</b>					

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
18	<p><b>Department of Budget and Management (DBM)</b></p> <p><b>Land Bank of the Philippines (LBP)</b></p> <p><b>b2bpricenow.com</b></p>	<p>Make mobile money an acceptable payment option for the Central Government Payroll System</p>	<p>DBM Usec. and Chief Information Officer Richard "Bon" Moya</p> <p>Land Bank First Vice President Marilyn Tiongson</p> <p>Chief Executive Officer Edgar Herbosa</p> <p>e-Commerce Director Ryk Ramos</p>	<p><b>Disengagement</b></p>	<p>SIMM had several meetings with DBM from May to August 2012 to explore the possibility of enabling mobile money for the Central Government Payroll. Currently, government payroll are done through Land Bank, a government accredited depository bank. The law provides that government funds can only be deposited in government authorized depository banks. Consensus was to enable Land Bank accounts to be a source of funds for the MMPs through mobile banking arrangements. This scheme, however should only be a complement to the employees' payroll accounts, not as an alternative. Initially, DBM agreed to pilot the proposed payroll scheme to its 8,800 employees last October 2012.</p> <p>Discussions stalled in August after SIMM met with Land Bank and DBM where Land Bank shared reservations about their system's capacity to link with MMP accounts. Initially, SIMM was eyeing an interconnection with Land Bank through b2bpricenow.com, an entity partially owned by Land Bank. But Closings fell through with b2b when SIMM asked them to provide certain documentation to affirm their company's legal existence.</p> <ol style="list-style-type: none"> <li>1. Regulations barring government agencies from putting money in non-authorized government depository banks</li> <li>2. Land Bank's limited systems capacity to interconnect with MMPs</li> <li>3. B2bpricenow.com's decision to forego partnership with SIMM</li> </ol>
<b>Facilitate the e-payroll implementation of businesses</b>					
19	<p><b>Philippine Chamber of Commerce and Industry (PCCI)</b></p>	<p>Promote adoption of mobile money for payroll to PCCI local chambers and their members firms in SIMM Cities and other areas</p> <p>Pilot business model on integrating mobile money for MicSMEs</p>	<p>Secretary General Crisanto Frianeza</p>	<p><b>Disengagement</b></p>	<p>SIMM met with PCCI National from July to October to obtain their buy-in in promoting mobile money as a payroll option to their local chambers and member MicSMEs. PCCI's primary interest was on helping SIMM advocate mobile money to their members through their area business conferences, chamber management workshops, and newsletter. PCCI requested SIMM to package mobile money as a business solution and suggested that SIMM present cost-benefit figures showing how much businesses can save in adopting e-payroll to really encourage business owners to adopt the technology.</p> <p>PCCI said SIMM can work directly with their local chambers in the piloting as they have other priority programs to focus on but that they are open to having a non-binding MOU with SIMM as a basis for their partnership. PCCI was also amenable for SIMM to have separate MOUs with their local chambers for the piloting.</p> <p>USAID thinks that PCCI could take a more active role in the partnership rather than build advocacy and wants SIMM to explore this directly with PCCI.</p> <p>SIMM also solicited inputs from PCCI on the draft TOR for MicSME business modelling but later decided not to pursue the study at the behest of PCCI.</p> <p>PCCI's limited role in promoting adoption of mobile money for their member firms and associations</p>
20	<p><b>Batangas Province Chamber of Commerce and Industry</b></p>	<p>Promote adoption of mobile money payroll to their 45 member firms</p> <p>Capacitate local chamber as technical assistance provider to local businesses for the implementation of e-payroll</p>	<p>President Ting Caedo</p> <p>Executive Director Medz Cajanding</p>	<p><b>Disengagement</b></p>	<p>BPCCI agreed to work with SIMM in getting their member businesses to adopt e-payroll. The local chamber actively participated in the Batangas City Business Forum last December 14 where their members learned about the benefits of mobile money adoption for salary disbursement.</p> <p>Recently, BPCCI established the Batangas City Business Club (BCBC) which will expand their membership to businesses in Batangas City. BCBC will soon come up with a policy on e-commerce.</p>

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
21	<b>Philippine Chamber of Commerce and Industry-Valenzuela Chapter</b>	Promote adoption of mobile money payroll to their 45 member firms  Capacitate local chamber as technical assistance provider to local businesses for the implementation of e-payroll	President Julie Quiroga	Information Education Campaign (IEC) activities	President Julie Quiroga agreed to conduct forums with the chamber's members on mobile money and how it can be used for payroll and collections. She admitted though that when it comes to level of influence with and reach among the local business sector, the Chamber of Commerce and Industry in Valenzuela and the Federation of Fil-Chinese Chamber of Commerce and Industry have more active memberships in the Valenzuela City.
22	<b>Sorosoro Ibaba Development Cooperative, Inc. (SIDCI)</b>	Enable mobile money for loan payment and collection services for over 17,000 coop members and about 600 employees for e-payroll	Chairman Angelito Bagui Board Secretary Nenita Lualhati	Ready for Service/Launching	In December, SIMM initiated the m-money GCash account opening for SIDC's more than 8,000 depositors and borrowers. SIDC is an existing GCash partner outlet and expressed interest in increasing their GCash transactions among its members, but is hindered by the cost of GCash express card from doing so. As such, SIMM has agreed to assist SIDC in acquiring the needed ATM cards by working out an arrangement with GCash to provide the cards at no cost to SIDC.
23	<b>Federation of Filipino-Chinese Chamber of Commerce and Industry (FFCCCI)</b>	Promote adoption of mobile money payroll to their 45 member firms  Capacitate local chamber as technical assistance provider to local businesses for the implementation of e-payroll	President Alfonso Siy	Disengagement	SIMM presented to the FFCCCI board the benefits of mobile money for businesses. Dr. Siy suggested that SIMM hold a mobile money forum for their company accountants to educate them on this innovative payment system.
24	<b>VISA Philippines</b>	Mobile money-enable all Visa cash cards in the Philippines to tap into government payroll accounts	Country Manager Iain Jamieson Lead-Customer Strategy/Market Acquisition Angelito Villanueva	Disengagement	<b>CONFIDENTIAL:</b> SIMM is pursuing a promising partnership with Visa Philippines to mobile money-enable all Visa cash cards issued in the Philippines. Visa disclosed that they just formalized an exclusive agreement with Land Bank to be their e-payments partner. Soon, Land Bank can access all Visa products and services including Visa Mobile, their m-money platform. In fact, Visa has already deployed a technical team at LBP to enable their systems.  SIMM developed a concept paper on how it can further facilitate this undertaking. Initial consensus was to start with VISA cash cards to be issued by Land Bank that can be used for the payroll accounts of government employees, potentially enabling 1.3 million government employees for mobile money-enable once the ongoing national payroll system project of the government is completed.  SIMM's role is to get the cooperation of the MNOs to provide Visa with USSD channel for the mobile money service. In addition, SIMM would also facilitate agreement between Visa and an agnostic agent network provider in order to reach rural population. Potential market size with LBP initially is 7.5M: 4.5M casa and 3M e-money accounts.  Timeline for launch is June 2013. Plan for the first year is to roll out debit cards (linked to casa accounts) to be followed by the prepaid cards (linked to e-money).  For Visa, one of their challenges now is to convince Visa Worldwide to include Philippines as among their priority markets to unlock more resources and marketing budget. Visa Philippines believes that with this concept, they will be able to put the country as a priority.

Stakeholder		Description of cooperation	Contact person	Milestone process	Status	
25	<b>V-mobile technologies</b>	Enable mobile money payroll for for Coca Cola's over 10,000 employees	Coke HR Director Jen Garcia HR Shared Services Manager Au Firmalo BPOII Senior Client Services Director Sheila Sakdalan	Ready for Service/Launching	Coca Cola has signified interest to pilot conversion of current payroll that is outsourced to BPOII, a third party payroll service provider to mobile money. Coke has about 10,000 employees in the Philippines spread throughout its 23 plants and sales offices nationwide. BPOII does payroll processing for 300 corporate clients, including Coke, with employee sizes ranging from 1 to tens of thousands.  This partnership was forged through the efforts of the partner MMP, Gxchange Inc. SIMM supported activation and training efforts	
26	<b>USAID/Basa</b>	Enable mobile money payroll for USAID Basa's projects beneficiaries with over 2,000 teachers	Ricardo Don Alair II Head of Corporate Planning and Business Operations 24th F, The Globe Tower, 32nd cor. 7th Ave., Bonifacio Global City T - 623-0953; 0917-5883926 rralair@globetel.com.ph	Ready for Service/Launching	In February, Basa Pilipinas disbursed travel reimbursements through BPI Globe BankO m-money accounts to more than 1,500 teacher-beneficiaries during a series of teacher trainings held in Cebu City. During these trainings, account registration, activation and end user training on the uses and benefits of the BankO account were done by BPI Globe BankO representatives.  With savings resulting from lower cash handling costs, Basa is able to subsidize cost of cash-out and ATM withdrawal fees for teachers, and to ensure that teachers are supported throughout the reimbursement process, Basa also utilized frontline sms to send text blasts to teachers. Through text, Basa was able to troubleshoot payment issues, survey teachers' reactions to the technology, and offer opportunities to answer questions	
27	<b>Tobob's Merchandising</b>	Promote adoption of mobile money payroll		Ready for Service/Launching	From April to June 2013, SIMM went full blast in promoting e-payroll options to individual firms/businesses and umbrella organizations/associations. More than 150 establishments and umbrella organizations/associations were identified and initially contacted, and 31 accepted the offer for a preliminary meeting and project presentation. These were composed of restaurants, hotels, construction contractors, manpower services, service providers, and umbrella organizations and cooperatives such as the Batangas I Electric Cooperative, Inc. (BATELEC I), Hotel and Restaurant Association of the Philippines (HRAP), Philippine Constructors Association (PCA), Philippine Society for Industrial Security (PSIS), and Meralco Industrial Engineering Service Corporation (MIESCOR). About half declined to further move forward for several reasons, and the other half who showed interest in m-money payroll were endorsed to the three m-money providers for scheduling of product presentations.	
28	<b>Tindahan ni Ka Julian</b>			Ready for Service/Launching		
29	<b>Glocke Security</b>			Ready for Service/Launching		
30	<b>Ribusa security agency</b>			Business Process Documentation and Technical Set up		SIMM launched its M-payroll program in February which aims to induce at least 100 business owners or employers to switch to m-money payroll by making it much easier for them to hurdle one-time switching costs and by providing financial literacy materials kit including training modules and manuals and other collaterals like m-money comic books and instructional videos to each partner SME as part of the project's financial literacy and education campaign.  The M-payroll program is fast moving with a total of 11 small, medium and large enterprises availing of the program. The organizations are currently under contracting and activation of employees under Gxchange Inc.
31	<b>PRM Data Quest</b>			Business Process Documentation and Technical Set up		
32	<b>Winners and Independent Networkers International Corp</b>			Business Process Documentation and Technical Set up		
33	<b>Servicor Inc</b>			Business Process Documentation and Technical Set up		
34	<b>Mindmap Commtech Inc</b>			Business Process Documentation and Technical Set up		
35	<b>Specified Contractors &amp; devt Inc</b>			Business Process Documentation and Technical Set up		
36	<b>Healthcheck Clinic</b>		Business Process Documentation and Technical Set up			

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
37	King Dharmasa Spirulina Inc			Business Process Documentation and Technical Set up	
38	Vcard Marketing			Business Process Documentation and Technical Set up	
39	Forever Rich Int			Business Process Documentation and Technical Set up	
40	Living Power Intl Corp			Business Process Documentation and Technical Set up	
Reducing transaction costs in the payment system					
41	Department of Interior and Local Government (DILG)	Promote mobile money as an alternative payment and collection mechanism for business registration processes and other micropayments to local government units	Usec. Austere Panadero	Information Education Campaign (IEC) activities	<p>Usec. Panadero admitted that the leakages and collection inefficiencies in some agencies have become problematic for government. He suggested that SIMM collaborates with agencies that have low efficiency collection particularly Bureau of Fire Protection for their fire code fee and the Philippine National Police for the firearm license renewal and explore how these can be addressed with an m-money payment system.</p> <p>SIMM was originally asked by DILG to submit concept papers to on its proposed mobile money payment scheme for LGUs. But because of the SIMM Cities local piloting approach, SIMM is worked directly with LGUs to implement mobile money integration in government payment streams.</p> <p>On June 18, a nationwide ICT forum was held showcasing the SIMM cities government m-money payroll and collection systems</p>
P2G and G2P payments					
42	Bureau of Local Government Finance	Facilitate P2G and G2P payments of LGUs	Executive Director Salvador del Castillo	Information Education Campaign (IEC) activities	BLGF said that adoption of m-money will have to be decided by individual LGUs. At their level, they recognize the potential of m-money to improve collection efficiencies of LGUs particularly for P2G payments and would support LGUs' moves to adopt said payment system.
43	Philippine Water Revolving Fund (PWRF) Program	Assist SIMM in promoting mobile money to PAWD and their partner water districts (WDs)	Chief of Party Alma Porciuncula	Disengagement	PWRF, another USAID-supported project was instrumental in introducing SIMM to PAWD and some of their partner WDs. This was helpful for SIMM to gauge WDs' interest in adoption e-payments for their concessionaires.
44	Philippine Association of Water District (PAWD)	Facilitate water utility payments through mobile money	President Alfredo Silva Office Manager Teresa Combatir	Disengagement	<p>PAWD advised SIMM that to make mobile money as an acceptable payment option for water districts, they have to solicit buy-in of each WD's board of directors since decision-making is a lodged at their level.</p> <p>PAWD's low level of influence with WDs</p>

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45	<b>Batangas City Water District (BCWD)</b>	Facilitate water utility payments through mobile money for BCWD's estimated 33,000 concessionaires	Director Ruel Reyes General Manager Yolanda Oyao	Disengagement	<p>SIMM presented to BCWD the benefits of enabling mobile money for water utility payments. The proposal, however, was not received favorably by the GM citing another option, SM Bayad Center to be one of their authorized payment facilities. She stressed that before they could even consider implementing such a payment option, they would need to get consensus from their concessionaires first. Payroll and bills collection in BCWD is still being done manually, according to other department heads.</p> <p>SIMM later learned that BCWD's Closings with SM Bayad Center fell through. Despite this development, the GM is still not keen on adopting e-payments for water utility.</p> <p>Lack of interest of management to adopt e-payments</p>
46	<b>Calamba Water District (CWD)</b>	Facilitate water utility payments through mobile money for CWD's estimated 42,000 concessionaires	Restituto, Sr. B. Sumanga General Manager Calamba Water District, Lakeview Subdivision, Halang, Calamba City, Philippines T – 049-545-1614/2863 local 107/124	Disengagement	<p>Currently, CWD has more than 42,000 concessionaires. Collection is primarily done through its three branches within Calamba City. CWD is interested to expand payment options to include commercial banks, Bayad Centers, and mobile money to improve its services to concessionaires.</p> <p>SIMM is no longer working with the organization due to limitations on the scope of the project in the four SIMM cities and USAID CDI cities. Gcash is still currently working with the organization for contracting.</p>
47	<b>Home Development Mutual Fund (HDMF)</b>	Enable mobile money for disbursement and collection Pag-Ibig contributions and loans	Board Member Raul de Mesa	Disengagement	<p>Since the beginning of the project, SIMM has focused on engaging national government agencies in providing a convenient and cost-efficient collection method for voluntary contributions made to large national payment streams such as Social Security System (SSS), PhilHealth, Pag-ibig, and other services such as civil registry document requests from the National Statistics Office (NSO).</p>
48	<b>Philippine Health Insurance Corporation (PHIC or PhilHealth)</b>	Enable mobile money for disbursement and collection Pag-Ibig contributions and loans	Chief Information Officer Alvin Marcelo	Disengagement	<p>Through the support of SIMM to mobile money providers, Smart Communications and Landbank signed a Memorandum of Understanding to implement the BayadLoad service that allows people to pay their mandatory contributions for social security, housing, provident and health insurance to large government payment streams, Social Security System, Philippine Health Insurance and Home Development Mutual Fund (also known as Pag-IBIG Fund), using credit on their mobile phones. The launching of services is scheduled in the next quarter.</p>
49	<b>Land Bank of the Philippines (LBP)</b>	Create an enabling policy environment for utilization of mobile money for government P2G and G2P payment streams		Disengagement	<p>It must be noted that SIMM has removed the count for the large payment streams (pag-ibig, SSS, PhilHealth) under BayadLoad Service as the project is indefinitely postponed due to concerns raised on the convenience fees.</p>
50	<b>Social Security System (SSS)</b>	Enable mobile money for disbursement and collection of SSS contributions and loans from its estimated 3.2 million voluntary members as of 2011		Disengagement	<p>Currently, HDMF has issues with collecting payments and posting them to member accounts. They have 11.5 million members and over Php2B in un-posted and un-reconciled collection float. To improve collection efficiency, their proposed solution is to complete ongoing automation of their customer information system, then implement a payment card system that will serve as the sole payment method to facilitate automated reconciliation and posting. They want the payment card system to be mobile money enabled. The account will be used by members to pay their contribution, and by HDMF to release loan proceeds.</p>
51	<b>National Census Office (NSO)</b>	Enable mobile money for payment of NSO birth certificates and other documents at 1.4 million requests in 2011		Disengagement	<p>They plan to bid out the payment card or mobile money provider by the end of 2012. They requested SIMM to assist in training and financial literacy among their members. They also requested SIMM's assistance in bringing down the cost of the payment cards to HDMF.</p> <p>SIMM reached out to PhilHealth to explore the possibility of having mobile money as an alternative payment option for PhilHealth contributions and disbursements to members.</p>

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
					Philhealth responded that while they see the value in shifting payments to mobile money, they would first want to see a concept map from SIMM describing how the this payment system works and what are the internal controls and risks for implementing such a payment system.
52	<b>Transportation Development and Regulatory Office (TDRO)</b>	Enable mobile money for collection of road traffic fees	Head Vera Racelis Supervising Officer Noime Beredo	Disengagement	<p>The TDRO would like to explore the use of mobile money for road traffic fees. Currently, TDRO has about 180 traffic personnel all over Batangas City. They issue an average of 20 traffic violation tickets per day. SIMM's proposal is to accept mobile money for ticket fees upon apprehension so the driver would no longer have to go to City Hall to pay for the ticket and claim confiscated driver's license.</p> <p>One issue is assessment of payment can only be done at TRDO. City Treasury suggested that TDRO can print the common violations and rates at the back of the ticket.</p>
<b>C2B payments (Transportation)</b>					
53	<b>Gerweiss Motors Corporation</b>	Enable mobile money payments for purchase of e-tricycles	Chief Executive Officer Sean Gerard Villoria	Disengagement	SIMM agreed to link Gerweiss with MMPs to enable collection of payment installments for e-trikes using mobile money. E-tricycles were launched in selected areas in Luzon and Visayas: Mandaluyong (20 units); Fort Bonifacio (10 units), and Taguig City (170 units); and Boracay (10 units). Soon, Gerweiss will be distributing 14,000 units in Cebu.
54	<b>VeriFone mWallet</b>	Scale mobile contactless payment for transportation system	Senior Vice President Neil Matheson	Disengagement	<p>VeriFone, a technology solutions provider, has agreed to work with SIMM in developing a killer app using contactless, SVA-based payment system for the transportation system (LRT, MRT), taxis, taxis, and provincial buses which will topped up using mobile money products of MMPs.</p> <p>SIMM provided inputs to VeriFone's draft concept paper and suggested that VeriFone mobile contactless payment in a simple way possible but with a good target market size. On the issue of outright one-time fees, SIMM offered to help VeriFone in negotiating a waiver on the fees with the MMPs.</p> <p>VeriFone raised concern on MMPs' outright charging of one-time fees.</p>
<b>C2B payments (Education)</b>					
55	<b>University of Batangas (UB)</b>	Enable mobile money for collection of tuition and other student fees	Vice President for Administration Alex Ramos  Assistant Vice President Malou Gualberto	Disengagement	<p>UB is accepting tuition payments through banks, SM Bayad Center, and credit cards. Mr. Ramos said that despite having multiple payment channels, they are still experiencing problems with their receivables/collections. Issues may stem from their students limited educational funding, as most belong to the C, D, and E socioeconomic class. Given this, they do not think that having an additional payment option like mobile money will address their current needs and problems.</p> <p>Low collection of students' tuition fees given students' families limited financial capacity</p>
56	<b>Lyceum of the Philippines University-Batangas (LPU-Batangas)</b>	Enable mobile money for collection of tuition and other student fees	Executive Director of Placement, Alumni, and External Relations, Dr. Leon Ramos Dean for the College of Computer Studies, Dr. Roselie Alday ICT Head, Mr. Alex Madlaybayan	Disengagement	LPU-Batangas is interested in utilizing mobile money as a payment method for their students' tuition fees and possibly, in becoming a cash-in-cash-out agent to service students' cash needs for their allowances sent by their parents. Lyceum officials requested that SIMM send them a detailed proposal including rates and benefits of said payment scheme. They will use this to present the concept of m-money to their Management Committee.
<b>P2B payments (Insurance)</b>					

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
57	<b>Fortune General Insurance</b>	Enable collections of microinsurance premiums	Vice President Manuel Maloles	<b>Disengagement</b>	<p>On June 27, SIMM presented the mobile money project to key officers of Fortune General Insurance</p> <p>Mr. Mololes discussed the current partnership with the local government of Quezon City through its Sikap Buhay Entrepreneurship Office to provide micro-insurance to 25,000 tricycle drivers at US\$0.46 (PhP20) per month, with premium payments made through its 33 branches and Bayad centers nationwide with a cost of US\$0.35 (PhP15) per transaction amounting to already 75% of the total premium of the micro-insurance. This is a big difference from the US\$0.12 (PhP5) per transactions offered by mobile money. Fortune General will explore integration with their information technology system to enable billing notifications to its clients to increase payment rate and minimize delinquency. Product presentations from the three providers were completed in July. As of the last update from mobile money provider Gxchange they are currently under completion of documentary requirements for contracting. Meanwhile, the project with Quezon City has not progressed.</p> <p>The reorganization within Gxchange Inc has resulted to turnovers in projects. Lack of follow through to pursue leads for collection products remains challenging. The MMP is currently focused on payroll products.</p>
<b>C2B and B2C payments (Microfinance)</b>					
58	<b>IBC 13 BWC</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of local cooperatives	Chairperson Rommel Rivera T - (632) 4335538 local 324; 0922-9328061 typhoon749@yahoo.com	Information Education Campaign (IEC) activities	<p>IBC 13 BWC is the pioneer cooperative to adopt mobile money loan disbursement system in Quezon City. Following a mobile money forum conducted by SIMM and cooperative office, Sikapbuhay.</p> <p>IBC 13 BWC cooperative has offices in Quezon City and provincial offices in Iloilo, Davao and Laoag. To date, the cooperative has 130 active members, with different types of loans ranging from personal loans that start at US\$114 (PhP5,000) to special loans at US\$1,145 (PhP50,000) disbursed through checks encashed in banks. Through mobile money, emergency loans are transferred directly to the mobile money accounts of the members wherever they are.</p> <p>The cash management agreement accrediting BPI Globe BankKO loan disbursement facility for emergency loans of IBC 13 BWC to its members was signed in July 2014. During the last quarter, a total of 127 IBC 13 members were registered as new mobile money users including those residing in their satellite office in Iloilo. Financial literacy training was provided on financial management and how to use mobile money products and services</p>
59	<b>Care Filipino Multipurpose Cooperative</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of local cooperatives	183 DON MARIANO MARCOS AVE. SAN JOSE RODRIGUEZ (MONTALBAN) RIZAL 1860 WEBSITE: www.electricbicycleph.com Facebook: carefilipinosmpc@yahoo.com 09274744946/09321524153	<b>Disengagement</b>	<p>SIMM presented the benefits of uses to the board members of Care Filipino MPC. Care Filipino MPC was registered on July 21, 2008 and recognized and accredited by the Municipality of Montalban (Rodriguez, Rizal) as a non-government organization. The main office of Care Filipinos is situated in the carlton village that can potentially service 500 households. Their core product is the e-trike which they import export and sell to individuals within the community, companies, cooperatives, churches, government and other bike dealers.</p> <p>The Chair and its members were very keen to become a business partner outlet (BPO) primarily due to its location that is very far from the city so members and residents have to travel far to pay their utility bills. The cooperative wants to operate initially as a BPO to service the community and earn revenue. Afterwards, the cooperative will explore loan collections since their e-trike clients have expanded to farther areas and requires an easy payment system. However, in the presentation of preferred partner, BPI Globe BankKO, concerns were raised on the cooperative not being able to meet the required liquidity to operate as a mobile money agent. Because the SIMM project was limited to the SIMM cities, organization was endorsed to BankKO for contracting.</p>

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
60	<b>Federation of Cooperatives of Workers Organization (FEDCO)</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of local cooperatives	Danny Ang General Manager of FEDCO 0922-8502855	Disengagement	<p>SIMM presented to the board of directors of Federation of Cooperatives of Workers Organizations (FEDCO) comprising of more than 22 member cooperatives ranging from various industries such as hotel, industry, media, small medium enterprises, farmers and automobiles, among others. FEDCO was founded from the Labor Education and Research Network (LEARN), an education institution which caters to the education and research work of the workers and unions.</p> <p>Among the services identified include enabling mobile money for the collection of member's fees for the federation and promote loan collection and disbursement for the primary cooperatives. A schedule will first be setup with the interested primary cooperatives to identify business process and the requirements for mobile money services.</p> <p>On September 27, FEDCO General Manager met with GCash to discuss adopting mobile money for the collection of members fees and accreditation as a Cash-in and Cash-out agent. Currently, FEDCO is completing the documentary requirements and reviewing the GCash contracts. However due to the slow progress of completing documentary requirements and other priorities of the federation progress has halted. There was also no follow through from the mobile money providers to pursue to the lead.</p>
61	<b>Microfinance Council of the Philippines, Inc. (MCPI)</b>	Develop mobile financial services business model for MFIs through a piloting project with participating MCPI microfinance institutions (MFIs) in SIMM Cities	Chairperson Mila Mercado-Bunker Deputy Executive Director Allan Robert Sicat	Disengagement	<p>SIMM tried to engage MCPI and its member MFIs in piloting models that will fully integrate mobile financial services in MFIs' backend operations. SIMM and MCPI jointly developed the MOU and TOR spelling out the details of the partnership. These were shared with MFIs that initially signified interest to work with SIMM during a roundtable discussion on October 30. Ms. Bunker then presented SIMM's proposal to MCPI board of directors last December. MCPI's consensus was to forego the engagement given the council's more pressing priorities in 2013, among them is the conduct of an international microfinance conference. However, they granted SIMM the leeway to work with individual MFIs that are still willing to participate in the business modeling.</p>
62	<b>GM Bank of Luzon, Inc. (GM)</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of MFI as part of the MFI business modelling pilot implementation and roll-out	President Tomas Gomez IV	Disengagement	<p>GM Bank of Luzon, Inc. agreed to participate in the piloting of mobile business services for MFIs. GM Bank signed its MOU with SIMM on January 8, 2013 and will commence implementation as soon as the MFI consultant is on board with the project.</p> <p>A mobile banking agent business model was developed for GM Bank. The model presents three scenarios, namely (1) partnership; (2) bank-led; and (3) bank-owned</p> <p>However, GM Bank management has decided to invest in their core banking system first before their mobile financial services</p>

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
63	<b>CCT Credit Cooperative, Inc. (CCT)</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of MFI as part of the MFI business modelling pilot implementation and roll-out	President Ruth S. Callanta	Business Process Documentation and Technical Set up	<p>CCT gave its commitment to participate in the MFI business modelling pilot but requested that their areas be expanded to include Pasay and Quezon City. SIMM is just awaiting signing of MOU with CCT.</p> <p>The recommended MFS business model for CCT is to use m-money to service the regular business loan (RBL) product. About ninety-five percent (95%) of CCT's clients avail of this loan on a weekly basis.</p> <p>CCT as of this quarter reviewed and sent out the Terms of Reference (TOR) for the m-money services platform provider. CCT is evaluating the proposals of G-Xchange Inc. (GXI) and SMI.</p> <p>Meanwhile, business process redesign and staff training were completed during the period which will serve as a reference and a map for the staff, especially during the initial months of the offering.</p>
64	<b>First Isabela Cooperative (FICO) Bank</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of MFI as part of the MFI business modelling pilot implementation and roll-out	President Herminio G. Ocampo	Ready for Service/Launching	FICO Bank resulted in a new micro deposit product launched in February 2014 that enables deposit-taking via mobile money that specifically caters to the cash flow behavior of housewives who want to make small and regular deposits. The new product has reduced the costs from an average travel cost of Php100 or \$2.2 to just a transaction cost of Php5 or .11 cents for deposits. The project has allowed housewives the convenience of making deposits and allowing them to build up their savings regularly.
65	<b>Local Billers covered by FICO area</b>				GXI currently in negotiations with local biller Isabela Electric Cooperative.
66	<b>Kasagana-Ka Development Center, Inc.</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of MFI as part of the MFI business modelling pilot implementation and roll-out	Executive Director Maria Anna Ignacio	Disengagement	Kasagana-Ka already gave its initial commitment to participate in the MFI business modelling pilot but is currently awaiting approval from the board.
67	<b>Bangko Kabayan (BK)</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of MFI as part of the MFI business modelling pilot implementation and roll-out	President Francis Ganzon Managing Director Tess Ganzon Corporate Planning and Marketing Head Fides Ganzon-Ofrecio	Disengagement	<p>BK signified interest to participate in the MFI piloting with SIMM but raised concerns about procedures for signing promissory notes (PN), as well as proposition to BK borrowers who are mostly retailers.</p> <p>BK would like to enrich the possible uses of mobile money for the borrowers to include payments to their top 3 distributors to prevent borrowers from cashing out whole loan amounts. BK is wary whether existing agents could sustain the level of liquidity for "high-value" cash outs.</p>
68	<b>Kabalikat para sa Maunlad na Buhay, Inc. (KMBI)</b>	Enable mobile money for loan disbursement and collection and payroll and build capacity of MFI as part of the MFI business modelling pilot implementation and roll-out	Chairperson Damiana Exiomo Acting Executive Director Liza Eco	Disengagement	<p>The business model developed covered microloan repayments and disbursement</p> <p>KMBI's Board decided to discontinue partnership with SIMM for the MFS project, for the reason that KMBI has already had substantial investment poured into a partnership with MicroSave on a remittance product via a mobile platform, which the Board sees as a competing product. KMBI is also in the middle of a re-organization and is having difficulty allocating manpower to the MFS project.</p>

	Stakeholder	Description of cooperation	Contact person	Milestone process	Status
69	<b>Alalay sa Kaunlaran, Inc. (ASKI)</b>	Enable mobile money for loan disbursement and collection to increase financial inclusion opportunities for farmers (21,000 ari-borrowers) and their families (105,000 dependents), providing them broader and more convenient financial services, including remittances, bills payment, buying pre-paid airtime load, and micro-insurance and improve operational efficiency of ASKI as an institution	Executive Director Rolando B. Victoria Social Mobilization Director Zoraida Libunao	Information Education Campaign (IEC) activities	<p>This partnership was forged through the efforts of the partner MMP, BPI Globe BankKO. SIMM supported activation and training efforts.</p> <p>SIMM also provided support to ASKI for the development of the proposal for nethope grant application. ASKI was awarded the grant</p>
70	<b>National Confederation of Cooperatives (NATCCO)</b>	Enable mobile money for loan disbursement and collection of NATCCO's member cooperatives, providing them with alternative channel for delivering financial services to its members and facilitate payments to beneficiaries of national government's Conditional Cash Transfer Program in localities where NATCCO coops operate	Chief Executive Office Sylvia Paraguya IT Group Head Evangeline Lopez	Business Process Documentation and Technical Set up	<p>In May and June 2013, SIMM completed consultations, focus group discussions, and data-gathering for completing the recommended business and financial models of NATCCO. Workshop sessions were conducted with the management and project owners to review the current business models and come up with recommended MFS business models. SIMM also gave recommendations on mobile money technology platforms and partners.</p> <p>SIMM's efforts from July to September 2013 were centered on: facilitating meetings between NATCCO and SEMI to finalize the terms of the Memorandum of Agreement (MOA) defining the terms and conditions of the cooperation for the development, use, and deployment of the mobile banking service, conducting workshops to develop the marketing and promotional plan for the service, and laying out the work and implementation plan. SIMM also closely monitored the progress of the mobile banking service development, integration testing, and user acceptance testing.</p> <p>In parallel to the development work, SIMM completed the business process review and redesign (BPR) and trained NATCCO's pool of trainers on financial literacy. The BPR was conducted with the staff of NATCCO primary cooperative Socorro Empowered People's Cooperative (SOEMCO) in December 2013. The BPR evaluated the current business processes, identify which processes will be impacted by mobile financial services offering, and lay out the revised business process flow.</p> <p>SEDPI, the organization contracted by SIMM for training, conducted training on financial literacy to NATCCO's pool of trainers (composed of 9 staff members) in March 2014. The pool of trainers is expected to train front liners and staff of other NATCCO primary cooperatives for the full-scale rollout. The training equipped participants with skills in providing instructions on how to use mobile money through individual orientation, small group orientation, demonstration, and large-group training. The training also highlighted how mobile money can be positioned as a facility/enabler to achieve personal financial goals.</p> <p>In April 2014, mobile banking system development and integration testing was completed. NATCCO is finalizing agreements with primary cooperatives Mindanao State University-Iligan Institute of Technology (MSU-IIT) Multipurpose Cooperative and Barbaza Multipurpose Cooperative for the pilot test scheduled in July 2014.</p>
71	<b>Local Billers covered by NATCCO area</b>				Local utility companies will be engaged and endorsed to Smart to be included as Bayad Center billers once Smart integrates the bills payment feature into Pinoy Coop Mobile.

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
72	<b>Office of the City Veterinarian and Agricultural Services (OCVAS)</b>	Explore collaboration opportunities with local cooperatives as potential drivers of mobile money for loan disbursements, collections, and payroll	Cooperative Officer Mercy Mandigma	Information Education Campaign (IEC) activities	<p>The coop section of OCVAS has more than 50 cooperatives operating in Batangas City. Since most of the cooperatives are operating in the barangays, cooperative offices can also serve as cash-in/cash-out (CI/CO) agents to their members or they can service CI/CO agents for liquidity to expand service areas.</p> <p>SIMM, during the roundtable discussion (RTD) with OCVAS cooperatives presented the benefits of mobile money as a payment option for loan disbursement and collection. Nineteen cooperatives with a combined membership of 5,700 attended the event, of which three signified interest to learn more about integrating mobile money for coop operations.</p> <p>OCVAS program priority aims to build capacity and increase operational efficiency of cooperatives to remain competitive with other financial institutions in Batangas City. Mobile money technology directly contributes to the priority agenda of the city government local cooperative office as it provides more financial services to its community. Today, OCVAS is actively promoting mobile money technology as a solution to meet objectives of its member cooperatives</p>
73	<b>Rural Bankers Association of the Philippines (RBAP)</b>	Pilot full integration of mobile financial services for RBAP member rural banks (RBs)	President Edward Leandro Garcia, Jr. Executive Director Vicente Mendoza	Disengagement	<p>Building on the successful implementation of USAID/MABS Program, SIMM explored partnership opportunities for expanding RBAP's member banks' adoption of mobile banking services and scaling up their mobile money usage for loan disbursements, loan collections, savings, and payroll.</p> <p>Through MABS, RBAP has already completed MM training for executives for 25 RBs, of which six RBs have submitted requirements for accreditation from Smart Money.</p> <p>On November 20, RBAP invited SIMM to speak about mobile money for financial inclusion. Here, SIMM highlighted the huge untapped market for rural banking services including microfinance and how mobile banking promises to be an innovative solution for improving MFI operations for loan disbursement, loan collection, and payroll. SIMM encouraged rural bankers to invest in mobile money infrastructures and benefit from its booming growth.</p>

	Stakeholder	Description of cooperation	Contact person	Milestone process	Status
74	<b>Citibank (Citi)</b>	Promote global enabling regulatory environment	Managing Director Mylene Arnaldo Caparas Director and Head Sari Mortel	<b>Disengagement</b>	<p>SIMM and Citi identified mutual areas of collaboration for increasing uptake of mobile money in the Philippines.</p> <p>Initially, Citibank sought SIMM's assistance on expanding government flows, i.e. facilitating G2P and P2G payments as well as soliciting government and consumer feedback about use of mobile money to inform their product design. They also requested that USAID and SIMM refer to them international organizations that would be interested in adopting mobile payments.</p> <p>Conversely, SIMM explored tapping into Citi's corporate client base of big payers and employers for payments via mobile money.</p> <p>Citi already started developing two mobile money products: for payments where Citi account holders may pay mobile money accounts from client's accounts (e.g. B2C, C2B, C2C, etc.) to be launched first quarter of 2013; and for collections where Citi clients may accept payments to their Citi accounts from mobile money accounts also to be launched in 2013.</p> <p>Citi's new pre-paid card-based product is for Pag-Ibig and SSS beneficiaries of loans and benefits from government which will allow them to receive proceeds more conveniently.</p> <p>B2B payments are challenging because businesses must keep official receipts of expense payments for tax (BIR) purposes - wire transfers are not acceptable even with an invoice. BIR need to accept electronic receipts. SIMM may be able to help address this issue with BIR. .</p>
75	<b>Plantersbank</b>	Enable mobile money for payroll, loan disbursements and collections	Alternative Channels Hea Jose Noel Santiago	<b>Disengagement</b>	<p>Plantersbank has 72 branches including Batangas and Valenzuela Cities. They have 300 cooperative clients. Incidentally, the president of Batangas local chamber of commerce mentioned to SIMM previously that many SMEs in Batangas City use Plantersbank.</p> <p>It was agreed for Plantersbank to bundle mobile money with their payroll and loan disbursement/collection, and to offer mobile money payments to their customers. They would like to be a partner of SIMM.</p>
76	<b>Commission on Filipinos Overseas (CFO)</b>	Reduce transaction costs of MMPs for OFW remittances	Secretary Imelda Nicolas	<b>Disengagement</b>	<p>SIMM is a member of the cost reduction and financial literacy clusters of the Remittance Development Council (ReDC) Forum, a multi-sectoral technical working group headed by CFO and BSP that: 1) provide advisory services on issues concerning remittances; and 2) develop policy recommendations that will help streamline existing mechanisms for individual and collective remittances for national and local development.</p> <p>SIMM has attended meetings since ReDC's formation. SIMM proposed the use of other services like bills payments aside from remittances to discourage fully cashing out of remittances. Mobile money can be an easy way to do this but other remittance banks were worried on the cost of integration with the mobile money.</p> <p>Perceived high integration costs of mobile money providers by remittance banks</p>

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
77	<b>Nationlink</b>	Enable mobile money for loan disbursement and collection for Nationlink members	Jess dela Cruz Gerardo Eugenio	Disengagement	Nationlink is a social business enterprise that provides the unserved market in the countryside with access to financial services such as money remittances, microfinance, and payment services. In addition, they assist financial institutions in customizing business models and solutions.  Nationlink's network extends to 6,000 ATM outlets nationwide, through their partnership with BancNet, Megalink, and Expressnet. Their technology and settlement platform may potentially enable MFIs to offer mobile money that is integrated or interconnected with their customers' accounts with the MFIs.
<b>Improving public service delivery</b>					
78	<b>Department of Social Welfare and Development (DSWD)</b>	Solicit support to use mobile money for G2P payments, e.g., cash subsidy disbursements, especially for their Conditional Cash Transfer program which has three million grantees at present and is projected to reach 3.8 million by end of 2013  Facilitate conduct of financial literacy training for CCT beneficiaries	Usec. and Deputy Director of the 4Ps Parisya Taradji Director and National Program Manager of the 4Ps Rodora Babaran	Users Training	SIMM developed a concept paper to assess the use of a cheaper (cost effective), more efficient, secure and reliable alternative mode of distribution of the CCT program.  Findings show that low mobile phone ownership amongst CCT beneficiaries has been the key issue in past hampering the use of mobile money to distribute CCT grants. According to DSWD, only 14% of CCT beneficiaries nationwide have mobile phones (at least one mobile phone per household). Moreover, the remaining 40% over the counter channels reside in far flung and mountainous areas that do not have efficient transport system.  Considering the constraints, SIMM supports the initiative of BPI Globe BankKO with the DSWD to conduct financial literacy caravans for 200,000 beneficiaries of the Sustainable Livelihoods Program, a transition program for 4Ps or the Pantawid Para sa Pamilyang Pilipino.  Some of the issues raised were: a) the low mobile phone penetration among the CCT population segment; b) the low coverage of telcos particularly in rural areas where banks are not present; c) DSWD's sole reliance on Land Bank; which is reluctant to use other payment service providers and banks in order to keep the fees and the float; and d) regulations that preclude government agencies from dealing with non-authorized government depository banks.
79	<b>Commission on Audit</b>	Create an enabling policy environment for utilization of mobile money for government P2G and G2P payment streams	Commissioner Heidi Mendoza Director Marietta Lorenzo of the National Government Sector	Information Education Campaign (IEC) activities	For person-to-government (P2G) payments, government agencies are still not fully confident to implement mobile money for collecting taxes and/or fees due to absence of regulation from the Commission on Audit (COA) governing rules on electronic official receipts (EOR) as required by DTI-DOF JDAO No. 10-01 series of 2010.  SIMM closely coordinating with the Commission on Audit (COA) to facilitate the issuance of COA Circular No. 2013-007 also known as "Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government" as released on September 18, 2013. This eOR circular is the last piece of regulation required to fully enable implementation of electronic payment and collection system in the government.  SIMM technical assistance to COA in understanding how electronic payment system works including mobile money was critical in the development and issuance of the eOR circular  Lack of clear guidelines on electronic payments during the first year of the SIMM project, delayed adoption to mobile money adoption of government agencies
<b>Promoting supply-side networks</b>					

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
80	<b>Remitbox</b>	Develop focused channel management strategy to expand the use and uptake of m-money services		Business Process Documentation and Technical Set up	SIMM has also explored the possible acquisition of more CI/CO networks by helping establish a partnership between GXI and Smart E-Money Inc and Remitbox Corporation, a remittance and payment platform with over 800 outlets within its network nationwide.  GX I and Remitbox partnership was made official during the signing of an Implementing Agreement in November. SIMM will support the training of Remitbox CI/CO network frontliners and provide a usage program to promote m-money to walk-in customers.
81	<b>Agnostic Network/Auto Top Up Ventures Inc. (ATVI)</b>	Develop focused channel management strategy to expand the use and uptake of m-money services		Business Process Documentation and Technical Set up	This partnership us underway through the efforts of the partner MMPs, Gcash and Smart E-Money Inc., SIMM supported activation and training efforts. Potential 1600 outlets for accreditation.
82	<b>Pinamukan Ibaba Multipurpose Cooperative</b>	Develop focused channel management strategy to expand the use and uptake of m-money services in Batangas SIMM City	Aida Balmes Board of Director 09176124822 iadabalmes0518@yahoo.com	Ready for Service/Launching	Project introduction on benefits of mobile money to expand membership base. increase asset volume and increase revenue helped convince the Board of Directors.  Pinamukan Multipurpose Cooperative launched in March 2014
83	<b>Yoohlah</b>	Develop focused channel management strategy to expand the use and uptake of m-money services in Batangas SIMM City	Marites Ramirez Business owner ramirez_marites@yahoo.com	Ready for Service/Launching	Yoolah Marketing is a retailer for ready to wear fashion apparel business in Batangas City with about 200 agents who are directly selling its products and benefiting from a low cost approach to building your own business to supplement household income. Before, Yoolah agents buy the products either in cash or order them through remittance agents such as Palawan pawnshops which are not available everywhere. Yoolah then ships their orders via courier. By end March 2013, Yoolah Marketing signed a Business Partner Outlet contract with BPI Globe BankKO, enabling trade payments (P2B) through mobile money. Agents no longer have to travel far and risk carrying cash in order to replenish their inventory. In turn, Yoolah Marketing disburses sales rebates through their agents' mobile money accounts, providing a steady flow of funds in their mobile wallets, which they can, in turn, use to pay for subsequent product orders and other financial transactions, thereby sustaining regular use of mobile money services. Seeing the benefits of mobile money, a total of 95 agents have availed of mobile financial services.
84	<b>San Isidro Multipurpose Cooperative</b>	Develop focused channel management strategy to expand the use and uptake of m-money services in Batangas SIMM City	Marites Ramirez General Manager ramirez_marites@yahoo.com	Ready for Service/Launching	Project introduction on benefits of mobile money to expand membership base. increase asset volume and increase revenue helped convince the General Manager and Board of Directors to adopt the new technology.  SIMC pioneered the mobile money technology for cooperatives in Batangas City. On March 23, it has expanded its services by becoming the first cooperative in Batangas City to be a mobile money agent allowing the cooperative members to avail of mobile financial services from cashing in and out of funds, bills payment to sending money at convenience within their community. The General Manager also owns a direct selling business, Yoohlah, which was enrolled as an mobile money agent as well.  On May 20, USAID IDEA covered SIMC in the video on mobile money

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
85	<b>Ilijan Multipurpose Cooperative</b>	Develop focused channel management strategy to expand the use and uptake of m-money services in Batangas SIMM City		Ready for Service/Launching	<p>The rural coastal town of Ilijan is 25 kilometers away from Batangas City proper where the nearest financial institutions and remittance and payment outlets are located. Ilijanos spend two hours and about PHP90 for a trip to Batangas and back to Ilijan just to send money and pay bills.</p> <p>Ilijan Multi-Purpose Cooperative in Brgy. Ilijan mobile money agent was launched on October 19. The event were attended by Batangas City Government representatives, BPI Globe BankO and Globe Telecom Corporate Social Responsibility senior officers, USAID representatives, and the SIMM project team.</p> <p>The Ilijan Multi-Purpose cooperative has over 600 members with more than 400 members who immediately signed up for a BPI Globe BankKO accounts during the launch. These cooperatives have the potential to directly reach as many as 8,000 residents in Brgy. Ilijan, and over 9,000 residents in Brgy. Balete.</p>
86	<b>Pinagbuklod Multipurpose Cooperative</b>	Develop focused channel management strategy to expand the use and uptake of m-money services in Batangas SIMM City	Cristeta Hernandez Gernal Manager Sitio Ilaya, Brgy Balete, Batangas City T – 09052092342	Ready for Service/Launching	<p>Pinabuklod Multipurpose Cooperative was launched as a mobile money agent in Novemeber 30, 2013. It is currently operating in two branches. Initially servicing its over 300 members, it has now expanded to servicing its community with more than 1,000 mobile money accounts opened.</p> <p>Recently, the mobile money agent has opened become a bills payment agent providing value added service to the community from processing requests for birth certificates from the National Statistics Office to payment of utility bills.</p>
87	<b>Mahakot Multipurpose Cooperative</b>	Develop focused channel management strategy to expand the use and uptake of m-money services in Batangas SIMM City		Ready for Service/Launching	<p>Project introduction on benefits of mobile money to expand membership base. increase asset volume and increase revenue helped convince the Board of Directors.</p> <p>Mahakot Multipurpose Cooperative mobile money agent was launched in March 2014.</p>
88	<b>Barangay Payatas</b>	Develop focused channel management strategy to expand the use and uptake of m-money services in SIMM Quezon City	<p>Roberto Nazal VP for Community Banking 4/F BankO Center Ortigas Avenue, North Greenhills, San Juan City, 1500 T – 754-9980; 09175883688 roberto.nazal@banko.com.ph</p> <p>Miguel Soriano Program Manager for SIMM 0917-8456444 miguel.soriano@banko.com.ph</p>	Ready for Service/Launching	<p>This partnerhsip was a result of the efforts of the MMP partner, BPI Globe BankKO with Simbahang Lingkod ng Bayan, a socio-political ministry of the Society of Jesus, this initiative aims to provide easier and convenient access to financial services to help encourage saving habits with the use of mobile phones among marginalized families. Dubbed as “Pondo KO para sa Kinabukasan: Mainstreaming Financial Inclusion in Disaster-stricken Communities through Mobile Banking”, the project highlights the use of mobile banking technology to increase economic resilience and social protection of disaster-stricken or vulnerable communities.</p> <p>Three mobile money agents in Payatas A, B and Lupang Pangakowere launched on May 15. Moreover, SIMM is supporting the opening of accounts and microinsurance programs for 10,000 individuals in the community.</p>
89	<b>Coca-Cola Bottlers Philippines (Coke)</b>	Enable mobile payments for trade collections of Coca Cola	Coke HR Director Jen Garcia	Disengagement	
90	<b>Mercy Corps (MC)</b>	Build capacity of channel management networks	Senior Director for Financial Services Innovation Leesa Shrader	Disengagement	<b>CONFIDENTIAL:</b> SIMM is collaborating with MC on their initiative to establish an agnostic agent network to serve mobile money customers in a manner that is sustainable for the agents given the low transaction volume of each mobile money provider at this time. MC is planning to conduct a study with BFA on forming a network or association of stakeholders who have existing agent networks and those who need agent networks.
<b>Driving customer usage</b>					

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
91	<b>Department of Trade and Industry-E-Commerce Office (DTI-ECO)</b>	<p>Create an enabling policy environment for utilization of mobile money for government P2G and G2P payment streams</p> <p>Launch public and client education campaigns on consumer protection</p>	<p>Director Maria Lourdes Yaptinchay Chief Trade and Industry Development Specialist Maria Crispina Reodica</p>	Disengagement	<p>SIMM met with DTI-ECO last July to clarify government regulations that allow, qualify payment providers, and prescribe other technical and other product requirements on the use of mobile money for P2G and G2P payments. Inputs from this meeting will be used in the development of client education materials on consumer protection.</p> <p>DTI cited the Joint Department Administrative Order of 2006, 2010 on the Electronic Payments and Collections System, and the privilege of electronic payment service providers to charge convenience fee to customers. For G2P, there is a COA regulation on electronic receipts from the payees that would be acceptable to the government.</p> <p>DTI said they issue a new administrative order that will allow government agencies to discount fees collected by government in favor of electronic payment service providers (EPSP). This will make government billers the same as private sector billers where customer pays only the billed amount and EPSP remits collections to government agency net of negotiated service fee.</p> <p>The gaps are in G2P and in the regulations on the electronic official receipt to be issued by government for collections it receives.</p>
92	<b>Commission on Filipinos Overseas (CFO)</b>	Build awareness of m-money through conduct of marketing campaigns, e.g., financial literacy training	Secretary Imelda Nicolas	Disengagement	SIMM sees an opportunity in partnering with CFO for its financial literacy and community education program for OFWs and their families. One idea is to hold activation events with mobile money players after the financial literacy sessions. SIMM will also develop IEC materials on mobile money targeting OFWs.
93	<b>Grameen Foundation</b>	Build awareness of m-money through conduct of marketing campaigns, e.g., financial literacy training	<p>Vice President for Financial Services Camilla Nestor Regional Director Christopher Tan Project Manager for the Microsavings Initiative Project Julie Peachey Technology Program Manager Leo Tobias</p>	Disengagement	<p>SIMM and Grameen Foundation have agreed to collaborate in developing financial literacy training module on mobile money that can be appended to existing training curriculum used by MFIs in order to create awareness and understanding of mobile money among MFI customers.</p> <p>Grameen also introduced SIMM to Bankers Without Borders, a volunteer deployment program which can be a useful resource to help SIMM partners implement their mobile money projects.</p>
94	<b>b2pricenow.com (B2B)</b>	Build awareness of m-money through conduct of marketing campaigns, e.g., financial literacy training	<p>Chief Executive Officer Edgar Herbosa e-Commerce Director Ryk Ramos</p>	Disengagement	<p>SIMM first met with B2B in July 2012 per BSP's suggestion and initially explored partnering with them on their mobile money activities specifically on consumer education for farmers and fisherfolks in the countryside.</p> <p>B2Bpricenow.com is the official e-marketplace of the Philippines for the agriculture and fisheries sector endorsed by Congress. It is a trading portal that allows buyers and sellers of agriculture and fisheries products to transact directly online via web portal, thereby eliminating intermediary costs. B2Bpricenow.com is partially owned by Land Bank of the Philippines. They operate at the grassroots and is currently working with 2,700 cooperatives, 5,400 SMEs, and 200,000 members of the Ating Alamin network.</p> <p>B2B builds coops' capacity on basic computer literacy, electronic payments systems, m-commerce solutions, and interconnectivity to enable them to use their trade portal. They also offer them mobile money services which support P2P and bills payment so they can access the coop member's Land Bank cash cards.</p>
<b>Promoting global knowledge sharing of m-money</b>					

Stakeholder		Description of cooperation	Contact person	Milestone process	Status
95	<b>Bangko Sentral ng Pilipinas (BSP)</b>	Encourage platform integration through interoperability among MMPs and banks  Promote global enabling regulatory environment	Deputy Governor Nestor Espenilla Head and Deputy Head of Core IT Specialists Group Raymond Estioko Inclusive Finance Advocacy Head Pia Roman-Tayag	Business Process Documentation and Technical Set up	BSP initially requested SIMM to assist them in developing a business case and public policy case research on the mobile money operating models that could be best applied locally but it was later decided that the business case research would be prioritized. BSP said that they will use this as reference document in coming up with regulations to promote a market driven environment.  SIMM has had several meetings with BSP to discuss "interoperability" and how crucial this is in enable mobile money to reach the scale it needs to truly be sustainable and inclusive. SIMM firmly believes that interoperability among all bank accounts and e-money accounts supported through all electronic delivery channels including mobile money will help expand the market of m-money users as it will make it more convenient for them to use mobile money services.  SIMM assisting BSP in conceptualizing and implementing an inclusive, efficient, and interoperable National Retail Payment system for the Philippines.  BSP's concern has always been what is most convenient for the consumers and agreed that interoperability can help bring that about. But the question remains on whether now is the optimal time for banks and MMPs to interconnect. BSP suggested PhilPaSS, ATM switch (since all MMPs have ATM cards), and inter-bank fund transfers (All Bancnet members will be able to do inter-bank transfer by 2013) as possible platforms for interconnection. BSP also shared that they will soon release a regulation mandating the interoperability of all POS and CI/CO and MIMO outlets.
96	<b>Mercy Corps (MC)</b>	Encourage platform integration through interoperability among MMPs and banks  Promote global enabling regulatory environment	Senior Director for Financial Services Innovation Leesa Shrader	Business Process Documentation and Technical Set up	On December 19, SIMM had a teleconference with BSP, MC, and BFA to discuss and clarify the scope of work for the research study on Mobile Money Interoperability in the Philippines. The research study is contracted out to MC with BFA as consultants.  BFA proposed to do the project in two phases. The first phase focusing on consultations with key industry stakeholders to identify industry concerns, risks, and barriers and come up with a high-level report which will cover strategies and recommendations on how to go about implementing interoperability, including a high-level glide path. The second phase will cover business case development, development of proposed commercial arrangements (i.e., relationships structure, fee structure, etc.) and crafting a detailed implementation plan.
97	<b>Bankable Frontier Associates (BFA)</b>	Encourage platform integration through interoperability among MMPs and banks  Promote global enabling regulatory environment	Director James Hokans Senior Associate Brian Le Sar Johann Bezeuidenhoudt	Business Process Documentation and Technical Set up	BFA proposed to conduct a three-day conference on national payment system (NPS) to elicit feedback and concerns from key stakeholders and be able to identify risks and barriers under Phase 1. BSP agreed with the proposed approach of BFA.  In addition, BSP proposed to include under Phase 1 the potential winners and losers in the industry if interoperability of NPS will be implemented and identify specific actions to shift potential losers to winners to minimize resistance from key industry stakeholders.
98	<b>Financial Times (FT)</b>	Promote global enabling regulatory environment	Editor Liz Chong	Information Education Campaign (IEC) activities	FT interviewed SIMM to get perspectives on the mobile money landscape in the Philippines, including its impact on microfinance and financial inclusion in general.

Annex I  
Cost Analysis

No.	Institution	MMP	Cost Item	Cost borne by	Cost per result for LGUs						
					New business using m-payroll	New government m-payroll and payment	New agents	New users	People trained	Conferences Held	Research Papers Developed
	Average cost per unit - from LGUs (PhP)				PhP -	PhP 865,701.58	PhP 5,099.99	PhP 63.88	PhP 154.28	PhP 113,641.89	PhP 2,274,767.38
	Average cost per unit - from MFIs (PhP)				PhP 116,169.33	PhP -	PhP 218,336.06	PhP 127.52	PhP 17.41	PhP -	PhP 828,760.00
	Average cost per unit - from Support to MMPs (PhP)				PhP 7,618.64	PhP -	PhP -	PhP 26.53	PhP -	PhP -	PhP -
	Average cost per unit - from Agent Aggregators (PhP)				PhP -	PhP -	PhP 780.95	PhP -	PhP -	PhP -	PhP -
	Average cost per unit - from USAID collaboration (PhP)				PhP -	PhP -	PhP -	PhP 48.11	PhP -	PhP -	PhP -
	Converted to USD at PhP/USD:		44.83								
	Average cost per unit - from LGUs (USD)				\$ -	\$ 19,310.76	\$ 113.76	\$ 1.43	\$ 3.44	\$ 2,534.95	
	Average cost per unit - from MFIs (USD)				\$ 2,591.33	\$ -	\$ 4,870.31	\$ 2.84	\$ 0.39	\$ -	\$ 18,486.73
	Average cost per unit - from Support to MMPs (USD)				\$ 169.95	\$ -	\$ -	\$ 0.59	\$ -	\$ -	\$ -
	Average cost per unit - from Agent Aggregators (USD)				\$ -	\$ -	\$ 17.42	\$ -	\$ -	\$ -	\$ -
	Average cost per unit - from USAID collaboration (USD)				\$ -	\$ -	\$ -	\$ 1.07	\$ -	\$ -	\$ -

Caveats:

1. SIMM's work, especially in the first two years of the project, involves pilot implementations and is foundational, and thus may not represent optimal efficiency.
2. Cost per unit for MFIs may not necessarily be comparable with the results of the other initiatives due to the lag in the launch of their mobile financial services, costs have been booked but results have not yet been realized as at reporting time.