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USAID/PHILIPPINES SCALING INNOVATIONS IN MOBILE MONEY (SIMM) PROJECT

QUARTERLY PROGRESS REPORT: FIFTH QUARTER 2013
APRIL - JUNE 2013

JULY 2013

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Scaling Innovations in Mobile Money (SIMM) Project Fifth Quarterly Progress Report

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ACRONYMS

API	Application Programming Interface
BATELEC I	Batangas I Electric Cooperative
BCC	Behavior Change Communication
BDO	Banco de Oro
BFA	Bankable Frontier Associates
BPI	Bank of the Philippine Islands
BSP	Bangko Sentral ng Pilipinas
BTC	Better Than Cash
BWC	Broadcast Workers Cooperative
CCT	Conditional cash transfer
CI/CO	Cash-in/Cash-out
COA	Commission on Audit
COP	Chief of Party
DAI	Development Alternatives, Inc.
DCOP	Deputy Chief of Party
DFI	Development Finance International, Inc.
DOF	Department of Finance
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
e-payroll	Electronic payroll
EON	Event Organizer's Network
EOR	electronic official receipt
FICO	First Isabela Cooperative Bank
FGD	Focus Group Discussion
GIS	Geographical Information System
GPS	Global Positioning System
GXI	G-Xchange, Inc.
HRAP	Hotel and Restaurant Association of the Philippines
IDEA	Innovation and Development Alliances
JDAO	Joint Department Administrative Order
KEPCO	Korea Electric Power Corporation
KMBI	Kabalikat para sa Maunlad na Buhay, Inc.

LGU	Local Government Unit
LGU-GC	Local Government Unit-Guarantee Corporation
MFI	Microfinance Institution
MFS	Mobile Financial Service
MIESCOR	Meralco Industrial Engineering Service Corporation
MIS	Management Information System
MMDA	Metropolitan Manila Development Authority
MMP	Mobile Money Provider
M-money	Mobile money
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPC	Multi-Purpose Cooperative
NATCCO	National Confederation of Cooperatives
NGO	Non-Government Organization
OCVAS	Office of the City Veterinarian and Agricultural Services
OI	Opportunity International
PALSCON	Philippine Association for Local Service Contractors Inc.
PCA	Philippine Constructors Association
PIMPC	Pinamucan Ibaba Multi-Purpose Cooperative
PLDT	Philippine Long Distance Telephone Company
PMP	Performance Management Plan
PPSB	Puhunang Pangkabuhayan ng Sikap Buhay
PSIS	Philippine Society for Industrial Security
PVB	Philippine Veterans Bank
RCBC	Rizal Commercial Banking Corporation
RFP	Request for Proposal
RPT	Real Property Tax
SAIDI	Southeast Asia Interdisciplinary Development Initiative
SBECO	Sikap Buhay Entrepreneurship and Cooperative Office
SCMPC	Sta. Clara Multi-Purpose Cooperative
SDS	Sustainable Development Solutions
SEDPI	Social Enterprise Development Partnerships, Inc
SIDCI	Soro-Soro Ibaba Development Cooperative, Inc.
SIM	Subscriber Identification Module
SIMCO	San Isidro Multipurpose Cooperative
SIMM	Scaling Innovations in Mobile Money

SSS	Social Security System
TAMIS	Technical and Administrative Management Information System
TOR	Terms of Reference
TOT	Training of Trainers
USAID	U.S. Agency for International Development
VCMC	Valenzuela Cooperatives Managers Club
WTI	Webcast Technology Inc.

EXECUTIVE SUMMARY

During the quarter, SIMM project achieved significant milestones in its effort to build an enabling environment for mobile money and overall electronic money in various localities in the country.

From April through May, mobile money fora were held for cooperatives in Quezon City and the Municipality of Pulilan, Bulacan which further increased awareness and consequently interest in the benefits of using mobile money in their operations and businesses. SIMM discussed with Quezon City's SIMM Sikap Buhay Entrepreneurship and Cooperative Office (SBECO) in particular discussed opportunities for enabling mobile money for cooperatives in Quezon City and to partner with them for the joint development and conduct of financial literacy training on m-money to their network of cooperatives. This gave way for IBC 13 Broadcast Workers Cooperative to move forward with implementing a mobile money loan disbursement service for its members, after officially signing a partnership with BPI Globe Banko on June 26.

The implementation of Pulilan's electronic payroll and water fee collections was formalized after a local ordinance was signed on June 10 authorizing Pulilan Mayor Vicente Esguerra Sr. to enter into an agreement with BPI Globe Banko as its Electronic Payment and Collections Service Provider, with the e-payroll to cater about 300 employees.

For Batangas City, the Office of the City Veterinarian and Agricultural Services (OCVAS) – Cooperative conducted its second round of mobile money advocacy on May 3 which resulted in several cooperatives signifying interest in becoming cash-in/cash-out agents. Sta. Clara Multi-Purpose Cooperative, Mahacot Multi-Purpose Cooperative, and Pinamucan Ibaba Multi-Purpose Cooperative are all in the process of completing requirements and acquiring accreditation from respective mobile money providers. Activations of mobile money accounts also took place, with Soro-Soro Ibaba Multi-Purpose Cooperative members acquiring GCash and Yoolah Marketing sales agents acquiring BPI Globe Banko.

SIMM continues to build on its work in reducing transaction costs in the payment system as it hammers up possible partnerships with the Social Security System and Pag-Ibig Fund to gain support and wide adoption of mobile money services. Furthermore, SIMM followed-through Valenzuela City's adoption of mobile money collection facility for real property tax, with Mayor Sherwin Gatchalian approving the issuance of Request for Proposal (RFP) and Terms of Reference (TOR) for mobile money-enabled real property tax collection (RPT) to Smart, GXI and BPI-Globe Banko.

To help improve public service delivery, SIMM has presented its concept paper and business case assumptions for Conditional Cash Transfer to the Department of Social Welfare and Development (DSWD) with Mastercard Mobile Payment System and BPI Globe Banko developing their respective mobile payment solutions, which will later on be presented to DSWD. Meanwhile, SIMM has also started initial talks with the Metropolitan Manila Development Authority (MMDA) on how mobile money can make their operations more efficient and highlighted possible service improvements such as enabling motorist to pay for traffic violation tickets using mobile money to save money and time.

Moving forward with the promotion of supply-side networks, SIMM has started mapping the registered agents in the SIMM partner cities and municipality. SIMM's objective is to capture data on mobile money showing supply and demand in each locality across the three providers including the progress of organizations adopting mobile money and agent acquisition under the project. Meetings and consultations have also been held in preparation for the pilot implementation of the Agnostic Agent Network project.

This quarter, the Mobile Finance Services (MFIs) Business Models for Microfinance Institutions (MFIs) Project officially commenced. Phase 1 of the project covered four key milestones from the project kick off, business

model review, product development and MFS Business Model Development. The draft business and financial models will be presented and pilot implementation will take place by the following quarter.

SIMM is also taking on two projects with Request for Proposals (RFPs) and Terms of References (TORs) finalized and released this period, namely for the development of training modules on financial literacy and consumer education and development of behavior change communication plan and outreach materials for driving adoption and usage of mobile money in the Philippines. The selection and review process for short-listed bidders and negotiations for both projects took place, and SIMM awarded the financial literacy project to the best offeror before end of quarter.

This period, SIMM also went full blast in promoting e-payroll options to individual firms/businesses and umbrella organizations/associations, with prospective leads expressing interest in moving forward with product presentations by the mobile money providers.

Another highlight for this quarter is the National Payments System workshop, held in April 22 to 24 in partnership with Banko Sentral ng Pilipinas (BSP) which brought together more than 30 key actors in the Philippine financial system and selected government agencies discussed critical issues challenging the payments industry today. The workshop, which was facilitated by the Bankable Frontier Associates (BFA), provided a venue for the industry to come together, assess where they are in the context of a national payments system, identify the immediate and long-term gaps that need to be addressed, and lay out a possible roadmap for implementing the Philippine National Payments System.

CHAPTER 1: INTRODUCTION

The U.S. Agency for International Development (USAID) believes that development entails facilitating access to economic opportunity. Financial services provide the means for the poor and unbanked to build assets, better withstand shocks, and participate more broadly in the formal economy. In the Philippines, the lack of rural access to financial services presents a major barrier to achieving broad-based economic growth. Across the nation, 610 out of 1,635 municipalities do not have banks. With just 26 percent of Filipinos enjoying access to formal financial channels, a latent demand for financial services remains largely untapped.

Meanwhile, the Philippines enjoys a high penetration rate (100.3%) of mobile phone subscribers and registers more than 9.5 million electronic wallet accounts, more than any country in the world, save Kenya. An enabling regulatory environment has facilitated the expansion of mobile money (m-money) and has aided the creation of three unique electronic money models. Ubiquitous airtime distribution networks provide an established infrastructure to expand reach. These positive factors have created a ripe opportunity to leverage existing electronic money channels to address development challenges of financial and economic inclusion.

Despite many positive factors that have enabled the Philippines to become one of the most successful m-money markets in the world, other factors have constrained its growth. USAID has an opportunity to address constraints to catalyze this emerging sector and leverage electronic money for financial inclusion.

OBJECTIVES AND KEY RESULTS

The Scaling Innovations in Mobile Money (SIMM) project builds upon USAID interventions in microenterprise access and mobile banking (m-banking) to further expand financial services. SIMM advances interconnected goals of increasing financial inclusion for broad-based economic growth through boosting expansion and rapid adoption of m-money services, and creating an enabling environment for m-money.

To reach these goals, SIMM will target three broad areas of strategic intervention: the payment system, government services, and electronic payroll (e-payroll) distribution.

Cutting across these strategic areas, the activities of SIMM will also address supply and demand constraints to broader adoption of m-money in the Philippines and promote global knowledge sharing.

Working with the government, the MNOs, financial institutions, and local organizations, SIMM will address obstacles that are impeding the growth of branchless banking in order to achieve growth-oriented sustainable results and impact. SIMM focuses on three primary areas: creating business models that scale, achieving inclusive user uptake, and promoting global knowledge sharing of m-money. SIMM will be responsible for delivering the following results.

- Growth of m-money to more than 1.3 million active users (of which one-quarter are new subscribers to m-money services).
- More than 12,500 people trained (via financial education and literacy on the uses of m-money and m-money services) for improved household financial management.
- More than 10,000 people opening savings accounts via m-banking.
- Increased e-payroll implementation and adoption to 100 (small, medium, and large) businesses and two Government of the Philippines agencies/local government units (LGUs).
- An additional 2,500 CI/CO merchant partners operating mostly in rural areas.
- Increased volume (monetary value) of m-money transactions by more than 200 percent.
- Three conferences and venues for networking supported; and

- Three research papers and assessments produced for knowledge sharing.

OVERVIEW OF QUARTERLY REPORT

This report covers the progress of the SIMM project during the period April 1, 2013 to June 30, 2013. Section 2 describes the progress of the main activities and tasks planned. During the quarter, SIMM conducted several mobile money fora, activation events, government agency and private sector meetings to push forth the adoption of mobile money, and the workshop on National Payments System. Mobile Finance Services (MFIs) Business Models for Microfinance Institutions (MFIs) Project was launched this period and SIMM has started calling for proposals and consequently selecting best bidders for two important projects as well, the financial literacy and behavior change communication projects with SIMM awarding the financial literacy project before end of quarter.

SIMM's partnership with the Municipality of Pulilan, Bulacan gained headway as Pulilan LGU adopts mobile money payroll and payment system. Furthermore, SIMM continues to pursue activities in reducing transaction costs in the payment system, improving public service delivery and promoting supply-side networks.

The progress of activities is categorized by objective and major activities that were active during the period including the anticipated activities for the upcoming quarter. Towards the end of the section, project results and performance review were updated, showing complete baseline data versus accomplishments. Section 3 looks at the emerging and opportunities forthcoming. Section 4 provides an overview of what to expect for next quarter's implementation.

CHAPTER 2: KEY PROGRESS TO DATE

OBJECTIVE 1: Facilitating E-Payroll Distribution

Active

- Promote e-payroll options to established businesses
- Support the implementation of e-payroll to public sector agencies
- Facilitate the e-payroll implementation of businesses not currently served by commercial banks

- Promote e-payroll options to established businesses

During this quarter, 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. Tags Manpower Services, in particular, is completing GCash accreditation requirements including the implementing agreement.

- Support the implementation of e-payroll to public sector agencies

SIMM Municipality of Pulilan, Bulacan

During the period, SIMM attended the technical review and evaluation of project proposals of the mobile money providers for the implementation of Pulilan’s payroll and water fee collections. The proposals were discussed by item with the products and services laid for collections and disbursements for GCash and BanKO. After careful evaluation, a local ordinance was signed on June 10 authorizing Pulilan Mayor Vicente Esguerra Sr. to enter into an agreement with BPI Globe BanKO as its Electronic Payment and Collections Service Provider (see *Annex A*). SIMM and BanKO threshed out all the contract details, technical requirements and training activities for the m-money payroll service for LGU employees. Next step will be the opening of mobile money accounts of about 300 employees, simulation of payroll services and training for end users. Launching of Pulilan Mobile Money services is scheduled on August 15.



Joefree Semilla, BPI Globe BanKO Product Manager, gives a product presentation to Pulilan LGU officers on June 3, 2013 at the Pulilan Municipal Office.

On April 29, a Mobile Money Forum was held for seven of the largest and top performing Pulilan-based cooperatives to discuss the benefits of using mobile money for their businesses. G-Xchange Inc. (GXI), provider of GCash, presented their product offerings particularly on how cooperatives could improve their collection and loan disbursement efficiency and make it easier for members to access the coops' financial services. Cooperatives in attendance were Balikatan Pamayanan ng Inaon Multipurpose Cooperative (MPC), Sta. Peregrina MPC, North Pulilan MPC, Samahan ng Kapatiran Kababaihan ng Pulilan MPC, San Isidro Labrador MPC, Sto. Cristo Asset MPC, and Pullma-Pulilan Manpower MPC.

On June 3, BPI Globe BanKO also presented their products and services highlighting on the Business Partner Outlet as a revenue generating product to increase services and expand membership of the cooperative as they become the community bank in their area. Next step is for SIMM and mobile money providers to follow up with these participating cooperatives and present the business case of mobile money to their respective board of directors.

- Facilitate the e-payroll implementation of businesses not currently served by commercial banks

The Mobile Finance Services (MFS) Business Models for Microfinance Institutions (MFIs) Project was launched on April 10 with a kick-off meeting to brief the project teams of the five participating MFIs on the project scope, roles and responsibilities, and challenges and opportunities in implementing the project. SIMM, USAID, and project contractor Software Group facilitated the kick-off meeting. The role of Software Group in the development and implementation of business models for mobile money integration in MFI services was also outlined. The project timeline and activities to be conducted were also laid out – Phase 1 will run from April to June covering four key milestones from the project kick off, business model review, product development and MFS Business Model Development.

SIMM identified the expansion and use of mobile money transactions through Microfinance Institutions (MFIs) as a key opportunity area, as they represent huge transactions related to microfinance services especially in the rural areas. Five institutions are participating in the project: National Confederation of Cooperatives (NATCCO), the largest network of cooperatives in the country, rural banks First Isabela Cooperative (FICO) Bank and GM Bank of Luzon, microfinance non-governmental organization (NGO) Kabalikat Para sa Maunlad na Buhay Inc. (KMBI), and credit cooperative Center for Community Transformation (CCT) Credit and Savings Cooperative. The project aims to develop MFS business model for each MFI focusing on mobile money transactions covering a range of services from microcredit, savings, insurance, loan disbursement/payment and payments for other goods. The project team will also design impacted business processes, amend impacted operations manual, and pilot test the business model with the MFIs in order to achieve a demonstrable and documented evidence of success in MFIs' use of mobile money.

Three days after, on April 13, NATCCO held a separate launch of the MFS Project at the 12th Coop Leaders Congress General Assembly. SIMM had earlier signed a memorandum of understanding with NATCCO to become part of the project, which will be piloted in NATCCO's 10 member cooperatives covering 200,000 beneficiaries with the potential to scale to more than 570 member coops comprising 2.1 million members during the roll-out.

In May, SIMM and Software Group conducted the initial round of activities with the participating FIs. Workshop sessions were conducted with the management and project owners of the MFIs, to provide the MFI teams with an in-depth understanding of the mobile money infrastructure, to review the current business model of the FIs (revenue streams, cost structure, financial highlights, client outreach, branch network, and management information systems), to present recommendations for MFS business models and product concepts, based on the outputs of second session/workshop.

SIMM and Software Group also conducted focus group discussions with the clients of the FIs to test the product concept and assess their awareness and willingness to use mobile money. Key findings across the FGDs were:

- Clients who participated are mainly small traders and business owners, e.g. sari-sari storeowners, e-loaders, clothes retailers and food vendors. GM Bank, FICO, SOEMCO, and AFCCO have more clients involved in agricultural trade e.g. rice millers and farmers. The branch network of these institutions cover mostly rural areas, allowing them to service this clientele.
- Vast majority (88%) of the clients are women. CCT and KMBI only serve women clients. AFCCO and FICO have a fair number of men clients, although majority are still women. The men are usually involved in labor related to agriculture or manufacturing.
- Clients are mainly small businesspeople who take out loans for additional capital, rather than savers, although KMBI clients mentioned the ability to save was a benefit
- Majority, across FIs, are Smart subscribers. An exception to this is FICO Bank.
- Mobile phone penetration is more than 80%. Household access refers to clients without a personal mobile phone, but with a family member with at least one phone. Household access is at 100%.
- 49% use more than one SIM, mostly to benefit from cheaper rates and sometimes, for e-load business. The vast majority own feature phones. More sophisticated types with touch screens were seen, especially in Metro Manila.
- In general, usage of mobile money services is low. Only 27% of the total clients across the FIs have ever used mobile money services.
- Clients would be willing to pay to use mobile money if it would be cheaper than their transportation costs and would result in a lower service fee or interest rate reduction.
- Majority are willing to try out mobile money for loan repayments above all else, especially clients from GM, AFCCO and SOEMCO, as this offers a big convenience in rural areas. However, CCT and KMBI clients, in particular would like loan disbursements through mobile money.
- For disbursements, clients seem to appreciate receiving the loan instantly, without having to travel to the branch as this saves time and transport costs. Many clients would also like an ATM card for withdrawal.
- A handful of clients would also consider mobile money for bill payments, especially from CCT and GM.
- The main concerns about mobile money relate to charges and fees, user interface and trust. A few clients also expressed worries over a lack of cash-in and cash-out agents.
- Clients, especially from GM, CCT and KMBI would like substantial proof of payment and were not so confident about an SMS confirmation.
- Some clients from FICO, GM, NEC and CCT expressed an interest in becoming agents.
- At all institutions worries were noted about the use of MM by older aged participants (about 45+), who expressed concerns about not being tech-savvy, complained about poor eyesight and hand-to-eye coordination, and voiced out unwillingness to learn the steps for completing transactions.

The recommended product concepts, the results of the FGD with clients, and data (financial data and business processes) were all factored into the draft business model, which were developed and completed by Software Group in June. The proposed business model presented organizational, technological, and business process impact of the proposed MFS business model and recommendations on how to move forward for design and execution to pilot the MFS product. However, it will *not* include details on component 2 of the project such as the pilot project plan, detailed technology requirements, updated business policies and procedures, etc.

Draft MFS Business Model for each participating MFI, which will include the following topics:

- 1) Target customer segments. Customer segment mix. Estimated size. Results of customer survey or focus group discussions describing desirability of proposed changes to the target customer segments.
- 2) Value proposition to the target customer segments.
- 3) Revenue streams. Projected revenue mix.
- 4) New key partners: financial institutions, agent network, technology, mobile network operator(s).
- 5) Key resources (MFI-owned): e.g. systems, branch network
- 6) Products. Projected product mix.
- 7) Proposed business process design, and identify systems impacted. Compare new and current costs and cost structure.
- 8) Proposed channels and channel cost structures
- 9) Proposed customer relationships
- 10) Financial modeling
 - a. Projected additional revenues from new products or services, and mobile money-enabled cash management operations
 - b. Projected investment and operating costs of new products or services, and mobile money-enabled cash management operations
 - c. Economic and financial feasibility
- 11) Regulatory and legal impact
- 12) Marketing and communications strategy
- 13) Change management impact (Organization, Technology, Business process, Reporting and MIS, Administrative and facilities impact

The draft business and financial models will be presented to the MFI-partners in the next Quarter. SIMM and Software Group will provide technical assistance in the mobile money partner engagement, agent network expansion, business process review, and staff and client training.

On May 31, NATCCO met with Smart Communications to review and clarify sections of the Memorandum of Agreement (MOA) particularly on pricing, technology, transaction fees and agree on the next steps. Proposal on Bayad Load (pre-paid airtime credits that can be used for specific government payments e.g. SSS, Pag-Ibig etc.) will be an addendum to the MOA. In attendance were SIMM, Smart Hub's Lito Villanueva, IT Head of NATCCO Evangeline Lopez, Software Group Program Manager Marie Valdez and SIMM Program Manager.

NATCCO and Smart discussed and came up with an agreement on concerns such as enrolled accounts, fees for cash-in/cash-out and ATM withdrawals, NATCCO-Smart Money interoperability, joining fee, Smart mobile application, revenue-share for the annual fee and joining fee, and the technology to be used.

Meanwhile on June 17, Mobile Ventures, a local vendor composed of professionals from the mobile, technology and financial industries presented its product Pitaca, a retail payment solution to SIMM and ten (10) representatives from Software Group, Kabalikat para sa Maunlad na Buhay Inc (KMBI), Pioneer Life Insurance

and Microsave at the SIMM Office. Pitaca was invited to give the presentation as recommended by KMBI, who is also planning to engage Pitaca for micro insurance services.

Mobile Ventures gives local banks the benefit of delivering their services across a broader base using a cost efficient and robust platform and provides financial institutions compelling value to the communities it serves by way of mobile payments and services. However, SIMM did not find Pitaca viable for its current partners as it is not a complete m-money product, e.g. no EMI license, targeted for agents instead of end-users, and so there is no planned follow through activity for this.

SIMM Quezon City

Sikap Buhay Entrepreneurship and Cooperative Office (SBECO)

SIMM is full steam ahead with engaging Quezon City cooperatives with the help of Sikap Buhay Entrepreneurship and Cooperative Office (SBECO), discussing collaboration opportunities for enabling mobile money for cooperatives in Quezon City and to partner with them for the joint development and conduct of financial literacy training on m-money to their network of cooperatives.

SBECO's centerpiece entrepreneurship and microfinance program is Quezon City LGU's Puhunang Pangkabuhayan ng Sikap Buhay (PPSB), a program that provides access to non-collateral, no interest loan facilities for small entrepreneurs in partnership with several cooperatives. Since its establishment in 2002, SBECO has assisted at least 40,000 cooperative members and has facilitated the release of US\$ 12.5 million (PhP500 million) in microfinance funds.

SBECO agreed to pilot mobile money with six of their partner microfinance institutions (MFIs). SIMM will also collaborate with SBECO to develop training modules on cash management and mobile money services.

To kick off the partnership, SIMM and SBECO jointly convened Mobile Money Forums during the May 11 Quezon City Financial Management Training for Cooperatives and May 28 Quezon City Cooperative Day: Managing Finances attended by about 200 representatives from 30 cooperatives of various credit, multipurpose and consumer related cooperatives operating in Quezon City. SIMM explained how mobile money can help increase the operational efficiency of cooperatives by reducing cost and speed in loan disbursement and collection and increase client satisfaction through faster and better customer service. Several cooperatives have reached out to SIMM and have scheduled meetings with their board members to present the project. During the cooperative day, the mobile money providers set up booths to inform and activate members and local government employees to mobile money. Among the leads keen on acquiring m-money services to improve their operations are IBC 13 Broadcast Workers Cooperative (BWC), Agapay sa Pamumuhay Credit Coop and Fairview Toda Multi-Purpose Cooperative. Next steps for the Quezon City coops will be the forging of partnership with the mobile money providers for presentation and contract signing.

IBC 13 BWC



SIMM COP Mamerto Tangonan (*rightmost*) meets with Sikap Buhay Entrepreneurship and Cooperative Office (SBECO) on June 13, 2013 at the Quezon City LGU office to discuss collaboration on opportunities for mobile money.

On June 19, Joefree Semilla, BPI Globe Banko Product Manager presented their upcoming TV commercial to the Chairman and Board Members showcasing the key services from bills payment, savings, funds transfer and purchase of goods using daily transactions that relate to Filipinos. He presented the payroll/disbursement services highlighting key features from the BanKOLink a web application that provides three access for secure and efficient management of disbursements, live transaction via BanKOLink and mobile, funds transfer, and zero transaction charge for disbursement. The Board saw great value of the product especially because their employees are often in the field covering reports in a nationwide scale. Through the mobile money disbursement services they can receive their money wherever they are. In addition, the bills payment feature allows them more efficiency in their jobs as they do not need to go out of the office during their break, queue and pay for their monthly utility bills. BanKO informed the coop that in the coming months more services will be enabled from point of sale purchases and BPI account to BanKO account. With this, BWC officially signed the cash management agreement with BanKO on June 26 (*See Annex B.*)

Another Care Filipino Cooperative located in Montalban, Rizal that produce e-trikes including loan services for the purchase of the e-trikes also attended the meeting and expressed interest in adopting mobile money in their operations.

During a special board meeting, IBC 13 selected BPI Globe BanKO as their loan disbursement service provider and signed the contract by end June. Next steps will be the creation of IBC 13 mobile money account and launching and opening of mobile money accounts for over 100 members scheduled on July 4.

Agapay sa Pamumuhay Credit Coop

ASAPC is a credit cooperative founded in 1999 that provide savings, business and emergency loans and insurance. On June 7, SIMM presented the project and identified the challenges, requirements and priorities for mobile money services of the cooperative. Currently they have a total of 128 members comprising mostly of overseas Filipino workers (OFWs), senior citizens and women. Modes of disbursement and loan payments are made through cash and check. Difficulties encountered is increasing membership through expanded financial services and loan disbursement that take time from going to the coop office to fill up applications, waiting time for approval to collecting the loan losing opportunity and transportation cost. Mobile money priority services include accreditation as cash agent and loan application and disbursements to members.

SIMM Batangas City

Office of the City Veterinarian and Agricultural Services (OCVAS)

On May 3, the Office of the City Veterinarian and Agricultural Services (OCVAS) – Cooperative division conducted the second round of mobile money advocacy at the OCVAS conference room, Batangas City. OCVAS cooperative division head Mercy Mandigma identified four cooperatives that need mobile money services to help streamline operations and services. These are Sta. Clara MPC with 238 members, Ilijan MPC with 628 members, Mahacot MPC with 204 members and Pinamucan Ibaba Women’s MPC with 215 members. SIMM presented the concept paper of mobile money to the cooperatives.

All of the cooperatives see the potential benefits of adopting mobile money. All cooperatives agreed that they will discuss it with their board of directors and will give the feedback to SIMM to help them to get approval on adopting mobile money to their cooperatives.

Sta Clara Multi-Purpose Cooperative (SCMPC)

SIMM met with Sta. Clara Multi-Purpose Cooperative (SCMPC) in Batangas City on May 14 and presented the mobile money project and advantages of adopting mobile money to SCMPC business. There is a high demand of money remittance in their area as most of the passengers from the port send or receive money. They will also promote the use of mobile money to their members for bills payment and

for loan disbursement. On May 24, Smart Telecommunications Inc. presented smart money products to SCMPC Board of Directors, who agreed to adopt smart money as money-in/ money-out agent. SCMPC will sign the contract and submit required documents for accreditation.

Mahacot Multi-purpose Cooperative

On May 25, Mahacot MPC requested SIMM to attend their monthly board meeting to present mobile money project. Most of the Board of Directors were present headed by Chairman Hernando Perez. SIMM elaborated on the advantages of having mobile money services to their cooperative especially as partner outlet. MPC will serve as cash-in/cash-out and *Bayad* center for their members or community.

Ilijan Multi-Purpose Cooperative (MPC)

SIMM presented the mobile money project to the Board of Directors of Ilijan Multi-Purpose Cooperative during this period. It houses the largest electricity-generating facility in the Philippines, the Korea Electric Power Corporation (KEPCO). With the long travel to and from the nearest urban area and lack of infrastructure in the rural area, the only accessible financial institution that services the community is the local cooperative.

Ilijan MPC provides janitorial manpower service and canteen concessionaire to the KEPCO power plant. Priority mobile money services include cash in/cash out and remittance service to Kepco employees, payroll and microloans to address the problem of rampant loan sharks that result to overburdened debt. The board will be discussing the project further but have expressed the clear benefits of mobile money to their cooperative especially for the security of their female members who carry a lot of cash in their commutes.

San Isidro Multipurpose Cooperative (SIMCO)

SIMM continued to monitor the progress of SIMCO's customer activation with BPI Globe BanKO. SIMCO recently got accredited as a BanKO Partner Outlet and is now requiring new members and loan applicants to open BanKO accounts. It was agreed that SIMM will present the benefits of electronic payment system for coop loan disbursements and collections to SIMCO.

Soro-Soro Ibaba Multi-Purpose Cooperative (SIDC)

SIDC held their Annual General Assembly for Clusters IV and V last April 20 at the Batangas City Coliseum with almost 4,000 members from the Southern Tagalog Region participating in the event. One of the exhibitors at the event was GCash where they promoted their new product called Grassroot GCash Express ATM+SIM, and 18 new accounts were activated on that day.

One promising development from SIMM's participation in the assembly was SIDCI's renewed interest on adopting mobile money for their cooperative's savings and loans product. Business Development Supervisor Grace Aceveda inquired if they can use the GCash platform for the coop's savings and loans. A meeting to explore this collaboration is forthcoming.



Almost 4,000 SIDC members attended their annual General Assembly on April 20, 2013 at the Batangas City Coliseum. SIMM took this opportunity to introduce the innovative concept of mobile money and hold the activation of GCash for interested members.

Yoolah Marketing

Parallel discussions on enabling mobile money for trade payments in small and medium enterprises were done with SIMCO General Manager Marites Ramirez, part owner of Yoolah Marketing, a direct selling company in Batangas with over 200 agents. Yoolah's current mode of payment is cash delivered to their office or through money remittance and it is looking to expand its payment mechanisms and has applied to become a BankO Partner Outlet. During its Annual Meeting of Agents on April 27, more than 100 sales agents activated their m-money accounts with BPI Globe BankO.

Pinamucan Ibaba Multi-Purpose Cooperative (PIMPC)

On June 12, BPI Globe BankO presented its products and services including commission structure for partner outlets to the Pinamucan Ibaba Multi-Purpose Cooperative (PIMPC) during its monthly Board of Directors Meeting. PIMPC agreed to sign-up as a BankO partner outlet and will submit requirements. Once BankO approves the Business Partner outlet application of PIMPC, training and activation of members will follow, targeted on first week of July.

Pinagbuklod Board of Directors Meeting

On June 29, SIMM attended the Pinagbuklod Multi-Purpose Cooperative (MPC) Board of Directors' meeting to present an overview of the mobile money project. One main issue of Pinagbuklod MPC is the transportation cost members incur whenever they need to make transactions, as the jeepney fare is around US\$0.44 (PhP19) per trip. Pinagbuklod MPC has 319. They are interested to adopt as mobile money partner outlet and loan disbursements for their members who are residing far from their area. They will confirm the schedule of presentation of mobile money provider.

SIMM Valenzuela City

4HG Multi-Purpose Cooperative

On April 3, SIMM met with Jasper Nazarro, the President of Valenzuela Cooperatives Managers Club (VCMC) to explore partnerships with Valenzuela City cooperatives on mobile money for payroll and loan disbursement and collection. Mr. Nazarro invited SIMM to present to the VCMC on April 17 to introduce the SIMM Project and promote adoption of mobile money amongst cooperatives in Valenzuela City. Mr. Nazarro is also the general manager of 4HG Multi-Purpose Cooperative, the top-performing and highly-awarded cooperative in Valenzuela City with more than 800 members.

Valenzuela Cooperatives Managers Club

SIMM met with President of Valenzuela Cooperatives Managers Club, Jasper Nazarro on May 28 to present the project and benefits of mobile money services to the cooperative. As a result, a mobile money summit will be conducted with the participation of the general managers, board of directors, accountants and savings & loans heads.

Anticipated Activities Next Quarter

SIMM City LGU activities

1. Submission of Proposals
2. Evaluation of proposals and negotiation on pricing;
3. Technical set-up and User Acceptance Testing (UAT);
4. Internal users training; and
5. Launch and information / education campaign

The Mobile Finance Services (MFIs) Business Models for Microfinance Institutions (MFIs) Project will move forward with the draft business models for the five MFIs and pilot implementation will commence in the next quarter.

With the high interest of Batangas City multi-purpose cooperatives in mobile money services, it is anticipated that by next quarter these cooperatives will move forward with the actual adoption.

A Mobile Money Summit for Valenzuela Cooperatives in partnership with the Valenzuela Cooperatives Managers Club and Valenzuela Cooperative Development Office will be held in August.

In the Municipality of Pulilan, Bulacan, a BanKO mobile money caravan and the formal launch of the Mobile Money Government Payroll and Payment System is scheduled on August 15. Also, from August to September, barangay roadshows, in partnership with the municipal government and BPI Globe BanKO, will be held to promote mobile money to the constituents of Pulilan.

OBJECTIVE 2: Reducing Transaction Costs in the Payment System

Active

- Support and expand the wide adoption of P2G at one government of the Philippines agency
- Facilitate an efficient payment system to private sector utilities via m-money

- Support and expand the wide adoption of P2G at one government of the Philippines agency

Social Security System (SSS)

On May 31, SIMM arranged a meeting between SSS and Smart Communications to discuss the BayadLoad services. Among the attendees include SIMM, SSS CEO and President Emilio De Quiros, SSS Vice President for Member Services Division Mario Sibucan and Smart Hub's Lito Villanueva.

After the project overview presented by SIMM, Mr. Villanueva updated the SSS key officials on the next steps to enable payments to SSS, PhilHealth and Pag-Ibig through the smart prepaid accounts. Since LandBank is an existing collecting agent of SSS, it was clarified that a separate Memorandum of Understanding was not required. Moving forward, SSS will need to furnish Smart its application programming interface (API) for Smart to validate SSS number and amount being paid in real time and enable the new services.

Pag-Ibig Fund

On May 23, SIMM met with Pag-Ibig Fund Vice President for Fund Management Reynaldo M. Malaya to present the SIMM Project and explore possible partnership on mobile payments with Pag-Ibig. VP Malaya will discuss with Pag-Fund management the project and secure approval to proceed with the project. Possible areas for cooperation include mobile statement of account for housing loans (SMS-based transmittal of statement of account), disbursement of multi-purpose loan proceeds through payroll and loan payment through bills payment. Pag-Ibig is the country's home development mutual fund with over 12 million members as of end of 2012.

SIMM Valenzuela City

SIMM facilitated the meeting between Valenzuela City officials and Mary Ann Lacson, Customer Care Manager of Smart Communications on April 4 to look into Valenzuela City's technical requirements for the bill payment inquiry feature of their mobile money collection facility for real property tax. Smart's infoboard solution was acceptable to Valenzuela and complies with the requirement on bill inquiry. A separate technical meeting with Smart Money was set on May 8 to discuss the technical requirements for payment and address the issues raised particularly on connectivity between Smart Money and Valenzuela's

billing system, validation of total amount due prior to processing of payment, and the nomination of a new infoboard short-code.

On May 30, Mayor Sherwin Gatchalian approved the issuance of Request for Proposal (RFP) and Terms of Reference (TOR) for mobile money-enabled real property tax collection (RPT) to Smart, GXI and BPI-Globe BanKO. To fast track the implementation and induce trial, Valenzuela City will launch mobile money using batch processing mode (or following day processing and recording) and during the phase 2 will shift towards real time updating of records (for payments) once the systems have been integrated. SIMM agreed to provide assistance in the system integration for mobile money platform interface with Valenzuela's on-line billing system as well as further research on security certification for mobile payments to help build trust on the new payment option. SIMM will schedule the launch of Valenzuela City's m-money service once technical concerns are ironed out.

SIMM Quezon City

During the period, the committee was not been able to convene due to the May 2013 elections and organizational changes of key government officials. Meanwhile, SIMM continued with the preparatory activities and discussed the next steps of the local government mobile money service with point person Mr. Fred Abella including agreements on the solicitation of proposals for collections, requirements for disbursement services, run through of business and occupational license registration process, collection of market stall and hawker fees using mobile money services, customizing the LGU's systems with the mobile money system platform. In June, BPI Globe BanKO and Smart Infoboard submitted their final proposals.

The QC-LGU committee on the Mobile Money Project is scheduled to convene before end of July to discuss evaluate proposals and select the electronic payments and collections service providers.

- Facilitate an efficient payment system to private sector utilities via m-money

Development Finance International Inc.

On June 6, USAID and SIMM met with Development Finance International, Inc. and SAP Mobility represented by Mr. Inder Claire, Director, Development Finance International, Inc. (DFI), Mr. Tarik Husain - Sr. Director Sales, SAP Mobility, Mr. Iris Landicho - SAP Mobility Lead, Philippines and Mr. Guruprasad Gaonkar - Head of Financial Services (South East Asia), SAP. DFI and SAP Mobility is exploring possible collaboration with SIMM.

DFI is a global consultancy that ensures that the private sector contributes to and benefits from international development efforts. SAP the world leader in enterprise applications provides end to end solution from business applications, database and technology analytics, cloud and now mobile called SAP Mobility. SAP Mobility using Sybase 365 mobile platform provides mobile operators and financial institutions end-to-end mobile commerce platform enterprises from mobile banking, mobile payments to mobile money enabling subscribers to pay, buy, bank and remit money with any mobile device including simple phones using SMS. This new platform will enable m-money products even without a USSD channel, which today still remains a challenge for mobile network operators. Next step is to schedule a meeting with SIMM, SAP, and their local application service provider for the product demonstration and commercial proposal.

LGU Guarantee Corporation

On June 25, SIMM met with LGU Guarantee Corporation President and CEO Lydia Oriol and BPI Globe BanKO President and CEO Teresita Tan, and vice presidents Gigi Gatti and Jody Dela Cruz at the LGU-GC Office in Makati City. SIMM gave a backgrounder about the project, and BanKO on the other hand gave an introduction and background of their business.

Since many local governments are pursuing renewable and/or micro-energy projects, SIMM and BanKO will leverage such interest and spearhead in introducing m-money into the city/municipality. Implementing energy projects may require financing on the part of the LGU. LGU-GC guarantee is required in order for banks to lend to LGU. Therefore, by helping LGUs implement their energy projects, SIMM and BanKO can build relationships with the LGUs and convert it to m-money projects in the city/municipality.

LGU-GC expressed interest and specified their requirements for them to provide the guarantee. Ms. Oriol shared that LGU financing is doing well and there is just one case so far where the bank has called on the guarantee. Next step would be for BanKO to bring to LGU-GC their cases that require LGU-GC guarantees.

SIMM Pulilan Bulacan

Pulilan Water Sytem

During this period, SIMM attended the technical review and evaluation of project proposals of the mobile money providers for the implementation of Pulilan's water fee collections. The proposals were discussed by item with the products and services laid for collections and disbursements for GCash and BanKO. The implementation activities were also discussed from training and communications to the launching of services which will initially require setting up of mobile payment centers in the 19 barangays where the constituents can register for mobile money accounts.

SIMM and BanKO are finalizing the hardware and software requirements with the Pulilan Water System to ensure that both systems are aligned and mobile payments are recorded and updated. Implementation activities are being finalized in preparation for the soft launch and BanKO mobile caravan to promote Pulilan Water System scheduled on August 2.

SIMM Quezon City

Fortune General Insurance

On June 27, SIMM presented the mobile money project to key officers of Fortune General Insurance, particularly Vice President for Marketing Manuel Maloles, Manager for Marketing Vilma Valle, Marketing Supervisor Sherry Ann Gonzales-Tan and Assistant Vice President for Management Information System Ricardo Carreon.

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 are scheduled in July.

Anticipated Activities Next Quarter

SIMM City LGU activities

1. Submission of Proposals
2. Evaluation of proposals and negotiation on pricing;
3. Technical set-up and User Acceptance Testing (UAT);
4. Internal users training; and
5. Launch and information / education campaign.

The launch of Valenzuela City’s online payment system for real property tax collection is targeted on the last two weeks of August 2013. With the Valenzuela City government taking the lead, the launch of the online payment system for RPT will be followed by business forums where the city government will call all businesses (micro, small, medium and large enterprises) to promote the use of online payments to the business community starting September 2013.

OBJECTIVE 3: Improving Public Service Delivery (G2P)

Active

- Increase transparency, reduce leakages, and efficiently scale up social protection programs with m-money
- Enhance financial literacy of Cash Conditional Transfer (CCT) and non-CCT beneficiaries

- Increase transparency, reduce leakages, and efficiently scale up social protection programs with m-money

CCT Distribution

On April 22, SIMM facilitated a meeting between Department of Social Welfare and Development (DSWD) Director Rodora Babaran and representatives from MasterCard and BPI Globe BanKO. This is a follow through to discuss and validate SIMM’s concept paper and business case assumptions for Conditional Cash Transfer distribution and the possible roles of MasterCard and BPI Globe BanKO in the implementation.

Present in this meeting were Santi Magno, Head of Product Development, MasterCard Mobile Payment Systems; Jo-Ann Camacho, Vice President, MasterCard Philippines; Ricky Banico, Vice-President for Information Technology, BPI Globe BanKO; and Jose Malaya Semilla, Marketing Manager, BPI Globe BanKO.

Mastercard Mobile Payment System and BPI Globe BanKO will develop their mobile payment solution for CCT grant distribution with the objective of bringing down distribution cost for over-the-counter transaction. SIMM will schedule presentation of solutions to the DSWD 4Ps Technical Working Group.

Metropolitan Manila Development Authority (MMDA)

On June 20, SIMM presented to the Metropolitan Manila Development Authority (MMDA) how mobile money can make their operations more efficient to Assistant Secretary Thomas Orbos and staff. The MMDA performs planning, monitoring and coordinative functions and exercise regulatory and supervisory authority over the delivery of metro-wide services within 17 cities and municipality of Metro Manila.

SIMM highlighted possible service improvements such as enabling motorist to pay for traffic violation tickets using mobile money to save money and time, which Asec. Orbos and other personnel agreed to be very helpful. Currently, the MMDA Head Office in Orense, Makati and Metrobank branches serve as payment points which are inadequate.

Asec. Orbos suggested for MMDA to sign up a Memorandum of Agreement (MOA) with USAID to initiate the project on enabling mobile money payments for traffic tickets, and SIMM will get USAID approval for the MOU.

- Enhance financial literacy of CCT and non-CCT beneficiaries

SIMM is in the process of developing its training strategy and will build on existing training platforms of government agencies, partner organizations from businesses, microfinance institutions, and non-government organizations (NGOs) to enrich existing financial literacy training programs and materials including special discussions on mobile banking, consumer protection and awareness, product uptake and improved product use, and personal development for improved livelihoods.

In line with this, SIMM and Bangko Sentral ng Pilipines (BSP) has started coordination to partner in the delivery of financial education program making use of existing training models and in further developing the modules and materials to include mobile banking.

On April 24, SIMM met with BSP Deputy Director and Head of the Financial Consumer Affairs Group Teresita Lisama and Manager of Financial Learning Division, Central Supervisory Support Subsector Dottie Bernas to discuss BSP's current training programs and explore possible collaboration in developing modules on mobile money, consumer protection, and security. SIMM also provided an overview of the SIMM project and shared SIMM's financial education activities in the pipeline.

BSP will provide SIMM their calendar of training activities for 2013 and noted that their financial education modules cover general topics and are not segmented per target audience. Moreover, the modules have yet to be updated to include additional banking products and services particularly for electronic money.

Possible collaboration based on current needs includes the development of enhanced financial education modules with special focus on mobile money products and services and conduct of Training of Trainers (ToT) on program and materials for the staff.

Meanwhile, the Terms of Reference (TOR) for the development of training modules on financial literacy and consumer education was finalized on April 26 and advertised for procurement on April 28 and 29. On May 2, three firms submitted, namely: Southeast Asia Interdisciplinary Development Initiative (SAIDI) School of Organization Development, Sustainable Development Solutions (SDS), Social Enterprise Development Partnerships, Inc. (SEDPI).

SEDPI was offered to submit a best and final offer because of their technical proposal, the close similarity of their past projects to this project, and the experience of their project lead and team members in doing similar projects made them the most preferred bidder their technical proposal the highest rated and they offered the lowest cost for the requested services; SEDPI's bid therefore represented the best value to the project and to USAID. Negotiation meetings were held with SEDPI to clarify scope of work, and SEDPI's best and final offer was reduced to US\$44,561 (PhP1,871,555) from US\$99,135.27 (PhP4,064,546).

On June 13, the purchased order was fully executed by DAI Contracts Manager, Nathalie Augustin. As part of the first deliverables, SEDPI submitted the work plan (*see Annex C*) and training plan on June 20. Next steps will be the finalization and approval of the first set of deliverables, inception meeting and mobilization for the training needs assessment.

Anticipated Activities Next Quarter

1. Continue work with Smart Hub, Inc., BPI-Globe BanKO, PVB Card Corporation and Mastercard Mobile Payment Solutions for the DSWD CCT project;

2. Kick-off partnership with MMDA to implement mobile payments for collection traffic violation fines;
3. Commencement of the development of training modules on financial literacy and consumer education project; and
4. The Quezon City LGU disbursement of stipends to students and allowances to teachers is expected to be launched by the next quarter.

OBJECTIVE 4: Promoting Supply-Side Networks

Active

Prospective

- Develop focused channel management strategy
- Support CI/CO channel managers and partner vendor

- Develop focused channel management strategy

On June 4, SIMM and USAID met with Grameen Foundation officers to discuss lessons learned on sustaining agent networks and effective training approach and channels. In their experience, an agent business can only be sustained if mobile money products and services are among their top four fastest moving products. In addition, agents are motivated to invest in the business if the foot traffic is high and they are soon considered to the community financial adviser. Lastly, mobile money providers must ensure that settlement and compensation of the agents are made immediately. On training, a Filipino telenovela (soap opera) and a branding that portrays a superhero quality approaches appeal to the low income household audience.

- Support CI/CO channel managers and partner vendor

On April 12, SIMM met with Shivshankar Vadivelalagan of Microsave and Rosa Wang, Global Director for Mobile Money of Opportunity International (OI) to discuss how SIMM can work with Micro Save and OI in scaling channel management initiatives for mobile money in the Philippines. OI, through Microsave, is establishing a domestic remittance company consisting of the MFIs of the APPEND Group and their nationwide network of branches. Given BSP regulations, the new company would have to secure a remittance license for this purpose, and choose the technology platform for its operations. There were no immediate joint activities identified but SIMM, Microsave and OI will keep in touch in case a specific area of cooperation comes up.

This quarter, SIMM started mapping the registered agents in the SIMM partner cities and municipality. SIMM's objective is to capture data on mobile money showing supply and demand in each locality across the three providers including the progress of organizations adopting mobile money and agent acquisition under the project. This mapping once completed and finalized will be shared to the m-money providers and serve as a tool to identify more partner outlets. Below is the summary of registered agents:

Table 1. Registered Agents in SIMM Cities

SIMM City	BanKO	GCash	Smart Money	Total
Batangas City	7	34	32	73
Valenzuela City	16	40	16	72
Quezon City	189	310	123	622
Pulilan	2	6	1	9
Total	214	390	172	776

Mapping was done with use of Global Positioning System (GPS) application to obtain the coordinates of the agent. After which, a visual survey was conducted to assess the activity of the agents and identify the

merchandising materials used. Out of the total 73 outlets, 15 were not registered and 15 were not located based on the registered address. Next steps will be to formally register the 15 agents and identify other high demand areas that require access to agents. The link to the online mapping of merchant outlets may be viewed at <https://mapsengine.google.com/map/viewer?mid=z6QKwTgPGsBc.kP9FJ8WDmWvM>
Actual outlets total 17 for GCash, 8 for BPI Globe BanKO and 42 for Smart Money (see Annex D).

In relation to this mapping, on June 25 SIMM met with Mr. Bernardo Abis, Chief Operating Officer of Webcast Technology Inc. (WTI) to present the mapping of m-money agents for Batangas City and Pulilan, Bulacan. WTI specializes in technology, specifically in providing integrated positioning solutions which primarily utilize the Global Positioning System (GPS), Geographic Information System (GIS), and Telemetry System. Mr. Abis suggests an enterprise license with full access to data. In addition, he also suggested other capabilities of Google map that may help the project requirements such as heatmap that will show the transaction per agent or demand in an area. Considering existing data limitations, SIMM will need to identify its requirements and data availability. Next step is for SIMM to do a stakeholder vs. mapping requirements analysis to elaborate system requirements for GIS.

Anticipated Activities Next Quarter

1. Complete the CI/CO agent network mapping in SIMM cities by August;
2. Push forward with the pilot implementation of the Agnostic Agent Network project. Detailed operational discussions will be conducted late July to August and to target pilot launch in September or October;
3. SIMM will follow up the initial discussion with Cebuana Lhuillier to tap into Cebuana’s over 1,800 pawnshop outlets nationwide; and
4. SIMM will work with ECPay to launch GCash and Smart Money in over 1,000 partner outlets nationwide. Also, SIMM will link BPI-Globe BanKO with ECPay as merchant partner to allow BanKO account holders to transact with ECPay partner outlets.

OBJECTIVE 5: Driving Customer Usage

Active

- Deepen understanding and analysis of consumer knowledge, needs and behaviors on m-money through conduct of market research

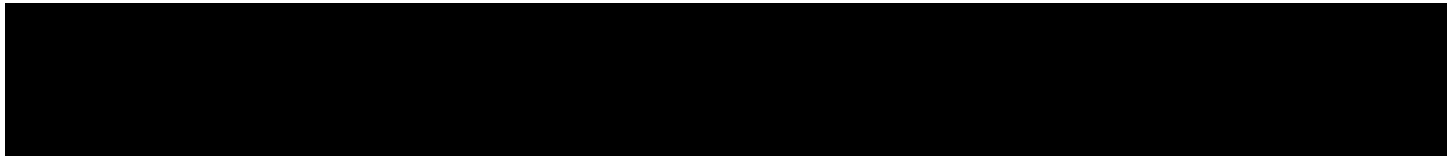
- Deepen understanding and analysis of consumer knowledge, needs and behaviors on m-money through conduct of market research

SIMM will build on existing research on mobile money in the Philippines by conducting a consumer awareness baseline study to tease out consumer knowledge, attitudes, and practices on mobile money as well barriers and triggers to adoption. In line with this, SIMM will utilize a BCC approach to understand consumer needs, preferences and behaviors on mobile money to ensure that the market segment is able to shift from awareness, understanding, knowledge, trial to regular use. This will be achieved through baseline analysis of the different segments catered by the project.

Through the targeted and strategic behavior change communication plan, SIMM will be able to address existing barriers and bolster and sustain demand for mobile money as a secure and alternative payment method and increase number of new and active mobile money users starting with the pilot partner organizations.

Key deliverables will include audience and communication analysis, BCC plan and roll-out strategy, prototype of all communication materials developed (i.e. print, video and online), training on social marketing and outreach and conduct of Information Education Campaigns (IEC) in select sites.

With this, SIMM has taken on writing the Terms of Reference and Request for Proposal for the Development of BCC Plan and Outreach Materials for Driving Adoption and Usage of Mobile Money in the Philippines this quarter. It was published on June 2 and 3 in Philippine Star newspaper and out of the four firms who submitted their pre-qualification documents, two were short-listed namely Event Organizers Network (EON) Inc. and Hamlin-Itturalde Corporation (TeamAsia). SIMM evaluated the proposals based on key factors (1) relevance of past performance experience; (2) qualifications and experience of proposed personnel and (3) proposed work plan.



Anticipated Activities Next Quarter

1. Engagement of vendor for BCC project and commencement of BCC project
2. Audience baseline analysis for BCC project
3. Development of BCC Plan and outreach materials
4. Creative designs of IEC materials, pre-testing on site

OBJECTIVE 6: Promoting Global Knowledge Sharing of M-Money

<i>Active</i>	<ul style="list-style-type: none"> • Promote global enabling regulatory environment • Support research agenda into the needs of the unbanked • Integrate knowledge sharing component
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- Promote global enabling regulatory environment

On April 4, SIM met with USAID to discuss emerging policy issues with Commission on Audit (COA) and see how USAID can support SIMM in addressing said barriers. Central to this issue is the lack of clear guidelines from COA regarding the acceptability of electronic payments in government transactions, which impacts SIMM’s current engagements with local governments, namely Batangas City, Valenzuela City, Quezon City, and Municipality of Pulilan, Bulacan. This guideline from COA may be able to support the current USAID program with COA that aims to build the capacity of auditors on fraud investigation for improved enforcement of anticorruption laws.

On April 9, SIMM met with COA Commissioner Heidi Mendoza the status of the COA circular about electronic official receipt as referred to in Department of Finance (DOF)-Department of Trade and Industry (DTI) Joint Department Administrative Order (JDAO) No. 10-01 (Series of 2010) on April 10. Per meeting with her last October 17, 2012, COA will issue such circular by first quarter of 2013, however no such circular has been issued to date.

Also present in the meeting were USAID Project Management Specialist Ria Orca, COA Director Marietta Lorenzo, and a certain Atty. Arlene from the COA Legal office.

On April 22, Comm. Heidi sent the 2009 draft of the circular entitled '*Guidelines for the use of electronic official receipts to acknowledge collection of income and other receipts of government*' (see Annex E). Comm. Mendoza recommended that SIMM review the draft circular given its expertise on e-payments in order to ensure the thoroughness, accuracy and completeness of the resulting circular in enabling e-payments and so as to avoid having to issue multiple subsequent circulars or having to amend them. The matter was taken up in the Commission Proper in May recommending further review by the editorial committee comprising of Commissioners, Legal department and technical staff. As of the end of this reporting period, the draft is still en route in the various offices within COA. Once finalized, the matter will be taken up again in the Commission Proper for approval. SIMM is following up on the progress of the circular weekly.

On June 27, SIMM and USAID also met with MicroSave senior advisor Chris Dooley and World Bank sector coordinator Thyra Riley and consultant Anoma Kulathunga on June 27 as World Bank was interested to learn more about USAID's financial inclusion projects in the country and obtain learnings that can be applied to their region in South Asia. Mr. Dooley is being engaged by World Bank to coordinate meetings like this while in the Philippines.

In an offline discussion, Mr. Dooley mentioned to COP that MicroSave might be able to contribute or cost-share around US\$20,000 to the agnostic agent network project where SIMM is participating and which is being led by Mercy Corps. Next steps would be to introduce Mr. Dooley to the pilot leaders in order for everybody to be clear on what the funds may or may not be used.

- Support research agenda into the needs of the unbanked

This quarter is highlighted by the conduct of the National Payments System workshop on April 22 to 24, a first of its kind in the Philippines. This is part of the bigger Mobile Money Interoperability in the Philippines Study that SIMM has commissioned that will look into appropriate models and glide path for inclusive payments and funds transfers in the Philippines.

Preparatory activities such as consultation meetings with consultants from the Bankable Frontier Associates, Brian Le Sar, Johann Bezuidenhout, and James Hokans and some of the major players in the payments sector to get a better appreciation on the state of the Philippine payments system, existing trends, and stakeholders' view of their role in the entire payment system.

Among those interviewed were: Banco de Oro (BDO) Senior Vice President and Transaction Banking Group Head, Emmanuel Narciso; Rizal Commercial Banking Corporation (RCBC) Senior Vice President for Business Solution Division Domingo Dayro, Jr.; Bank of the Philippines Islands (BPI) Senior Vice President for Retail Banking Maria Cristina Go; Megalink President Benjamin Castillo; Bancnet Sales and Marketing Director Rey Marukot; and PLDT Group Mobile Financial Services Advisor for Wireless Business and e-Money Innovations Angelito Villanueva.

The research consultants also met with the Bangko Sentral ng Pilipinas (BSP) officials, Deputy Governor Nestor Espenilla, Deputy Director and Head Raymond Estioko, Officer-in-Charge, Information Technology Sub-Sector and Director, Payments and Settlements Office Bella Santos, and Inclusive Finance Advocacy Staff Head, Pia Roman-Tayag to brief them on the feedback on the pre-course interviews and meetings with switches and banks, results of the pre-course questionnaire and BSP views on the initial results, and updates on the state of the industry from the perspective of the BSP, specifically the potential pitfalls or catalysts to help take an inclusive integrated national payments system forward.

The workshop brought together more than thirty key actors in the Philippine financial system comprising of commercial banks, non-banks, mobile money providers, ATM networks, and selected government agencies to discuss critical issues challenging the payments industry today. The workshop, which was facilitated by the

Bankable Frontier Associates (BFA), provided a venue for the industry to come together, assess where they are in the context of a national payments system, identify the immediate and long-term gaps that need to be addressed, and lay out a possible roadmap for implementing the Philippine National Payments System.

SIMM joined BFA consultants Brian Le Sar, James Hokans, Johan Bezuidenhout and Mercy Corps Senior Director Leesa Shrader in the National Payments System debrief with BSP on April 25 to process the results of the workshop and for the group to decide which outputs will be circulated within the industry. In the meeting, BFA and Mercy Corps presented the key focal areas and takeaways from the three-day workshop that can help shape the high-level glide path and strategies for reaching interoperability, as follows:

Table 2. National Payment System workshop outputs

Item	Workshop output
Develop Payment Strategy and Vision and “Legalize” NPS Act	<ul style="list-style-type: none"> • Payments Strategy and Vision (for next 5 years) – position paper • Describe benefits of Act to Philippines and its broader public goals • Evidence-based advocacy with Congress and key stakeholders • Review circulars (e.g. mobile money) to align with principle-based approach
Implement one “National Utility Switch”	<ul style="list-style-type: none"> • Determine obstacles • Identify switch components vs. commercial arrangements vs. governance issues • Place governance issues into ACH with ACH participant group to manager per ACH • BSP: Facilitate agreements on Interchange Principles. <ul style="list-style-type: none"> ○ BSP: Competition Authority to liaise – MOU. ○ BSP & Competition Authority: define Interchange Setting and Review Process ○ BSP coordinates around interchange on behalf of participants. • Discuss switch integration with Shareholders and relevant stakeholders based on revised switch model, including the Competition Authority <ul style="list-style-type: none"> ○ Develop business case, if required, and rationale for single national utility switch • Project plan to integrate switches • Stop development of current switch competing services (e.g. white label POS) • Ensure appropriate switch and participant SLA’s including up time
Review and Implement Governance Model	<ul style="list-style-type: none"> • Provide a Proposed PSMB Structure for consideration within the BSP <ul style="list-style-type: none"> ○ Assemble a set of best practice PSMBs ○ Write a skeleton for the PSMB structure ○ Review the PSMB skeleton with a third party • Contextualise a proposed NPS Governance framework in terms of the Philippines <ul style="list-style-type: none"> ○ Map what structures, bodies and processes are currently in place ○ Perform a gap analysis to identify gaps and inefficiencies from the current situation to the NPS Governance framework ○ Identify priority areas to be addressed ○ Analyse the benefits and drawbacks in the proposed NPS Governance framework • Workshop the proposed NPS Governance framework study <ul style="list-style-type: none"> ○ Workshop internally in the BSP ○ Obtain a decision on whether to proceed or not ○ Process through BSP management structure to obtain an approval to consult industry • Consult with the industry <ul style="list-style-type: none"> ○ Consult with the industry and obtain feedback ○ Modify the proposal if and where necessary • Prepare proposal for Monetary Board approval • Create ACH agreements, clearing rules and participant groups for relevant existing and new payment use cases <ul style="list-style-type: none"> ○ Identify current rules and structures and enhance to fit new

	governance framework
Enable Inclusion and Move to Electronic Transactions	<ul style="list-style-type: none"> • Move to higher levels of interoperability where gaps identified • Develop new electronic payment use cases <ul style="list-style-type: none"> ○ Electronic credits: lower value (batch and real time) ○ Electronic debits: batch e.g. direct debit ○ Enable mobile money account to bank account across participants • Review cross border remittance mechanisms/processing • Develop and review appropriate mechanisms for government payments/collections to make more competitive, including review of administrative order related to government payments and deposits.
Provide consumer certainty and trust by enhancing:	<ul style="list-style-type: none"> • consumer protection related to payments • code of conduct • dispute resolution • Prohibit holding of card and PIN



Building Consensus Towards Enabling an Efficient and Inclusive National Payments System in the Philippines: A Significant First Step

Manila, April 24, 2013—Major players from the Philippine payments industry converged at the Bangko Sentral ng Pilipinas (BSP) for the three-day National Payments System Workshop to tackle important policy and operational issues with the aim of developing a common thread towards building an inclusive and efficient payments system.

Through a partnership with the BSP, USAID's Scaling Innovations in Mobile Money (SIMM) Project facilitated a high-level workshop—the first of its kind in the Philippines—to explore how the industry can work together in developing a national payments strategy that is efficient, inclusive, affordable, and widely used that can advance the government's goal of expanding financial inclusion for all Filipinos.

BSP Deputy Governor Nestor Espenilla, Jr. said, "The real challenge confronting us is finding a solution that will be sustainable and beneficial for everyone involved. To do this, we will need the help of all stakeholders from both the public and private sectors."

One pathway that BSP is looking into is the possibility of interconnecting all payment channels which will allow people to do cross-payments and inter-bank transfers i.e., move funds from one bank account to another without the high transaction costs. However, there remains a lack of common understanding and appreciation between and among major industry players on the components and core concepts of an integrated payments system, how they all relate to each other, as well as the regulatory issues governing it.

USAID Philippines Mission Director Gloria Steele said, "This National Payments System Workshop is an important first step to help the Philippines achieve accelerated growth." She described how the U.S. and Philippine Governments are working together, under the Partnership for Growth, to address barriers to accelerated growth and put the Philippines on the path to sustained, broad-based, inclusive development at par with other high-performing developing countries.

The workshop is part of the seminal study that USAID has undertaken to look at the best practices in interoperability in other countries, understand how and when to promote interoperability in the Philippines, and describe the appropriate strategy, models, and high-level glide path to full interoperability. Once completed, this research will provide BSP the needed business case to craft appropriate policy and regulatory environment for interconnection and greater financial inclusion.

"As a Central Bank regulator, our ultimate goal is to produce a public good that is valuable to the economy. The national payments strategy is a public good that we have collective public interest in. But we don't want to approach this with a heavy hand and kill innovations. Innovations enabled us to invent the type of products and services that will reach out and truly be relevant for all of us Filipinos wherever we are in the country and in other parts of the world," Deputy Governor Espenilla said.

He urged the industry to join the Philippine government on a promising and far-reaching journey towards enabling an inclusive and efficient national payments system, where all Filipinos, regardless of race, class, and geography can have safe and sound access to convenient and affordable financial services.

On May 23, SIMM met with Jing Gusto of Mercy Corps to discuss possible project support in the collection of key data on government payments for the commissioned Interoperability and Better Than Cash research studies. SIMM provided shared electronic money and mobile money figures, contacts and links to relevant national government agencies, research materials on Philippine payment systems and local government data links. SIMM will also provide data from its partner local government sites in Valenzuela City, Quezon City and Municipality of Pulilan, Bulacan.

- Integrate knowledge sharing component

SIMM continues to build on its existing presence online through the project website and social media networking sites. On May 10, SIMM participated in the live Twitter chat (hashtags #AskUSAID #mobilemoney and #e-payments) hosted by USAID Mobile Solutions' Nandini Harihareswara, Director of Operations and Senior Partnerships Officer. During the chat, Twitter users, including SIMM (@mmoneyphl) posed questions to USAID regarding Mission programming on mobile money and electronic payments.

This quarter, SIMM continued to provide coordination support to the Office of Innovation and Development Alliances (IDEA) of USAID for the two-minute short video covering greater sectoral issues within the development space in the country and the innovative partnership between USAID and the Philippine government in achieving more inclusive economic growth.

The short video aims to highlight USAID's role in supporting the Philippine Government's commitment to adopt cashless payment schemes as a signatory to the Better Than Cash Alliance (BTC) through its Development Innovation Ventures program and Scaling Innovations in Mobile Money (SIMM) projects which aims to catalyze financial inclusion by expanding financial services through new technologies.

On May 22, SIMM attended the webinar entitled '*Demystifying Electronic Payments: Lessons From Pathfinder on How to Transition Away From Cash: Lessons Learned From Pathfinder on Transitioning Away From Cash*'.

Key resource speaker Nandini Harihareswara, Director of Operations and Senior Partnerships Officer in USAID's Mobile Solutions Division discussed the current efforts of USAID's commitment to electronic and mobile payments as it fosters cost savings and improve aid efficiency, increase transparency and reduce leakage and wastage, reduce security risks, improve access to financial services for the poor and unbanked and catalyze development of new and innovative financial products for the poor and unbanked.

Meanwhile another resource speaker, Mustafa Kudrati Pathfinder Tanzania discussed the range of health programs spread in 11 regions and 45 districts in Africa promoting advocacy and capacity strengthening projects and lessons learned in transitioning from cash to electronic payments which started in 2010 to the national roll-out in June 2012.

Commonly encountered problems were also discussed, which include unfamiliarity with mobile money services, network and internet connectivity in rural roll outs, reconciliation of off-net transactions, and lack of call center support. Possible solutions to moving forward is to communicate services to key stakeholders from program staff, key local and national leaders, slow geographic implementation from urban to rural, ability of service provider to support agent network management, improve training for end users, and ensure specific corporate client call center support.

Digital Engagement on Mobile Money

SIMM's online presence is gaining ground based on a review of quarterly site analytics and social media insights. The project is tapping traditional and non-traditional media to share data and emerging best practices on scaling mobile money programs in the Philippines. In particular, SIMM has harnessed the power of the Internet and social networks to broaden its global footprint in the mobile money space.

From April to June, the SIMM project website received an average of 993 hits or page views, with April having an all-time high hits or page views at 1,196 since inception of SIMM website in September 2012. Site traffic for the quarter was at an average of 33 visits per day.

SIMM’s website, www.simmphil.org is still on the top three Google chrome result for the search item *mobile money Philippines*. Search engine words for SIMM that were recorded this quarter include *SIMM Project*, *simmphil*, and *smart money*. The top clicks on the site for this quarter were posts on the request for proposal solicitations, the ‘Home Page’, and ‘What’s New’.

To increase utility and relevance of the website, SIMM will continue to enhance existing pages especially under “Resources” to share SIMM’s inventory of knowledge products like decks, concept notes, toolkits, and other literature on m-money. The project will also improve the visual appeal of the site by updating slider and gallery images to highlight up-to-date project events.

SIMM on Social Media

SIMM continues to monitor relevant key metrics data on SIMM’s social media and microblogging sites, Facebook and Twitter to deepen measurement and analysis of SIMM’s social media initiatives and its impact to stakeholder outreach and online behavior.

Facebook defines **reach** as the “the number of people who received impressions of a page post.” Please note that data on reach might be less than the impressions data since it is possible for one person to see multiple impressions. **Impressions**, on the other hand, measure “the number of times a post from a page is displayed, whether the post is clicked on or not.” Again, it is possible for people to see multiple impressions of the same post through news feed or if it is shared by a friend.

There was a considerable increase across all indicators as compared to the previous quarter, particularly with daily friends of fans, total reach, total impressions and viral impressions registering more than 300% increase. The table below summarizes key indicators of Facebook page-level (macro) data for the quarter:

Table 3. Social media indicators

Indicator	Total
Page likes Lifetime - Total number of people who have liked the page (unique users)	100
Daily friends of fans Number of people who are friends with people who liked the page (estimated) (unique users)	74,064
Page Stories Number of page stories (total count)	50
Page consumption Average number of clicks on any of the page content per month. Clicks generating stories are included in "Other Clicks." Stories generated without clicks on page content (e.g., liking the page in Timeline) are not included. (total count)	69
Engaged users¹ Average number of people who engaged with the page (unique users) per month	36
Total reach Average number of people who have seen any content associated with the page (unique users) per month	654
Organic reach Average number of people who visited the page, or saw the page or one of its posts in news feed or ticker per month. These can be people who have liked the page and people who haven't. (unique users)	84
Viral reach² Average number of people who saw the page or one of its posts from a story shared by a friend (unique users)	586

Total impressions Average number of impressions seen of any content associated with the page per month (total count)	9,680
Organic impressions Average number of times that posts were seen in News Feed or ticker or on visits to your page per month. These impressions can be by people who have liked the page and people who haven't. (total count)	1,869
Viral impressions³ Average number of impressions of a story published by a friend about the page per month (total count)	1,247

¹ Engagement includes any click or story created

²These stories include liking the page, posting to the page's timeline, liking, commenting on or sharing one of the page posts, answering a question posted, responding to one of the events, mentioning the page, tagging the page in a photo or checking in at a location.

³These stories include liking the page, posting to the page's Wall, liking, commenting on or sharing one of the page posts, answering a question posted, RSVPing to one of the events, mentioning the page, phototagging the page or checking in at a Place.

Anticipated Activities Next Quarter

1. SIMM to review the draft COA circular and finalize together with COA;
2. SIMM to provide data from partner LGU sites to Mercy Corps for the Interoperability and Better Than Cash research studies;
3. Populate website and social media accounts with case studies and more success stories to increase traffic and readership; and
4. Increase visibility and awareness about mobile money and the project through media interviews.

QUARTERLY PROGRESS PER PMP PROJECT INDICATORS

During the quarter, SIMM continued to make bugs revision and enhancements to the SIMM Technical and Administrative Management Information System (TAMIS) to ensure accurate recording and reporting of project data. SIMM continued to populate the data entry modules and still in the process of completing the database as of the end of this reporting period. Complete project activity indicators will be released next quarter.

Mobile money provider numbers are still partial due to the difficulty in collecting timely and complete data. It must be noted that as of date, one mobile money provider has not submitted their volume transactions for two quarters covering period Jan-June 2013. SIMM is continuously following up with the provider concerned and have engaged with Bangko Sentral ng Pilipinas for the relevant data.

Context-level indicators

During the quarter, partial data shows that an average total number of 291,704 active users use mobile money services monthly. Notably, it can be seen that within 90 days there is regular use of the services. Due to limitations in data collection, numbers cannot be disaggregated by unique subscriber.

During the quarter, there was a significant change of reported total registered mobile money accounts for one of the providers showing a 30 percent rate of decrease from 7.5 million in March 2013 to 4.8million as of June 2013. The stark decrease may be attributed to the updating of systems and definitions of the said provider. SIMM is further exploring and gathering information for the change in numbers. As of the end of the reporting period, partial data shows that there are a total of 5,201,458 registered mobile money accounts. It must be highlighted that the number of new registered accounts is increasing quarterly from September 2012 baseline figures across all the providers.

For the percent (%) increase in volume (monetary value) of m-money transactions, partial data shows a total of PHP33, 933,830,241 (or \$827,654,396.13) for the period April-June 2013 for two of the providers. It must be

noted that one provider contributes to more than 40 percent of the total volume of m-money transactions for mobile money, hence figures are currently undervalued.

Results level indicators

Number of SMEs and/or large businesses using e-payroll and e-bills payment

During the period, SIMM activated two organizations to use mobile money disbursement or payroll. It must be noted that mobile money providers utilize one facility for their payroll and disbursement services, both of which provide supply of m-money that can be used for services such as paying bills, purchase of goods, sending money and withdrawing funds, etc. Moreover, the indicator has been expanded to include financial institutions from banks, microfinance to cooperatives.

1. IBC 13 Broadcast Workers Cooperative (BWC)

IBC 13 BWC cooperative has an operations office 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 PhP5,000 (US\$114) to special loans at PhP50,000 (US\$1,145).

Members encounter difficulty in accessing their money and making financial transactions especially during emergencies. At work, productive time is lost whenever employees leave the office during work hours to pay utility bills. On June 26, 2013, IBC 13 BWC signed the cash management contract with BPI Globe BanKO to enable loan disbursement to their members especially those residing in the provinces.

Through mobile money, the members can now be immediately advised of their approved loan amount and have access to purchase goods, buy airtime load, settle bills, or cash out from the nearest partner outlet wherever they are either in the field for coverage or in our office, enabling members to save time and transportation cost.

2. YoolahMarketing

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, Yoolah Marketing signed a Business Partner Outlet contract with BPI Globe BanKO, 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.

There are seventeen organizations in the pipeline for adoption by end of FY 2013 covering both local and national areas and wide array of services from loan payments and disbursements, payroll, bills payment and collection of insurance premiums:

Table 4. Organizations in the pipeline for adoption by end of FY 2013

Sector	Name of Organization	Status
Financial Institutions	1. National Confederation of Cooperatives (NATCCO).	The business and financial models have been completed. After submission of proposals by the providers, SIMM will facilitate selection and contracting for launching of financial services by September 2013.
	2. GM Bank	
	3. First Isabela Cooperative (FICO) Bank	
	4. CCT Savings and Credit Cooperative	
	5. Caritas Salve	Caritas Salve is a microfinance partner of

Sector	Name of Organization	Status
		Quezon City's Sikapbuhay Entrepreneur Office since 2008. Its products and services include, Savings Deposit and Capital Build-up, Micro-finance Loans for Livelihood, Micro-insurance and Values Education and Entrepreneurship Training. Total number of active clients is 1,166 with a total loan disbursed of over Php 70million. Caritas Salve has identified loan collection and disbursement as priority mobile money services.
Private Sector	6. Software Group 7. Social Enterprise Development Partnerships, Inc. (SEDPI)	SIMM has encourages its contractors to adopt mobile money in their operations particularly payroll and disbursements of per diem and other allowances.
	8. Fortune General Insurance (FGIC)	FGIC is a partner of Sikapbuhay for its microinsurance project for about 25,000 tricycle drivers. FGIC will be adopting mobile money for collection of insurance premiums. FGIC is currently evaluating the proposals submitted by the providers scheduled for contracting by August 2013.
	9. Tags Manpower	Tags Manpower management has submitted all the requirements and is now pending contracting of services.
Cooperatives	10. Agapay sa Pamumuhay Cooperative 11. Ilijan Multi-purpose Cooperative 12. Pinamakan Ibaba Multipurpose Cooperative 13. San Isidro Multipurpose Cooperative 14. Sta. Clara Multipurpose Cooperative 15. Pinagbuklod Multipurpose Cooperative 16. Mahakot Multipurpose Cooperative 17. Valenzuela City Cooperatives Mangers Club	Local cooperatives from SIMM Quezon City, Batangas and Valenzuela cities. Services for adoption include loan collection , disbursement and payroll scheduled to be launched from August-September 2013.

For the private sector, out of the 157 establishments and umbrella organizations/associations composed of restaurants, hotels, construction contractors, manpower services, service providers, identified and initially contacted, 31 accepted the offer for a preliminary meeting and project presentation. During the quarter, 15 organizations engaged showed interest in m-money payroll were endorsed to the three m-money providers for scheduling of product presentations. Challenges encountered in shifting private companies currently served by commercial banks to mobile money is the competitive products now offered to target low income groups such as cash cards, gift cards and prepaid cards that do not require maintaining balance and minimal transaction fees. Small companies still see the convenience and low transaction cost in disbursing salaries via cash to their employees while larger companies require an end-to-end system to support company payroll. (i.e. accounting system, auto deduction of taxes, government contributions etc.).

Considering the challenges encountered, SIMM has refocused its efforts to Philippine Association for Local Service Contractors Inc. (PALSCON), an association of legitimate local service contractors in the Philippines with more than 100 member organizations. PALSCON and manpower agencies have more potential to adopt mobile money because of (1) higher conversion rate as most agencies are still disbursing salaries in cash, (2) high liquidity (3) geographic location of employees is dispersed in various areas, (4) salaries of employees are mostly remitted to their families in the provinces, and (5) low access to financial services as most are ineligible to open bank accounts. SIMM will be piloting mobile money to one of the member organizations, S.P. Deloraya Job Contracting & Consultancy Services Inc. starting with its 2,000 employees in September.

Number of government agencies using e-payroll/e-bills payment

During the quarter, SIMM achieved target of at least one government agency adopting mobile money payroll and collection of water fees. Municipality of Pulilan, Bulacan released an SB resolution in June 2013 recognizing BPI Globe BankO as the municipality's electronic payments and collection service provider. Launching of services is scheduled on August 15, 2013.

In the local SIMM cities, project activities were delayed due to the May 2013 elections and reorganization of key government elected officials. In Valenzuela city, the Infoboard feature allowing bill inquiry of real property taxes has been completed in May 2013. Currently, the providers have submitted their respective proposals and finalizing the requirements to collect real property taxes via mobile money by Aug 2013. In Quezon City, the mobile money providers have submitted their proposals for disbursement of stipends of about 10,000 student scholars of Quezon City and are now pending evaluation and selection of the committee on USAID/SIMM mobile money project in August 2013.

In the national level, 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.

Number of cash-in/cash-out merchant partners operating mostly in rural areas

During the quarter, SIMM activated four cash-in/cash out merchant partners in Batangas City namely, Pinamukan Ibaba Multipurpose Cooperative with two partner outlets, Sta. Clara Multipurpose Cooperative and Yoolah Marketing. SIMM continues to work with the MMPs to identify high demand areas and expand the agent network in its local pilot sites targeting at least 30 each in Batangas Valenzuela and Quezon City and 20 in the Municipality of Pulilan, Bulacan by September 2013.

SIMM is working with MMPs to expand existing agent network in SIMM cities, tapping existing retail networks such as Cebuana Lhuillier pawnshop and 7-11 convenience stores partner and partnering with Mercy Corps to build an agnostic agent network targeting 500 new agents by end year. Also, under the Mobile Financial Services project, SIMM will enable 15 branches nationwide of CCT Savings and Credit Cooperative .

Number of new m-money users

During the quarter, a total of 140 individuals opened m-money accounts during the Yoolah Marketing, SIDC and Quezon City Cooperative Activation events co-organized by the SIMM project.

Notably, as of the end of the quarter, SIMM was finalizing payroll and disbursement contract signing with Municipality of Pulilan, Bulacan and IBC 13 Broadcast Workers Cooperative. By July, hundreds of employees and members will register as new mobile money users.

Below is an updated list of organizations SIMM is closely working with in various milestones from Presentation of concept notes, Business Development, Request for Proposal, Submission of Proposals, Evaluation and Selection, Agreement / Contracting to Launching of Services. Table shows the number of new money users in FY 2 and FY3 and the actions steps to ensure targets are achieved.

Table 5. New m-money users actual and target numbers

Name of Organization	Actual Figures as of July 2013	Pipeline (FY2)	Pipeline (FY3)	Timeline	Action Items
TOTAL	277	43,360	225,085		Estimated Total (LOP) is 268,656
DSWD			2,000	Jan-14	
MMDA			2,000	Jan-14	
PULILAN					
Local Government		12,000		Sep-13	
Cooperatives		450		Sep-13	
QUEZON CITY					
Local Government			65,800	Sep 2013 - Jan 2014	Regular coordination with the QC Mobile Money Committee to convene. Elections and oath taking momentarily delayed implementation. Committee is scheduled July-August to evaluate proposals and select providers for contracting.
Cooperatives	20	450		Sep-13	Regular follow through meetings with the MMPs from product presentation, contract signing to launching of services Monitor closely IBC 13 implementation of loan disbursement ensure success. Engage more cooperatives using IBC 13 as model
IBC 13 BWC		150		Jul 2013	Loan disbursement facility was activated in July 13. Ongoing activation of 150 members to be completed end July. Launching of actual disbursements is scheduled in August.
Financial Institutions		1,000		Sep-13	Regular follow through meetings with the MMPs from product presentation, contract signing to launching of services. QC-LGU actively promoting the project. Contract at least one FI to implement loan collection and disbursement for replication to other partner FIs

Name of Organization	Actual Figures as of July 2013	Pipeline (FY2)	Pipeline (FY3)	Timeline	Action Items
Insurance Companies		25,000		Sep-13	Regular follow through meetings with the MMPs from product presentation, contract signing to launching of services. Meeting scheduled July 8-12. QC-LGU actively promoting the project. Partnerships soon to be forged with Philippine Insurance Association and Philippine Insurers and Reinsurers Association (PIRA)
Local Government			10,000	Dec-13	Work with Valenzuela City to launch RPT bill inquiry and mobile payment in August. Conduct barangay roadshow / activation from August to December prior to the start of RPT payments for 2014.
Cooperatives			3,000	Dec-13	Conduct activation drive in at least 4 cooperatives in Valenzuela City promoting the use of mobile money for payroll and bills payment.
Soro-soro Ibaba Development Cooperative	18				Reengage with SIDC and propose to adopt BankKO to get the full support and provide further study on their operations
Pinamukan Ibaba Multipurpose Cooperative		200		Sep-13	Upon implementation of BPO, activation of all members will follow
Yoohlah	95		115	Dec-13	Follow up with Yoohlah on activation of the remaining agents
San Isidro Multipurpose Cooperative	66		240	Dec-13	Follow up with SIMCO on activation of the remaining members
Sta. Clara Multipurpose Cooperative			230	Dec-13	Discuss with Sta. Clara on activation of their members
Ilijan Multipurpose Cooperative		600		Sep-13	Upon implementation of BPO, activation of all members will follow
Pinagbuklod Multipurpose Cooperative			300	Dec-13	Upon implementation of BPO, activation of all members will follow

Name of Organization	Actual Figures as of July 2013	Pipeline (FY2)	Pipeline (FY3)	Timeline	Action Items
Mahakot Multipurpose Cooperative			200	Dec-13	Upon implementation of BPO, activation of all members will follow
Batangas Private Sector	23				
KMBI Phase 1			1,500	Nov-13	Business and financial model to be presented to KMBI project team on July 8. Timely follow through of next steps (get FI team sign off, selection of MMP, formalizing partnership with MMP, system/platform development, agent network build-up, staff of FI trained and capacitated, FI adopting new business processes, clients and users trained, MM accounts activated, MM financial services launched.
KMBI Phase 2			4,500	Dec-13	Adjustments to processes and implemented made (based on initial results and feedback of Phase 1 implementation). Staff and organization fully trained and capacitated. Training program in place. Agent network in place.
NATCCO Phase 1			45,700	Oct-13	Business and financial model to be presented to the NATCCO team on July 11. Timely follow through of next steps (get FI team sign off, selection of MMP, formalizing partnership with MMP, system/platform development, agent network build-up, staff of FI trained and capacitated, FI adopting new business processes, clients and users trained, MM accounts activated, MM financial services launched. Activation to start with members of participating coops with online

Name of Organization	Actual Figures as of July 2013	Pipeline (FY2)	Pipeline (FY3)	Timeline	Action Items
NATCCO Phase 2			60,000	Jan-14	Adjustments to processes and implemented made (based on initial results and feedback of Phase 1 implementation). Staff and organization fully trained and capacitated. Training program in place. Agent network in place.
NATCCO Phase 3			0	Mar-14	
GM Bank Phase 1			1,500	Oct-13	Business and financial model presented to GM Bank team on July 4. Get FI sign off for launch, MMP selected and partnership formalized, system/platform development, agent network build-up, staff of FI trained and capacitated, FI adopting new business processes, clients and users trained, MM account s activated, MM financial services launched.
GM Bank Phase 2			4,500	Dec-13	Adjustments to processes and implemented made (based on initial results and feedback of Phase 1 implementation). Staff and organization fully trained and capacitated. Training program in place. Agent network in place.
First Isabela Bank (FICO) Phase 1			1500	Oct-13	Business and financial model to be presented to the FICO Bank team on July 8. Get FI sign off for launch, MMP selected and partnership formalized, agent network build-up, staff of FI trained and capacitated, FI adopting new business processes, clients and users trained, MM account s activated, MM financial services launched.
First Isabela Bank (FICO) Phase 1			2500	Dec-13	Adjustments to processes and implemented made (based on initial results and feedback of Phase 1 implementation). Staff and organization fully trained and capacitated. Training program in place. Agent network in place.

Name of Organization	Actual Figures as of July 2013	Pipeline (FY2)	Pipeline (FY3)	Timeline	Action Items
CCT Savings and Credit Cooperative Phase 1		1500		Sep-13	Business and financial model presented to CCT team on July 2. Get FI sign off for launch, MMP selected and partnership formalized, agent network build-up, staff of FI trained and capacitated, FI adopting new business processes, clients and users trained, MM accounts activated, MM financial services launched.
CCT Savings and Credit Cooperative Phase 2			4500	Dec-13	Adjustments to processes and implemented made (based on initial results and feedback of Phase 1 implementation). Staff and organization fully trained and capacitated. Training program in place. Agent network in place.
Philippine Association of Local Service Contractors (PALSCON)					
TAGS Manpower		10			
S.P. Deloraya Job Contracting & Consultancy Services Inc. Phase 1		2,000		Sep-13	
S.P. Deloraya Job Contracting & Consultancy Services Inc. Phase 2			15,000	Dec-13	
USAID	55				

Number of people opening savings accounts via branchless banking

A total of 127 individuals opened savings accounts via branchless banking on-site during SIMM activation events for the quarter.

Number of people trained in financial education and literacy

A total of 658 participants from the public and private sector attended SIMM co-organized events ranging from mobile money project and product presentations, mobile money forums for businesses and cooperatives, presentation of mobile money financial services and training on the benefits and use of mobile money products and services. Table shows the considerable number of small medium and large enterprises engaged by SIMM during the quarter to present benefits of mobile money e-payroll.

Table 6. Training data, April – June 2013

	Date	Activity	Female	Male	Total
1	3-Apr-13	Introductory meeting with 4HG Multi-Purpose Cooperative	0	1	4
2	4-Apr-13	Mobile Money Presentation with Mr. Augusto Manalo - Philippine Constructors Association	2	0	3
3	5-Apr-13	Mobile Money Presentation with Persia Grill	1	0	1
4	5-Apr-13	Mobile Money Presentation for Kebab House	0	1	1
5	10-Apr-13	Project Kick-Off of Mobile Financial Services Business Model for MFIs and Cooperatives	7	9	16
6	16-Apr-13	Mobile Money Presentation with Sikapbuhay	2		2
7	17-Apr-13	Mobile Money Presentation for Software Group (Phl)	0	0	1
8	19-Apr-13	Mobile Money Presentation for Hotel and Restaurant Association of the Philippines	0	0	1
9	19-Apr-13	Mobile Money Presentation to Bayview Hotel	0	1	1
10	22-Apr-13	National Payments System Workshop	9	19	33
11	23-Apr-13	Mobile Money Presentation to Ilustrado Restaurant	1	0	1
12	25-Apr-13	Mobile Money Forum with the Philippine Association of Local Service Contractors	23	41	64
13	26-Apr-13	Mobile Money Presentation for Tags Manpower Services	1	0	1
14	27-Apr-13	Mobile Money Forum with Philippine Society for Industrial Security	6	87	93
15	29-Apr-13	Business and Cooperative Forum	16	9	25
16	3-May-13	Batangas City cooperative forum on mobile money	6	2	8

Date		Activity	Female	Male	Total
17	3-May-13	Mobile Money Presentation for Global Resource for Outsourced Workers Inc.	1	0	1
18	9-May-13	MFS Business Model Project: NATCCO PPC Presentation	9	3	12
19	11-May-13	Financial Management Seminar for BOD/Mobile Money Presentation	59	30	89
20	14-May-13	SIMM project presentation to Sta Clara MPC	8	1	9
21	15-May-13	Mobile Money Presentation for Rexinton Enterprises	1	0	1
22	18-May-13	Mobile Money Training for Boss LLC	0	1	1
23	18-May-13	Mobile Money Presentation for Jamaro Trucking	1	0	1
24	18-May-13	Mobile Money Training for Ernie's Food Industries	0	1	1
25	22-May-13	Mobile Money Presentation with RR Punzalan Metal Trading	1	0	1
26	22-May-13	Mobile Money Training For Rich Ads Construction and Supply	0	0	1
27	22-May-13	Presentation of Globe Gcash to Pinamukan MPC	8	1	9
28	23-May-13	Mobile Money Presentation for the Heart of the Ocean Beach Resort	1	0	1
29	23-May-13	Mobile Money Training for BATELEC I	0	1	1
30	25-May-13	Mobile Money Presentation to Lucky Fourteen Trucking	1	0	1
31	25-May-13	Mobile Money Presentation for BM Mulingtapang Hardware	1	1	2
32	25-May-13	Mobile Money Presentation for Alvarez Shopping Center	1	0	1
33	25-May-13	Mobile Money Presentation for Citimart Shopping Center	0	1	1
34	27-May-13	Yoolah Marketing Training for agents	59	4	63
35	28-May-13	Managing Cooperative Finances	94	34	128
3	28-	SIMM presentation to Ilijan	10	4	14

Date		Activity	Femal e	Mal e	Tot al
6	May -13	Board of directors			
3 7	28- May -13	Mobile Money Presentation to Club Media Asia Inc.	1	0	1
3 8	29- May -13	Mobile Money Presentation for Worldwork Manpower Center	1	0	1
3 9	3- Jun -13	Mobile Money Presentation for SPD Job Contracting and Consultancy Services	0	1	1
4 0	6- Jun -13	SIMM Project Presentation to BOD of IBC 13 Broadcast Workers Coop	1	4	6
4 1	7- Jun -13	Presentation of Mobile Money to Pamumuhay Credit Coop Board Members	9	2	11
4 2	13- Jun -13	SIMM Project Presentation with the Puhunan Pangkaunlaran ng SikapBuhay (PPSB) Program Partners	6	4	10
4 3	17- Jun -13	Mobile Money Presentation for Transcend Employment Agency	1	0	1
4 4	20- Jun -13	Mobile Money Presentation to Valenzuela Managers Cooperative	16	3	19
4 5	21- Jun -13	Mobile Money Presentation for Enriquez Security Service	0	1	1
4 6	27- Jun -13	SIMM Project Presentation to VP Manuel Maloles	0	1	1
4 7	28- Jun -13	Mobile Money Presentation for Environment and General Services, Inc.	1	0	1
4 8	29- Jun -13	Presentation of SIMM Project to Pinagbuklod MPCl Board of Directors	9	3	12
GRAND TOTAL			374	271	658

CHAPTER 3: CHALLENGES AND OPPORTUNITIES

Challenges

- Due to the May 2013 national and local elections, the LGU project teams were preoccupied with elections-related work that it was difficult to get project tasks going at the usual pace. Work pace picked up again after middle of June 2013 as election winners were proclaimed although the LGU staff still needed to work on turnover to the new officials until June 30, 2013.
- 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. Per several follow-ups with Commissioner Heidi Mendoza of COA, SIMM learned that she has signed the draft circular but it was remanded by the Commission Proper for further editing during its May 7, 2013 meeting. Per latest follow-up as at middle July 2013, the draft circular was still with COA's editorial team for editing. Pending the enabling COA circular for P2G, Valenzuela City and Pulilan, Bulacan LGUs decided to proceed with their m-money collections by obtaining the buy-in of their local COA supervisors. Both LGUs involved their respective local COA supervisors in meetings regarding m-money with SIMM and with the MMPs. In the case of Valenzuela, they even sent a formal letter to the Chairman of COA informing them of the city's plan to collect using m-money. While this is encouraging for purposes of launching the SIMM City pilots, it will not be scalable as the approach is highly dependent on the determination of local or government executives, and on the discretion of local COA supervisors. Hence, the COA circular on P2G would still be pursued.
- Adoption of mobile money by private sector in SIMM Cities is still experiencing delays due to lack of coverage or dedicated personnel from some MMPs to close partnership agreements with private companies. Going forward, SIMM will do the follow-ups with the coops and other private organizations, as well as with the MMPs, until MMP starts onboarding work.
- Adoption of mobile money payroll by private sector in Metro Manila and most likely in similar urban areas has proven to be difficult due to the market's better understanding and acceptance of alternative payroll disbursement methods such as bank accounts or pre-paid cash cards with ATM access. However, SIMM found interest from one rural bank to "productize" mobile money payroll and offer it to their SME clients for a fee. Rural areas may be a better market for m-money payroll at this time, and the best channel to reach the SMEs would be the rural banks. Hence, SIMM will work with this rural bank and a few more others in order to prove this concept.
- Cooperation activities with GXI G-Cash temporarily halted since early May 2013 as directed by its president in reaction to the full page advertisements put out by their competitor, which is another SIMM partner, on May 11, 2013 showing their cooperation with SIMM COP and DCOP. This affected SIMM activities with the LGUs, coops, MFIs, and m-money payroll for private sector. SIMM COP and DCOP explained to GXI president that it just rendered assistance to another partner, the same assistance that will be accorded to GXI should it have made a request, and kept confidential information of another partner until their product was made public. While regretful, SIMM upheld the principle that it cannot be constrained to work with all its partners, especially those seeking its assistance, as long as SIMM maintains

the highest level of professionalism, fairness, and confidentiality. SIMM is giving the situation time to heal and has initiated back channel talks with other executives close to the GXI president. As of this writing, GXI has resumed active participation in the cooperation activities with SIMM.

While there are challenges, SIMM has also identified opportunities that will help scale mobile money adoption and usage.

Opportunities

- BanKO's revised pricing for bills payment is more acceptable to the target market, especially for micropayments. Hence, we anticipate more and quicker adoption by the target stakeholders, e.g. LGUs, water districts, coops and MFIs. As reported last quarter, BanKO's tiered pricing for bills payment transaction fee was unacceptable. Root cause of this is because BanKO cannot recover agent's fee for cash in, especially for large amounts, out of revenues from bills payment. The revised pricing is P1 for every P100 bill amount paid. For BanKO agents, they charge P8 flat fee to non-BanKO account holders, which is split evenly between the agent and BanKO.
- For government-to-person (G2P) payments, the municipality of Pulilan, Bulacan will begin disbursing payroll to its 300 employees, casuals and "job order" contractuels using BanKO m-money payroll. For person-to-government (P2G payments), the LGU has enabled the payment of water bills to the water district utility company using BanKO m-money. This will offer the more than 18,000 water concessionaires in Pulilan a cheaper and more convenient way of paying water bills than the current situation where there are only two payment points, one in the municipal office and another in the water district's office. Once Pulilan, BanKO and SIMM demonstrate a clear evidence of success, this is expected to generate interest and adoption among the country's over 1,600 LGUs. For scalability, SIMM will consider putting Land Bank as m-money payment aggregator in order to simplify contracting and onboarding instead of having each LGU contract with each of the three MMPs. To promote the concept to LGUs, SIMM will work with USAID in order to sponsor a Galing Pook award encouraging LGU adoption of m-money as the award is sought after by the LGUs.
- Other opportunities similar to above are the planned launch of m-money real property tax (RPT) collections by Valenzuela in August 2013, and by Quezon City (QC). Aside from RPT, QC has lined up many other types of taxes and fees that can accept m-money such as business permits and licenses, occupational permits, housing loan amortization, and public market rental fees. In addition, QC is working on using m-money to disburse monthly stipends to 10,000 scholars and monthly allowances to 10,000 public school teachers.
- The mobile financial services project that SIMM is working with five financial institution (FI) partners is expected to present separate business models to each of the partners this July 2013. Upon approval, setup work for their respective pilots will begin leading to the launch of the actual pilots. As of this writing, all draft business models submitted have shown sound economic feasibility and sustainability for the FIs' adoption of m-money specifically for loan disbursement and collections. To date, three of the five FIs have approved to proceed with the pilot. The five FIs have a total commitment of 222,000 m-money activations.
- In April 2013, SIMM was informed by Smart about the launch of its new product, Smart UnliPay mobile banking system, which offers white-labeled technology solution for financial institutions to productize and offer mobile banking services to their customers. SIMM presented this as an option to its five FI partners. Two of the five FIs immediately expressed strong preference for this model. They are deposit-taking FIs. Key factors cited for their stronger interest in UnliPay than the three existing m-money products (e.g. Smart Money, G-Cash, BanKO) are (1) they get to keep the float, and; (2) they don't get to disclose customer

information needed to open accounts by other issuers for fear of poaching. Target pilot launch date for one FI is by October 2013. SIMM, which already has the baseline information of these FIs, will document the pilot results, and if successful as anticipated, SIMM will work with Smart to offer the product to rural banks so they can increase their fee-based revenues while reaching out to a wider customer base in their respective markets.

CHAPTER 4: HIGHLIGHTS FOR NEXT QUARTER

Following this quarter's effort to prioritize activities that will deliver the target number of new users and other key project indicators, resources were maximized by focusing on key partnerships. SIMM is moving towards project implementation with the kick-off of two major projects that will result to the scaling of mobile money adoption and use by providing a successful business model that can be replicated for financial institutions and policy direction to promote an inclusive payment system.

Mobile Financial Services Business Models for Microfinance Institutions (MFIs) Project

The project has gained considerable information and data for the drafting of the MFS business models following consultations and focus group discussions with the five MFIs. The draft business models will be presented next quarter and pilot implementation will commence.

Adoption of Mobile Money of Batangas City Cooperatives

SIMM is looking at the adoption of mobile money for several Batangas City based cooperatives, namely the Pinamucan Ibaba MPC, Ilijan MPC, Mahacot MPC, Ibaba MPC, Sta. Clara MPC and Pinagbuklod MPC as these cooperatives are now in the process of completing requirements and consequently acquiring accreditation from mobile money providers.

Pulilan LGU E-Payroll and Payment System

Project implementation is now in full speed upon issuance of the Sanguniang Bayan resolution and signing of BPI Globe BankO cash management contracts. In July SIMM will complete all activities from technical set-up, end users training to the soft launch simulating payroll and payment of water fees on August 2. A BankO mobile money caravan is scheduled on the same day to activate water concessionaires to open mobile money accounts. The formal launching of the Mobile Money Government Payroll and Payment System of the Municipality of Pulilan Bulacan is scheduled on August 15. Local government officials and delegates from key government national agencies and development partners will be in attendance. From August to September, barangay roadshows, in partnership with the municipal government and BPI Globe BankO, will be held to promote mobile money to the constituents of Pulilan.

Quezon City LGU Disbursement of Stipends and Allowances

The Quezon City LGU committee on the mobile money project is set to meet regularly next quarter to ensure project implementation is on track. By end of next quarter, the disbursement of stipends to students and allowances to teachers will be launched.

Quezon City Financial Institutions

Several cooperatives, microfinance institutions and insurance companies are scheduled for contracting of mobile money services and activation of members next quarter. SIMM partner Sikap Buhay Entrepreneurship Office plans to showcase SIMM project as a model for replication to their partners. Pipeline includes Caritas Savings and Livelihood with Values Education (Salve) Credit Cooperative, Bagbag Multipurpose Cooperative, Care Filipino, San Jose Manggagawa and Agapay sa Pamumuhay Multipurpose Cooperative.

Valenzuela City Online Payment System for Real Property Tax Launch

The launch of Valenzuela City's online payment system for real property tax collection is targeted within the last two weeks of August 2013. The online payment system will feature both online internet payment and online mobile payment supported by an online real property tax assessment system which will also be available on the internet and on mobile phone. With the Valenzuela City government taking the lead, the launch of the

online payment system for RPT will be followed by business forums where the city government will call all businesses (micro, small, medium and large enterprises) to promote the use of online payments to the business community starting September 2013.

Mobile Money Summit for Valenzuela Cooperatives

A Mobile Money Summit for Valenzuela City cooperatives in partnership with the Valenzuela Cooperatives Managers Club and Valenzuela Cooperative Development Office is scheduled in August 2013. Mobile money service providers will be invited to present and promote their e-payroll for loan disbursements, bills payment for loan collection and CI/CO or BPO business to enable cooperatives to increase realized added revenues, provide financial services even to non-members and to use mobile money to attract more members.

Completion of CI/CO agent network mapping in SIMM Cities

SIMM is expecting to complete the CI/CO agent network mapping in SIMM cities in August 2013. Upon completion, SIMM will present to m-money providers the distribution gaps (areas with, without or limited agents) and plan on agent network expansion to support ecosystem build-up in SIMM cities.

Possible partnership with Cebuana Lhuillier

SIMM will follow up the initial discussion with Cebuana Lhuillier to tap into Cebuana's over 1,800 pawnshop outlets nationwide. Cebuana Lhuillier is the largest pawnshop network in the country. It has evolved from pawnshop to one-stop-shop microfinancial service provider offering lending (pawn), bills payment, reload, micro-insurance, domestic and international remittance services to communities.

ECPay Launch

SIMM will work with ECPay to launch GCash and Smart Money in over 1,000 partner outlets nationwide. Also, SIMM will link BPI-Globe BankO with ECPay as merchant partner to allow BankO account holders to transact with ECPay partner outlets. ECPay, Inc. is the exclusive point-of-sale systems provider of convenience store 7-11. It has integrated bills payment and e-load top-up functionality to its POS platform. 7-11 accounts for over 800 of ECPay's partner outlet network.

Agnostic Agent Network Project Pilot Implementation

SIMM, in partnership with Mercy Corps, Microventures, Inc. and KIKOLoad, will push for the pilot implementation of the agnostic agent network project. Detailed operational discussions will be conducted late July to August 2013 and to target pilot launch in September or October of 2013.

DSWD CCT Distribution

SIMM with its private sector partners will continue to push forward in submitting proposals and conduct a pilot as proof of concept that m-money can help achieve cost-efficiency in the distribution of cash grants and improve integrity in field data capture September to October 2013. SIMM is currently working with Smart Hub, Inc., BPI-Globe BankO, PVB Card Corporation and Mastercard Mobile Payment Solutions for the DSWD project.

MMDA Partnership

SIMM is looking to kick-off partnership with the Metropolitan Manila Development Authority (MMDA) to implement mobile payments for collection traffic violation fines in the next quarter. The project will be integrated into MMDA's single ticketing system for Metro Manila.

Training Support

Training needs assessment of SIMM project partner organizations of all key sectors from local government agencies, microfinance institutions, cooperatives and small and medium enterprises including general consumers is scheduled for completion and presentation in early August. Training manuals and modules for trainers and participants is scheduled to be completed by end August. The series of participant trainings on

financial literacy incorporating key concepts of financial management, mobile money financial products and services and consumer protection and security will commence in September 2013 and run until January 2014. SIMM will be utilizing mixed medium including instructional videos and comic books to demonstrate benefits of mobile money and step by step procedures on how to use its products and services.

Communications Support

As part of the sustainability plan to ensure new and active usage of mobile money, SIMM in August 2013 will be awarding the behavior change communication project to the selected bidder and immediately commence implementation of project. Contract is expected to run until March 2014.

ANNEXES

- A. Sangguinang Bayan Resolution No. 42-2013 *‘Recognizing BPI Globe BanKO as electronic payments and collection service provider of the Municipality of Pulilan, Bulacan the and authorizing the municipal mayor Hon. Vicente B. Esguerra Sr. for and behalf of the municipal government of Pulilan, Bulacan to enter into a cash management agreement with BPI Globe BanKO for the use and operation of electronic payments facility*
- B. IBC 13 Broadcast Workers Cooperative (BWC) contract with BPI Gobe BanKO
- C. SEDPI work plan
- D. SIMM cities agent network map
- E. 2009 COA circular Subject: Guidelines for the use of electronic official receipts (EORs) to acknowledge collection of income and other receipts of government
- F. SIMM Performance Monitoring Plan (PMP) Results Table as of June 2013



Republic of the Philippines
PROVINCE OF BULACAN
MUNICIPALITY OF PULILAN

OFFICE OF THE SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIANG BAYAN OF PULILAN, BULACAN HELD ON JUNE 10, 2013 AT THE HONORATO "ATO" AGUIRRE HALL, PULILAN, BULACAN

PRESENT:

HON. ELPIDIO C. CASTILLO	Municipal Vice Mayor
HON. RICARDO M. CANDIDO	SB Member
HON. REYNALDO J. CLEMENTE JR.	SB Member
HON. GILBERT S. MUÑOZ	SB Member
HON. ENOC L. SANTOS JR.	SB Member
HON. EFREN L. SULIT	SB Member
HON. LAURO A. VALENZUELA	ABC President
HON. ROMAN H. ROMANO	SK Federation President

ABSENT:

HON. JOHN J. NETHERCOTT	SB Member
HON. OLIVER G. ANGELES	SB Member
HON. BILLY Y. ILAGA	SB Member

RESOLUTION NO. 42-2013

A RESOLUTION RECOGNIZING BPI GLOBE BANKO AS ELECTRONIC PAYMENT AND COLLECTION SERVICE PROVIDER OF THE MUNICIPALITY OF PULILAN, BULACAN AND AUTHORIZING THE MUNICIPAL MAYOR, HON. VICENTE B. ESGUERRA SR., FOR AND IN BEHALF OF THE MUNICIPAL GOVERNMENT OF PULILAN, BULACAN TO ENTER INTO A CASH MANAGEMENT AGREEMENT WITH BPI GLOBE BANKO FOR THE USE AND OPERATION OF ELECTRONIC PAYMENTS FACILITY

Sponsored by: Hon. Lauro A. Valenzuela
Co-Sponsored by: All Sangguniang Bayan Members Present

WHEREAS, BPI Globe BankKO is the Philippine's first mobile phone-based, microfinance-focused savings bank established as a milestone partnership between the Bank of the Philippines Islands (BPI), Globe Telecom, and Ayala Corporation;

WHEREAS, BPI Globe BankKO offers products and services pertaining to bank accounts management and liquidity, collections and disbursements;

WHEREAS, the Municipality of Pulilan is interested in availing such facilities, being a first class municipality which continuously strives to achieve excellent public service;

WHEREAS, the Electronic Payments Facility shall enable the Municipality of Pulilan to collect peso-denominated, referenced payments for its invoices or bills from customers, clients or subscribers through the use of the Bank's transaction channels;

See



Republic of the Philippines
PROVINCE OF BULACAN
MUNICIPALITY OF PULILAN

OFFICE OF THE SANGGUNIANG BAYAN

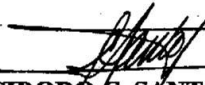
NOW THEREFORE, on motion of Hon. Lauro A. Valenzuela and unanimously approved by all members present in session assembled;

RESOLVED, AS IT IS HEREBY RESOLVED, to recognize BPI Globe BanKO as Electronic Payment and Collection Service Provider of the Municipal Government of Pulilan and authorize the Municipal Mayor, Hon. Vicente B. Esguerra Sr., to enter into a Cash Management Agreement with BPI Globe BanKO for the use and operation of Electronic Payments Facility.

RESOLVED FURTHER, that copies of this resolution be furnished all concerned for their information and reference.

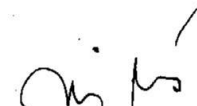
APPROVED.

I hereby certify that this resolution has been duly approved by the Sangguniang Bayan of Pulilan, Bulacan.

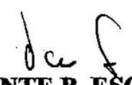


ISIDORO C. SANTOS
Secretary to the Sangguniang Bayan

ATTESTED BY:


ELPIDIO C. CASTILLO
Municipal Vice Mayor

APPROVED BY:


VICENTE B. ESGUERRA SR.
Municipal Mayor

Annex B: IBC 13 Broadcast Workers Cooperative contract with BPI Gobe BankO

CASH MANAGEMENT AGREEMENT

Cash Management Agreement ("the Agreement") executed on this _____ day of _____ between BPI GLOBE BANKO ("the Bank") and the IBC Broadcast Workers Cooperative ("the COMPANY")

WITNESSETH: That

WHEREAS, the Bank offers products and services pertaining to bank accounts management and liquidity, collections, and disbursements ("Facilities") and the Company has taken interest in availing of any or all said Facilities at any time, as and whenever the need arises;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby mutually agree to the following:

Hereunder are the general terms and conditions.

The specific terms and conditions are, or shall be, set forth in supplemental terms and conditions, copies of which shall be furnished to the Company availing of the particular Facility covered thereby.

- 1 **AGREEMENT REVISIONS** – The Bank, upon thirty (30) calendar days prior written notice, shall have the right to modify, add, revise or cancel, in whole or in part, any of the terms and conditions of this Agreement and supplemental terms and conditions thereto (the "Amendments"). Any such Amendment will take effect and become binding on the date of effectivity as specified in the written notice or notice by any means.

The Bank, however, may effect amendments without the need for a written notice if the Bank deems that the existing agreement results or will result to considerable losses and/or risks on the part of the Bank.
- 2 **CONTINUED USE** – The Company's continued use, operation or access to any availed Facility shall constitute its acceptance of the Agreement, its supplemental terms and conditions and the Amendments, as well as the applicable fees and charges for the availed Facility.
- 3 **SUFFICIENCY OF AGREEMENT** – Unless another supplemental terms and conditions are provided, no further supplemental terms and conditions shall be required to be executed in cases where the Company avails of upgraded / expanded / improved versions, as well as variants or affiliated versions of existing Facilities already availed by the Company.
- 4 **RULES ON BANK ACCOUNTS** – All standard requirements, procedures and terms and conditions of the Bank governing the bank accounts which are maintained to effect or implement the Facilities, insofar as not inconsistent herewith, shall remain in full force and effect.
- 5 **COMPENSATING DEPOSIT FEES** – The Bank may modify at any time the requirements for deposit ADB or collateral business and/or service fees in consideration of the costs of development, maintenance and delivery of the Facilities.
- 6 **PERFORMANCE** – The implementation of the Bank of its standard operating procedures for maintaining the efficiencies of its Facilities, and ensuring the integrity, authenticity, and confidentiality of information relating to its customers, shall constitute fulfillment of its obligation to perform in good faith and with reasonable care the use and operation of the Facilities.
 - 6.1 The Bank shall not be responsible for any loss incurred or damage suffered by the Company by reason or as consequence of:
 - a. breach of security resulting in an unauthorized person gaining access to or making use of the Facility
 - b. misuse of the Facility by the Company
 - c. inaccurate information provided by the Company
 - 6.2 Neither the Company nor the Bank will be responsible for any failure to perform any of its obligations under this Agreement for reasons due to acts of third persons, human errors, natural disasters, calamities, or events or circumstances not reasonably within the control of the Bank and the Company such as typhoons, earthquake, fire, strike, walk-out, war, rebellion, electrical or mechanical failures, system failures except that which arises out of its acts constituting gross negligence in the performance of its obligations.
 - 6.3 Neither the Company nor the Bank shall be responsible for any special, indirect, incidental, exemplary or consequential damages.
- 7 **REPRESENTATION AND WARRANTIES** – Both of the parties represent and warrant that (a) it has taken all necessary corporate action to make this Agreement a valid and enforceable obligation; (b) the performance of this Agreement will not constitute or result in a breach of the provisions of any contract or agreement to which it is a party, or by which its assets are bound or the violation of any law, regulations, judgment, decree of governmental order, and (c) all approvals and authorizations required to permit the execution, delivery or performance of this Agreement have been obtained and are in full force and effect.
- 8 **RELIANCE** – The Company hereby authorizes the Bank to rely and act, without liability on the Bank's part upon all instructions received by the Bank by any means (such as telephone, telex, telefax, electronic mail or disks sent by messenger) based on the Bank's operating procedures. In case the Bank incurs or suffers any direct expense, loss or damage by way of relying and/or acting upon said information, the Company shall be liable for the amount entailed.
- 9 **INDEMNIFICATION** – The Company holds the Bank, its officers, employees or representatives free and harmless and indemnified from and against any liability, costs, damages, claims or dispute which may arise in connection with this Agreement unless the Bank acts with evident bad faith and gross negligence.
- 10 **EFFECTIVITY AND TERMINATION** – This Agreement, as may be modified, revised, or supplemented hereafter, takes effect upon its signing and shall continue in full force and effect until terminated, in whole or in part, upon a prior thirty (30) calendar day written notice of termination by either Bank or Company to the other.
- 11 **SUSPENSION** – The Bank, upon thirty (30) calendar days prior written notice, may temporarily suspend the Facilities provided for in this Agreement in the event the Company fails to comply with the terms and conditions of the Amendments (referred to as "Breach of Agreement").

The Bank, however, may immediately suspend the facilities without the need for a written notice if the Company's Breach of Agreement results or will result to considerable losses and/or risks on the part of the Bank.
- 12 **CONFIDENTIALITY** – During and after the effectivity of this Agreement, the Company and/or the Bank agree to keep the confidentiality of any or all information and literature / manuals / materials on the Bank's Facilities and the parties' respective in-house developed systems and customer information, whether directly or indirectly obtained by the each party's officers, employees or representatives.
- 13 **CONFORMITY** – The Company acknowledges that prior to executing this Agreement, it has carefully read, understood and conformed to the provisions hereof, and that it is aware of the risks of the Facilities in general.
- 14 **INTEGRAL DOCUMENT** – The Company acknowledges that this Agreement, its supplemental terms and conditions and the Amendments for availed Facilities shall form one integral document.
- 15 **SEVERABILITY** – If any provisions of this Agreement, supplemental terms and conditions, or the Amendments are declared to be invalid or unenforceable, the remaining portions or provisions hereof shall nevertheless remain in full force and effect.
- 16 **NOTICES** – Written notice shall be effective if delivered to the Company's address appearing on the Bank's records or at any other address it may provide by written notice for this purpose.
- 17 **VENUE** – Venue for all suits arising out of this Agreement shall exclusively be brought in the proper court of San Juan, Metro Manila, the parties waiving all other applicable venues.

IN WITNESS WHEREOF, the parties have affixed their signatures on the date and the place first above written.

<p>BPI GLOBE BANKO BankO Center, Ortigas Avenue, North Greenhills, San Juan, Metro Manila</p> <p>By: _____</p> <p>(Designation)</p> <p>By: _____</p> <p>(Designation)</p> <p><u>ARTHUR QUIDA</u> (Signature over Printed Name)</p> <p><u>WILBERTO CABILES</u> (Signature over Printed Name)</p>	<p>COMPANY NAME: <u>IBC Broadcast Workers Cooperative (IBC BWC)</u> ADDRESS: <u>Broadcast City, Capitol Hills Diliman QC</u> CONTACT NUMBER: <u>428 5533</u></p> <p>By: <u>DOMINICA DELA ROSA</u> Name of Authorized Signatory and Designation</p> <p>By: <u>Armando Fontelera - Vice Chairman</u> Name of Authorized Signatory and Designation</p> <p style="text-align: center;">WITNESS</p>
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**TERMS AND CONDITIONS FOR THE USE AND OPERATION OF
ELECTRONIC COMPANY CREDITS FACILITY**

This Terms and Conditions shall supplement the Cash Management Agreement between BPI Globe BankO, Inc., A Savings Bank (the "BANK") and BBC Broadcast Workers Cooperative (BBC BWC) (the "COMPANY") for the use and operation of Electronic Company Credits Facility (the "FACILITY").

The Electronic Company Credits Facility shall enable the COMPANY to pay the salaries, reimbursements, allowances, refunds and loan releases of its officers, employees, partners (e.g. suppliers, vendors) and clients by means of the BANK's Company Credits Facility which is funded by (a) debit against the COMPANY's account/s opened and maintained pursuant to Section II hereof (the "Funding Account") or (b) cash or check payable to BPI Globe BankO, the proceeds of which are credited to individual accounts (the "Target Accounts"), under the following terms and conditions:

I. General Provision

The COMPANY agrees to be governed by all the terms and conditions in the Cash Management Agreement, as well as all the amendments, modifications and supplements thereto.

II. Use and Operation

Funding Account

The COMPANY has the option to (a) open a new or nominate an existing BankO Account as the Funding Account and process the release of credits online ("FACILITY - SELF SERVICE") or (b) Fund the releases via cash or check payable to BPI Globe BankO and the BANK shall process the release in behalf of the COMPANY ("FACILITY - BANKO")

A. FACILITY - SELF SERVICE

The COMPANY may fund this account via cash or check (the "COMPANY Funding Account"). Only cleared funds will be posted to Funding Account and may be used to fund the disbursement to the Target Account.

B. FACILITY - BANKO

The BANK shall deposit the cash or check to a Funding Account managed by the BANK (the "BankO Funding Account"). Only cleared funds and available funds may be used to fund the disbursement to the Target Account.

Target Accounts

1. Target Accounts are BankO accounts of the COMPANY's employees, partners and clients, nominated as such by the COMPANY.
2. The following are eligible as Target Accounts: (i) new BankO Account opened with any BankO Outlet by the employees, partners and clients of the COMPANY; or (ii) existing BankO Account of the employees, partners and clients of the COMPANY; or (iii) BankO ATM Cards issued by the COMPANY to its employee, partner or client and linked to the employee's, partner's or client's individual BankO deposit account. Nomination of individual BankO Account as TARGET ACCOUNT shall be the responsibility of the COMPANY.

Use and Control of ATM Cards with Special Arrangement

3. The BANK, upon special commercial arrangement with the COMPANY, may provide specially-marked ATM cards to the COMPANY which it can issue to its employees, partners and clients, to be used as Target Account(s). ATM Cards may be ordered by the COMPANY from the BANK for a fee. The ATM Card will be linked to the employee's, partner's or client's individual BankO deposit account upon activation by the COMPANY of the ATM Card. For this purpose, the COMPANY shall provide the BANK with the employee's, partner's or client's individual BankO deposit account where the ATM card will be linked. The COMPANY shall apprise the employee, partner and client of the proper use of the ATM Card.
4. The ATM CARD may be used to identify the affiliation of cardholder with the Company. The BANK and its partner outlets may require the employee, partner or client to present the ATM Card before executing over the counter transactions.
5. It shall be the responsibility of the COMPANY to distribute the ATM Cards and collect the ATM Cards from its employees, partners, or clients once they resign from the company, withdraw as partner or cease as company clients.
6. The ATM Card has a validity of one (1) year from date of activation. However, if no COMPANY credit is made within a period of six (6) consecutive calendar months, the BANK shall, without need of any notice to the COMPANY or the TARGET Account holder, deactivate the ATM Card. However, the individual deposit account to which the ATM Card has been linked will remain active.
7. The BANK reserves the right to adjust the disbursement fees or deactivate the ATM Card without notice or to collect fee adjustments from the COMPANY, if the COMPANY used the FACILITY other than to pay salaries, reimbursements, allowances, refunds and loan releases to its employees, partners or clients, or issues the special ATM cards to individuals who are not employees, partners or clients of the COMPANY, or there was misuse or mishandling of the ATM Card.

Electronic Company Credits Facility Annex A – Transaction Fees and Cut-Off Schedules

TRANSACTION FEES

Transaction Amount (PHP)		Transaction Fee (PHP)
From	To	
1.00	999,999.99	WAIVED

- BankKO shall earmark funds equivalent to the total Credit Transfers and Transaction Fees (Total Transaction Count X Transaction Fee).
- BankKO shall only collect the fees of successful transactions.
- BankKO will credit back or release the funds from fees and rejected transactions back to the company.

ATM WITHDRAWAL AND CASH OUT FEES

- Standard BankKO ATM withdrawal fees apply.
- Standard BankKO partner outlet cash out fees apply, based on cash-out amount:

CUT-OFF SCHEDULES

- Company credits coursed through BankKO Branch should be submitted together with cleared funds between 9:00 AM to 3:00PM.
- Instructions received after the cut off time will be processed the following business day.

Operational Guidelines

1. The credits will be posted to Target Accounts immediately once the COMPANY or BANK authorizes the release of the funds based on the instruction of the COMPANY, provided that :
 - 1.1 The COMPANY shall ensure that the Funding Account is duly funded with cleared and available funds to fully cover the uploaded COMPANY credit amount at least one (1) banking day prior to the Company Credit Date. The BANK shall not process or shall disable the facility if the COMPANY fails to fund the Funding Account.
 - 1.2 The FACILITY will automatically debit, after file uploading, available funds in the Funding Account in an amount equivalent to fully cover the uploaded credit amount.
2. In case the BANK fails to credit the Target Accounts in spite of a successful/ consummated transaction for whatever reason, the COMPANY agrees to allow the BANK to make the necessary adjustments within two (2) banking days from the date of the transaction except for cases where the adjustments can be made only at a later date due to: (1) occurrence of fortuitous events or events which are beyond the control of men, such as but not limited to typhoons, storms, earthquakes, floods, riots, strikes, civil disturbance or war ; (2) computer -related errors or computer failure or breakdown. In case of (1) and (2), the BANK shall make the necessary adjustment as soon as it is reasonably able under the circumstances.
3. Both the COMPANY and BANK shall assist and process Debit Adjustments or Collection from TARGET ACCOUNT for whatever amount for reasons of correction or any error or mistake that may have been committed by the COMPANY or BANK.
4. On the ground of error by the BANK in crediting resulting to an overcredit or undercredit to a Target Account, the BANK shall debit/credit the necessary amounts immediately without need of further notice, act or demand of any kind, upon the BANK's discovery of such overcredit or undercredit.
5. On the ground of error or mistake by the COMPANY in its payroll preparation or otherwise resulting to an overcredit to a Target Account, an instruction may be given by the COMPANY to the BANK within three (3) banking days from credit date for the latter to effect adjustments provided, however, that the concerned Target Account has sufficient funds to cover the adjustment at the time of the BANK's implementation of the COMPANY's instruction. The BANK reserves the right to hold the proceeds from the adjustments until the employee, partner or client holding the Target Account has been properly notified. Should there be no sufficient funding in the Target Account and the BANK cannot effect the debit from said account, settlement of the overcredit shall be resolved between the COMPANY and the concerned employee, client or partner. The BANK shall be under no responsibility to monitor the deposit balances of the affected Target Account for purposes of effecting the COMPANY's instructions.
6. The BANK reserves the right to close at any time the COMPANY's Funding Account or any Target Account on any of the following grounds : (i) mishandling, (ii) fraud, (iii) misuse of the Facility, (iv) violation of this Terms and Conditions, the Cash Management Agreement, or such other rules promulgated and/or prescribed by the BANK or by the Bangko Sentral ng Pilipinas (BSP) from time to time which are all incorporated herein by reference and made an integral part of this Terms and Conditions;
7. In such cases where losses, damages or expenses are incurred by the BANK due to mishandling, error, negligence or fraud committed by any of the COMPANY's employees, representatives or agents involved in the preparation or submission of data to the BANK, the COMPANY shall immediately reimburse the BANK for the corresponding amount of such loss, damage or expense;
8. In the event that the COMPANY requests the BANK for repair (including reversals, and adjustments) and special processing of the Company Credits file, the COMPANY agrees to pay separate service fees and applicable charges, and hereby authorizes the BANK to debit the Funding Account for the said service fees and as well as other related and applicable charges for implemented requests.
9. In such cases where losses, damages or expenses are incurred by the BANK due to the mishandling by the employee's, partner's or client's of the Target Account, the COMPANY hereby irrevocably commits and undertakes to render full assistance to the BANK in the protection of its interests and/or in recovering said losses, damages or expenses. This assistance will take the form of actions up to and including, but without limitation to, the temporary withholding of amounts due to the subject Target account(s) in question equivalent to the BANK's claim of loss, damage or expense, until such time that the matter is fully resolved to the satisfaction of the BANK.

III. Integrated Documents

The Cash Management Agreement and this Terms and Conditions constitute one (1) integral document. Accordingly, all references to either the "Cash Management Agreement" and/or the "Terms and Conditions" shall be taken to mean the Cash Management Agreement as supplemented by this Terms and Conditions.

Unit 303 Loyola Heights Condominium
23 Dela Rosa St. Loyola Heights
Quezon City 1108 Philippines
▪ Telefax +632 4338795
▪ www.sedpi.com



SEDPI
Social Enterprise Development
Partnerships, Inc.

Mobile Financial Services Training Support Work Plan

RES-2013-008

June 19 , 2013

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1. Rationale and Background

Scaling Innovations in Mobile Money (SIMM) is a 2-year USAID project that started on April 25, 2012 in order to scale the uptake of mobile money adoption and usage in the Philippines. President Aquino and USAID Administrator agreed to implement SIMM in Washington, DC on June 8, 2012.

Major mobile money products in the market are BankKO (owned by BPI, Globe and Ayala Corp.), Globe's G-Cash and Smart Money. Uses are sending/receiving money, paying bills, buying pre-paid load and other goods using the mobile phone. Consumer benefits include reduced costs and increased convenience and security.

Mobile money has a great potential in contributing to financial inclusion and economic growth in the Philippines. In 2009, it was estimated that 26.5% of population or more than 23M people live on less than \$1.25 (PPP) per day. Most of these people do not have bank accounts. In terms of access to banking and formal financial services, only 20% of households have bank accounts¹. On the other hand, mobile phone penetration has reached 100.3%². World Bank, based on a survey, reported that 80% of Filipino households have mobile phones³. The mobile money technology is able to deliver banking and financial services to the people through their mobile phones at much lesser cost than branches and ATMs.

SIMM's strategy focuses on areas that will expand the rapid adoption of m-money while also deepening financial inclusion. Throughout, SIMM project activities demand a strong component of pilot testing and experimentation to create demonstration and catalytic effects for positive feedback and organic, private sector-led growth in the m-money sector, and to build trust for all parties in using m-money.

USAID Scaling Innovations in Mobile Money (SIMM)

Development Alternatives Inc., implementing partner of the USAID-funded SIMM program as part of its technical assistance to participating organizations from various sectors, including National and local government agencies, Finance Institutions (FIs), Business Sector, and Academe in the Philippines, will provide financial education support to their clients on mobile money services and other products offered as identified.

Financial education is the process of introducing people to the knowledge, skills, and attitudes required for responsible earning, spending, saving, borrowing, and investing. By broadening people's understanding of financial options and principles, financial education builds skills to use financial products and services, and promotes attitudes and behaviors that support more effective use of economic resources (M. Cohen and C. Nelson, 2011). SIMM recognizes financial education as a principal driver for increased uptake and use of mobile banking hence careful research and analysis will be undertaken to develop designs and modes of delivery that reflect the variance in the learner's stage in life, situations and problems encountered, demographic, and cultural, social, and

¹ BSP survey done in 2009

² As reported by the telecommunications industry. Based on September 2012 quarterly reports to SEC, PLDT and Globe Telecom have combined subscribers of 100.7 million.

³ World Bank. 2010. <http://technology.inquirer.net/14162/philippines-cited-for-mobilephone-use>

economic dynamics of their target participants. SIMM's training program design will follow the development process of market research, concept testing, pilot testing, refinement and roll-out.

SIMM will partner and build on existing training platforms of government agencies, partner organizations from businesses, cooperative and other microfinance institutions and NGOs to further develop financial literacy training programs and materials including special discussions on mobile banking, consumer protection and awareness, product uptake and improved product use, and personal development for improved livelihoods.

Therefore, SIMM will be engaging consulting firms with experience in mobile money and in developing and conducting financial education, particularly for micro financial institutions, small medium enterprises, government, and other low income households as the target beneficiaries of the project. Experience in developing innovative approaches on financial education programs and materials (i.e. video-story) are an advantage.

DAI engaged SEDPI to develop and conduct financial education, particularly for micro finance institutions, small medium enterprises, government, and other low income households as the target beneficiaries of the project. SEDPI will be delivering the following services: conduct and development of financial education on the adoption of mobile money; training of trainers on financial education for the adoption of mobile money; develop practical training materials such as comic books and videos on financial education with special focus on adoption of mobile money; and provide follow up support on the rollout of the program.

2. Objectives

The overall project strategy relies on a two-pronged approach combining location-based pilots with national-level activities and advocacy. The pilot local areas are located in Valenzuela City, Batangas City, Pulilan, Bulacan and Quezon City. SIMM project expands to the following mobile money services:

- Government-to-person (G2P) or government disbursements or payments such as government payroll, social subsidies (conditional cash transfers, subsidies to farmers), pension payments and loan proceeds from SSS, GSIS, HDMF, etc.;
- Person-to-government (P2G) or government collections such as water utility payments, voluntary contributions for social security and pension fund, loan amortizations, government fees (e.g., local taxes, residence certificates, traffic violation tickets, etc.), transport fares to LRT/MRT, etc.;
- Micro, small, medium enterprises payroll and microfinance institutions loan disbursements (B2P);
- Business-to-business (B2B) such as payment of goods to suppliers
- Business-to-government (B2G) such as payment of local business permits, real property taxes, national government taxes and employee welfare (i.e., SSS, HDMF, and Philhealth); and
- Consumer-to-business (P2B) such as payment of goods and services and loans.

The purpose of the project is to develop and conduct financial education training programs and materials to educate consumers (m-money adopters) and build skills of the participating organizations and clients from various sectors on mobile banking, consumer protection and awareness, product uptake and improved product use, and personal development for improved livelihoods.

3. Work Plan

This project will require the undertaking of the following activities for each of the participating organizations from various sectors namely, national and local government agencies, finance Institutions (FIs), business Sector, and academe.

Training Needs Assessment

Training can be described as “the acquisition of skills, concepts or attitudes that result in improved performance within the job environment”. Training analysis looks at each aspect of an operational domain so that the initial skills, concepts and attitudes of the human elements of a system can be effectively identified and appropriate training can be specified. (Directory Journal, 2013) Training Needs Analysis or Assessment is systematic process for determining and addressing needs, or "gaps" between current conditions and desired conditions or "wants". The discrepancy between the current condition and wanted condition must be measured to appropriately identify the need. The need can be a desire to improve current performance or to correct a deficiency. (Kizlik, 2010)

The training needs assessment or analysis is composed of two target groups. The first target group are the trainers and the second target group are the participants to the training. To achieve this, SEDPI will conduct the following activities:

- Hold consultative meetings with SIMM government counterpart – the Financial Consumer Affairs Group of the Bangko Sentral ng Pilipinas (BSP) to determine expected outcomes for the various sectors and target groups
- Interview SIMM partner organizations’ staff to identify trainer needs
- Focus Group Discussions with SIMM partner organizations’ target clients to identify participants’ needs

Through these activities, SEDPI will be able to address the following questions as input for the design and development of a training for SIMM: (a) Who is to be trained? (what is the size and composition of the target audience); (b) What is the desired outcome to be achieved? (the desired competencies or level of performance); (c) Where is the target audience starting from? (what is the present level of performance); (d) What is the content of training to be delivered? (what is necessary to move from ‘present’ to ‘desired’ performance); (e) Which areas are priorities?; (f) Who will deliver the training?; (g) How will training be delivered? (what is the appropriate delivery channel); and (h) How is the effectiveness of the training to be assessed?

The table below shows the target number of respondents per target group.

Target Group	Activity	Assumption
Local Government Units	2 site visits to interview relevant local government unit officials and employees	One rural site and one urban site are selected from the four geographical locations of the project
Persons using or availing of government services	Interview to at least 60 individuals (30 each from rural and urban locations)	
Small and Medium Enterprises	Interview to at least 30 SMEs (14-16 each from rural and urban location)	
Microenterprises or Microfinance Clients	4 Focus Group Discussions with 10-12 participants each (2 in rural and 2 in urban)	
General consumers	Interview to at least 60 consumers (30 each from rural and urban locations)	

Training Manual and Module Development

Manual and module development entails the crafting of training designs, content development and documentation of training manuals.

The training design will contain the training objectives; topics to be discussed; main messages and content for each topic; objectives per topic; methodology on how each topic should be delivered; materials needed and time frame. SEDPI will render its expertise and experience in content development. It will provide advice on the substance and structure of the training modules to be developed. This will be done in consultation and with the prior approval of USAID SIMM.

The documentation of training manuals entails writing detailed instructions on how to deliver the trainings. The training manual will contain scripts that trainers should follow in training delivery. The training manual will also provide additional reading materials and notes to the trainer to be better equipped in delivering the training. The training manual will describe adult learning techniques and structured learning experience to be more effective in imparting knowledge and skills to the participants. Adult learning techniques include experiential learning; group discussions; Socratic questioning; role plays; games, simulations, demonstrations, mini case studies; and discussions on areas where competency is low.

SEDPI will write the training manual. SEDPI will submit the training manual for approval to USAID SIMM and its partner organizations. It will also provide SEDPI with any comments and suggestions that are needed to be incorporated.

Training Collaterals Development

There are mainly two training collaterals that need to be developed to complement the financial education training for SIMM. These are the development of training collaterals in (1) video format and (2) print format.

SEDPI shall develop practical training materials and aids for consumers in video and print formats. USAID SIMM prefers video materials for accuracy and consistency. It is also the medium that low-income segment finds interesting. Hence, video can attract attention and keep trainees focused on the material. Other possible media are PowerPoint presentations, samples, activity worksheets, case studies, etc. for all sessions in the approved training program. SEDPI shall also develop a reader friendly participant learning package on basic personal financial management integrated with mobile money products and services. These will be written both in English and Filipino. Topics may include the following: (a) key aspects of personal financial management; (b) personal finance planning, budgeting and saving; (c) debt management; (d) practical concepts on mobile money -- e.g. store of value receptacle; key product features such as no average daily balance, no administrative fees, etc.; key benefits and advantages over other payment instruments or channels; etc.; (e) Mobile Money Products and Services that includes step-by-step procedures; and (f) Consumer Protection and Security.

The development of a video would involve the following steps:

- Script writing – involves character development; plot development; inciting incident and character arc
- Story boarding of each shot of the film
- Production and Staging – includes preparing the set – props, make-up, costumes etc.; actors and crew

- Casting for actors and crew – includes the camera man, director of photography, sound recorder, costume and make up person, craft service and lighting.
- Shooting
- Film Editing

The development of print materials would involve the following steps:

- Script development
- Manual illustration – penciling and inking
- Digitizing and Coloring – scanning; cleaning and retouching (Adobe Photoshop); and digital coloring (Adobe Photoshop)
- Initial Layout (Adobe InDesign) - page layout; placing of digitized illustration; and black and white proof for lettering guide
- Lettering – manual and digitized
- Final Layout - placing of colored illustrations; positioning of letterings; color proofing for evaluation; implementation of corrections; preflight checking and packaging; PS / PDF generation (Ready-to-Print File); and color proofing (printing operator’s guide)
- Printing

The development of other possible media such as Power Point presentations, samples, activity worksheets, case studies shall be integrated in the training manual development.

Training Pilot Test

Local adaptation of modules is conducted to make these relevant and useful to training participants. Information from market research, key informants and other background documents are used to adapt learning sessions. The local adaptation will focus on adapting to the training participants; adapting to the financial landscape; and adapting the session modules. Adapting to the training participants involves defining the market segment and identifying financial education levels of potential participants; learning about their existing behaviors, knowledge and skills; deciding on how the training could be best delivered logistically; determining preferred methods of training delivery and materials. Adapting to the financial landscape involves describing the formal and informal channels of financial intermediation; identifying the types of financial services available including savings, loans, insurance and money transfers; and incorporating key features of the financial landscape into the training content, objectives and methods. Adapting the session modules involves selecting and identifying the sequence of relevant sessions; modifying training objectives, if applicable; adjusting the timing of training implementation; changing the names in stories and case studies to local ones; using locally appropriate scenarios; and changing common terms to reflect local usage.

After locally adapting the training sessions the module will be tested to at least 4 batches of trainings with at least 20 participants for each training. The module pilot test will be evaluated and the output of which will be used to refine the modules to be used as the locally adapted material in conducting financial education training for USAID SIMM. A report will be crafted to document all the activities conducted as well as the final version of the financial education module for USAID SIMM.

Training of Trainers

The training of trainers will equip USAID SIMM partners in planning and preparing for a training; implementing and delivering a training and training evaluation. The main focus of the ToT is to provide various methods and techniques on how to deliver a training.

There would be a total of eight training of trainer events. A training of trainer, unlike a traditional training course would require less people per ToT event to enable enough time for critiquing and return demonstration. A maximum of 12 participants per ToT event is recommended. The conduct of training for the target participants will be good for 20-30 participants per training event. This number will be used when conducting the 25 private sector trainings.

SEDPI shall prepare a detailed training report with an electronic copy of all teaching aids and provide master copies of all materials to SIMM and participating organizations

Roll Out and Follow Up

SEDPI shall also come up with an evaluation on the effectiveness of the training program. It shall provide a training roll out plan for each of the eight participating organization – four national agencies; and four local government units. It will provide follow up support and assistance to trainers during roll out. This would entail field visits and providing feedback and evaluation on the training program of the participating organizations.

There would be at least 18 runs of the training. Per training day, half of the time will be delivered by SEDPI and half will be delivered on a return demonstration basis by the trainers of participating organizations. SEDPI will then provide feedback to the participating organizations’ trainers.

4. Work Plan

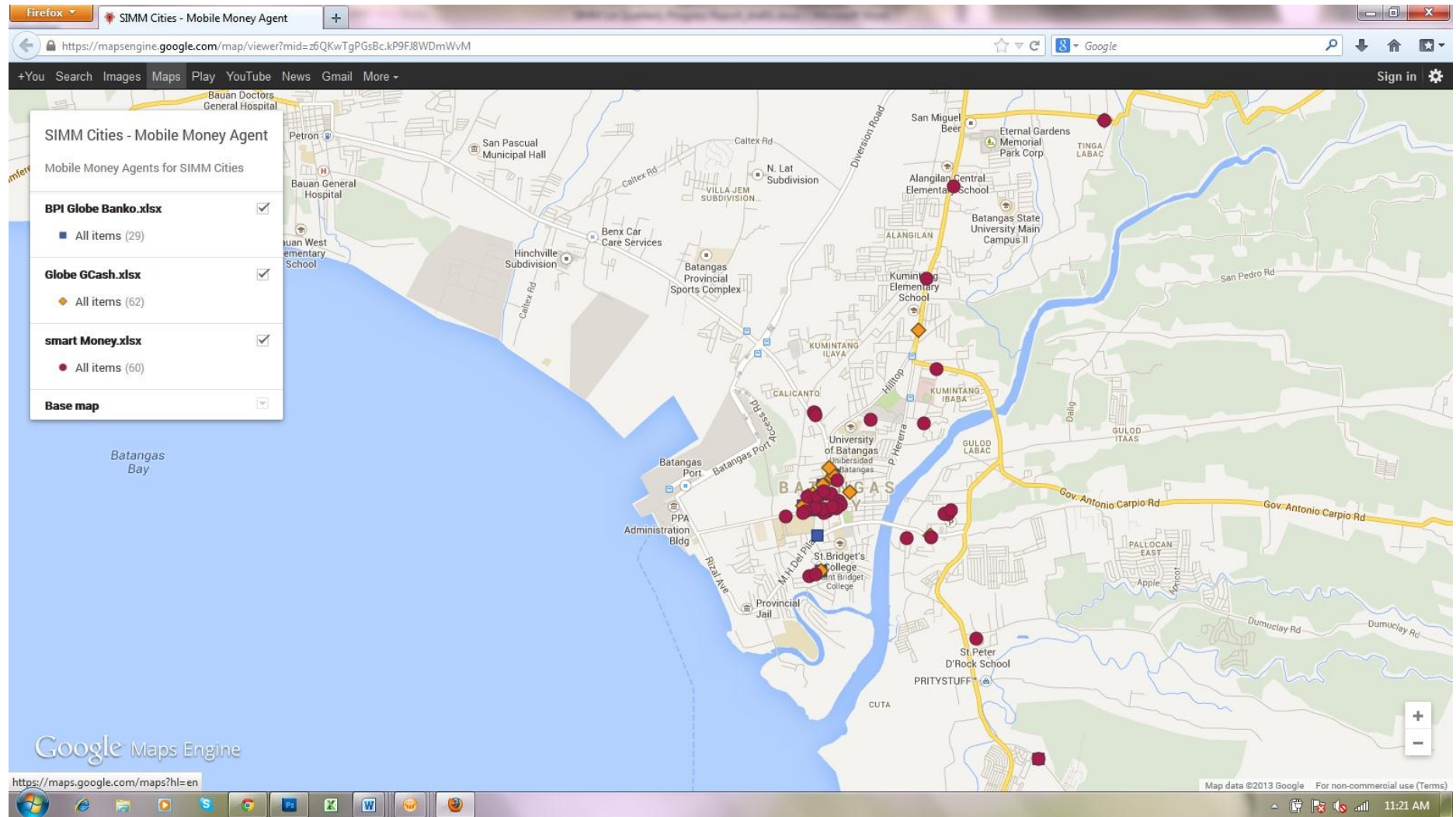
Activity	Time Frame	Output
Project Work and Training Plan	July 5	Project work and training plan submitted and approved
Training Needs Assessment		
Training needs assessment research tools development	July 1-4	Survey questions Focus Group Discussion Guide Key Informant Interview Guide
Secondary research on financial literacy services available in the Philippines	July 4	Write up on financial literacy service providers
Consultative meeting with SIMM government counterparts	July 5-30	Minutes of meetings with key findings
Interview at least two respondents from SIMM partner organizations based on SIMM list to identify trainer needs		Minutes of meetings with key findings
Focus group discussions with target and actual users of mobile money in SIMM partner organization areas	July 5-30	Focus group discussion documentation
Presentation of training needs assessment findings to USAID, SIMM and select partner organizations.	Aug 1	Training needs assessment findings
Training Manual and Module Development		
Training design development	Aug 2-5	Training design matrix
Training content research and development	Aug 6 – 12	Training content resources
Training manual documentation	Aug 13 - 15	Training manual guide for trainers

Activity	Time Frame	Output
Training Collateral Development		
Power point, flip charts and worksheet development	Aug 3 - 5	Training collaterals for onsite trainings
Script writing and story boarding for video collateral	Aug 6 – 9	Documentation of video story board and script
Production and Staging; and casting for actors and crew	Aug 10 – 13	Props and list of cast and crews
Shooting	Aug 14 - 20	Raw video shoots
Film editing	Aug 21 - 31	10 2-minute video collaterals
Viewing of videos for critiquing and improvement from USAID SIMM	Sep 2	Minutes of meeting on suggestions and comments for improvement
Pre-testing of videos to target segments	Sep 3	Documentation of suggestions and reactions of target segments
Final Editing	Sep 4	Final copies of 10 2-minute video collaterals
Storyboard and character development for comic book	Aug 8 – 12	Documentation of script and characters for comic book
Manual illustration, digitizing and coloring	Aug 15 – 19	Comic book characters
Pre-testing of characters and storyline to target segments before layouting, lettering and production	Aug 20 - 21	Documentation of suggestions and reactions from target segments
Layouting and Lettering	Aug 22 – Aug 25	Comic book printer ready version
Comic book production	Aug 25 – Sep 4	50,000 comic books
Pilot Test and Training of Trainers		
Local adaptation and module pilot test	Sep 5 - 9	Conduct of 4 batches of trainings with at least 20 participants Module pilot test report
Conduct of 8 training of trainers training events	Sep 12 - 16	Conduct 8 Train-the Trainers sessions Training reports
Rollout and Monitoring		
Conduct of 18 training sessions	Sep - Jan 2014	Conduct of 18 training sessions Training reports
Training rollout plan development and planning	Dec 3	Training rollout plan
Documentation of detailed training report with an electronic copy of all teaching aids	Feb 3, 2014	Final training report Master copies of all teaching aids and training collaterals
Final Terminal and Monitoring Evaluation Report	Feb 14, 2014	Terminal Report Monitoring and Evaluation Report
Post-training support	March 2014	Feedback and evaluation to Trainers of participating organizations
Monthly progress report writing	Every 10 th of the Month	Monthly progress report

Annex D: SIMM city agent network map

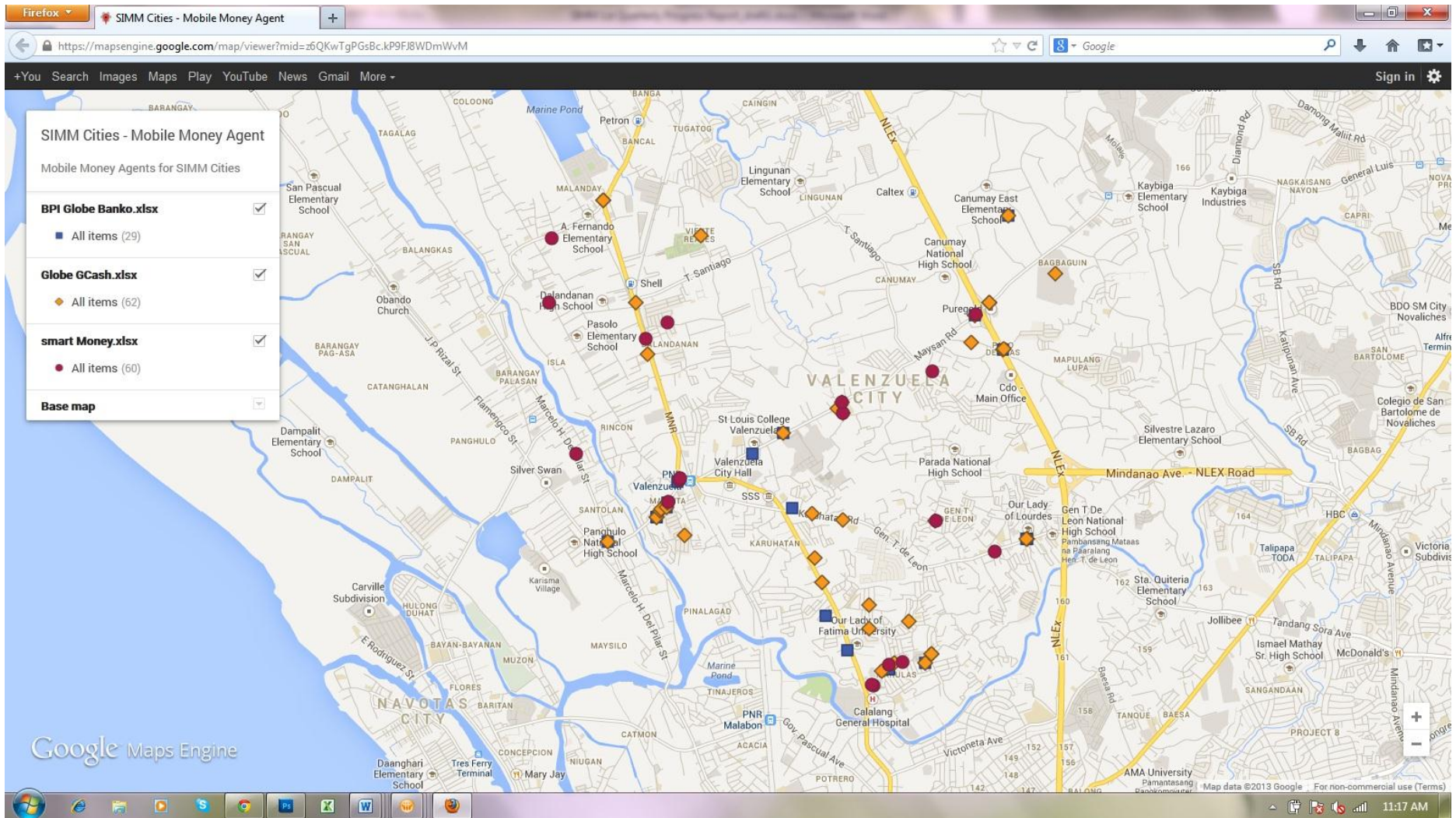
Batangas City

1.

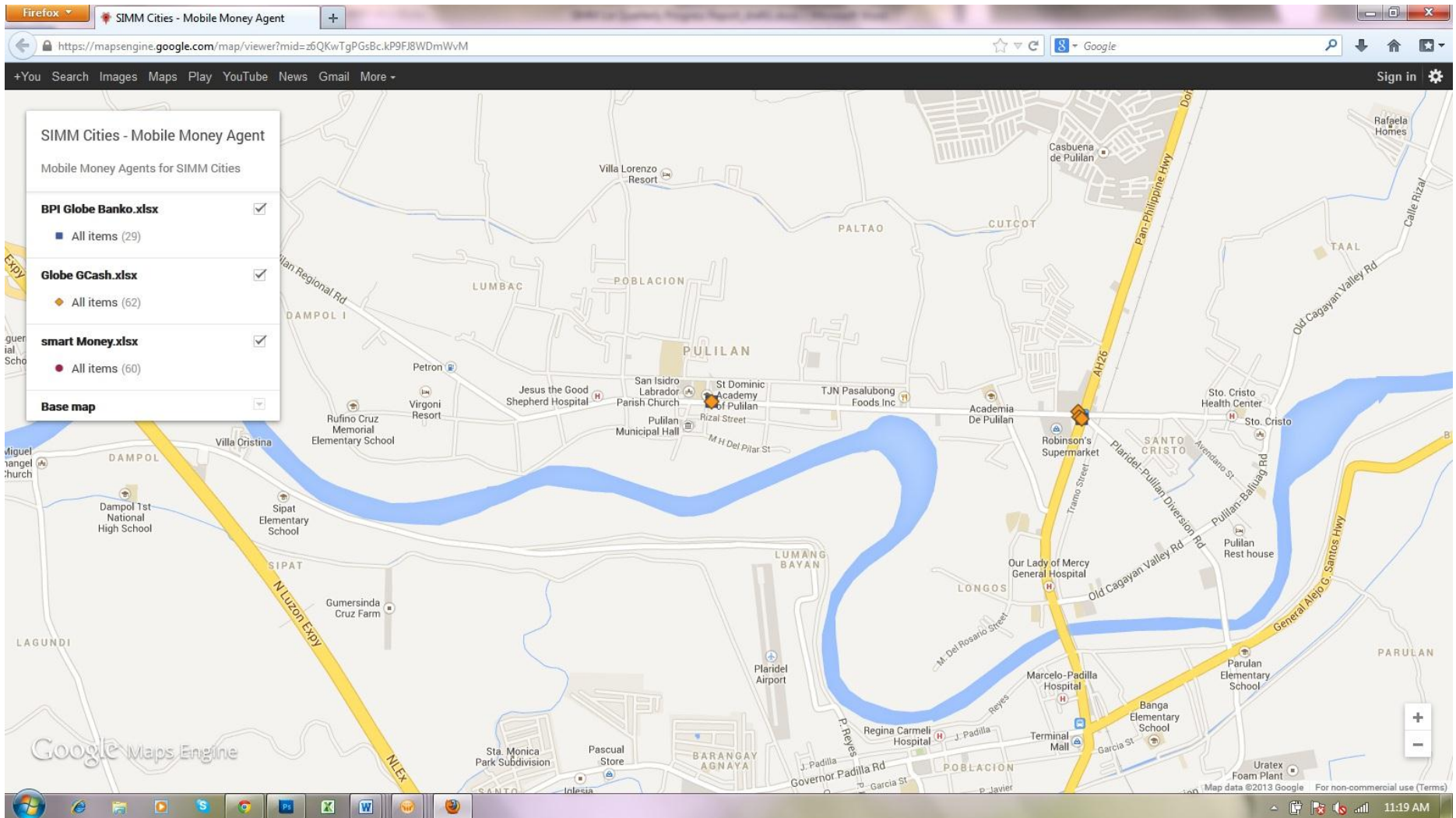


2.

Valenzuela City



Municipality of Pulilan, Bulacan



Annex E: 2009 COA circular Subject: Guidelines for the use of electronic official receipts (EORs) to acknowledge collection of income and other receipts of government



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

CIRCULAR

No. : _____

Date: _____

To : All Heads of Departments, Agencies, Bureaus, Offices and Instrumentalities of the National Government; Local Chief Executives; Managing Heads of Government-Owned and/or Controlled Corporations; Heads of Finance, Accounting and Treasury Units; COA Assistant Commissioners, Directors and Auditors; and All Others Concerned

Subject : **GUIDELINES FOR THE USE OF ELECTRONIC OFFICIAL RECEIPTS (eORs) TO ACKNOWLEDGE COLLECTION OF INCOME AND OTHER RECEIPTS OF GOVERNMENT**

1.0 RATIONALE/SCOPE

Electronic Collection System is an online facility provided by government agencies that enables debtors, creditors and other clients to pay government dues and charges through a computer or telephone. It is a system for receiving, sending, storing, generating, or otherwise processing electronic data messages or electronic documents relative to receipt and deposit of government collections. Relative to this, the Commission on Audit (COA) has issued COA Circular No. 2004-006 dated September 9, 2004 on the guidelines and principles on the acceptability of the evidence of receipt of payment which defines what may be considered as proof of payment and the forms such evidence may take to be acceptable.

In view of the pervasiveness and the growing adoption of electronic transactions like credit card payments, e-payments and collection systems such as but not limited to the electronic income tax return filing system of the Bureau of Internal Revenue (BIR), the Government Electronic Procurement System (GEPS) and the Government Electronic Payment and Collection System (GEPCS), there is a need for guidelines on what may be considered as electronic document form of evidence of payment for collection of income and other receipts of government.

The electronic document form of evidence of receipt of collection is acceptable on the basis of Sec. 7 of R.A. No. 8792, otherwise known as the E-Commerce Act which states as follows:

Sec. 7. Legal Recognition of Electronic Documents – Electronic documents shall have the legal effect, validity or enforceability as any other documents or legal writing, and –

A handwritten signature in black ink, appearing to be "Alfonso" or similar, located at the bottom right of the page.

- (a) Where the law requires a document to be in writing, that requirement is met by an electronic document if the said electronic document maintains its integrity and reliability and can be authenticated so as to be usable for subsequent reference, in that-
 - (i) The electronic document has remained complete and unaltered, apart from the addition of any endorsement and any authorized change, or any change which arises in the normal course of communication, storage and display; and
 - (ii) The electronic document is reliable in the light of the purpose for which it was generated and in the light of all the relevant circumstances.
- (b) Paragraph (a) applies whether the requirement therein is in the form of an obligation or whether the law simply provides the consequences for the document not being presented or retained in its original form.
- (c) Where the law requires that a document be presented or retained in its original form, that requirement is met by an electronic document if –
 - (i) There exists a reliable assurance as to the integrity of the document from the time when it was first generated in its final form; and
 - (ii) That document is capable of being displayed to the person to whom it is to be presented: *Provided*, That no provision of this Act shall apply to vary any and all requirements of existing laws on formalities required in the execution of documents for their validity.

For evidentiary purposes, an electronic document shall be the functional equivalent of a written document under existing laws.

This Act does not modify any statutory rule relating to the admissibility of electronic data message or electronic documents, except the rules relating to authentication and best evidence.

While COA Circular No. 2004-006 covers acceptability of evidence of payments made by government agencies, this Circular provides for guidelines and procedures in the issuance of eORs as acceptable evidence of payment for collections of income and other receipts of government.



2.0 DEFINITION OF TERMS

- 2.1 **Authorized Government Depository Bank (AGDB)** refers to a bank where Government Entities are allowed by law to deposit their funds and maintain depository accounts, or by way of exception, a bank authorized by the Department of Finance and the Monetary Board to be a government depository bank.
- 2.2 **Digital Signature** is an electronic signature consisting of a transformation of an electronic document or an electronic data message using an asymmetric or public cryptosystem such that a person having the initial untransformed electronic document and the signer's public key can accurately determine: (i) whether the transformation was created using the private key that corresponds to the signer's public key; and (ii) whether the initial electronic document had been altered after the transformation was made.
- 2.3 **Electronic Data Message** refers to information generated, sent, received or stored by electronic, optical or similar means.
- 2.4 **Electronic Document** refers to information or the representation of information, data, figures, symbols or other modes of written expression, described or however represented, by which a right is established or an obligation extinguished, or by which a fact may be proved and affirmed, which is received, recorded, transmitted, stored, processed, retrieved or produced electronically.
- 2.5 **Electronic Official Receipt (eOR)** refers to a proof of payment generated/issued through an EPCS with unique or sequential reference numbers that can be validated using the same system. More specifically, the Electronic Official Receipt refers to an evidence of payment for collection received by agency from clients generated through the agency's electronic collection system.
- 2.6 **Electronic Payment and Collection System (EPCS)** refers to a system that accepts and processes Electronic Payments, authenticates the payor and payee, validates availability of the funds and executes the appropriate debit and credit instructions for the fund source and destination accounts, generates and forwards electronic proof of payment or eOR to the payor, or allows secure access thereto and creates, retains and safeguards the resulting detailed electronic transaction records which are accessible by authorized personnel.
- 2.7 **Electronic Signature** refers to any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to or logically associated with the electronic data message or electronic document or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document.
- 2.8 **Payor or Originator** refers to a person or entity by whom, or on whose behalf, the electronic data message or electronic document has been created, generated and/or sent. The term does not include a person acting as an intermediary with respect to that electronic data message or electronic document.



3.0 GENERAL GUIDELINES

- 3.1 All collections shall be acknowledged by the government agency concerned thru the issuance of official receipts to establish that these have been received.
- 3.2 Receipt of collections/revenue thru electronic means shall be acknowledged by an electronic Official Receipt (eOR).
- 3.3 The eORs shall have the following minimum data content:
 - 3.3.1 Name of the agency issuing the receipt (Department/Agency/Regional Office/ Operating or Field Unit)
 - 3.3.2 Location and Location Code (Place where the collection is made and its assigned code)
 - 3.3.3 Name of payor (person/entity making the payment)
 - 3.3.4 Date and time of receipt (Date and Time of the collection and issuance of eOR)
 - 3.3.5 Nature of collection (such as income tax, business tax, fees, charges, assessments, licenses, etc.)
 - 3.3.6 Amount received, detailed as to nature of collection coded as to their subsidiary ledger revenue classification
 - 3.3.7 Electronic Official Receipt Number (a unique and sequential number generated by the system for every eOR issued)
 - 3.3.8 Transaction Number (Number generated for every transaction accepted by the system which does not necessarily pertain to the generated eOR. It may include cancellation of eOR, inquiry, etc.)
 - 3.3.9 Mode of payment (credit card/electronic fund transfer/ATM/G-Cash, etc.)
 - 3.3.10 Order of Payment Slip Number or Assessment Number
- 3.4 Collections of national government agencies shall be deposited to the account of the Treasurer of the Philippines. Collections of local government units and of Government Owned & Controlled Corporations shall be deposited to their respective accounts in designated Authorized Government Depository Banks.
- 3.5 Collections thru electronic system shall be accounted for in the books of the government agency concerned in accordance with existing rules and regulations for receipts and collections.
- 3.6 To ensure that transactions can be individually and safely processed using online collection system, the government agency concerned shall comply with the provisions of the Joint Department Administrative Order No. 02 s. 2006 issued by the Department of Finance and the Department of Trade and Industry on the Guidelines Implementing R.A. No. 8792 on Electronic Payment and Collection System (EPCS) in Government or any subsequent amendments thereto.
- 3.7 The government agency shall provide read/view and print access rights to the COA Auditor in the computerized system where online collections are being processed.



4.0 SAVING CLAUSE

Cases not covered in this Circular shall be referred to the Information Technology Office (ITO), Administration Sector, this Commission, for resolution.

5.0 REPEALING CLAUSE

All circulars and memoranda inconsistent herewith are hereby revoked, amended or modified accordingly.

6.0 EFFECTIVITY

This Circular shall take effect after fifteen (15) days from publication in a newspaper of general circulation.

MA. GRACIA M. PULIDO TAN
Chairperson


HERBI L. MENDOZA
Commissioner

ANNEX F - SIMM Performance Monitoring Plan (PMP) Results Table as of June 2013

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
Number of active users	Number of people	356,425	345,992	327,196 *only includes partial data from two mobile money providers	291,704 *only includes partial data from two mobile money providers	741,000	559,000	1,300,000	<p>During the quarter, partial data shows that an average total number of 291,704 active users use mobile money services monthly. Notably, it can be seen that within 90 days there is regular use of the services. Due to limitations in data collection, numbers cannot be disaggregated by unique subscriber.</p> <p>During the quarter, there was a significant change of reported total registered mobile money accounts for one of the providers showing a 30 percent rate of decrease from 7.5 million in March 2013 to 4.8million as of June 2013. The stark decrease may be attributed to the updating of systems and definitions of the said provider. SIMM is further exploring and gathering information for the change in numbers. As of the end of the reporting period, partial data shows that there are a total of 5,201,458 registered mobile money accounts. It must be highlighted that the number of new registered accounts is increasing quarterly from September 2012 baseline figures across all the providers.</p>

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
Percent (%) increase in volume (monetary value) of m-money transactions	Amount (cumulative)	PHP 53,039,897,658.23	Php 58,671,232,993.88	PHP 57,394,741,715.77	PHP 33,933,830,241.28 *only includes partial data from two mobile money providers				For the percent (%) increase in volume (monetary value) of m-money transactions, partial data shows a total of PHP33,933,830,241 (or \$827,654,396.13) for the period April-June 2013 for two of the providers. It must be noted that one provider contributes to more than 40 percent of the total volume of m-money transactions for mobile money, hence figures are currently undervalued.
	Percent increase	NA	10.6%	8.2%		115%	200%	200% from baseline	

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	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
Number of SMEs and/or large businesses using e-payroll	Number of new businesses	0	0	0	2	57	43	100	<p>During the period, SIMM activated two organizations to use mobile money disbursement or payroll. It must be noted that mobile money providers utilize one facility for their payroll and disbursement services, both of which provide supply of m-money that can be used for services such as paying bills, purchase of goods, sending money and withdrawing funds, etc. Moreover, the indicator has been expanded to include financial institutions from banks, microfinance to cooperatives.</p> <p>1. IBC 13 Broadcast Workers Cooperative (BWC) IBC 13 BWC cooperative has an operations office 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 PhP5,000 (US\$114) to special loans at PhP50,000 (US\$1,145). On June 26, 2013, IBC 13 BWC signed the cash management contract with BPI Globe BankKO to enable loan disbursement to their members especially those residing in the provinces.</p> <p>2. Yoolah</p>

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
									<p>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. . By end March, Yoolah Marketing signed a Business Partner Outlet contract with BPI Globe BankKO, enabling trade payments (P2B) through mobile money.</p> <p>There are seventeen organizations in the pipeline for adoption by end of FY 2013 covering both local and national areas and wide array of services from loan payments and disbursements, payroll, bills payment and collection of insurance premiums. Financial institutions include NATCCO, GM Bank, FICO Bank, CCT Savings and Credit Cooperative, and Caritas Salve. Private sector include Software Group, SEDPI, Fortune General Insurance Corporation, Tags Manpower. Local cooperatives across all local pilot sites include Agapay sa Pamumuhay Cooperative, Ilijan Multipurpose Cooperative, Pinamukan Ibaba Multipurpose Cooperative, San Isidro Multipurpose Cooperative, Sta. Clara Multipurpose Cooperative, Pinagbuklod Multipurpose Cooperative, Mahakot</p>

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
									Multipurpose Cooperative, Valenzuela City Cooperatives Mangers Club

IR 2 Improved Public Service Delivery

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
Number of government agencies using e-payroll/e-bills payment	Number of agencies	0	0	0	1	3	2	5	<p>During the quarter, SIMM achieved target of at least one government agency adopting mobile money payroll and collection of water fees. Municipality of Pulilan, Bulacan released an SB resolution in June 2013 recognizing BPI Globe BankO as the municipality's electronic payments and collection service provider. Launching of services is scheduled on August 15, 2013.</p> <p>In the local SIMM cities, project activities were delayed due to the May 2013 elections and reorganization of key government elected officials. In Valenzuela city, the Infoboard feature allowing bill inquiry of real property taxes has been completed in May 2013. Currently, the providers have submitted their respective proposals and finalizing the requirements to collect real property taxes via mobile money by Aug 2013.</p>
IR 3 Supply-side Networks Promoted									
Number of cash-in/cash-out merchant partners operating mostly in rural areas	Number of new CI/COs	0	0	1	4	1,425	1,075	2,500	During the quarter, SIMM activated four cash-in/cash our merchant partners in Batangas City namely, Pinamukan Ibaba Multipurpose Cooperative with two partner outlets, Sta. Clara Multipurpose Cooperative and Yoolah Marketing. SIMM

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
									continues to work with the MMPs to identify high demand areas and expand the agent network in its local pilot sites targeting at least 30 each in Batangas Valenzuela and Quezon City and 20 in the Municipality of Pulilan, Bulacan by September 2013.
Number of new agents trained	Number of agents trained	0	NA	1	4	1,140	860	2,000	<p>During the quarter, SIMM activated four cash-in/cash out merchant partners in Batangas City namely, Pinamukan Ibaba Multipurpose Cooperative with two partner outlets, Sta. Clara Multipurpose Cooperative and Yoolah Marketing. SIMM continues to work with the MMPs to identify high demand areas and expand the agent network in its local pilot sites targeting at least 30 each in Batangas Valenzuela and Quezon City and 20 in the Municipality of Pulilan, Bulacan by September 2013.</p> <p>SIMM is working with MMPs to expand existing agent network in SIMM cities, tapping existing retail networks such as Cebuana Lhuillier pawnshop and 7-11 convenience stores partner and partnering with Mercy Corps to build an agnostic agent network targeting 500 new agents by end year. Also, under the Mobile Financial</p>

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
									Services project, SIMM will enable 15 branches nationwide of CCT Savings and Credit Cooperative.

Strategic Objective 2: Boost Expansion and Rapid Adoption of Mobile Money Services By Achieving Inclusive User Uptake

IR 4 Reduced transaction costs in the payment system

Percentage (%) by which transaction costs are reduced	Percent decrease in transactions costs	TBD	NA	NA	NA	10%	20%	20%	Implementation is still being monitored. Percentage reduction of cost will be released next quarter, 6 months after implementation for better assessment.
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IR 5 Increased adoption and use of m-money services

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
Number of new m-money users	Number of people	0	78	59	140	142,500	107,500	250,000	<p>During the quarter, a total of 140 individuals opened m-money accounts during the Yoolah Marketing, SIDC and Quezon City Cooperative Activation events co-organized by the SIMM project.</p> <p>Notably, as of the end of the quarter, SIMM was finalizing payroll and disbursement contract signing with Municipality of Pulilan, Bulacan and IBC 13 Broadcast Workers Cooperative. By July, hundreds of employees and members will register as new mobile money users.</p>
Number of people opening savings accounts via branchless banking	Number of persons	0	62	59	127	5,700	4,300	10,000	A total of 127 individuals opened savings accounts via branchless banking on-site during SIMM activation events for the quarter.
Number of people trained in financial education and literacy	Number of CCT beneficiaries; Number of non-CCT beneficiaries trained	130	502	357	658	6,840	5,160	12,000	A total of 658 participants from the public and private sector attended SIMM co-organized events ranging from mobile money project and product presentations, mobile money forums for businesses and cooperatives, presentation of mobile money financial services and training on the benefits and use of mobile money products and services.

Cross Cutting IR 6 Promote Global Knowledge Sharing

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
Number of conferences supported to share knowledge	Number of conferences	0	0	0	0	2	1	3	After the development and pilot testing of business models and completion of studies currently in the pipeline, several conferences will be held to share lessons learned and best practices for replication.
Number of research papers shared and developed	Number of research papers	0	0	0	0	2	1	3	In the pipeline: (1) Conduct of the interoperability study has been approved by BSP. (2) Five MFIs have agreed to the conduct of the study to create the MFI Business Model for mobile financial services business. (3) NATCCO Business Model
Project Activity Level Indicators									
Percent (%) of activities that improved financial inclusion of women	Percent of activities	TBD	67%	57%	TBD	30%	50%	50%	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.

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	FY2	FY3	LOP Target	Notes
Percent (%) of activities that improved financial inclusion for individuals and households in rural areas	Percent of activities	TBD	74%	88%	TBD	50%	90%	90%	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.
Value of activities funded by cost-sharing/contribution arrangements with SIMM	Dollar value of activities	\$3,127	\$13,130	\$1,320	TBD	\$57,000	\$43,000	\$100,000	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.