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

FINAL REPORT
APRIL 2012 - DECEMBER 2014

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This publication was produced for review by the United States Agency for International Development. It was prepared by Development Alternatives, Inc.

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Program Title:	**USAID/Philippines Scaling Innovations in Mobile Money (SIMM) Project**
Sponsoring USAID Office:	**USAID/Philippines- Office of Economic Development and Governance**
Contract Number:	**AID-492-C-12-00004**
Contractor:	**Development Alternatives, Inc.**
Date of Publication:	**December 16, 2014**

This report is made possible by the generous support of the American People through the United States Agency for International Development (USAID). The contents of this report are the sole responsibility of DAI and do not necessarily reflect the views of USAID or the United States Government.

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ACRONYMS

ATM	Automated Teller Machine
BCC	Behavior Change Communication
BFA	Bankable Frontier Associates
BLGF	Bureau of Local Government Finance
BSP	Bangko Sentral ng Pilipinas
BWC	Broadcast Workers Cooperative
CCT	Conditional cash transfer
CDI	Cities Development Initiative
CICO	Cash-in/Cash-out
COA	Commission on Audit
DBM	Department of Budget and Management
DOF	Department of Finance
DOST	Department of Science and Technology
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
EMIs	e-money issuers
e-money	Electronic money
eOR	electronic official receipt
FICO	First Isabela Cooperative Bank
FGD	Focus Group Discussion
FGIC	Fortune General Insurance Corp.
GIS	Geographical Information System
GPH	Government of the Philippines
GPS	Global Positioning System
GXI	G-Xchange, Inc.
IBC 13 BWC	Intercontinental Broadcast Corporation 13 / Broadcast Workers Cooperative
IT	Information technology
JDAO	Joint Department Administrative Order
KMBI	Kabalikat para sa Maunlad na Buhay, Inc.
LGU	Local Government Unit
LOP	Life of Project
MFI	Microfinance Institution

MFS	Mobile Financial Service
m-money	Mobile money
MMPay	Mobile Money Payroll
MMPs	mobile money providers
MNO	Mobile Network Operators
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPC	Multi-Purpose Cooperative
NATCCO	National Confederation of Cooperatives
NRPS	National Retail Payments System
OCVAS	Office of the City Veterinarian and Agricultural Services
P2G	Person to Government
PMP	Performance Management Plan
RPT	Real Property Tax
SBECO	Sikap Buhay Entrepreneurship and Cooperative Office
SEDPI	Social Enterprise Development Partnerships, Inc
SIDCI	Soro-Soro Ibaba Development Cooperative, Inc.
SIMCO	Sorosoro Ibaba Multipurpose Cooperative
SIMM	Scaling Innovations in Mobile Money
SME	Small and Medium Enterprise
SSS	Social Security System
TAMIS	Technical and Administrative Management Information System
TOR	Terms of Reference
TOT	Training of Trainors
USAID	U.S. Agency for International Development

EXECUTIVE SUMMARY

From its start in April 2012 until its upcoming end in January 2015, the U.S. Agency for International Development (USAID)-funded 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.

In the first two years of the Scaling Innovations in Mobile Money (SIMM) project, pilot-testing and experimentation were required to create demonstration and catalytic effects in order to drive sustainable changes. These efforts were essential for engaging a diverse range of stakeholders and for building trust among all parties using mobile money (m-money). To ultimately drive a positive shift in roll-out and adoption of m-money, SIMM's team recognized early on that significant attention was needed to build the e-payment ecosystem within the Philippines.

To drive innovation and adoption, SIMM's strategy relied on a two-pronged approach. This approach combined location-based pilots with national-level activities and advocacy, working simultaneously to stimulate supply and demand of products and services for agents and consumers within pilot communities. Along with its with key partners, SIMM was able to create an environment for m-money in individual localities while promoting financial inclusion. SIMM's partners included diverse entities with different incentive structures and existing relationships, including Philippine Government agencies such as the Bangko Sentral ng Pilipinas (BSP), Department of Budget and Management, and Commission on Audit; local governments of Quezon City, Valenzuela City, Batangas City, Cagayan de Oro City, and Iloilo City and the municipality of Pulilan in Bulacan; microfinance institutions (MFIs) National Confederation of Cooperatives (NATCCO), First Isabela Cooperative (FICO) Bank, CCT Savings and Credit Cooperative, and GM Bank; and mobile money providers (MMPs) BPI Globe BanKO, Globe-Xchange Inc. (GXI), and Smart e-Money Inc. SIMM has worked to shape its pilot activities as a foundation for sustainable change by forming positive relationships with these key stakeholders and by documenting lessons learned, success stories, business cases, and studies to form the foundations for scaling m-money nationwide.

With US$1 million in additional funding and a four-month life of project extension made available by USAID, SIMM aggressively implemented activities to achieve more results in scaling m-money across the country by applying lessons learned in best practices and leveraging key relationships developed in the first two years. During this period, SIMM also expanded project coverage to two USAID Cities Development Initiative (CDI) cities: Iloilo City in Visayas and Cagayan de Oro City in Mindanao.

SIMM rolled-out activities targeted toward achieving more engagement and successful project implementation with government agencies, local government units (LGUs), MFIs, and MMPs to drive m-money payment options for their collection and payment systems; encouraging small and medium-sized enterprises (SMEs) to adopt m-money payroll; and preparing for pilot testing the agent network channel management strategy in SIMM cities. In addition, SIMM scaled its technical support for the m-money activities of its partners and expanded communications and financial literacy activities to all SIMM cities and project sites—such activities have shown to demonstrably increase awareness and foster uptake of m-money. Additional activities included activation events, information campaigns, social medial campaigns, consumer education, and agent training sessions tailored to the locality or entity.

Furthermore, SIMM continued to work with the Bangko Sentral ng Pilipinas (BSP) in creating the business case and a high-level plan for interoperability and establishing agnostic agent networks to the MMPs. Interoperability is a critical component to scale up m-money usage and promote financial inclusion.

SIMM was able to generate a considerable number of success stories and news on project events, activities, and testimonials of new mobile money users. These were shared extensively during meetings, site visits, events and sent out to media outfits, and posted online on the USAID/Philippines website and SIMM website, SIMM Facebook fan page, SIMM Twitter account, as well as on DAI website and partners' websites.

OVERVIEW

The U.S. Agency for International Development (USAID) funded Scaling Innovations in Mobile Money (SIMM) is a two-year project ending in August 2014 with the objective of increasing financial inclusion by boosting the adoption and usage of mobile money. It supports the Government of the Philippines' (GPH) objective of inclusive growth in the Philippine Development Plan, and contributes to GPH's and USAID's objectives for Partnership for Growth (PFG), which is to remove binding constraints to sustained economic growth, through better financial inclusion.

SIMM aims to expand the use of mobile money (m-money) in large payment streams which includes government payments (both national and sub-national), payroll and disbursements, and utility payments, as well as to grow the mobile money agent network distribution.

To achieve its objectives, SIMM's strategy is to build m-money ecosystem in local areas that can be scaled and replicated where m-money can be easily accessible, and conveniently and economically used. This entails working with supply-side and demand-side partners in order to grow a community of consumers and merchants adopting and using m-money.

Building m-money ecosystems: LGUs as change agents

In building m-money ecosystem in a local area, SIMM first engaged with the local government units (LGU) given their unique position as among the most effective change agents in the area. M-money presents a strong value proposition to LGUs considering their regular need for collections and disbursements, and their objectives of improving operational efficiency and better governance. As a change agent, the LGUs instill trust in the new payment system, thereby overcoming a critical challenge of lack of trust in m-money among consumers. They are empowered with the influence to convene other sectors and participants in the m-money ecosystem such as their constituents, the local business sector, utility firms, and microfinance institutions. They can also issue valid IDs to enable their constituents to open m-money accounts. SIMM pilot cities and municipalities include Valenzuela City, Quezon City, Pulilan in Bulacan, Batangas City, Iloilo City, and Cagayan de Oro City.

Through its cooperation with the LGUs and the m-money providers, SIMM facilitated the launch of many national "firsts" namely:

- Pulilan, Bulacan launched the first m-money payroll by a government agency
- Valenzuela and Quezon Cities launched the first mobile bill presentment and m-money payment of real property taxes
- Quezon City pioneered in m-money disbursements of allowances and stipends to 13,000 QC public school teachers and 5,000 scholars, respectively
- Valenzuela launched the first mobile bill presentment and m-money payment of construction (building) permits
- Batangas City launched the first mobile bill presentment and m-money payment of business permit fees

- Quezon City became the first LGU to issue electronic official receipts (eOR) for LGU fee payments made via mobile

Now, the municipal treasurer of Pulilan is no longer afraid of paydays which previously caused the deaths of two local treasurers in neighboring municipalities due to robbery upon cash withdrawal from the bank. The over 300 LGU employees are now using funds from their salaries paid to their m-money accounts to pay their electric and water bills using their mobile phones, and to pay at SM, Puregold and Robinson's supermarkets using their m-money ATM cards without having to withdraw cash.

In Quezon City, over Php 500,000 of real property tax was collected via m-money since the launch of the service in January up to March 2014.

SIMM is currently implementing the m-money services in Iloilo and Cagayan de Oro Cities. Additional LGUs have expressed interest in using m-money in their cities and municipalities including Makati City, San Mateo in Rizal, etc. SIMM and Bureau of Local Government Finance (BLGF) of the Department of Finance are cooperating for the former to produce an LGU m-payment toolkit and for the latter to circularize it among all the local treasurers nationwide.

SIMM's success with the LGUs is partly anchored on its work with the Commission on Audit (COA) in finalizing and releasing a circular allowing national and local government agencies to collect fees and taxes using electronic payments. The release of COA Circular 2013-007 on September 18, 2013 removed the uncertainty around the government's ability to accept electronic payments for government financial transactions.

Microfinance Institutions (MFIs)

Another critical component in building an m-money ecosystem is the MFIs as many of them have large memberships, provide financial services to the base of the pyramid; offer non-asset based microloans with frequent repayments, and therefore has a high demand for efficient payment system. The key challenge with MFIs is the lack of information on how m-money can be integrated into their operations and the specific costs and revenue items in doing so in order for them to make the benefit-cost evaluation and decision. Therefore, SIMM cooperated with five large microfinance institutions and helped them develop their mobile financial services business models. SIMM helped the MFIs form partnerships with mobile money providers.

As a result, two products based on two mobile financial services models (or "m-banking" models) were introduced in the market. One is the "own account management, outsourced technology" model implemented by NATCCO and Smart e-Money, Inc. (SMI) based on the latter's Smart Unlipay service. In this model, the accounts and the float are both managed by the financial institution (FI), while the technology partner provides the mobile device as an access channel. NATCCO's core banking system and SMI's m-banking gateway system are inter-connected and operate on a real-time basis. As accounts are not opened in a third party FI, therefore, they are not obligated to provide customer data to an external party. Only primary cooperative members with accounts in NATCCO member cooperatives and who are subscribers of Smart mobile network may use this service. Services initially available include Intra/inter-coop funds transfer, balance inquiry, airtime load purchase, and reload Smart Money. Next release will include bills payment and inter-bank funds transfer. Once fully implemented, the service may reach all of the 2.3 million aggregate members of NATCCO.

The second model is "outsourced account management and technology" implemented by FICO Bank (a rural cooperative bank) and GXI based on the latter's GCASH service. In this model, the technology provider offers a more vertically integrated product that includes using the mobile phone as an access channel up to managing the accounts and performing payments services. There is no technical integration between the systems of FICO

Bank and GXI. FICO Bank uses the service for deposit collection, loan collection, loan disbursement and m-payroll. For bulk disbursements, FICO Bank funds its settlement account with GXI, then uploads an Excel file of payees. For collections, FICO Bank downloads the transaction records and reports from GCASH web portal by close of business as GXI deposits total amount collected to FICO Bank's settlement account. This service enabled FICO Bank to offer its deposit products to remote communities that are one hour or 20 kilometers away from their branches.

M-money agent networks

Mobile money agent networks are another critical component of the m-money ecosystem as they provide cash-in/out services to m-money users. The number of agents is not growing as fast as it should due to their lack of viability and sustainability as a business brought about by lack of scale of m-money consumers, liquidity management challenges and poor incentives, presenting a challenge to the growth of m-money. Liquidity management refers to maintaining adequate "stock" of m-money and cash in order to service clients, while incentives refer to gross margins earned on transactions. To address these challenges, SIMM forged partnerships between the mobile money providers and agent aggregators on a non-exclusive basis for the latter to include m-money cash-in/out in their suite of services available at their affiliated outlets via their web-based front-end system. Agent aggregators come in different sizes from 300 outlets to 5,000 and even 8,000 each. Their technology platforms are inter-connected with the m-money systems of the m-money providers. Prior to these partnerships, the agent aggregators have existing mutually profitable relationships with their affiliated outlets which offer bills payment, airline/shipping/bus/hotel ticketing, government services and payments (e.g. NSO). All of these services are pre-funded by each outlet through a single account with the agent aggregator. Hence, no working capital is stuck in a slow-moving SKU. Therefore, the challenges of lack of scale, liquidity management and low revenues are addressed.

National Retail Payments System

While building m-money ecosystem is a sound strategy, m-money and other innovations in retail e-payments will not scale quickly if structural barriers exist that limit their growth. The lack of interoperability has kept m-money from reaching critical mass and has denied it the benefits of network effects as the m-money services remain as closed loops where their consumers and merchants have to be in one payment scheme only. Unless there is high m-money market concentration as in Kenya, for example, it will be extremely difficult to scale m-money in the Philippines and similar markets where m-money market concentration is lower and there is no interoperability (i.e. platform level at the minimum) that will allow funds from accounts in other banks or e-money issuers (EMIs) to flow to and from m-money accounts.

In order to address this challenge, SIMM supported the Bangko Sentral ng Pilipinas (BSP) in initiating and leading an industry-wide advocacy towards having an inclusive, efficient and interoperable National Retail Payments System (NRPS) where funds may flow from any account in any bank or EMI, to any account in any bank or EMI, via any electronic channel. SIMM provided technical assistance to the BSP and engaged Bankable Frontier Associates (BFA), a team of international experts with extensive experience in implementing national payments systems (NPS) in emerging markets, in order to provide best practice knowledge on structure and framework of the desired NPS and provide guidance on how the Philippines may achieve it.

SIMM sponsored NPS courses in April 2013 and in June 2014 to create awareness, set a common language to stimulate the right discussions and understanding of the subject, and establish a national agenda for NRPS among BSP officials, other government officials, and financial industry leaders. Last October 2013, SIMM prepared a high-level glide path towards setting up the NRPS which was well received by the BSP. In June 2014, SIMM, together with BFA, held an NRPS visioning and strategy formulation with BSP officials to guide the implementation of the NRPS. During the same month, a planning workshop among BSP officials and

financial industry leaders was also held to reach a broad consensus on the vision behind NRPS and the possible means of achieving it. In all the NPS courses and NRPS workshops held, the concept of implementing an inclusive, efficient and interoperable NRPS was widely supported and received positive feedback from almost all concerned. Once implemented, it is envisaged that the NRPS will not only promote financial inclusion but will also result in an improvement in GDP as well given the experience of other countries which achieved higher e-payments usage.

Based on the workshops held in June 2014 and data and information obtained from the BSP and the financial industry, SIMM submitted to the BSP the guiding principles on establishing a Payments System Management Body (PSMB) and risk management framework, the guiding principles and economic model of a single national utility clearing operator, and the plan of work for key streams in moving towards NRPS.

Key Results

To date, SIMM has achieved the following:

- 328,072 new m-money users out of a target of 250,000
- 191,196 people opening m-money savings accounts out of a target of 10,000
- 126,456 people trained in financial literacy out of a target of 10,000
- 2,621 new m-money agents out of a target of 2,000
- 114 businesses using m-payroll out of a target of 100
- 6 government agencies using m-payments out of a target of 5

CHAPTER 1: CHALLENGES

Over the course of two years, SIMM encountered issues and challenges that hindered m-money growth in adoption and usage. Nonetheless, the Project was able to address these challenges to achieve desired results. These external factors are classified into political, economic, social, technological and legal factors.

Political

While recognizing its necessity, the May 13, 2013 national elections greatly slowed down SIMM's progress with the local government units. Although LGU project teams accommodated a few project activities, their decision makers and attention focused more on the preparation for the elections in March 2013, until proclamation in July 2013. Moreover, they were constrained from holding any public activity, including those related to SIMM, for fear of being accused of using LGU resources for electioneering.

SIMM also faced challenges with two out of three major mobile money providers which are partners of SIMM as they underwent major organizational changes that caused changes in directions, terminated initiatives, and at the very least, slower project executions. SIMM also faced another challenge in the delicate balancing act of its affairs with the mobile money industry players as a public show of cooperation with one provider being perceived as bias by another, which temporarily ceased cooperation activities with SIMM.

Economic

The lack of cost-effective and convenient ways for people to move funds from deposit and e-money accounts to other deposit and e-money accounts is constricting a major source of mobile money funds required for users to transact which minimizes the potential benefits of mobile money to its users. SIMM started the work of studying the current national payment system, floating a vision of an ideal national payments framework, and assessing the reactions of the major players in the payments industry with the hypothesis that openness will bring about a larger customer base brought about by network effect which is for the good of everyone.

The lack of ubiquity of mobile money agents is also hampering the growth of mobile money. A look at many outlets reveals the lack of viability of the business especially when they are restricted to servicing only one principal, i.e. exclusivity. According to a research report, a viable mobile money agent business requires 400-600 customers, or a daily transaction volume of 30-50 per agent[1]. Many local agents have volumes less than these thresholds.

Likewise, the slow take up of cash-in/cash-out (CI/CO) agents and partner outlets in several SIMM cities and partner organizations was primarily due to agent accreditation concerns, i.e., liquidity requirement, documentary requirement, slow on-boarding process.

SIMM's work to increase mobile money adoption among conditional cash transfer (CCT) beneficiaries was hampered by the very low mobile phone ownership, i.e. 14% only, among CCT beneficiaries as revealed by the Department of Social Welfare and Development (DSWD) program director for the CCT program. Approaches at providing them free phones were not previously pursued for fear that the devices will just be sold or pawned out of the greater need for immediate cash. Likewise, the proposed Smart *BayadLoad* as payment option for Social Security System, Philhealth and Home Mortgage Development Fund remittances has not taken off due to the high service fee given the high cost to distribute e-load.

[1] Brigit Helms, Beth Cobert and Doug Parker. Mobile Money: Getting to Scale in Emerging Markets. McKinsey on Society. 2012

Social

Lack of consumer awareness has created fear and mistrust among target low-income users to mobile money, an example of which was the resistance of public school teachers in Quezon City to comply with the m-money allowance disbursement. The lack of strong Small and Medium Enterprise (SME) umbrella organizations is also presenting a major challenge in reaching, creating awareness and in propagating m-money payroll especially those who still pay salaries in cash.

Technological

The lack of mass activation technology tools from some mobile money providers is hampering the opening of new mobile money accounts. In some events participated in by SIMM, one-on-one activation took about eight minutes per account to complete. Technology and improved business processes will help make high volume activation, e.g. opening accounts for 10,000 students, more feasible. The requirement of MMPs for CI/CO networks to have money remittance license has delayed both platform integration and launch of CI/CO networks. Limited information technology (IT) resources on the part of CI/CO network to implement the project has also been a barrier to progress.

Legal

Until its release in mid-September 2013, the absence of a circular from COA has kept most LGUs from launching their mobile money payments for taxes and fees, e.g. real property tax and other fees.

CHAPTER 2: IMPLEMENTATION

OBJECTIVE 1: Facilitating E-Payroll Distribution

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

The expansion and use of mobile money transactions through Microfinance Institutions (MFIs) was identified by SIMM as a key opportunity area as they represent huge transactions[2] related to microfinance services especially in the rural areas.

MFIs cater to the low income economic segment – a segment that has been previously shut out of access to deposit products. Mobile money was proven to be an ideal channel for short- to long-term savings accumulation product since it requires no maintaining balance, no penalties, and are accessed through outlets that the consumers feel more comfortable with (cash in/cash out agents which are usually neighborhood stores, pharmacies, internet cafes, or pawnshops).

Providing access to financial services via mobile phones has a more compelling value proposition in rural areas that are underserved or un-served by formal financial institutions. These are usually interior barangays or third to fourth class municipalities that are twenty (20) kilometers away from a city or first-second class municipality where most financial institutions set up offices.

SIMM provided technical assistance to Microfinance Institutions (MFIs) by developing business models for mobile financial services to demonstrate how mobile money can reduce cost, speed up processing time, improve value chain, improve customer satisfaction and enable new financial services that will spur its expansion. SIMM also engaged several cooperatives in the different pilot cities to introduce the concept of mobile money and its application to different financial services.

The Mobile Finance Services (MFS) Business Models for Microfinance Institutions (MFIs) Project

In line with this goal, the Mobile Finance Services (MFIs) Business Models for MFIs Project was launched on April 10, 2013 with five institutions participating in the project, namely the 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. SIMM engaged sub-contractor Software Group Inc. to implement the project.

[2] Disbursements and payments of microfinance loans, which make up % of rural banks' portfolios.

The project aimed to develop an 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.

Furthermore, SIMM designed impacted business processes, amended impacted operations manual, and pilot tested the business model with the MFIs in order to achieve a demonstrable and documented evince of success in MFIs' use of mobile money, which in SIMMs' view will lead to scaling of mobile money adoption and usage by MFIs in the Philippines.

The MFS Project proceeded in two phases, with Phase 1 focused on the development of a business model for the five FIs that integrates the use of the mobile money channel to deliver services, and Phase 2 involved the preparation and execution of a pilot to test this new business model with MM. The second phase will be performed based on the MFI's acceptance of the business model.

A typical business model development approach was used and this included the study of the Philippine mobile money market, understanding the individual MFI's current business models, testing the business model through focus group discussions, and developing a financial business case. The business model was refined at each step of the process.

Business model review

In May 2013, SIMM and Software Group conducted the initial round of activities with the participating financial institutions. Workshop sessions were conducted with the management and project owners of the MFIs. The objectives of the workshops were three-pronged:

- Provide the MFI teams with an in-depth understanding of the mobile money infrastructure – consumer market and demand, mobile money providers, existing partnerships and models, fee and commission structure, value proposition, and adoption barriers.
- Review the current business model of the FIs (revenue streams, cost structure, financial highlights, client outreach, branch network, and management information systems), clarifies strategic objectives, and assesses previous mobile money implementation (if any).
- Present recommendations for MFS business models and product concepts, based on the outputs of second session/workshop. The FI project teams gave an initial assessment on the feasibility of the product concept and its alignment with strategic objectives and over-all plans. Changes and re-alignment to business processes and technology requirements were also discussed during this session.

SIMM and Software Group also conducted focus group discussions (FGDs) with the clients of the financial institutions to test the product concept and assess their awareness and willingness to use mobile money.

Product and business model development

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 in June 2013. 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.

The draft business and financial models were presented to the MFI-partners in July and August 2013. [3]

[3] ANNEX: Business models and reports for all five FIs

Table 1: MFI business and financial models

Organization	Recommended mobile financial services	Details	Estimated MFS Launch
CCT	Microloan repayments and disbursement	Recommended platform: GCASH or BanKO	December 2013
FICO Bank	Microloan repayments and disbursements and jewelry loan interest repayments	Recommended platform: GCASH or BanKO	November 2013
KMBI	Microloan repayments and disbursement	Recommended platform: GCASH or BanKO	
GM Bank	Cash deposits, withdrawals, bills payments, accounts management, airtime top-up	Mobile banking platform (white-labeled Smart Money)	February 2014
NATCCO	Cash deposits, withdrawals, bills payments, accounts management, airtime top-up	Mobile banking platform (white-labelled Smart Money)	January 2014

Three financial institutions were amenable to the recommended business model and signed off for the pilot. KMBI decided to discontinue project partnership with SIMM to fully commit to a remittance product being developed with Microsave. KMBI had already put in a substantial investment into this project prior to signing the agreement with SIMM.

During the presentation of the MFS business model, GM Bank zeroed in on the weakness of the agent network as the main challenge to their previous mobile banking implementations. Before deciding to proceed with the pilot, GM Bank requested SIMM to develop a mobile banking agent business model to address their concern. The tool was completed in March 2014, but GM Bank opted not to proceed with the pilot, citing substantial investments in acquiring a new core banking system (Temenos) and prioritizing data migration.

Preparatory activities for the pilot

SIMM and Software Group provided technical assistance in the mobile money partner engagement and contracting, agent network expansion, business process review, and staff and client training.

Staff of NATCCO member cooperative Socorro Empowered People's Cooperative (SOEMCO) doing their business process mapping.

SIMM assisted partners CCT and FICO with the preparation of the terms of reference (TOR) to be sent out to qualified mobile money payment service providers. The TOR outlines the requirements for repayments and disbursements, and technical and reporting requirements. SIMM also provided inputs during

contract negotiations and finalization of contract with their selected MMP.

On November 5, 2013, FICO Bank signed an implementing agreement with mobile money provider G-Xchange Inc. (GXI) to allow FICO Bank and its clients to use the GCASH platform in using mobile money for bills payment and loan disbursements. CCT, on the other hand, finalized its partnership with Smart EMoney Inc. for its microloan disbursement and payments via Smart Money in June 2014.

SIMM provided inputs in the drafting of the Memorandum of Agreement (MOA) between NATCCO and Smart e-Money Inc. (SEMI), which defines the terms and conditions of the cooperation for the development, use, and deployment of the *PinoyCoop* Mobile Banking Service. The MOA was signed on August 2, 2013. Development work commenced in September 2013, systems integration was completed in May 2014 and user acceptance tests will be completed by end of December 2014. The service will be ready for service by January 2015. Parallel to the development work, SIMM conducted sessions to lay out the marketing and promotion plan for the product.

On February 11, 2014, First Isabela Cooperative (FICO) Bank, USAID, SIMM Project and GXI launched the Wais na Nanay Savers Club (Practical/smart Mothers Savers Club) that will allow their clients to make savings deposits and loan payments with their mobile phones.

SIMM also conducted business process review and redesign for the three partners that proceeded with the pilot. The activity aimed to evaluate the current business processes, identify which processes will be impacted by mobile financial services offering, and lay out the revised business process flow. The output of the workshops – the re-designed business processes incorporating MFS – serves as reference and map for the staff, especially during the initial months of the offering.

The business process review served as a walk through and introduced the team to mobile money and MFS, and tackled the MFIs' current process in client recruitment and orientation, disbursement, and collection. Aside from the redesigned business processes, the workshop also discussed client support and escalation and how to handle scenarios like un-posted and mis-posted transactions and double payments.

SIMM sub-contractor for its financial literacy component Social Enterprise Development Partnerships Inc. (SEDPI) also conducted training on financial literacy to the MFI partners' pool of trainers. The pool of trainers is expected to train front liners and staff of other branches for the full-scale rollout. The training equipped participants with skills in providing instructions on how to use mobile money through individual orientation, small group orientation, demonstration, and large-group training. The training also highlighted how mobile money can be positioned as a facility/enabler to achieve personal financial goals.

Cooperatives in Quezon City and Batangas City

Collaborative work with cooperative arms of local governments has proven to be the best approach in engaging cooperatives in Quezon City and Batangas City. SIMM engaged Sikap Buhay Entrepreneurship and

Cooperative Office (SBECO) in Quezon City in April 2013 and the Office of City Veterinarian and Agricultural Services (OCVAS) in Batangas City in November 2012 to discuss collaboration opportunities for enabling mobile money loan collection and disbursement for increased operational efficiency for cooperatives and to partner with them for the joint development and conduct of financial literacy training on m-money to their network of cooperatives.

To kick off the partnership, Mobile Money Forums were held for cooperatives in the two SIMM cities. As a result, several cooperatives explored the adoption of m-money, including the International Broadcast Center (IBC) 13 Broadcast Workers' Cooperative. Being a broadcast company with operations nationwide, the cooperative saw the value of m-money loan disbursement for its 130 members to increase efficiency and savings in operations, and additional financial benefits to its members. Loans accessed by members range from personal loans that start at US$114 (PhP5,000) to special loans at US$1,145 (PhP50,000) disbursed through checks and encashed in banks.

> *"Through text messages, our members can now be advised of their approved loan amount. They can also use mobile money to purchase goods, buy airtime load, and settle bills. All of these can be done whether we are out in the field for coverage, or just simply in our office, enabling members to save time and transportation cost."*
>
> **BWC Chairman Rommel Rivera**

On July 4, 2013 SIMM and mobile money provider BPI Globe BanKO formally launched the mobile money loan disbursement. Simulation activities showed that the loan disbursement process, from the cooperative to sending the amount to the member's BanKO account, can be completed in as little as two minutes, through the BanKOLink system. As of this period, a total of 150 IBC 13 members and employees are registered as m-money users including those residing in their satellite offices. Notably, cooperative chairperson Rommel Rivera has become one of the champions of SIMM in Quezon City as he has been actively promoting the mobile money project among members of his federation. This resulted in the interest of other cooperatives to explore mobile money. SIMM has provided Financial Literacy and Mobile Financial Services to IBC 13 BWC 3 member cooperatives covering 128 participants with 5 more training sessions pending.

Through the project, SIMM has helped forge continuing partnerships between Sikap Buhay Entrepreneurship and Cooperative Office (SBECO) who has started discussions with BPI Globe BanKO for a microinsurance program for the Quezon City Federation Tricycle Operators Drivers Association (TODA) that aims to provide more financial services to tricycle drivers with low premiums and wide coverage for unanticipated events such as accidents, death and loss of livelihood. Quezon City has approximately 5,000 tricycle operators for adoption of mobile money microinsurance program.

Meanwhile, in Batangas City, the cooperative sector is considered as one of the key pillars for poverty alleviation, and here alone there are over 50 active cooperatives with a total membership estimated at over 24,000 individuals. SIMM convened two Mobile Money Forums in November 2012 and May 2013 and out of 19 cooperatives that attended these forums, 6 formally launched mobile money services with BPI Globe BanKO and GCash. These are Pinagbuklod MPC, Mahacot MPC, Pinamucan Ibaba MPC, Ilijan MPC, San Isidro MPC and Soro-soro Ibaba Development Cooperative (SIDC). While SIMM's main thrust with cooperatives was to promote m-money for efficiency in disbursement processes as showcased by IBC 13 BWC, Batangas cooperatives greatly saw the benefit of becoming mobile money partner outlets as a way to promote savings and increase reach of membership particularly for areas that are remote, as is the case with some cooperatives. These cooperatives also saw the potential of extra income from CI/CO transactions and bills payments.

To help build and scale the use of m-money by cooperatives, MMPs conducted end user trainings to introduce the core services of their products, and SIMM together with sub-contractor SEDPI conducted a series of Financial Literacy and Mobile Financial Services Training of Trainers which included topics on proper

budgeting, importance of savings and setting financial goals. Post-training tests and surveys were done to show the level of knowledge acquired during these trainings.

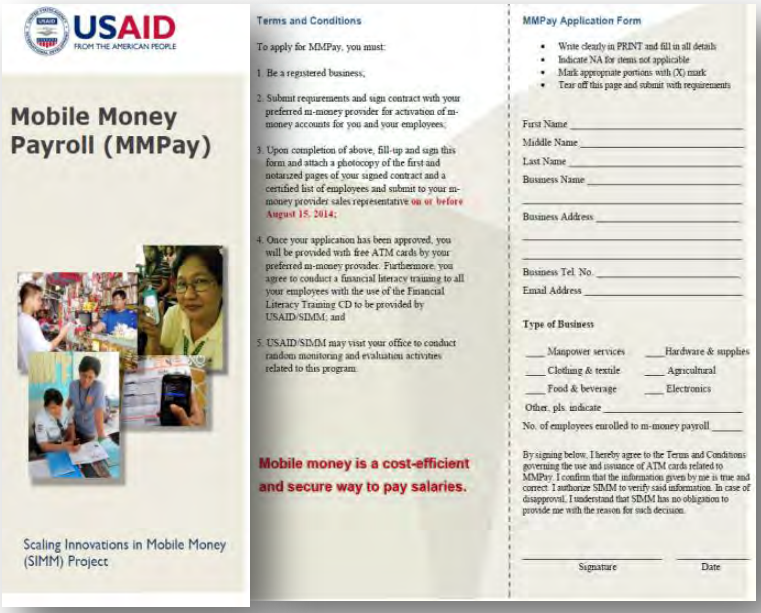
- <u>Promote e-payroll options to established businesses</u>

In the Philippines, there are about 945,000 businesses employing 7.81 million people nationwide. By employment grouping, there are 844,760 (89.4%) establishments classified as micro (with employment of 1 to 9); 92,025 (9.7%) classified as small (with employment of 10 to 99); 4,136 (0.4%) classified as medium (with employment of 100 to 199) and; 4,083 (0.4%) classified as large (with employment of 200 and over).

Recognizing the potential to scale up m-money adoption by promoting electronic payroll (e-payroll) disbursements to receptive businesses, microfinance institutions (MFIs), and government agencies, SIMM assisted private businesses by providing technical assistance to implement and adopt mobile money (m-money) payroll to its employees.

Technical Assistance Program (TAP) For Mobile Money Payroll

Payroll is among the best ways to scale a new payment system. This was seen with the automated teller machine (ATM) experience in the Philippines where it became ubiquitous when more and more companies were using it to distribute payroll. It takes lesser effort and resources to convince efficiency and cost-driven businesses to adopt m-money payroll than to communicate directly with consumers. In addition, once the employees receive m-money payroll, it will automatically lead them to regular use.


USAID
FROM THE AMERICAN PEOPLE

Mobile Money Payroll (MMPay)

Scaling Innovations in Mobile Money (SIMM) Project

Terms and Conditions

To apply for MMPay, you must:

1. Be a registered business;
2. Submit requirements and sign contract with your preferred m-money provider for activation of m-money accounts for you and your employees;
3. Upon completion of above, fill-up and sign this form and attach a photocopy of the first and notarized pages of your signed contract and a certified list of employees and submit to your m-money provider sales representative on or before August 15, 2014;
4. Once your application has been approved, you will be provided with free ATM cards by your preferred m-money provider. Furthermore, you agree to conduct a financial literacy training to all your employees with the use of the Financial Literacy Training CD to be provided by USAID/SIMM; and
5. USAID/SIMM may visit your office to conduct random monitoring and evaluation activities related to this program.

Mobile money is a cost-efficient and secure way to pay salaries.

MMPay Application Form

- Write clearly in PRINT and fill in all details
- Indicate NA for items not applicable
- Mark appropriate portions with (X) mark
- Tear off this page and submit with requirements

First Name _____
Middle Name _____
Last Name _____
Business Name _____
Business Address _____
Business Tel. No. _____
Email Address _____

Type of Business

___ Manpower services ___ Hardware & supplies
___ Clothing & textile ___ Agricultural
___ Food & beverage ___ Electronics
Other, pls. indicate _____
No. of employees enrolled to m-money payroll _____

By signing below, I hereby agree to the Terms and Conditions governing the use and issuance of ATM cards related to MMPay. I confirm that the information given by me is true and correct. I authorize SIMM to verify said information. In case of disapproval, I understand that SIMM has no obligation to provide me with the reason for such decision.

Signature Date

Many small and medium enterprise businesses in rural and urban areas are still using cash envelopes for payroll. Most of the companies would benefit from m-money payroll as it is among the cheapest electronic payment methods in the market. It does not require an average daily balance (ADB) of cash deposit. Banks offer current account-savings account-based ATM cards, as well as pre-paid cash ATM cards, subject to ADB requirements or higher transaction fees than m-money providers. ADB requirements, although not direct costs, have economic costs as they tie precious capital from being used productively by businesses. Although there are few large companies which have no difficulty meeting the ADB requirements due to their very large cash flows from daily sales collections, most companies prefer to use cash more productively than keeping it as cash deposits earning very small interest revenues.

M-money payroll is among SIMM's strategic interventions to make m-money reach critical mass in the Philippines. Although there is huge potential of m-money payroll among the private sector, they are faced with major barriers to m-money adoption by SMEs and large businesses due to lack of awareness and appreciation of m-money benefits to business owners and employers, and the lack of financial literacy of their employees.

Since m-money payroll is not yet clearly understood in the market, more work has to be done in educating and assisting implementation of the companies and their employees in moving towards m-money payroll.

During the first phase of m-money promotion to SMEs and large businesses, the following were the main reasons why businesses did not convert to m-money payroll disbursement:

- Cost – this includes costs of ATM cards, disbursement fee, conversion fee, and withdrawal fee
- Competition – existing competition from banks, prepaid cards, and debit cards
- Ease of use and acceptance of new technology - bigger companies prefer to use payroll systems that are more flexible (includes government contributions, human resource facility, etc.)
- Market – choosing the right market for mobile money payroll is important (location with good number of CI/CO merchant outlets, perimeter from the place with available and more affordable competitor products)

With the switching cost being identified as a major barrier, SIMM introduced the Mobile Money Payroll (Mmpay) Program that aims to target beneficiaries of SMEs and large businesses.

- Induce trial by minimizing switching cost to m-money payroll through subsidy in the cost of ATM cards or through subsidy in the cost of disbursement for the first three (3) months of implementation for a total estimated 139,000 new users; and
- Provide financial literacy materials kit including Training Modules and Manuals and other collaterals like mobile money comic books and instructional videos to each partner SME or large business as part of the project's financial literacy and education campaign.

Implementation Strategy

SIMM launched the TAP Mobile Money Payroll (Mmpay) in February 2015 and distributed (Mmpay) brochure with application form that was distributed to the mobile money providers (MMPs) with initial deadlines of April 25 that was later extended to August 15, 2014 and finally October 15, 2014, following the SIMM project extension. The mechanics to avail of the program include the following terms and conditions:

1. Pre-sales: MMP sales people will offer their m-money payroll products to these companies and inform them of the available support from TAP.
2. Sales: Interested enterprise will submit to SIMM the proof of m-money adoption such as the filled up TAP application form with a commitment to conduct financial literacy to their employees, a copy of the signed contract with the MMP and the certification of the list of employees
3. Post-sales: Once applications have been approved, ATM cards will be released by MMPs to the SMEs following SIMM's confirmation of submitted requirements. Businesses will deliver financial literacy training to their employees.

As a result of the partnership with the mobile money providers in strategically aligning the payroll objectives, a total of 107 companies adopted mobile money and a total of 137,516 employees have been opened mobile money payroll accounts. Below is the distribution per MMPs:

Table 2: Distribution of mobile money payroll by provider

Mobile Money Provider	No. of companies	No. of employees
BPI Globe BanKO	4	7,055
G-Xchange Inc.	103	130,462

- <u>Support the implementation of e-payroll to public sector agencies</u>

In line with the Philippine Government's goal to achieve greater transparency and security in financial transactions of public funds, SIMM pushed forth mobile money payroll and disbursements so that local governments can provide more convenient, secure and transparent transfer of funds ensuring access to additional financial services to its employees and constituents.

In December 2012, SIMM engaged the officials of the Municipality of Pulilan, Bulacan led by City Administrator Vicente Esguerra Jr. to explore possible partnership for the adoption of m-money payroll and payment system in the municipality. The identified priority areas include payroll for more than 300 government employees and payment of water utility for the municipality's water system with 5,000 concessionaires.

By February 2013, Mayor Vicente Esguerra Sr. signed a Memorandum of Understanding (MOU) with USAID 'to implement mobile money as an alternative payment system for government transactions and promote the adoption of mobile money amongst its constituents to enable broad-based and inclusive economic growth.' Under this partnership, digitizing key government payment streams in Pulilan like payroll will mean reduced administrative costs and improved delivery of public services for citizens.

Pulilan LGU treasurer (left) simulates the mobile money payroll disbursement during the launch on August 15, 2013 with LGU employees and Municipal Administrator Vic Esguerra Jr. (right) confirming receipt of SMS stating his salary.

The Terms of Reference (TOR) for the mobile money payment service detailed the objectives, project timeline, eligibility and requirements for the new collection and disbursement system for review of the municipality. Minimum requirements:

1. Zero cost to government (i.e. free disbursement fee and connection fee for collections)
2. Minimal convenience fee that substitutes cost of transportation
3. Validation and identification of a user and transaction
4. Live access to transactions made
5. Timely reporting of collections
6. 24 hour collection services and settlement with the authorized government depository bank (AGDB) by the next banking day
7. After-sales institutional customer service support

On August 15, 2013, SIMM achieved a milestone with the Municipality of Pulilan as it launched the very first mobile money payroll for a local government unit in the country, along with the acceptance of mobile money payment for water utilities. This intervention was made possible by a *Sangguniang Bayan* Resolution issued on June 10, 2013 by the Pulilan local government unit, recognizing BPI Globe BanKO as electronic payments and collection service provider of the Muncipality of Pulilan, Bulacan and authorizing the municipal mayor 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.

This resulted in achieving a one government agency using mobile money payroll and payment services. This reduction is attributed to reducing transaction cost from US$125.22 (PhP5,5090.52) to US$19.77 (PhP870) per payroll period of 15 days which resulted from streamlining of processes to one-time travel cost and eliminating time to queue for releasing and receiving of salary.

To help scale usage of m-money in Pulilan, a series of marketing caravans were conducted by BPI Globe BanKO, alongside planned activities of the local government, such as medical missions to maximize the opportunity of reaching a high number of individuals gathered at a given place and time.

On October 15, the Pulilan Municipal Administrator held the last the mobile money working group to discuss current status of activities, challenges, best practices and lessons learned moving forward. Notably, during the meeting, the Pulilan Treasurer requested for a 2-minute break to implement the payroll using BanKO link in her smartphone.

The highlights of the meeting include the following:

1. Government Mobile Money Payroll has ensured security of the Treasurer from death and government funds from robbery. The new system has reduced operating costs of municipality on transportation (rental of the ambulance, man hours of the driver, gas), man hours of the Treasurer's staff in changing money, counting and releasing and reconciling/balancing the amount withdrawn versus disbursed, man hours of the employees queuing. There are a few refinements to be made to ensure more efficiency in the new mobile process such as automating the confirmation of funds transfer and sweeping to the Pulilan mobile money wallet. Lessons learned include the need to understand the shift from manual to electronic processes and the new reporting requirements to confirm disbursement and receipt of the employee.
2. A total of 11,976 accounts have been opened in Pulilan Bulacan exceeding the target of 10,00 total households. Accountholders range from government employees, jeepney and tricycle drivers, mother leaders and volunteers, students, teachers. Challenges are the availability and accessibility of mobile money agents to service the new accountholders and provide knowledge on the benefits of the products and services
3. Pulilan Water Mobile Money Collections has collected a total of 111 bills amounting to Php99,127 with 78 users actively paying bills. Challenges encountered are identifying the least costly channel to transfer funds collected via mobile money.
4. There are 9 BPOs activated in Pulilan, of which 7 have encountered some funding problems with two actively operating. Through the BPOs, in the past 9 months, a total of 279 accounts were opened, a total of 828 transactions, and an asset value of Php 643, 837. Of particular interest is Sylver Café that has shown significant activity and increase in its volume of transactions.

Pulilan has assigned a dedicated program manager to continue monitoring the progress and actions taken by BPI Globe BanKO to address concerns raised.

OBJECTIVE 2: Reducing Transaction Costs in the Payment System

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

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

SIMM positioned m-money as a more accessible, cost-efficient and effective payment channel which at the same time can help improve public service delivery and ease of doing business to the local governments of SIMM cities as local government offices continued to suffer from delays, inefficiencies in back-end operations, and even corruption brought about my manual processes.

With the national government geared towards digitization of its existing business processes to reduce manual procedures and SIMM's work with COA in finalizing and releasing the COA Circular 2013-007 allowing national and local government agencies to collect fees and taxes using electronic payments on September 18, 2013, LGU partners were prompted to successfully move towards adopting m-money for collection and payment of government fees and taxes. Through this intervention, SIMM gained numerous 'firsts' in the country with the partner LGUs. Through the innovative payment service, local taxpayers can have their real property tax and business permit fees assessed, inquire the status of their construction permit applications and corresponding permit fees assessed, and pay taxes and fees through their mobile phones anytime and anywhere without the long, time-consuming queues and trips to the city hall.

Quezon City

SIMM initially engaged the Quezon City Government in January 2013, and its partnership to implement the project was formally launched on March 25, 2013, during the MOU signing between the local government represented by its Mayor Herbert Bautista and USAID Mission Director Gloria Steele. Work to develop payment use cases started immediately followed by other activities to assist the LGU with payment stream prioritization, business processes development, selection and negotiation of commercial terms with mobile money providers and other support activities such as the crafting of proposed City Council Resolution for the implementation of mobile money. This City Council resolution was ratified last October 2013, with the issuance of an ordinance amending Ordinance # SP-1508, S-2005 which specifies the inclusion of mobile money as an alternative mode of payment for city taxes and fees. The Implementing Rules and Regulations pursuant to Ordinance SP-2228, S-2103 was

Quezon City launching event on December 11, 2013 with GXI President Paolo Baltao, Mayor Herbert Bautista, USAID Washington Deputy Assistant Administrator Greg Beck, USAID/Philippines Program Management Specialist Teresita Espenilla, and BPI Globe BanKO Vice President Rob Nazal.

issued on December 20, 2013. SIMM gained ground in piloting applications of mobile money for assessment and collection of real property taxes in Quezon City.

Technical challenges were encountered due to the need for hardware equipment particularly the server to house all electronic payment database which will have to go through the procurement process. To address the challenge, the IT team of the local team configured existing servers to provisionally house the electronic payments which will be migrated once the new server is delivered. SIMM, GXI and the IT team worked together to meet all the requirements from securing the SSL certificate, establishing the connection to the IP and database server conducting the SRA and firewall, testing and production to ensure that the system was ready for the peak tax season from January to March 2014.

This new service was formally launched on December 11, 2013, with the local government signing a service agreement with G-Xchange Inc. to use the GCash platform as an option to assess and collect payments for real property taxes. This aims to cater to potential payments of more than 300,000 as processed by the local government last year, and also about 200,000 delinquent payments.

Marketing efforts that included a range of activities and distribution of materials by SIMM, GXI and the local government were undertaken in the first quarter of the year to increase awareness and induce usage of the new system. Training support for frontliners and end users were provided by SIMM as well. By the end of first quarter, 276 payments were made via GCASH with total tax collection of about US$12,702 (PhP550,000), ranging from US$4.6 to US$439 (PhP200 to PhP19,000). A Help Desk System was put in place in March 2014 to ensure timely and efficient support service is available to tax payers.

Republic of the Philippines
QUEZON CITY LOCAL GOVERNMENT UNIT
Office of the City Treasurer

Official Receipt

Transaction Type:	Business
Transaction Reference No.	2014051600001
Official Receipt Date & Time	16-Mar-2014 09:46 AM
Official Receipt No.	8-2014-000-995-0000001
Billing No.	8-2014-01-02-99-000003
Taxpayer's Name	JAIME REYES
Business Name	REYES SALON
Business Type	SINGLE PROPRIETORSHIP
MP No.	12-007143
Tax Year & Quarter	2014 1-4

Gross Amount		13,282.00
MAYORS PERMIT	150.00	
CITY TAX	11,250.00	
GARBAGE FEE	110.00	
SANITARY FEE	250.00	
BUILDING INSP. FEE	50.00	
ELECTRICAL INSP. FEE	20.00	
PLUMBING INSP. FEE	7.00	
SIGNBOARD	50.00	
FIRE INSPECTION FEE	300.00	
NEW REGISTRATION PLATE / STICKER	250.00	
ZONING FEE	545.00	
PENALTY/INTEREST	-	
TOURISM	-	
QCBRD	100.00	
ADJUSTMENT	-	
DISCOUNT	-	
PENALTY FOR DELINQUENCY	-	
ADJUSTMENT FOR TOURISM	-	
SPECIAL PERMIT	-	
ADDITIONAL FEES	-	
CTC	200.00	
Net Amount		**13,282.00**

To ensure sustainability of the project and provide end-to-end solution to taxpayers, the city government worked to establish the business rules for the electronic official receipts which will give confidence to the taxpayer to continue using the system.

On August 7, SIMM met with COA auditor Ms. Rosa Dela Cruz to gather feedback on the city's plan to expand the services to other government fees primarily business permit and market stall fees and the launching of the electronic official receipts. Main inputs of COA is to ensure: (1) a clear procedure for the new electronic process for faster reporting processes, (2) a read-only access for COA to transaction reports from the acceptance of payments, issuance of receipts to revenue received for easy auditing of electronic transactions.

Following soon after an Executive Memorandum was released by Mayor Bautista directing the involved offices to address the concerns of COA, to ensure full documentation of all electronic payment processes, transactions and reports, development of the Electronic Official Receipts for payments made to QC LGU through mobile, online or other electronic means and continue the shift to E-payments for business taxes, market stall fees and other miscellaneous fees; and intensify publicity and promotions campaign to encourage the use of electronic payments specifically mobile money.

As of the writing of this report, below is the status of the action items identified:

1. In August, SIMM engaged an ICT Specialist to work with the QC Information Technology Development Office (QC ITDO) and developed the eOR web system that is connected to the QC local server to validate and print electronic official receipts. Now, the taxpayer can access their electronic official receipt (eOR) through the Quezon City website (www.eor.quezoncity.gov.ph). The taxpayer has

to enter the transaction reference number which can be found in the confirmation SMS message of the successful payment. For security purposes, the taxpayer will also be required to enter the alphanumeric Captcha, a program to distinguish human from machine input, typically as a way of thwarting spam and automated extraction of data from websites. Upon validation from the ePayment server, the eOR will be displayed as Adobe Portable Document Format (PDF) that can be downloaded, saved or printed. The eOR can be accessible in the system for two years and may only be downloaded once. After the period, the taxpayer will need to request for a certified true copy from the city hall.

2. Starting September, the Manual of Operations detailing step by step procedure, office/persons responsible and sample reports was drafted and is now being finalized and pending signature of the Mayor
3. After technical set up (procurement of server, fixing of network connection, migration of database) and user's acceptance testing of the expanded mobile services, on October 30, the mobile money payments for business tax fees and market stall feels went live.

In July, SIMM provided technical assistance to the Quezon City Government in preparing the eGOV Awards 2014 submission of the QC Mobile Services demonstrating the innovation of the program in making tax compliance very easy for taxpayers from making pioneer local policies, 24/7 tax assessment and payment system anywhere and anytime using an accessible device, the mobile phone, and accountable management and tracking of government financial transactions.

On October 24, 2014, Quezon City government won First Runner-up under the Government-to-Business (G2B) category for SIMM project during the 3rd Annual eGov Awards on October 24, 2014 at the SMX Convention Center in Davao City. eGov Awards started in 2012 during the time of the late Sec. Jesse Robredo in order to encourage the effective and efficient utilization of information and communications technology (ICT) in the delivery of services and performance of the duties and responsibilities by local government units (LGUs). The award is organized by the National ICT Confederation of the Philippines, which is the recognized national organization of ICT Councils in the Philippines, and the Department of the Interior and Local Government.

Quezon City SIMM project wins 1st runner up in the 2014 eGov Awards for the G2B category on Oct 24, 2014 in Davao City.

On November 26, The Quezon City Government has launched "Easy Access Quezon City" - the use of electronic official receipt (eOR) in payment transaction, becoming the first local government unit (LGU) in the country to implement such innovation. The launching was highlighted by a live demonstration of a market stall owner in Murphy Public Market who successfully sent payment for her market stall fee using mobile money (thru G-cash) and received a printable electronic receipt in return.

With the new system for tax assessment, payment and issuance of electronic official receipts, Mayor Bautista is expecting an increased and timely collection of taxes that could help in the delivery of basic services to the city residents.

"*The QC government is working with different private and government agencies and organizations such as the USAID and the GXI to institute reform and development for good governance. I look forward to the benefits of the new innovation especially in promoting transparency and operational efficiency in local governance,*" the Mayor said.

He also said that one of the purposes of the mobile e-payment is relieving the volume of people coming to city hall and spending for transportation in doing so.

To date, QC has 65,000 registered businesses. With the use of this modern technology, payment of business taxes such as market fee and charges due to the city can now be done in just a click of a mouse or keypad.

Assistant COA Commissioner Divina Alagon expressed her support for the program and highlighted the legal basis on the use of the electronic official receipt provisions of Republic Act 8792 or the E-Commerce Act of 2000, which recognizes the use of electronic instruments for transactions and COA Circular 2013-007, which provided the guidelines for government's use of electronic payments. .

QC launches the first local government electronic official receipt. The event demonstrated a Live video stream of a stall holder making mobile payment at Murphy Market viewed at the Bulwagang Amoranto.

Valenzuela City

On November 12, 2012, Mayor Sherwin Gatchalian, USAID Assistant Administrator for the Bureau of Economic Growth, Education and Environment, Eric G. Postel, together with USAID Philippines Mission Director Gloria Steele inked the MOU for the implementation of the SIMM Project to help the local government cut administrative costs, increase transparency, reduce potential leakage of government funds and simplify doing business transactions for the citizens by promoting the use of money for local government financial transactions and creating a mobile money ecosystem within the city for sustainability.

USAID-Valenzuela City MOU Signing. From left to right: USAID Assistant Administrator Eric G. Postel, Mayor Sherwin Gatchalian, USAID Philippines Mission Director Gloria Steele

SIMM assisted Valenzuela City, in partnership with G-Xchange, Inc. (GXI), develop a local government payment platform which features both assessment and payment services. The initial implementation covered real property tax which was launched by Valenzuela City's new local executive, Mayor Rex Gatchalian on January 21, 2014. In launching the new payment service, Mayor Rex Gatchalian believes that minimizing human interaction in government transactions is one of the best ways to completely eliminate bureaucratic red tape and avert graft and corruption practices. "Apart from providing convenience to our taxpayers, these automated processes would also help the city government pursue its quest on good governance," Mayor Rex Gatchalian said. Valenzuela City's mobile real property tax assessment and payment system is the first on-line (real-time) real property system in the country that can be accessed through mobile phone and credits the payment on a real-time basis.

Subsequently, business permit and construction permit payment services were made available in March 2014 under the 3S Plus Program of the new local executive. With the expanded mobile payment system, the country's first fully automated construction and building permit application system which was launched on January 21, 2014 was made even better. The integration with GXI's GCash payment platform allowed applicants to inquire status of their construction and building permit applications through their mobile phones and if their application is approved, applicants can pay the fees due to Valenzuela City through their mobile phones. Business owners can also pay their quarterly business permit fees through the expanded mobile payment service. Mayor Rex Gatchalian mentioned in one of his recent engagements that through this new system, the public is ensured that transactions with the city government are now handled with utmost professionalism and transparency.

Launch of Valenzuela Electronic Kiosk. From left to right: USAID Philippines Mission Director Gloria Steele, Mayor Rex Gatchalian and Architect Edison Ching Padilla,

The key to mobile payment implementation in Valenzuela City was the institutionalization of electronic payments through City Ordinance No. 75 which was passed on February 25, 2013. The ordinance effectively authorized the city government to implement electronic or automated payment systems for revenue collection such as mobile payment, on-line payment, and card-based payment (using POS terminals). SIMM assisted the city government draft the ordinance and acted as resource both on the policy and technical aspects of payment systems.

To promote the local government mobile payment service, SIMM, in partnership with the Cooperative Development Office of Valenzuela City LGU held mobile money summits for cooperatives, as well as to enlist support from cooperatives to serve as CI/CO outlets to complement the existing GCASH outlets in the city. Financial literacy, end users and frontliner trainings were also provided by SIMM. The LGU together with SIMM and GXI also launched a marketing campaign to help raise awareness and induce usage of the new system.

Batangas City

Batangas City is one of the three cities under the Cities Development Initiative (CDI) program of the USAID. SIMM held its first meeting with the Batangas City Government in August 2012. Various meetings were held with the Batangas City Local Economic, Investment and Promotion Office and City Treasurer's Office to provide feedback on the concerns relating to the COA regulation on electronic receipts. Upon the issuance of the needed COA circular, efforts resumed

Batangas City LGU, USAID, SIMM Project and GXI launched on March 31, 2014 the mobile money payment system for business taxes.

on identifying potential opportunities for P2G mobile money implementation with the City Government, and one of those is the assessment and collection of business taxes.

On March 31, 2014, the m-money payment system for business tax was formally launched in the city. This complements the support of the USAID/Investment Enabling Environment (INVEST) Project to the City Government in streamlining business permit registration with which its process has been reduced from seventeen (17) steps which can take up to three days to complete, to two simple steps completed in just two hours. This m-money payment system is a result of SIMM's collaboration with INVEST, with the shared goal of providing a more convenient government transaction for constituents. SIMM facilitated the City Government's partnership with GXI to enable the use of the GCASH platform for the business tax payment. This new service has the potential to ease payment processes of more than 5,000 registered businesses in the city.

Iloilo City

Iloilo City is another city under the Cities Development Initiative (CDI) program of USAID, and also an LGU partner of USAID/INVEST Project. In collaboration with INVEST, SIMM conducted an initial assessment on the streamlined business permit process of Iloilo City in February 2014. The results of the initial assessment and the proposed mobile money services implementation were presented to Iloilo City Mayor Jed Patrick Mabilog. The Mayor endorsed the SIMM project to the joint executive-legislative department. On May 2014, Mayor Mabilog issued an Executive Order creating the SIMM project management team, which includes both the oversight committee and the project team to implement mobile payment system for local government financial transactions.
SIMM provided technical assistance to Iloilo City to implement mobile money payment system for local government financial transactions, which included an LGU mobile money implementation toolkit. The toolkit includes an implementation work plan, templates and resource materials such as electronic payment systems regulations. Likewise, SIMM drafted the city ordinance that will allow the city government to implement electronic payment systems. The draft ordinance was filed with the Iloilo City Council on April 22, 2014 and was approved on July 1, 2014. Iloilo City launched its mobile payment for business tax on December 4, 2014 together with INVEST's Online Business Registration.

After the launch, SIMM trained the frontliners of the Iloilo City LGU on mobile money processes and financial literacy alongside with the development and production of IEC materials.

Cagayan de Oro City

Cagayan de Oro is also under USAID's CDI Program. SIMM initially engaged the local government of Cagayan de Oro City in April 2014 and conducted an initial assessment of the city's streamlined business permit process. SIMM presented to City Mayor Oscar Moreno the result of the initial assessment and the proposed mobile money services implementation. Steps were undertaken to get the support of the City Council to pass the needed ordinance recognizing the

Cagayan de Oro City LGU, USAID, the SIMM and INVEST Projects and GXI launched on October 22, 2014 the mobile money payment system for business taxes and registration, traffic citation, and other LGU fees.

use of electronic payment systems for LGU fees. On July 7, 2014, the Council passed the Ordinance on Electronic Payments entitled "*Recognition of the Use of Electronic Payment Systems for Financial Transactions with Cagayan de Oro City*".

After securing the approval, SIMM provided technical assistance to the LGU to implement a mobile money payment system for financial transactions, specifically for business taxes. The service will benefit around 21,000 registered businesses in Cagayan de Oro City.

Beginning mid-July to September 2014, commercial and technical preparations were undertaken by CDO LGU, SIMM and the mobile money provider. Because of the volume of taxpayers[4] paying the above cited fees, the City Treasurer's Office decided to pilot the mobile money for business and real property tax payments. The city is also the first city to rollout traffic citation payments via mobile money. Through the service, the city can potentially collect an average of PhP6 million per month covering 1,000 traffic citations. Other fees that can be paid via mobile money include billing permit and market rental fees and payments at the local civil registrar.

Cagayan de Oro City launched its mobile payments on October 22, 2014 together with USAID project INVEST's Online Business Registration. After the launch, SIMM trained the frontliners of the Cagayan de Oro City LGU on mobile money processes and financial literacy alongside with the development and production of IEC materials.

- <u>Facilitate an efficient payment system via m-money</u>

Pulilan, Bulacan

About 10,000 concessionaires of the Pulilan Water System travel to the city proper to settle their water dues necessitating transportation costs. The farthest barangay spends up to US$4.6 (PhP200) for travel which is the same as the minimum water bill amount. The difficulty in accessing payment points contribute to the high delinquency rate of about 50%.

On the other hand, the Pulilan Water System encounters operation inefficiencies due to the cash based transactions that necessitate additional manpower to receive, balance and reconcile payments instead of focusing on managing operations to decrease delinquent accounts and expanding to other unserved areas.

To address the challenges, the Municipality of Pulilan Bulacan adopted mobile money to increase access to financial services to its concessionaires including payment of utility bills such as Pulilan Water System

[4] To date, Cagayan de Oro City has 21,343 registered businesses and 223,580 active real property units.

On August 2, SIMM and BanKO conducted a successful simulation of the new 8-step method of paying Pulilan Water System via mobile money using actual transactions from sending money, cashing in to using actual billing data. The system set-up was completed and payments can now be made to biller code 'Pulilanwater'.

On the technical side, BPI Globe BanKO and Pulilan IT finalized the hardware and software requirements with the Pulilan Water System to ensure that both systems are aligned and mobile payments are recorded and updated. Due to server limitations, the Pulilan Water System, during the first phase of implementation will connect to the BanKO server. A hands-on training was conducted on the use of the current system demonstrating the use BanKO web hosting that can be accessed through web access for uploading payment due and downloading successfully paid transactions. BanKO clients can check their amount due by pressing 0 on the amount.

By mid-2014, Pulilan is transitioning to the phase 2 implementation where the mobile money system will be fully integrated in the local server and BanKO server providing live updates on transactions from assessment to payment. The IT office of Pulilan is in the process of bidding the procurement of the new server and development the integration software program.

As part of the effort to promote the new payment system starting September 2013, the SIMM project through public and private sector partnerships embarked on building the demand and supply of mobile money in the Pulilan ecosystem. On the demand side, activation caravans were held to open accounts and financial literacy training sessions conducted covering various sectors from government employees, students, teachers, mothers, CCT beneficiaries, volunteers etc. On the supply side, BanKO Partner Outlets (BPO) were launched to open more accounts and service the new customers from cashing in, cashing out to the other transactions. The BPO build up will be discussed in more detail under the Supply Side Network Component.

Starting October 2013, SIMM and BPI Globe BanKO held several marketing and activation caravans in the barangays alongside the local government's project and mandatory medical missions. More than 4,700 BanKO accounts were opened during the series of caravans. BPI Globe BanKO has likewise provided visibility collaterals for the municipality, such as billboards and tricycle banners to help promote the BanKO m-money payment system for Pulilan Water System.

High school students in Pulilan, Bulacan attended a financial literacy session as part of SIMM and BanKO's social marketing caravan.

From February to March 2014, SIMM met with Department of Education (DepEd) District Supervisor in Pulilan to promote mobile money among the students, teachers and parents. Seeing the benefits to the students particularly the savings component and financial literacy training program, the project was endorsed to the principals for implementation. As a result, several activation events were held in Academia de Pulilan, Holy Angels Colleges of Pulilan, Engr. Virgillio V. Dinisio Memorial Highschool and Bajet Castillo High School.

During the events, a Financial Literacy Training Program was conducted with the parents and students to explain to them what is saving, proper way of saving and how m-money works in giving them the financial empowerment.

Major marketing campaigns conducted include the following:

"Paybill blowout" raffle promo
Pay your Water Bill to the Pulilan Water System using the BanKO Paybills service and get a chance to win a cellphone every month. Promo period is December 15 2013 – March 2014. A total of 79 concessionaires opened accounts and paid their water using BanKO Pay Bills during the period. Four winners received their cellphones via LBC delivery.

"Tubig sa Mayo, Sagot ng BanKO! Raffle promo
Open a BanKO account from June 12-20in the Pulilan Water System and get a chance to be one of the 20 luck winners. This marketing approach proved to be highly effective, generating 1,000 new users in just 9 days.

In addition, Municipal Government of Pulilan identified that about 50% or 5,000 water concessionaires are delinquent accounts resulting to poor collection of water dues. This is partly due to the distance of the barangays to the payment point in central Poblacion, the farthest of which is about 15 kms away. To improve revenue collection efforts and promote convenience of making payments, the water system has mandated the payment of water fees through m-money. As a result, the project implemented a house to house account activation and distribution from June 4 – 20 focusing on the target beneficiaries, the Pulilan Water System (PWS) delinquent account concessionaires.

As of July 2014, a total of 126 concessionaires have opened accounts and have started regularly paying through m-money. The average water bill amount paid is at US$23 (PhP1,000) generating a convenience fee of US$0.23 (PhP10). With the establishment of more BanKO partner outlets, the residents living in far flung barangays can now conveniently pay water dues without paying for transportation cost sometimes amounting to the same cost of the water bill.

By the end of the program, a total of 11,976 accounts have been opened in Pulilan Bulacan exceeding the target of 10,00 total households. Accountholders range from government employees, jeepney and tricycle drivers, mother leaders and volunteers, students, teachers.

As the payment and disbursement project completes the cycle towards settlement and reconciliation, some concerns were raised by the Municipal Accountant of Pulilan, Bulacan on July 2, 2014 regarding the amount deducted from collections made for Pulilan Water System using BPI Globe BanKO system. It appears that since Sep 6, 2013, the amount being credited to Pulilan's Land Bank account is almost consistently short of Php 150.

The issue on the deductions made has been provisionally resolved with BanKO crediting back total of P7,350.25. To ensure that no further deductions are made to the collections remitted to Pulilan's Landbank account, BanKO will be using an over-the-counter check deposit. Upon further investigation, it has been identified that Landbank main office charges a Real Time Gross Settlement (RTGS) or interbank fee for transfers made outside of metro manila which is on top of the charges made by Philpass. As a result, the RTGS is immediately deducted in the amount to be transferred and does not reflect in the Pulilan Landbank passbook.

To ensure appropriate settlement and reconciliation of collections of government taxes and fees, upon agreement with Landbank, the deductions made due to the RTGS will be credited back to the Pulilan Landbank account and a waiver will be requested for all succeeding transfers using this mode.

Iloilo City

To boost adoption of m-money in Iloilo City through efficient payment systems, SIMM is collaborating with other key stakeholders to build a mobile money ecosystem. SIMM presented the project to Panay Electric Company (PECO) and Metro Iloilo Water District (MIWD). PECO is currently completing the contracting requirements for GXI.

Because of MIWD's new management and upon the request of the new general manager, SIMM made another round of project presentation in September and held subsequent meetings including the presentation from MMPs.

Cagayan de Oro City

In June 2014, meetings were held to introduce mobile money collection and payment services to the power and water utility companies in Cagayan de Oro City. Furthermore, mobile money providers were invited to discuss the mobile payment system and share their implementation experiences with the other utility companies. Cagayan Electric Power and Light Company (CEPALCO) signified support for the Project and will adopt mobile payments on the second quarter of 2015. On the other hand, CEPALCO is technically constrained due to the on-going testing of their Customer Enterprise Management System (CEMS), the system that will interface with the mobile companies for information exchange.

Cagayan de Oro City Water District (COWD) has completed the entire commercial and technical requirements with their MMP. COWD's service will be made available in the first quarter of 2015. In parallel, selected frontline staff of CEPALCO and COWD was trained last July 2014. They were trained on the pertinent knowledge, skills and attitude in handling consumers' questions and concerns on mobile bills payment.

OBJECTIVE 3: Improving Public Service Delivery (G2P)

- 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

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

Disbursement of scholars' stipends and teachers' allowance

Upon the request of QC LGU which was already experiencing challenges in the disbursements of the supplemental allowances to QC public school teachers with reported delays from three to four months, USAID, through the SIMM project, provided technical assistance support to QC LGU in implementing needed improvements through mobile money payments. These improvements are intended to cover the teachers' monthly supplemental allowance (at Php 2,000 each for 12,747 public school teachers in QC), while the teachers' national-funded salaries are still disbursed through Landbank. By shifting to mobile money payment system, the intent is to increase operational efficiency with reduced LGU payroll processing time, and to strengthen data integrity and transparency.

By shifting to mobile money payment system, the intent is to increase operational efficiency with reduced LGU payroll processing time, and to strengthen data integrity and transparency. On the part of the teachers, they stand to gain better access to more convenient and cheaper methods of saving money. BPI-Globe BanKO, the mobile money provider selected by QC LGU in a competitive process, offers an attractive 3 % interest rate per annum on its deposit services. with no maintaining balance required. They also offer the cheapest way to send money, no cost to pay bills, discounts to purchase airtime load, and access to microinsurance.

During the implementation, it was identified that manual payroll process and cash disbursements to thousands of beneficiaries take months from physical transport of records and documents, processing to releasing. To effectively shift current processes to utilize new system solutions through mobile money, SIMM conducted business process reviews that identified the gaps of the current system from submission of incomplete documentary requirements, transfer of physical records from office to office, batch processing, manual auditing and approvals. As a result, Quezon City Government streamlined the payroll and disbursement processes through:

1. Converting manual payroll to electronic format
2. Consolidating and cleansing electronic database of Division of City Schools (DO) and Student Youth and Development Program (SYDP) in preparation for automation
3. Reducing the number of reports and physical transport of documents from SYDP and Division office to Quezon City hall and across departments;
4. Issuance of Memo Circular no. 7 series of 2014 on the amended guidelines of supplemental allowance detailing requirements and deadlines for strict compliance

The Quezon City Local Government signed a service agreement with BPI Globe BanKO on November 8, 2013 as a disbursement method for educational stipends to over 10,000 government student-scholars released every semester at a range of US$34 to US$229 (PhP1,500 to PhP10,000) and for monthly allowances of 12,000 public school teachers worth US$69 (PhP3,000). The selection was based on the key features that aimed to increase and improve access to banking services for its city scholars and teachers through the mobile phones from 3 percent interest with PDIC insurance, no maintaining balance, cheapest way to send money domestically and internationally, payment of bills and access to microinsurance and microloans.

BanKO Vice President for Community Banking, Rob Nazal turns over a symbolic BanKO card to Mayor Bautista launching the mobile services in QC.

The "Go-Live Launch" of this project took place on December 11, 2013, which demonstrated the first payment by a Quezon City real property taxpayer (RPT) of her RPT dues and a symbolic turn-over of a personalized BanKO ATM card to Mayor Herbert Bautista.

BPI Globe BanKO conducted several workshops and trainings with the involved personnel from the DO, SYDP, Accounting Fiscal Control Unit and Treasury - Cash Division to simulate the new process from preparation of the Payroll Register to the release of stipends and supplemental allowance. Because cities have

more complex processes and systems, a parallel implementation of manual particularly in relation to the authorized signatories and electronic processes was implemented to build confidence in new technologies in the initial stages.

The BPI Globe BanKO utilizes a web application that provides three access points for secure and efficient management of disbursements, electronic funds transfer, live transaction history, and zero transaction charge for disbursement. The BanKOlink system requires an electronic database from the onset to approval and final release thereby simplifying the process into the following easy steps:

a. Maker (SYDP or the DO) - Preparation of the Payroll Register detailing the account number, name of the individual and amount due and uploads in the system.
b. Approver (Accounting Fiscal Control Unit) audits the list for approval or disapproval
c. Implementer (Treasury) upon approval of the authorized personnel transfers funds to the Quezon City BanKO wallet and executes the disbursement.

During registration and distribution of new mobile money accounts where the social transfer will be coursed through, Quezon City Government encountered challenges with some teachers primarily due to the cash withdrawal charges under the new BPI Globe BanKO accounts. It was identified that the major concern raised was due to insufficient communication and education regarding the shift from Landbank to BanKO and the benefits, products and services of mobile money. The teachers also highlighted their dependency to cash-based financial transactions, and many reported not to have savings or feel they're not earning enough money. Aside from poor information dissemination from the Division of City Schools down to the principals, faculty presidents, and teachers, there was also a need for sessions on personal financial management especially for public school teachers.

As a result, the local government in coordination with BanKO conducted data gathering activities, presentations and orientations with members of the Quezon City Public School Teacher's Association (QC PSTA), Principals and held caravans covering more than 80 schools to directly respond to the questions raised below:

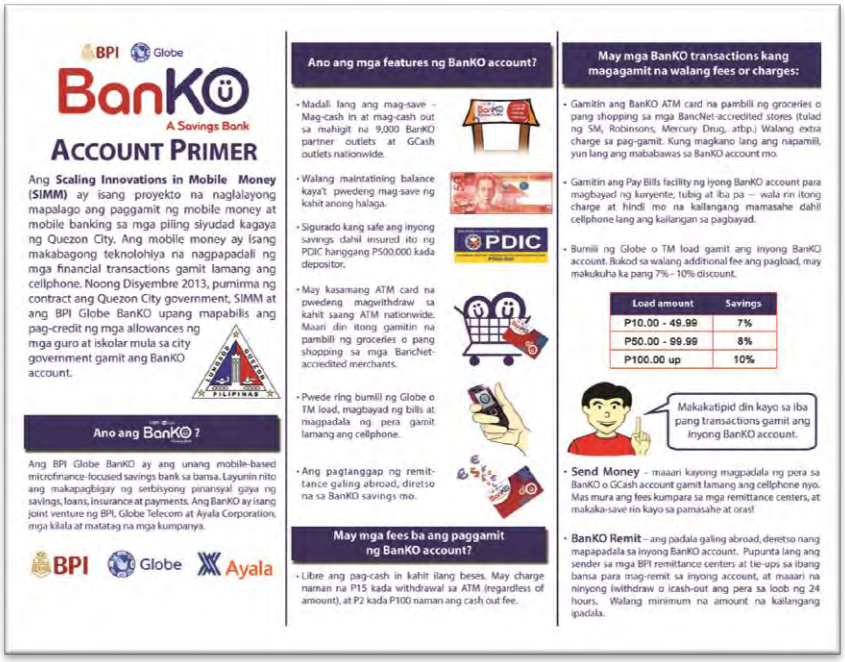
Table 3: Major issues of Quezon City teachers

Issue	Response
Shift from Landbank to BPI Globe BanKO • Teachers and students report on delays in the payroll and disbursement process resulting to 3-4 months delay	1. QC government prioritized the issue, conducted a business review and is now streamlining the process and systems to address reported concerns 2. Mobile money technology enables QC teachers and students to conveniently access financial services such as savings, pay bills, purchase goods, send money, remittance, and to build assets using their mobile phones.
Php 15 withdrawal transaction fees • Current practice is to withdraw immediately • No charge in LBP ATM • Withdrawal in other ATM banks charge Php10	1. The Php15 ATM usage fee is the cost of operating ATM machines and is applied by interbank networks for the use of their ATMs. 2. The Php15 ATM withdrawal fee goes to Bancnet ATM network and to the bank who owns the ATM machine. 3. The ATM withdrawal fee is in compliance with BSP regulations 4. In order for BPI Globe BanKO to increase benefits such as high interest rate at 3%, it does not invest on its own ATM machines and needs to partner with establishments and other banks for this service.

Issue	Response
Delays in the release of allowances caused by: • Manual submission of Attendance Report (AR) from 142 schools • Late submissions • Incomplete requirements • Discrepancies in information	Project was able to review and streamline existing business process with a goal of reducing time to process and disburse from 3 months to 1 month. • Shift from Attendance Report batch submission to consolidated submission using Form 7 of DepEd • Strict rules and deadlines for submission of requirements for general and special payroll for timely processing and disbursement • Assign staff to prioritize payroll processing • Eliminate diskette preparation to online webtool • Implementation of partial automated payroll preparation and approval

Additional memoranda, primers and education materials were distributed to all schools to respond to questions and demonstrate how the shift to mobile money effectively increases access to financial services which are regularly used by teachers based on the results of the survey. Results of the survey show that majority of the respondents purchase airtime load and other goods (i.e. medicine and groceries), send money and pay bills monthly, amounting to an average cost of Ph90 every month on transportation cost and service fees. With the new mobile money account, the teachers are enabled to complete their financial transactions at their convenience and ease with a net gain of P70 less the withdrawal charges. Customized primers for the QC Teachers and Students were distributed in response to the Frequently Asked Questions.

To address the concerns, training sessions were immediately conducted from Jan – Mar 2014 to equip the DO and SYDP staff in cascading the information and responding to questions raised by teachers and scholars. As of date about 15,000 city scholars and public school teachers were opened mobile money savings accounts and trained on financial literacy from planning, savings, access to credit to microinsurance and mobile financial services.


BPI Globe

BanKO

A Savings Bank

ACCOUNT PRIMER

Ang **Scaling Innovations in Mobile Money (SIMM)** ay isang proyekto na naglalayong mapalago ang paggamit ng mobile money at mobile banking sa mga piling siyudad kagaya ng Quezon City. Ang mobile money ay isang makabagong teknolohiya na nagpapadali ng mga financial transactions gamit lamang ang cellphone. Noong Disyembre 2013, pumirma ng contract ang Quezon City government, SIMM at ang BPI Globe BanKO upang mapabilis ang pag-credit ng mga allowances ng mga guro at iskolar mula sa city government gamit ang BanKO account.

Ano ang BanKO?

Ang BPI Globe BanKO ay ang unang mobile-based microfinance-focused savings bank sa bansa. Layunin nito ang makapagbigay ng serbisyong pinansyal gaya ng savings, loans, insurance at payments. Ang BanKO ay isang joint venture ng BPI, Globe Telecom at Ayala Corporation, mga kilala at matatag na mga kumpanya.

BPI Globe Ayala

Ano ang mga features ng BanKO account?

- Madali lang ang mag-save – Mag-cash in at mag-cash out sa mahigit na 9,000 BanKO partner outlets at GCash outlets nationwide.
- Walang maintatining balance kaya't pwedeng mag-save ng kahit anong halaga.
- Siguradong safe ang inyong savings dahil insured ito ng PDIC hanggang P500,000 kada depositor.
- May kasamang ATM card na pwedeng magwithdraw sa kahit saang ATM nationwide. Maari din itong gamitin na pambili ng groceries o pang shopping sa mga BancNet-accredited merchants.
- Pwede ring bumili ng Globe o TM load, magbayad ng bills at magpadala ng pera gamit lamang ang cellphone.
- Ang pagtanggap ng remittance galing abroad, diretso na sa BanKO savings mo.

PDIC

May mga fees ba ang paggamit ng BanKO account?

- Libre ang pag-cash in kahit ilang beses. May charge naman na P15 kada withdrawal sa ATM (regardless of amount), at P2 kada P100 naman ang cash out fee.

May mga BanKO transactions kang magagamit na walang fees or charges:

- Gamitin ang BanKO ATM card na pambili ng groceries o pang shopping sa mga BancNet-accredited stores (tulad ng SM, Robinsons, Mercury Drug, attbp.) Walang extra charge sa pag-gamit. Kung magkano lang ang napambili, yun lang ang mababawas sa BanKO account mo.
- Gamitin ang Pay Bills facility ng iyong BanKO account para magbayad ng kuryente, tubig at iba pa – wala rin itong charge at hindi mo na kailangang mamasahe dahil cellphone lang ang kailangan sa pagbayad.
- Bumili ng Globe o TM load gamit ang inyong BanKO account. Bukod sa walang additional fee ang pagload, may makukuha ka pang 7% – 10% discount.

Load amount	Savings
P10.00 - 49.99	7%
P50.00 - 99.99	8%
P100.00 up	10%

Makakatipid din kayo sa iba pang transactions gamit ang inyong BanKO account.

- **Send Money** – maaari kayong magpadala ng pera sa BanKO o GCash account gamit lamang ang cellphone nyo. Mas mura ang fees kumpara sa mga remittance centers, at makaka-save rin kayo sa pamasahe at oras!
- **BanKO Remit** – ang padala galing abroad, deretso nang mapapadala sa inyong BanKO account. Pupunta lang ang sender sa mga BPI remittance centers at tie-ups sa ibang bansa para mag-remit sa inyong account, at maaari na ninyong iwithdraw o icash-out ang pera sa loob ng 24 hours. Walang minimum na amount na kailangang ipadala.

During the pilot disbursement in August 2014, there were reported concerns with teacher not being able to withdraw the allowances using ATM machines which were escalated to the city government on November 11. Upon investigation, statistics show that majority have successfully withdrawn and have used the mobile services (Pay Bills, Buy Load, Send Money, Web Access). The remaining accounts the following reasons have been determined as the causes:

- ATM card is not linked with the SIM card (a prerequisite to be able to access ATM transactions, similar to traditional banking wherein you need to activate ATM card via machine)
- Incorrect MPIN / Forgotten MPIN
- Wrong account number was enrolled in the supplemental allowance payroll
- ATM time-outs which mean that user did not reply to ATM or did not finish the ATM transaction within time allowed.

Based on the information shared by BPI Globe BanKO on payments made since the implementation of QC LGU's mobile money payment system for teachers' supplemental allowance, majority have successfully withdrawn and have used the mobile services (Pay Bills, Buy Load, Send Money, Web Access). As of November 11, bank statistics show that out of 12,747 teachers who received their August supplemental allowances, 282 reported problems with cash withdrawal (i.e. ATM timeout and MPIN forgotten).

Table 4: Quezon City disbursements BanKO statistics

Successful Withdrawal from ATM	9,355
Successful Cash Out from Mobile Money Agent (Withdrawals)	678
Mobile Transactions (net of ATM and BPO cash out)	283
Savings (no activity)	2,149
ATM attempt rejected (ATM timeout, MPIN)	282
TOTAL	12,747

BPI Globe BanKO has provided customer service hotlines and deployed a customer service team at the Division of City Schools office in order to attend to the needs of the 282 teachers. SIMM is closely monitoring actions being taken by BPI Globe BanKO and QC LGU to address issues encountered by the teachers.

Similarly, the city government recognizes the need to continue information dissemination and financial education to the teachers to understand the benefits of mobile money technology and has issued several memoranda, primers and education materials that were distributed to all schools to respond to questions, provide information on the benefits and instructions on how to use the products

As a result of the shift to the new payment system, improvements have been realized as can be seen below although noticeably there have been birthing pains in the initial months. Once this fully stabilizes, the teachers' supplemental allowance will be released within the same months.

Table 5: Status of QC Supplement Allowance Disbursement

Period	Status
July	Completed in August (1 month)
August	Completed in October (2 months)
September	Completed in October-November (1-2 months)
October	Started release of first 4 districts in November and 1-2 districts is pending approval of the City Administrator for release next week. (1-2 months)
November	As of today, payroll is under review of Accounting Fiscal Control Unit (FCU) of the city government (1 month)

Period	Status
December	As of today, payroll is being prepared by the Division of City Schools for submission to the Accounting Fiscal Control Unit (FCU) of the city government. It is anticipated that this will be released by January

The new payroll system now takes 9-13 days to complete processing from Budget to Treasury.

Table 6: Status of QC Supplement Allowance Disbursement

Office	Description of Tasks and Challenges encountered	Processing days	Action Items
Personnel/Division Office	The allowance unit are in charge of gathering documents required, as well as generating and submitting the payroll documents to the city hall. Schools are required to submit a copy of their Form 7 or their certificates (i.e. rice and special allowance). Challenges encountered in the compliance of the schools to submit required documents on the deadline and obsolete dot matrix printer which takes time to print the consolidated payroll.	14 days	1. Division Office to enforce strict compliance of Memo No. 7 to ensure the timely submission of required documents for the supplemental allowance 2. ITDO to continuously improve the database and reportorial tools of the Division Office Payroll system 3. Procurement of a higher capacity printer to manage the printing of Payroll covering 142 schools about 12,800 teachers
Budget	Budget department issues OBR for payroll under SEF and GF and is now coordinated to release d simultaneously for standard processing. Several changes in the reporting format were made incorporating Budget office comments.	1 - 3 days	4. Budget to report other reporting format changes to Division Office 5. ITDO to reflect changes in the reporting format per advice of the Budget department
Accounting-FCU	The Accounting-FCU has aligned personnel to process the consolidated supplemental allowance disaggregated in 6 districts. The Accounting-FCU to upload the approved payroll in the BanKOlink system.	5-7 days	6. Accounting to extract posted transactions form the BanKOlink and send an e-copy to the Division Office 7. Contact BanKO for any system related concerns (MPIN reset etc.)
City Administrator	CA's office approves the payroll upon receipt of the payroll.	1 day	8. Accounting Department to ensure that the payroll for both GF and SEF are submitted at the same time to the CA for approval
Treasury	Treasury-Cash Division processes the release of the payroll	1 day	9. ITDO to ensure internet connection is seamless especially on payroll dates 10. BanKO to ensure immediate funding of wallet upon confirmation from Treasury for release

Conditional Cash Transfer (CCT) Program of the Department of Social Welfare and Development (DSWD)

Pantawid Pamilyang Pilipino Program or 4Ps is a human investment program for children through health and education. It provides social assistance through health and educational cash grants to poor household with children 0-14 years old and/or pregnant women which are transferred upon the compliance of beneficiaries with the program conditionalities. In 2014, the coverage was extended to include beneficiaries whose children are in high school (15 to 18 years old) under the modified conditional cash transfer (MCCT) program. By end of March 2014, the total beneficiaries of 4Ps have already grown to 4,006,854 . The 4Ps is implemented through the Department of Social Welfare and Development (DSWD).

Based on the First Quarter of 2014 4Ps report, 57.3% of total cash grants are distributed manually through cash pick-up mode using third-party conduits like remittance service providers, postal service, rural banks and cooperatives. Only 42.7% uses Landbank's cash card (electronic money) service. The share of cash card as mode of payment has not improved since 2013 and this is primarily due to the limited number of ATMs deployed by Landbank particularly in the countryside where most of the beneficiaries are coming from. Cost to distribute cash grants manually using conduit costs significantly higher at P42 per transaction vis-à-vis cost of using cash card at P20 per transaction.

The cost to administer the program given the growing household beneficiaries is becoming an issue. Based on the 2013 4Ps budget, administration cost accounted for 9.8% of the total 4Ps budget as against the 7% set by The World Bank as the global standard or benchmark. There is pressure on DSWD to keep the current administration cost level notwithstanding the increasing number beneficiaries. Although bank services account only for 11.09% of the total administration cost, realizing efficiencies in cash grant distribution can bring down the administration cost closer to the global benchmark.

Mobile money presents a game-changing innovation with the potential to leapfrog not only conventional banking models but also development challenges of financial and economic inclusion. Traditional financial institutions have been unable to reach low-income customers adequately, especially in remote areas, given the cost of brick-and-mortar branches (i.e., building infrastructure, telecommunication facility, manpower, etc.). On the other hand, mobile phone penetration in the country is very high which can be leveraged to deliver financial and banking services.

The use of mobile money as a mode to distribute cash grants under the 4Ps initially looked attractive considering the prospect of increasing financial inclusion by banking the mostly unbanked 4Ps beneficiaries. Also, mobile money adoption can quickly scale up with the potential of over 4 million new users from 4Ps. However, low mobile phone ownership amongst 4Ps beneficiaries has been an issue in past hampering the use of mobile money to distribute cash grants. According to DSWD, only 14% of 4Ps beneficiaries nationwide have mobile phones (at least one mobile phone per household), a far cry from the almost 100% penetration as reported by mobile network operators. In urban areas, penetration is higher at 20% but in rural areas penetration is low at 11%. Beneficiaries would rather spend the cash grant on food, shelter and health rather than on acquiring mobile phone to facilitate receipt of cash grant. Programs on mobile phone ownership (mobile phone grant) were proposed but mobile money service providers have reservations on beneficiaries' tenure in the mobile network. Beneficiaries may just pawn or sell their mobile phones to buy food and other basic needs, instead of using it to receive their cash grants.

Overview of the Proposed CCT System

- Personal information and biometric data of beneficiaries will be captured during registration and stored in a smart card (with chip and magnetic strip)
- Biometric devices with internet connectivity will be installed in schools and health centers to monitor and verify compliance
- Payout will be calculated centrally using a payroll system based on compliance verification
- e-Vouchers will be generated by the system and transmitted to municipal coordinators' tablet or laptop and distributed to field coordinators (card-to-card)
- Field coordinators distribute e-Vouchers to beneficiaries (card-to-card) with biometric authentication
- Beneficiaries go to encashment centers (agents) to redeem cash (card-to-card) with biometric authentication
- Agents settle with payment service provider the following business day.

Based on DSWD data, about 60% of beneficiaries are already using Landbank's cash card to receive their cash grants. The remaining 40% that are outsourced to third-party conduits are located in areas with no Landbank ATMs as well as in very remote rural areas. While mobile money may be able to service the beneficiaries in areas with no Landbank ATMs but with cellular network coverage, the remote areas located mostly in the mountains which take hours to travel on foot have practically no cellular coverage which makes mobile phones non-usable.

SIMM developed and submitted a draft concept paper to DSWD on an automated solution not only for cash grant distribution but also for compliance monitoring and computation of cash grants to further improve operational efficiencies in the program implementation. The system was designed to address the following pain points:

1. manual process to validate compliance with conditionalities which affects 100% of CCT beneficiaries – through electronic data capture of compliance which can be reported and consolidated electronically at DSWD regional offices and head office;
2. the lack of a payroll system that computes automatically cash grants based on compliance with conditionalities which affects 100% of CCT beneficiaries – through a payroll system that will compute cash grants based on compliance with conditionalities which will then be reported and consolidated electronically;
3. manual cash grant distribution process in hard-to-reach areas which affects 40% of CCT beneficiaries – through an electronic voucher system that can work both on-line and off-line; and
4. beneficiary authentication during cash grant withdrawal which affects 40% of CCT beneficiaries – through a biometric authentication system which solves the need to memorize pin number or share pin with somebody else.

The solution will require DSWD to bid-out the project to a third-party solutions provider. There may also be a need to review the existing procurement policy of the DSWD under the current CCT program which requires regional and quarterly bidding for service providers.

Banking the Unbanked

Consistent with the objective of SIMM Project which is to increase financial inclusion by boosting adoption of mobile money, SIMM partnered with MMPs to promote the use of mobile money to the marginalized or low-income sector of the Philippine society. SIMM, in collaboration with BPI-Globe BanKO worked on to promote the use of mobile money to Lakas ng Kababaihan in Naga City and to the Department of Social Welfare and Development (DSWD) through the 4Ps Project Management Office for the graduating beneficiaries of 4Ps.

Lakas ng Kababaihan is a mass-based women's exclusive organization of Nagueñas. It was founded sometime in 1992 after a powerful clamor from both the public and the private sector to unite and solidify to give voice to the women who have been perennially relegated to the sidelines, thus, reechoing the call for gender equality. Lakas ng Kababaihan is a solid, goal-driven and precisely an organization by the women, of the women and for the women. It has ably made its mark on the provision of scholarships and micro-financing credit access to its poor but deserving members.

The DSWD is the government's lead implementing agency for the government's 4Ps which has over 4 million beneficiaries by end of March 2014. DSWD implements the Sustainable Livelihood Program (SLP) which is transition program for the 4Ps. Through the SLPs, DSWD partners with different NGOs and private sector enterprises to provide graduating 4P beneficiaries with training and livelihood opportunities.

Institutions like Lakas ng Kababaihan work with the marginalized or low-income segments. They work to help alleviate poverty by providing skills training and extending credit to members. To some extent, they have financial transactions with their members like disbursement of loan, collection of loan and disbursement of stipends. On the other hand, DSWD offers skills and livelihood training programs for the poorest of the poor to transition them from being dependent on government subsidy to becoming self-reliant and economically productive members of society. Both institutions have significant influence over their members to the point where they can effectively help promote the use of mobile money, thus, financial inclusion.

SIMM specifically subsidized the cost of the ATM card which covers the cost of the card, the cost of card packaging and other related costs. The program has generated a total of 130,000 new mobile money users (or 130,000 savings accounts opened).

Cash transfer programming for Typhoon Haiyan-affected communities

Super Typhoon Haiyan (known in the Philippines as Yolanda) made landfall on November 8, 2013, killing more than 6,000 people and affecting 16 million more. Most of the public infrastructure across the central Philippine islands was demolished. The storm destroyed nearly 90% of the homes in Tacloban, the largest city in the affected area with a pre-storm population of 220,000.

In times of disaster response and recovery, cash transfer programming can help families get back on their feet and regain their assets quicker; and so when Typhoon Yolanda struck the Philippines, SIMM partnered with the United Nations' Office for the Coordination of Humanitarian Affairs (UN OCHA) to introduce mobile money for cash for work programs in affected communities.

Traditionally, cash transfers are conducted through physical cash distribution, which is insecure and costly. SIMM, through the UN OCHA Cash Working Group, reached out to more than fifteen government agencies, humanitarian organizations and mobile money providers such as the Department of Social Welfare and Development, LandBank of the Philippines, Mercy Corps, Philippine Red Cross, United Nations Development Programme , BPI Globe BanKO, Globe-Xchange Inc. and Smart e-Money Inc. to help develop standards in program design, beneficiary targeting, and cash coordination to maximize manpower, time and money.

This resulted in the piloting of a cash transfer program, which utilized mobile or electronic systems, benefiting more than 50,000 individuals through cash for work in Panay, Northern Cebu, Iloilo, and Leyte. SIMM's unique role in holding the chairmanship of the UN OCHA's Cash Working Group resulted in important achievements, namely: (a) the introduction and promotion of m-money and electronic payment (e-payment) systems in cash transfer programming to humanitarian agencies; (b) opening of communication channels and facilitating information exchange among mobile money providers and the humanitarian agencies; and (c) creation of a financial service provider (FSP) readiness map and matrices showing locations of reactivated FSPs and products offered for cash transfer programs, and how agencies may engage FSPs.

- Enhance financial literacy of CCT and non-CCT beneficiaries

Financial Literacy and Mobile Financial Services Training Program

SIMM intends to grow the number of mobile money users in the Philippines to more than one million active users, of which, 25 percent are new subscribers to m-money services. To achieve this, SIMM will boost the adoption of mobile money by building demand for m-money services through the implementation of appropriate communication and outreach strategies that can best communicate the value proposition of mobile money to SIMM's primary and secondary stakeholders while complementing existing marketing programs of mobile money providers. Doing so demands a deeper analysis and understanding of the needs, preferences, habits, and behaviors of current and potential users of mobile money services across SIMM's stakeholder segments and localities.

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 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 has contracted the Social Enterprise Development Partnerships, Inc. (SEDPI) 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.

Training Needs Assessment Presentation of Findings and Core Messages

On Aug 22, SIMM training firm, Social Enterprise Development Partnerships, Inc. (SEDPI), presented the preliminary findings of the Training Needs Assessment (TNA) conducted as part of the training support for financial literacy and mobile financial services. A total of 264 respondents, covering employees and clients of various segments from government, microfinance and small medium enterprises, were interviewed. Below is a summary of the demographic profile, findings and recommendations. Additional statistics are attached as Annex A. A copy will be sent to USAID and partner organizations once the TNA report has been finalized.

Demographic Characteristics of Respondents

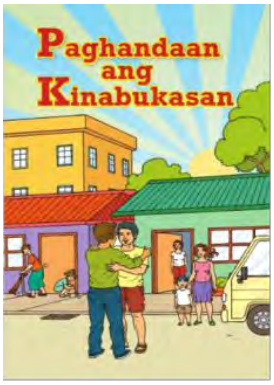
- Respondents are mostly female (77%), married (64%),
- Ages range from 21-30 (24%), 31-40 (26%) and 41-50 (22%) years old
- Majority (33%) of them finished college. Notably there were a good percentage of respondents who completed secondary school (20%).
- All respondents were literate particularly defined as being able to open and read their mail and make simple computations
- The income generating activity of the respondents was highest under Trading/Vending (28%), followed by private employees and services both at 20 percent respectively.

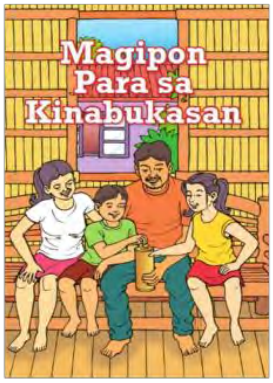
Major findings include the following:

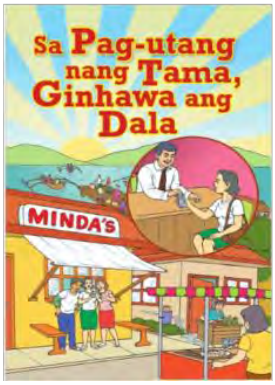
- Challenge: 60% of the respondents are banked
- Respondents were familiar with mobile money mostly through their remittance products.
- Majority reported not having any experience with mobile money primarily due to lack of awareness and knowledge about it. Reasons to be interested in mobile money include lower cost, conduct of orientation and education to consumers, less requirements, fast processing of transactions and availability of cash merchants.
- Financial needs that can be addressed by mobile money include (1) savings for emergencies and education of children (2) microinsurance as protection for emergencies

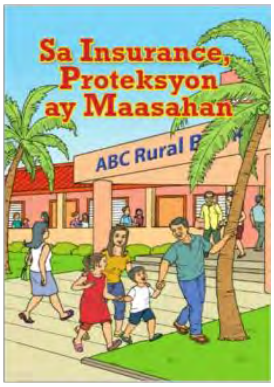
Recommendations

- Highlight Mobile money for paying bills, purchases of products and services and accessing microinsurance and microloans
- Core message: Building confidence in mobile money
    - Importance of insurance during sickness, flood or typhoon
    - Importance of planning for savings – 'unti-unti' basta regular.
    - Demonstrate how tos and security features of mobile money through videos and comics
- Training goals: (1) Use mobile money as strategy to reach personal financial goals or objectives (2) Induce trial of mobile money use
- Capacity Building Modes:
    - Individual 5-10 minutes in-store or on-location product demonstration (e.g. Short interview, orient and then give pamphlet or comic book)
    - Small group 15-20 minutes orientation while waiting in line (e.g. While waiting in line, a facilitator talks to a small group aided with video, flipchart etc.)
    - 2-3 hour classroom type training
- Collateral: Powerpoint presentations, training manuals, hand-outs, comic books, and video presentations









Following the results and recommendations of the training needs assessment research, the training module, manuals and other training collateral were developed, pilot tested and finalized. It was agreed that the training will follow a needs based approach to instruction with the objective of addressing underlying lack of financial education with basic concepts on financial planning, savings, budgeting, microinsurance, and loans segueing to the clear benefits on how mobile money can facilitate the beneficiaries in achieving their financial goals. To ensure sustainability of the training, a Trainers Guide was developed that can be segmented based on the varying needs of the beneficiaries from local government and their constituents, micro financial institutions, cooperatives and their clients and members, small medium enterprises and their employees. Below is the full training program.

1. Overview of Mobile Money and Financial Education
2. Introduction to Mobile Money
3. Setting Financial Goals
    a. Savings and Mobile Money
        - Proper Budgeting
        - Needs and Wants
        - Managing Expenditures
        - Saving Through Mobile Money
    b. Insurance and Mobile Money
        - Introduction to Insurance
        - Types and Benefits of Insurance
        - General Clarification on Insurance
        - Insurance Through Mobile Money
    c. Loans and Mobile Money
        - My Money and Someone Else's Money
        - Borrower Obligations and Responsibilities
        - Loans Through Mobile Money
        - Payments Through Mobile Money
4. Key Principles of Adult Learning Experience
5. Individual and Small Group Orientation
6. Introduction to Classroom Type Training
7. Demonstration and Return Demonstration of Individual. Small Group and Classroom Orientation
8. Giving and Receiving Feedback / Trainer Assessment

Financial Literacy and Mobile Financial Services Training Program was launched in public schools and local government cooperative offices.

A total of 55 training sessions were conducted from October 2013 to December 2014, including the roll-out workshop conducted for partner organizations. The initial contract ran until June 2014. However, the project was extended to include more SIMM cities and more organizations. To address their training needs and to deliver financial literacy sessions to more beneficiaries, the contract with SEDPI was extended until the end of the project. There are five more training sessions pending completion.

The series of financial education aimed to equip consumers (mobile money adopters) with knowledge and skills in handling their money with responsible saving, spending, borrowing, and investing. It also allows SIMM to understand the needs, preferences, habits, and behaviors of SIMM's stakeholder segments and localities, as well as communicate the appropriate value proposition of mobile money and its current providers in the country.

Table 7: Financial Literacy and Mobile Financial Training Types

Type of Training	Description	Status
Type A or full Training of Trainers (TOT) **Participant: Partner Organizations and their Training Arm (if any)**	Training usually lasts for 2-3 days, depending on the availability of the partner institution. SEDPI provides the trainers with trainer guides with all the modules designed in such a way that allows flexibility on what modules they'll present to their beneficiaries or constituents.	These sessions are more applicable for the LGUs and their respective the cooperative offices (i.e. Office of City Veterinarian and Agricultural Services and Sikap Buhay) that work directly with the cooperative sector and other vulnerable groups (i.e. jeepney and tricycle associations, cash conditional transfer beneficiaries, etc.). Today, the offices have integrated financial literacy sessions into their orientation and general assemblies and are now continuously training new cooperatives using the SIMM modules. Other trainings were held local government units, such as Pulilan and Valenzuela City, and private institutions, such as

Type of Training	Description	Status
		NATCCO, CCT, and FICCO.
Type B frontliner training sessions **Participant: Frontliners (i.e. government cashiers and clerks, collecting agents etc.)**	This type of training was created to equip the frontliners with adequate information and speaking skills to engage potential customers and encourage mobile money usage.	A total of 7 were conducted for the frontliners of Quezon City, Valenzuela City, Batangas City, and CEPALCO and COWD in Cagayan de Oro City. The training included how to conduct individual and small group orientations, and how to do cross-selling, as well live demonstration of the features of their specific mobile money transaction to their city or the utility company.
Type C or TOT for mobile money agents **Participant: Cash-in/Cash Out agents, BanKO Partner Outlets, Money In/ Money Out agents, Agent Aggregator training Arm (i.e Remitbox, ATVI)**	This type of training was customized sessions were created to address specific needs.	• The first one was conducted for BPI Globe BanKO representatives and LGU volunteers during the BanKO orientation and distribution caravan held in different Quezon City schools. The objective of the training was to enhance the skills of these representatives in addressing concerns of teachers who will start receiving their supplemental allowances through mobile money. • The second Type C training was conducted for Remitbox, since the company has partner networks that deal face-to-face with end clients. The training then included technical aspects of the mobile money features, and how to train frontliner
Type D participant training sessions **Participant: End users (members, clients, students, teachers, constituents, individual users)**	These trainings were geared specifically for participants and usually last for 4-8 hours. The program and content of each session are created depending on the profile and needs of the participants	• Four participant sessions were conducted for the undergraduate students of the Polytechnic University of the Philippines in Pulilan. Since most of the participants did not rely on a steady source of income yet and did not have major expenses, the program designed for them included topics on the importance of personal finance, budgeting and managing expenditures, setting financial goals, and creating a savings plan. A session on mobile financial services followed each financial literacy concept to highlight this innovative technology as a tool for financial empowerment. • CCT requested for the most number of Type D training sessions for their beneficiaries, who are *nanays* or mothers in their community. CCT will start distributing and collections loan amortizations through mobile money via SMART e-Money. The topics during the four-hour training session included importance of personal finance, budgeting and managing expenditures, setting financial goals, introduction to insurance, and debt management. During these training sessions, a representative from SMART explained how their mobile money accounts work and address concerns from the participants.

SEDPI trainers regularly administer pre- and post-tests to full training of trainers and participant sessions (Type A and Type D, respectively), in order to quantify the audience's knowledge on financial concepts and mobile money features before and after the training. The post-test is composed of eight items with multiple choices. Five out of eight are questions on financial concepts, while three are true and false questions on how mobile money can support these concepts. The average score of pre-tests is 4.9, while the average score of post-tests is 6.5.

Participants also reported positive feedback on the trainers and training sessions, particularly on topics on the importance and discipline of saving, proper budgeting, differentiating needs and wants, debt management, creating financial goals, as well as increased interest in insurance and mobile money. Most participants said they learned the value of talking about money and financial matters with their family. One middle-aged woman

during the Batangas TOT shared that she wished she attended a similar training when she was younger, so she was able to talk to her husband about their financial state before they got married.

On mobile money, participants raised concerns on security, uses and features, cash-in and cash-out outlets (e.g. convenience, questions on entrusting their money to non-bank institutions, etc), and transaction fees. Participants also requested for more instructions and usage demonstrations in order to be more comfortable with the technology.

The roll-out workshop was conducted on May 2, 2014 as the final activity of the first contract with SEDPI. All partners that underwent Type A training were invited, but only CCT and Sikapbuhay were in attendance. SEDPI provided the attendees with handouts and presentations before assisting them in drafting their timeline and training objectives.

SIMM has trained a total of 126, 456 individuals on financial education and literacy including symposiums, workshops and project introductions since the start of the project. The Summary of Trainings is attached as Annex A.

Table 8: Other Formal and Informal Trainings

Type of Training Conducted	Description of Training
Mobile Money Project Orientation	58 training sessions involved delivering an overview of the SIMM project and mobile money without being specific to any mobile money provider (MMP) to potential partners. Of which 3 were with mobile money providers, 33 were with entrepreneurs and private business owners, 18 were with microfinance institutions and cooperatives, three were with local government units, and one with another USAID-funded project. At the start of the project, the project was introduced to the three m-money providers: BPI Globe BanKO, GXI for GCASH, and SMART Communications Inc. for Smart Money. Afterwards, 33 were with entrepreneurs and private business to introduce m-money payroll. 18 were with microfinance institutions and cooperatives to offer them different m-money services, often including loans. Three were with local government units on m-money solutions to their disbursements and collections. The project was introduced to another USAID-funded project called MAG-BASA to offer m-money as a savings account and medium for travel reimbursement for their teachers. A total of 436 participants attended, with 235 females and 201 males.
Mobile Money Usage	These training sessions focus solely on features and services of the respective mobile money provider. These sessions are delivered by the MMPs chosen by the stakeholder. Two of these sessions were conducted by BPI Globe BanKO with the division city of schools of Quezon City. Globe GCASH conducted one for Pinamukan cooperative from Batangas City. In December 2013, through the support of SIMM, BPI Globe BanKO conducted benefits, products and services of mobile money to 10,192 ASKI members The attendance sheets for the Division Office training are still pending with BPI Globe BanKO.
Combination of Project Introduction and Mobile Money Usage	26 training sessions included both an overview of the SIMM Project as well as an orientation on the services and products of at least one particular m-money provider. 10 were with MFIs and cooperatives, including assemblies and board meetings. Nine were with government offices, either local or national, while one was attended by representatives from the national government, local government, and private businesses. Two were during separate mobile money forums specific to industries. One was the launch of mobile money services in FICO Bank. Lastly, three sessions were with residents and homeowner associations in select barangays and clusters in Quezon City to promote payment of Real Property Tax using GCASH. A total of 2,993 participants attended, with 1813 females and 1,180 males.
Cash-in/ Cash-out Training	Agents in Cash-In/Cash-Out centres are trained by MMPs on technical features as well as how to introduce these services to customers. BPI Globe BanKO have conducted these sessions in Pulilan, Ilijan MPC, and Yoolah Marketing. GCASH had one session with FICO Bank.

Type of Training Conducted	Description of Training
Roll-out Workshop	Four training sessions were with MFIs and cooperative to guide them on how to integrate financial education and mobile financial services in their operations. One training session was in the National Payment System with different stakeholders, including national offices and local government units.
Roll-out Execution	After stakeholders develop their roll-out plan, they execute with the financial literacy and mobile financial literacy session integrated into their operations. Three have already been conducted during the SIMM Project, including one with students in Batangas City and two with microfinance institutions and cooperatives. The financial literacy symposium was held for the students of Balete National High School in Batangas City. This was through the partnership with one of the cooperatives in Batangas City, and the symposium was conducted by BPI Globe BanKO and SIMM. The training with ASKI members was confirmed by BPI Globe BanKO. Lastly, after the training with SEDPI, Batangas City cooperatives were able to include financial literacy sessions for their microbusiness owners.
Behavior Change Communication (BCC) Plan	One training was conducted specifically for behavior change communication, in particular how to promote mobile money usage through social media (e.g. Facebook, Twitter). A total of 30 participants attended, with 14 females and 16 males.

OBJECTIVE 4: Promoting Supply-Side Networks

- Develop focused channel management strategy
- Build capacity of channel management networks
- Encourage platform integration (merchant network with banking back office)

- Develop focused channel management strategy

According to a research by McKinsey & Company, managing the agent network is the most critical post-launch success factor of mobile money providers. Agents enable customers to convert cash into electronic money and back again in convenient locations. For the customer, the agent is the face of the MMPs. The agent can either build or destroy trust and credibility in the system[5].

Based on previous research studies as well as stakeholder consultations conducted by SIMM, the lack of agents is among the top challenges to m-money growth, along with lack of awareness and lack of trust in the system. The proliferation of agents is hampered by challenges such as lack of liquidity of outlets, high cost of liquidity rebalancing, low commissions or margins and requirement of remittance license by MMPs for outlets to perform cash-out transactions.

SIMM commissioned a channel management strategy study, a technical to SIMM-partner MMPs. The objective of the study is to develop a "go-to-market" strategy that will serve as the roadmap to expand the CICO network in the country to boost the adoption of m-money. The study will identify the right channels to tap based on the target segments, and agents that can meet the liquidity and back-end systems requirements; propose the structure to expand distribution penetration, to service and to manage the agents; propose a compensation structure (trade discounts, fees or commissions) for all levels of the channel management structure; and define the channel or trade standards.

The study was sub-contracted to Optimustrat Consulting, a sales and distribution consulting firm. Consultation with key stakeholders (MMPs, BSP and LGUs in SIMM cities) were conducted, active and inactive agents were interviewed and studied the distribution models of successful MMPs in Kenya and Bangladesh as well as the different consumer distribution models in the Philippines. The study team conducted channel strategy

[5] McKinsey & Company (2012), Mobile Money: Getting to Scale in Emerging Markets

development workshops with the MMPs to help define their "go-to-market" strategies and identify common themes or areas for potential collaboration among MMPs. Also, a focus group discussion (FGD) was conducted on consumer experience with m-money agents to validate the strategies earlier set by MMPs.

Following are the insights gathered from the consultations, interviews / field work, benchmarking, market scanning and FGD research:

1. MMPs' EMI license effectively extends to their agent network. This is covered in BSP Circular 649 and this was also confirmed by BSP. There is no regulation that requires m-money aggregators or agents to secure remittance license from BSP to perform cash-in and cash-out transactions.
2. M-Pesa (Kenya) and bKash (Bangladesh) have wider agent network reach since they tapped third-party distributors, aggregators and service providers to do agent acquisition, training, maintenance of service standards, audit and liquidity support rather than managing the agent network on their own. Both also uses their incentive schemes to drive numbers.
3. Agents of MMPs are successful if they are managed closely by MMP field personnel who ensure merchandising and service standards are met and provide advice on marketing, business development and liquidity concerns. On top of these, agents are managed directly by the owner, the owner is trusted by the community and the owner has the entrepreneurial skill / drive to grow the business.
4. FGD with m-money customers on their retail store experience show that the top 3 most important factors attributes in selecting an outlet are speed of service, location or accessibility and cost. Speed is actually attributed by customers to m-money as a service (rather than a function of the outlet) and is customers consider it as main factor for switching from other remittance products like LBC and Cebuna Lhuillier.

Hence, the top factor or attribute in selecting an outlet is location / accessibility. Also, convenience seems to dictate the preferred outlet. Customers usually transact with the outlet closest to home, school or work.
Based on the channel strategy development workshop conducted with the MMPs, common strengths cutting across all MMPs are:

1. Their respective agent networks which are contributing to their current business
2. Partnership with institutions and their sister companies which provide them scale and synergy grow their business and network further.
3. Innovation in providing new products and services to their consumers and partner agent outlets.

Each MMP can continue to leverage on these strengths to grow their respective businesses. Cross matching their internal individual strengths with external threats, they can identify and establish differentiation strategies in influencing national policies, addressing liquidity issues of agent outlets through their partner banks who can provide micro financial facilities to address agent outlet liquidity issues, ultimately impact customer excellence experience. Their strengths matched with external opportunities can help define proactive strategies in expanding further their coverage and tap into the huge

Aggregators: Auto Top-Up Ventures, Inc. and Remitbox Corporation

ATVI and Remitbox enjoy scale with their value linkages with merchants and agent outlets which include utilities, banks, including the MMPs.
They provide their customers with

- Easy access via web-based platforms & mobile applications, which allows merchants & agents to manage thousands of electronic SKUs from different suppliers and provide full access to their customers.
- Business reporting and analytics
- Better management of agent liquidity and working capital thru a universal wallet system vs. individual wallet per MMP
- White labeling facilitates partnerships with retail chain networks
- Interoperable backend system
- Shared / agnostic distribution model to facilitate outlet acquisition and activation especially out of urban areas
- Scalability

unbanked population estimated at 75%. The resulting differentiation and proactive strategies would be their competing strategies that they will have to pursue individually in their quest for sales, share, and profit.

The focus of the channel strategy will be in areas of collaboration where their combined strengths can provide the multiplier effect to explode coverage and still effect quality of outlet management. Specifically in the areas where there is a perceived commonality of vulnerabilities and improvement areas.

Cross matching the common internal weakness of the MMPs of account management and consumer awareness and education with their common external threats and again with common external opportunities shows areas of vulnerability with the former and improvement areas with the latter.

These areas are recurring, require huge resources to address with uncertain levels of success, extremely difficult and costly to pursue individually. In the common weak area of agent outlet management, the thinly spread field personnel 700 to 1,000 in the case of GXI and SMI) does not allow for high frequency coverage visits which is a key element in; a) building productive relationships, b) identifying and addressing critical opportunity areas like front liner training in both basic and refresher/continuing training, outlet merchandising for brand/services education and awareness, even liquidity solutions. They can be leveraged on as areas of collaboration. These areas, when addressed, have the potential to double the market volume as shown with the other country models consequently the share and revenue of what the MMPs are enjoying and aggressively protecting and growing now.

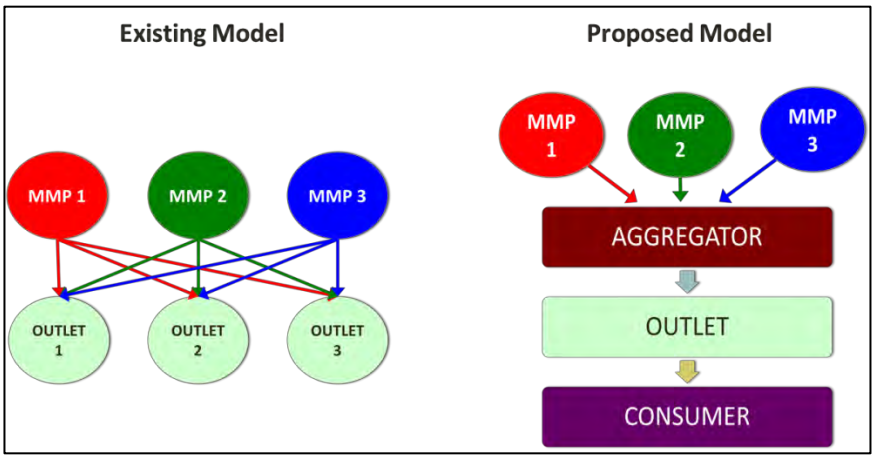
Thus, weak account management and weak consumer awareness and education (mostly limited to flyers and wallet guides) coupled with a prevailing consumer mindset and practice of preferring cash transactions vs. mobile financial transactions makes them vulnerable to a highly flexible, high-tech, advertising savvy, and user friendly competitor. This then is a key collaboration area, as each MMP cannot address this alone.

Further this weakness when cross-matched with the huge coverage opportunity and the slow gains in coverage plus, the slow burn acceptance and usage level point to another collaboration area.

It is in this scenario, the aggregator model becomes the game changing solution. It provides an interoperable system where the MMPs can work together towards leap frogging the bricks and mortar approach and is agnostic which can provide a simpler, consumer, friendly engagement.

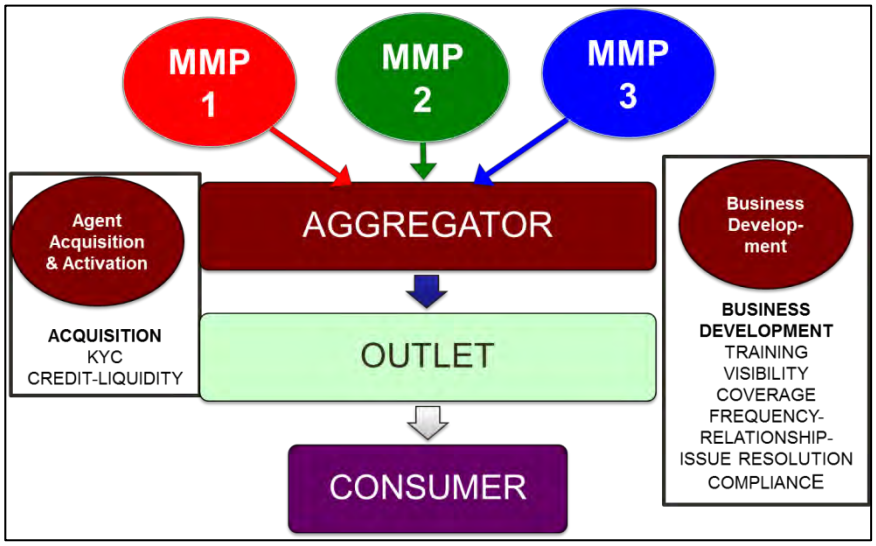
The looming threat of a competitor described by the MMPs with the "threatening qualities" of being consumer/user friendly, tech and technology savvy, price flexible, provide incentives, can now be assumed by a non-hostile and collaborative aggregator. It can even provide a white labeling facility that simplifies communication, education, and training.

Figure 1: Existing model vs. Proposed Model



Enabling structures linked with the aggregators may be set up to facilitate acquisition, activation, and servicing, with appropriate incentive schemes. With the aggregator taking on the responsibilities of acquisition, outlet management, the front line being agnostic, and back end interoperable, the MMPs can now focus on what they do best – brand development and service innovation and enhancement to provide best products and services to the consumer.

Figure 2: Aggregator Business Model



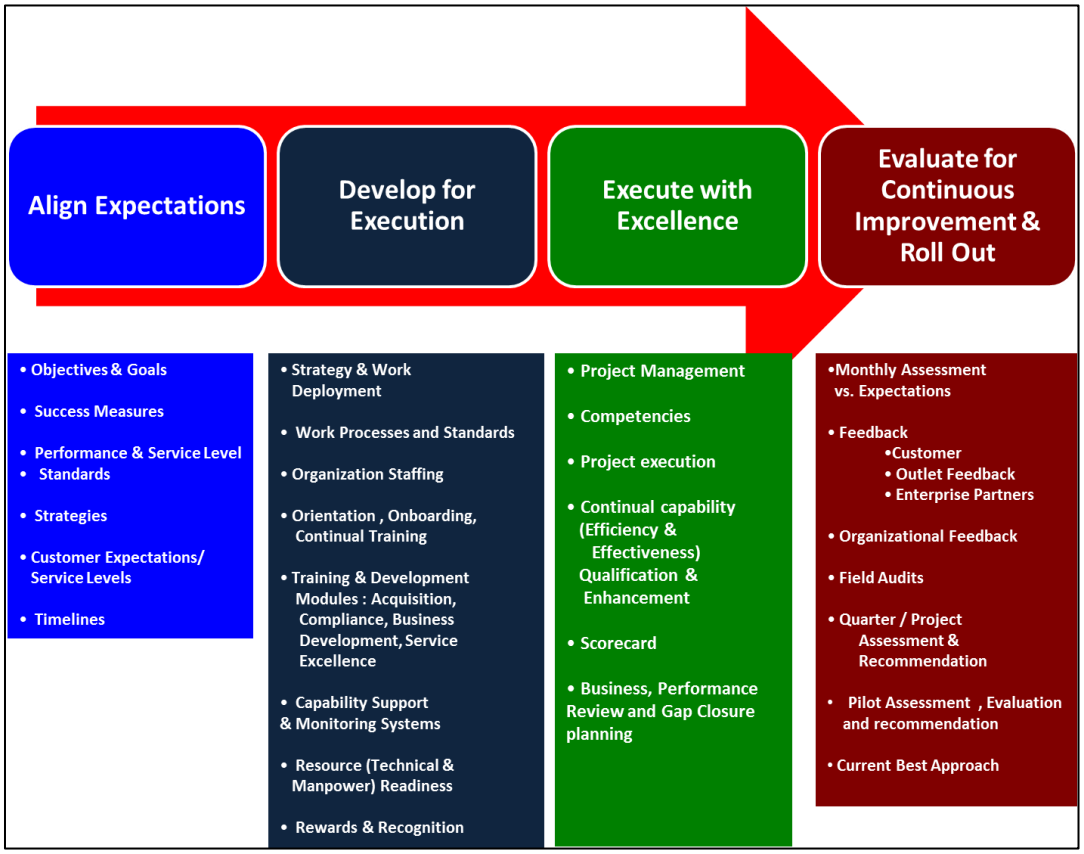
SIMM proposes to pilot test the aggregator model for at least six months preferably in two sites; Greater Metro Manila Area (GMA) for Luzon and Metro Cebu for Visayas. Another pilot area configuration would be the cities under the Cities Development Initiative (CDI) of USAID.

The objective of the pilot is to test and improve the aggregator model in the areas of coverage expansion, outlet management, education and training, incentive, and structures.

The pilot will have the necessary tracking and monitoring systems vis-a-vis set objectives, and will have feedback mechanisms to harness quantitative data to understand customer satisfaction/dissatisfaction through store intercepts, interviews, and qualitative data via FGDs on usage experience for both pilot area outlets and consumers.

The pilot learning will input into finalizing the channel strategy.

Figure 3: Pilot Development Model



- Build capacity of channel management networks

The growth of CICO network in the country is hampered primarily by a combination of lack of liquidity, high cost of liquidity rebalancing, low commissions or margins and low transaction volume. *Sari-sari* stores which is the dominant retail channel in terms of reach have limited liquidity, are not used to visiting banks to rebalance liquidity and are used to high margins (8%to 10% on fast moving consumer goods). Some outlets try offering the service encouraged by the growing remittance industry but are disgruntled and stop offering the service due to very low or nil volumes.

Given the above factors, very few channels are left offering CICO services, namely, pawnshops, drugstores, supermarkets and big retailers. They are retail chains (Puregold, SM, Villarica Pawnshop, Tambunting Pawnshop, Generica Drugstore, etc.) where decision to carry or not carry a product or service is made by the head office, they are very liquid and are used to high transaction values, they have trained frontliners and they are used to visiting the nearest bank for cash management.

On the other hand, there is an evolving channel that provides and aggregates financial services. When electronic load (e-load) was introduced to replace (or complement) card-based airtime top-up, a number of innovative and technologically savvy e-load dealers developed platforms to electronically distribute and e-load inventory retailers and dispense (top-up) e-load to subscriber prepaid accounts. To maximize their platforms, they integrated financial services into their menu of services such as bills payment, remittance and other electronic vouchers which uses the same wallet system used for e-load. These dealers have effectively shifted their business model from e-load distribution to aggregation of financial services.

Financial service aggregators have put in place universal wallet systems that facilitate simplified settlement and liquidity management at the backend. Retailers in their networks don't have to maintain multiple wallets which mean lower working capital for the business (lower inventory). They have established settlement processes which settles all transactions the following day (transaction date + 1 day). Most platforms offer real-time or almost real time reporting and an automated centralized monitoring and analysis of transactions and inventory levels which allows platform providers to effectively manage their networks. Outlets within their network are required to settle through the nearest settlement bank so therefore they are used to visiting a bank to rebalance liquidity.

Most financial service aggregators utilize a franchising business model. Once an outlet is accredited as a franchisee, the outlet has no choice but to offer all the products and services available in the menu or in the bundle. Effectively, a high margin service in a bundle can subsidize a low margin or loss leader in the bundle. For example, if an outlet makes P10 per Meralco bills payment transaction and P5 per m-money cash-in transaction, Meralco fee of P10 effectively subsidizes the m-money fee of P5. Moreover, Meralco bills payment transaction volume is significantly higher (since all households in Metro Manila and nearby provinces) are serviced by Meralco vis-à-vis the very few m-money subscribers in the same areas. This addresses the issue on low margin and volume on m-money since CICO services are bundled with high margin and high volume transactions.

Auto Top-Up Ventures, Inc. (ATVI) and Remitbox Corporation (Remitbox) are two of the leading and more innovative financial service aggregators in the country today. ATVI was established in 2009 as a reseller of prepaid electronic mobile top-up services to mainstream and non-traditional channels. In 2012, the ATVI became a subsidiary of leading software solutions provider, iRIPPLE, Inc. (PSE:RPL) to further strengthen its position in the retail trade sector. Today, ATVI provides a multi-delivery aggregation platform for various mobile, prepaid, payment, financial, merchant and channel services by working with reputable content providers and mobile aggregators. ATVI has over 1,600 retailers within its network.

Remitbox is a company formed in September 2012 whose purpose is to provide "platform as a service" (PaaS) to money remittance businesses in the country. It offers a web-based platform built primarily for money

transfer. More than a purely traditional one-to-one remittance play, Remitbox also offers other financial services in its ecosystem to cater to the B2B and B2C environment. This takes advantage of its infrastructure that has extensive brick-and-mortar footprint from urban areas up to the rural areas. Remitbox currently powers the domestic money remittance operations of HLhuillier Jewelry & Pawnshop, Prime Asia Pawn & Jewelry Shop Inc. and Gemmary Pawnshop & Jewellery Inc. bringing its network to about 800 outlets nationwide. Remitbox is currently integrating its platform with Villarica Pawnshop and LBC which can potentially increasing its reach to over 2,300 outlets nationwide.

SIMM has forged partnerships between MMPs and ATVI and Remitbox to pilot CICO expansion via financial service aggregators. SIMM has provided technical assistance to both MMPs, ATVI and Remitbox to facilitate platform integration. SIMM also provides technical assistance for capacity building through financial literacy and train-the-trainer (TOT) training for Remitbox and ATVI personnel in August and November, 2014, respectively, and provided communication support by providing communication materials to help promote CICO service to outlets.

To date, the partnership with Remitbox and ATVI has resulted to 2,402 new CICO outlets and about 1,000 CICO agents / frontliners trained.

Agent network Pulilan, Bulacan

On the supply side, currently, the agent network of Pulilan, Bulacan is very limited most of which are all situated in the central area covering only two out of nineteen barangays namely, Cutcot and Poblacion. As such, although the demand for mobile money has been slowly building, the supply of mobile money is still very low. Meanwhile, the efforts of BanKO in acquiring cooperatives and small and medium establishments to become BanKO Partner Outlets (BPO) was challenging due to the following reasons:

1. Some barangays are small and have limited options for BPOs especially in terms of capability (i.e. compliance with documentary requirements, liquidity, credibility)
2. Operational concerns for funding in with the nearest BPI located in the next city, a total 20 kms in distance
3. High capital and low profitability
4. Low management support particularly in marketing efforts to increase sales
5. Low acceptability of payment through mobile money

Figure 4: Pulilan BanKO Partner Outlet Map

SIMM recognizes the importance of ensuring adequate supply of m-money to effectively induce trial and scale the use of the services specifically in promoting convenience of paying bills specifically for Pulilan Water System. Hence, a stop gap measure to ensure continued servicing of the demand for mobile money, the local government of Pulilan Bulacan has encouraged a local computer shop to acquire BPO services with four branches located in Poblacion, Paltao, Dampol A and Tibag and assigned and trained student on

account opening, cashing in, cashing out and responding to frequently asked questions. Further, the local government has mandated the Pulilan Water System to only accept payment of about 5,000 delinquent concessionaires through mobile money. On September 28, 2014 8GAD Trading Computer Shop launched its BPO services. As part of the support of the government, students from the public school were assigned to work in the computer shop as part of their internship at no cost to the government and the project. As a result, the local government has a pool of resources that was used for project activities and for retraining other agents.

From January to March of 2014, the SIMM, local government of Pulilan, Bulacan and BPI Globe BanKO worked closely together to conceptualize new BanKO Partner Outlet (BPO), agent models that can be pilot tested in the small and medium establishments in Pulilan, Bulacan.

The four BPOs were strategically selected to ensure accessibility of service the nearby barangays and promote use of mobile money especially for the payment of water bills. To gain more awareness and encourage more potential to sign up for mobile money accounts, a three-day launch was implemented including a roving vehicle to make announcements and distribution of marketing materials.

For those areas that do not have BPO presence and with very small establishments, SIMM is pilot testing the *Pay Bilis* Collecting Agent Model which are essentially individual accountholders accredited by BanKO as a bills collecting agent. This model eliminates the documentary requirements needed to open a BPO and enables the bills payment transaction for individual accountholders to service their neighborhood. The Pay Bills Collecting Agent Program is part of overall strategy to scale up user acquisition and usage as well as BPO accreditation.

Since the first launching of services of mobile money agents in Pulilan in September 2013, there are early signs of success with the opening of new outlets in farther barangays. More recently, there have been findings on one outlet that shows very promising results. On October 15, a key personnel interview was conducted with Ms. Teta Peralta the proprietor of the shop located in the #21 National Road Tirag, Pulilan Bulacan who opened a BankO Partner Outlet in May and after 4 months show significant activity and increase in the number and volume of transactions from Php15,931 in May to Ph292,840 in August

Table 9: Sylver Cafe Volume of Transactions

Items	May	Jun	Jul	Aug	Sep
Know Your Customer	18	4	2	-	2
Transactions	40	49	33	30	444
Volume of Transactions	15,931	35,955	61,560	292,840	117,296

Findings show the following:

1. Highly entrepreneurial business owner, providing various and complementary products and services from a sari-sari store, computer shop, printing and photocopy, and her most recent endeavor is providing financial services through BPI Globe BanKO BPO. She hopes to be a one stop shop for her customers coming from nearby towns from Tibag, Dampol 1st, 2nd, Dulong Malabon, Lumbac, San Francisco all the way to Tarlac and Antipolo.

Table 10: Sylver Cafe Average Income per Month by Product

Products and Services	Average income per month
Sari-Sari Store	1,000 – 2,000
Computer Shop	5,000 – 8,000
Printing and Photocopy	5,000 - 10,000
BPI Globe BanKO	2,000-3,000

2. Her own financial transactions made her interested in availing of BPI Globe BanKO BPO as she regularly receives remittance from her sister for tuition of their kids and other expenses. As such she needs to go to the bank regularly to transfer funds for the tuition of the kids, allowances and other household and business expenses. Because she is the only one operating her business. Errands require her to close shop, as such, at times she requests for assistance from friends to do the bank transaction for her for a fee of P100. Moreover, interbranch deposit to banks like BDO have additional charges up to P150. She discovered BPI Globe BanKO how it can help her manage her cash flow and minimize her expenses (transportation and transaction charges).
3. Currently, she actively opens accounts for her customers by demonstrating her own experience sending money to her nieces and kids with only P1 charge, micro savings as low as 50 and no need to dress up and travel to the bank, and purchase of airtime load. She markets her business through Facebook and her BanKO signage outsider her store. Now she has 20 regular customers (savings for pregnancy, students for load, payment of Meralco and payment of water). She aims to open accounts for the employees of the Nestle factory which is right beside her shop who have inquired about sending money to their relatives because Smartpadala is always closed. However, she notes some challenges in sending money via BanKO where the recipient will need to first open an account in a BPO which is not as accessible. It seems Smartmoney is more accessible and easier because money transfers are made via outlet then cash pick up. She suggests a similar setup for BPOs.
4. She is also now reviewing an agent aggregator product called Splash that will enable her to collect payment for Cenomar, NSO, Passport, Tickets. The initial investment is P5,000 for the system.

Understanding the current challenges of the agent liquidity of BPOs in Pulilan to service customers, SIMM has proposed an agnostic network and financial aggregator, ATVI, to meet with local businesses on November 27 to present its products and services such as mobile money cash-in and cash-out to Globe BankO, G-cash and Smart Money; E-Load and Gaming Pins; Bills Payment; Travel Services and other services. This may present as a solution to the agent liquidity challenge as it bundles other fast moving goods along with the mobile money services cash in cash out that maybe a better deal for businesses. As of date there a three businesses that are in discussion for contracting.

OBJECTIVE 5: Driving Customer Usage

- Deepen understanding and analysis of consumer knowledge, needs and behaviors on m-money through conduct of market research
- Improve knowledge of partners and target segments on financial literacy and education on m-money including consumer protection

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

Mobile Finance Services (MFS) Project

In May 2013, focus group discussions (FGDs) were carried out by SIMM and Software Group to identify the needs and the opportunities for the MFIs to offer mobile money products and services to their clients. A total of 115 clients participated to draw a comparison of the key points identified, across all five institutions. Mobile money usage, awareness and willingness to adopt mobile money services were some of the key criteria assessed.

Conclusions from the FGDs include:

- Charges and fees may pose a risk, but clients will use mobile money if the benefits outweigh the costs. The FIs would do well to demonstrate the added benefits of mobile money, and how it could indeed save clients' money. Note that some institutions currently offer high conveniences e.g. bill collectors who visit the client, which might be challenging to beat, but there is a service charge and some clients may be willing to pay a fee for mobile money, if it is less than their current service charge or transportation costs, and saves time on traveling and the group meetings. For some FIs e.g. FICO and CCT, there may be a case for lower interest payments or service charge for the clients.
- Nearly all clients expressed an interest in an ATM card, most clients did not articulate a reason, but the most plausible reason is aspirational, those that did mentioned wanting their neighbors to know they had a card. The ATM card could be linked to mobile money and act as an incentive to encourage people to use mobile money too.
- Significant training and marketing needs to be invested in order to convert customers to mobile money.
- It is recommended to phase out the old methods of disbursements and repayments to give mobile money a chance to succeed.
- Using mobile money to deposit on the savings account seems beneficial to clients and a promising use case, because half the clients surveyed seem to save.
- Some clients, especially with e-load business, would like to become mobile money agents, giving them a chance to earn additional income and strengthening their loyalty to the FI. These clients are in a better position to promote mobile money services to other clients belonging to the same FI. However, these clients may need support to manage liquidity, which will require a concerted effort. For clients wishing to become agents, a separate training and management program should be introduced.
- Nearly all clients would appreciate substantial proof of payment, which could mean that more training must be given for customers to trust SMS confirmation or the electronic receipt should be issued by the institution collecting the payment. A record of transactions and statements could be an added feature of the mobile money account.

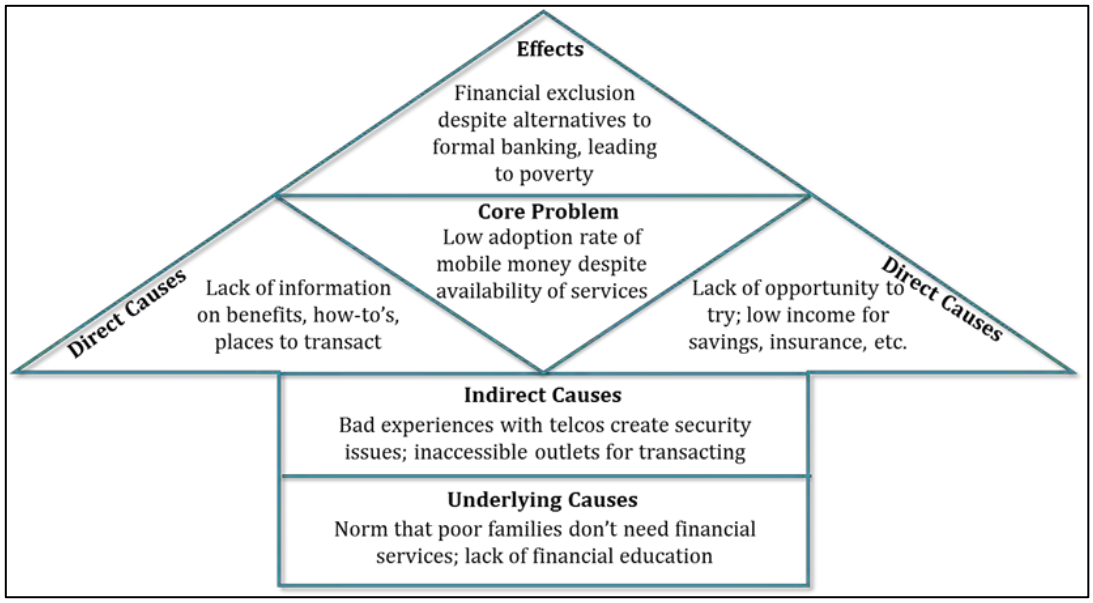
Behavior Change Communication (BCC) Project

To better understand mobile money usage in the Philippines that can aid implementers in localizing strategies that can bring m-money services to scale, SIMM commissioned a research entitled 'Audience and Communication Analysis' as part of its Development of Behavior Change Communication Plan and Outreach Materials for Driving Adoption and Usage of Mobile Money in the Philippines or Behavior Change Communication (BCC) Project in August 2013. This provided a deeper analysis and understanding of the needs, preferences, habits, and behaviors of current and potential users of mobile money services across SIMM's stakeholder segments and localities.

The research was conducted by Hamlin-Iturralde Corp. (TeamAsia) in two SIMM pilot areas, Quezon City representing the urban stakeholders, and Pulilan, Bulacan, representing the rural stakeholders. Primary research methods used were focus group discussions with a combined number of 68 respondents from the target segments of consumers, SMEs or business owners, and cooperative officers and members for both SIMM cities, key informant interviews with more than 10 individuals representing the LGUs, and surveys with 376 respondents from Pulilan and 384 respondents from Quezon City. Secondary research method included desk research on existing marketing materials and media coverage on topics relevant to the project. Insights from the three MMPs were also gathered for the research.

The raw data from the primary research activities and the consolidated data from the secondary research activities were processed into the problem analysis, target audience and the situational SWOT analysis. The study defined the core problem as the low adoption rate of mobile money. Despite availability of mobile money services and promotional activities by telecommunication companies, take-up rate for mobile money is still low. Disinterest in mobile money was alluded to three main reasons: lack of experience, lack of sufficient information, and not seeing the need for it.

Figure 5: Problem Tree



The results of this study led to the development of a behavior change communication (BCC) plan and outreach strategies to address existing barriers to mobile money adoption. It was determined that influencers, both direct and indirect, must be actively engaged to raise mobile money knowledge and relevance in the target segments' lives. The combination of awareness, relevance, and security is seen as a tipping point for change in the target audience.

- Improve knowledge of partners ad target segments on financial literacy and education on m-money including consumer protection

During the last quarter of 2013, SIMM collaborated with another USAID Project, the Basa Pilipinas (Read Philippines) Program, which is a four-year effort in the Philippines to improve reading skills in the early grades. The project will seek to improve the reading skills of 1 million children in Filipino, English, and selected mother tongues by 2015.

This collaboration resulted in Basa Pilipinas adopting mobile money for the disbursement of travel expenses of its teachers attending trainings. Basa Pilipinas partnered with BPI Globe BanKO, and apart from activations of accounts for teachers, this paved the way for a series of financial literacy and end user trainings for public school teachers in various provinces such as Ilocos Norte, Cebu and Bohol. More than 6,000 public school teachers attended the trainings and received their BPI Globe BanKO accounts.

Furthermore, with savings resulting from lower cash handling costs, USAID/Basa Pilipinas Project is able to subsidize cost of cash-out and ATM withdrawal fees for teachers, and to ensure that teachers are supported throughout the reimbursement process; Basa also utilized frontline SMS to send text blasts to teachers. Through text, Basa was able to troubleshoot payment issues, survey teachers' reactions to the technology, and offer opportunities to answer questions.

- Develop appropriate behavior change communication (BCC) materials on mobile money

To foster the wide-scale adoption of mobile money in local ecosystems, SIMM and TeamAsia developed a BCC plan and communication materials that can effectively position mobile money as a convenient, affordable, and secure mode of payment for government, businesses, microfinance institutions, and their respective clients.

The BCC plan is anchored on the results of the research and follows three execution phases, namely inform, induce, and institutionalize. Inform focuses on public awareness by addressing audience- and stakeholder-specific information gaps, induce focuses on encouraging the target audience to try using m-money by communicating practical benefits and demonstrating use through experiential means, and institutionalize focuses on sustaining gains, promoting regular and sustained use by reinforcing relevance and financial inclusion messaging. Key messages were developed to be communicated to the target audience across the different phases of execution, using identified communication channels such as on-ground activation, above-the-line, below-the-line, stakeholder relations, mobile marketing, and social media.

Table 11: Key Messages and Content Themes

	Execution Phases		
	INFORM	**INDUCE**	**SUSTAIN**
Key Message	Mobile money lets you access financial services in the most convenient, economical way so you save time and resources and focus on what's important in your life.	Mobile money is a very secure and convenient way of managing finances for the business and the family.	Consistent use of mobile money can mean more money saved and fewer worries for individuals, families, and the community.
Content Themes	• Maximizing mobile money's many practical uses • Access to savings and credit	• Success stories across segments and pilot areas • Going cashless and reaping the rewards	• How everyone benefits from mobile money • Impact of mobile money in the family and community
How do we change ideas about mobile money?	• Highlighting the benefits is a key step in introducing mobile money services. • Mobile money does not replace cash, it makes cash function better. • Use positive examples and success stories.		

Crafting the taglines, key messaging and logo design for m-money adoption took into consideration the insights, values and personality, and reason to believe of respondents, and also a unique selling proposition, and the benefits and essence of m-money. These also underwent one round of pre-testing in both Quezon City and Pulilan, Bulacan. The image below shows the unique selling proposition or main tagline of m-money and its logo developed by TeamAsia, supported by three main benefits of convenience (*in Tagalog, madaling gamitin*), affordability (*matipid*), and secure (*sigurado*) with corresponding icons.

Figure 6: Mobile Money Logo

Figure 7: Icons on the benefits of mobile money

SIMM and TeamAsia also designed materials for the application of the taglines and key benefits, specifically calendars, posters, fans, flyers, and marketing kit folder targeting MSMEs and general consumers. The materials underwent one round of pre-testing with respondents from Pulilan, Bulacan and Quezon City.

The BCC Plan was piloted and localized for Quezon City, aimed at increasing awareness and inducing usage of mobile money, in this case GCASH, for real property tax assessment and payment. For this purpose, a set of marketing, publicity and visibility activities were planned for January through March 2014 in partnership with the City Government and GXI. Based on a targeted approach, only 276 taxpayers out of a potential of more than 200,000 active tax payers used GCASH to settle their taxes within the period. Findings and recommendations to further refine the strategy for Quezon City and other SIMM cities are attached as Annex.

A Social Media Campaign Project was also piloted in July 2014 following SIMM's four-month project extension. Social media is one of the approaches identified in the BCC plan to raise knowledge and utilization of m-money and is seen to be highly effective based on insights published, such as the Southeast Asia Digital Future in Focus 2013 report by comScore, a global leader in providing insights on the behaviors of people in the digital world, which stated that the country has the second highest Facebook penetration rate in the world at 92.2%, next to Brazil. The social media campaign is set to run for one month and aimed at raising awareness

and inducing trial of m-money nationwide, but also focusing on a targeted audience in the SIMM pilot cities of Quezon City, Valenzuela City, Batangas City, and Pulilan, Bulacan.

- Support partners to implement effective social marketing campaigns to drive mobile money usage

To improve local capacity for implementing effective social marketing campaigns and developing communication plans for mainstreaming mobile money services to ensure the continuity of the project, SIMM and TeamAsia conducted a one-day Social Marketing Workshop in December 2013 at the Quezon City Hall with about twenty (20) LGU, MFI, and cooperative representatives from Public Information Offices and marketing teams to share with them findings of the Audience and Communication Analysis Study and the BCC plan, and enable them to devise mobile money marketing strategies that will work in their respective localities.

The workshop included an intensive training on social media, which has become an important marketing tool in the industry today. The training helped participants realize social media's convenience of use and potential to aid the success of mobile money adoption.

Relevance and impact of social media were discussed, and as social networking sites have become the main platform of online marketing, participants were given a lecture about the basics of Facebook and Twitter that could help them in their own social media campaigns on mobile money.

Content development for social media pages was also tackled, and participants were also taught how to maximize the different elements of social media platforms to analyze their audiences and use their demographics and interests to their campaign's advantage. To back up the knowledge and skills that they have learned from the training, they were also taught the ethics in posting.

All of the discussions were supplemented with exercises that participants actively participated in, and a major output of the group work are the outreach activity plans each group has created, which is expected to be rolled-out in their respective areas.

OBJECTIVE 6: Promoting Global Knowledge Sharing of M-Money

- Promote global enabling regulatory environment
- Support research agenda into the needs of the unbanked
- Integrate knowledge sharing component

- Promote global enabling regulatory environment

To enable electronic payments in Government through a policy on electronic official receipts, SIMM assisted COA in coming up with a circular that will support the implementation of mobile money across all government agencies. This technical assistance to COA also included two workshops in 2012 and 2013 with COA officers to inculcate a better appreciation of electronic official receipts particularly acquired through mobile money.

The COA Circular No. 2013-007 also known as "Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government" was released on September 18, 2013 to guide all government agencies in their implementation of electronic collection systems. The EOR circular is the last piece of regulation required to fully enable the implementation of electronic payment and collection systems in government as prescribed in DTI-DOF JDAO No. 02 series of 2006.

- Support research agenda into the needs of the unbanked

Given the project's mandate to increase financial inclusion by catalyzing widespread adoption and usage of mobile money (m-money), SIMM analyzed the possible reasons why m-money in the Philippines remains at sub-scale despite being the first in the world and having been in the market for fourteen years. Based on surveys and research reports about m-money in the Philippines, lack of awareness, lack of trust and poor accessibility of cash merchants consistently figure among the top reasons why people have not adopted it. Lack of awareness and trust are driven by the limited use of the closed loop m-money payment services which means that there were only few people they can send money to and few billers or merchants accepting the payment scheme. The demand side of payments is a complicated two-sided market where consumers will only adopt new payment systems if there are enough people or merchants accepting them, and merchants will only adopt them if there are enough consumers using them. Hence, the low consumer adoption and low merchant adoption are in a system of reinforcing loop as in a downward spiral with the effect of keeping overall adoption of m-money low.

Growth in adoption is also not aided by the difficulty in putting value or "money" into the m-money account prior to being able to use it. Those who opened m-money accounts end up not using it actively, therefore not encouraging new, would-be adopters. The difficulty is due to (1) lack of electronic channels to move funds or pay from bank deposit or e-money accounts to another bank deposit or e-money accounts, and; (2) lack of cash merchants (or "cash-in/cash-out agents") which do not thrive because there are not enough m-money customers, thus is another case of a negative reinforcing loop structure.

To breakout of the structure that is keeping m-money adoption and usage low, SIMM believes that it is critical to enable movement of funds from any bank deposit or e-money account to any bank deposit or e-money account in an efficient, affordable, convenient, electronic and interoperable way. In this way, the utility of m-money will increase immediately as m-money account owners will be able to pay or transfer funds to, or be paid or receive funds potentially from 43.6 million bank deposit accounts covering 26% of Filipino adults, and from over 11 million e-money accounts. Not only will it benefit m-money but will also usher in the growth of electronic payments and transform society from cash to cash-lite, which would serve the bigger societal goal of financial inclusion.

In a progress meeting with the Bangko Sentral ng Pilipinas (BSP) in August 2012, SIMM proposed the vision to the Deputy Governor of Supervision and Examination Sector, Mr. Nestor Espenilla, Jr., and his team. Mr. Espenilla decided to support this vision and recommended to SIMM to proceed towards realizing this vision starting with articulating a global best practice framework that will ensure the safety and soundness of the national payments system and with obtaining a broad consensus among the payments industry players to implement it. It was also agreed to focus the scope on retail payments only as it is critical to achieving the goal of financial inclusion.

BSP and SIMM immediately started working on the terms of reference of the National Retail Payments System (NRPS) project and agreed to break the whole journey into phases starting with becoming familiar with a global best practice NRPS and a high-level glide path to achieve it. More specifically, the scope of work of the first phase covered the following:

1. Undertake a limited environmental scan of the Philippines' payments-related financial services industry via desk research and interview of key participants and stakeholders in the national payments system.
   1.1. Understand the issues and constraints to interoperability in the Philippines
   1.2. Conduct desk research to identify issues and constraints, developments and experiences on interoperability by other countries; cite parallel examples like ATM, banking services, etc. and identify the benefits (scaling of adoption) and dis-incentives (stifling innovation and creativity).

1.3. Determine if the issues raised by GSMA against interoperability are applicable in the Philippine situation.

2. Facilitate and lead an interactive training course in order to define the rationale for interoperability and inclusive e-payment systems, set a common definition of terms in an integrated national payments system, a common understanding of more efficient and inclusive models of funds transfer and payments based on case studies and desk research completed above; assess, the current situation in the Philippines during the workshop, and facilitate a forum where public and private players may discuss issues they expect to face and how they may be overcome.

3. Gather and estimate demand side data to assess the market size of payments in the Philippines and any additional data provided by the BSP in order to estimate the volume and value of transactions. Identify stakeholders who may be favorably or unfavorably impacted by the desired model, as well as possible measures to mitigate or marginalize the unfavorable impact.

4. Conduct high level pre-diagnostic listing and initial assessment of the current regulations (as provided in English by the BSP) that might be affected by a new model of interoperability;

5. Propose glide path options. Identify challenges, constraints and risks to successful implementation such as pricing, unreasonable requirements and processes for customers wishing to avail of inter-bank funds transfers or e-payments services, security and customer protection requirements, other barriers and propose appropriate mitigation.

Based on the high-level glide path, it was clear that the critical components towards implementing the NRPS are the governance and risk management framework of NRPS and the single national utility clearing operator.

Hence, BSP and SIMM agreed to implement Phase 2 of the project with the following scope of work:

1. Review and recommendations on regulations governing payments
2. Guiding principles of the governance model and risk management framework
3. Guiding principles of the national utility clearing operator
4. Economic model of the national utility clearing operator
5. High-level action plan on key work streams and activities

The NRPS project, both phases 1 and 2, received very good feedback from the BSP and the payments industry participants.

Table 12: National Retail Payment System Project Timeline

Timeline: National Retail Payment System Project
Phase I
March 2013
Terms of Reference of NRPS Phase I project was completed and agreed.
Bankable Frontier Associates was engaged to perform the project.
April 2013
Meetings and consultations with key payments industry players
First workshop on National Payments System
October 2013

Timeline: National Retail Payment System Project
Submission of high-level glide path
Phase 2
May 2014
Bankable Frontier Associates was engaged to perform the project.
June 2014
NPS workshop conducted with BSP
Visioning and strategy formulation conducted with BSP
2nd NPS workshop conducted for the key payments industry participants
Planning workshop conducted with BSP and the key payments industry participants
July 2014
Presentation of draft deliverables to BSP
Presentation of draft deliverables to BSP and key payments industry participants

The output of NRPS phases 1 and 2 included final reports for both phases, a study on growth of ATM adoption and usage in the Philippines, and an economic model of the national utility clearing operator.

- Integrate knowledge sharing component

Over the course of two years, SIMM participated in several international, national, and digital knowledge sharing platforms such as conferences, webinars, and social media particularly Facebook and Twitter as part of sharing the Philippines experience in shaping the global mobile money landscape. The project also produced many success stories and news stories which were posted in the SIMM website and partners' websites, and published by international and national media outfits. To sustain the project's successes in the adoption of m-money services for government offices, SIMM also developed an 'LGU Toolkit', which

International and National Conferences

Notably, the SIMM Project participated in an international forum, the Mobile Solutions Forum Asia in Bangkok, Thailand on January 6, 2014, where the SIMM Chief of Party (COP) presented a lightning talk on experience learning from challenges faced and adaptations done by local governments of SIMM Cities as the right change agent—properly positioning the business case to the change agent and other key stakeholders, facilitating utilization through disbursements, and ensuring good customer experience. This forum gathered more than 80 participants consisting mostly of USAID staff and implementing partners involved in mobile for development (M4D).

SIMM also participated in local conferences, namely the Innovation and Connectivity through Technology (ICT) Forum on June 18, 2014 in Manila, and the National Convention of the Philippine Association of Local Treasurers and Assessors (PHALTRA) on Feb 20, 2014 in Davao City. The ICT Forum which was attended by more than 100 local government leaders showcased the role and direction of ICT in governance, and the achievements of LGUs that used ICT to improve their operations. SIMM COP briefly presented project successes with the three SIMM Cities that have adopted mobile money for assessment and collection of real property tax, business permit, and construction permit.

Meanwhile, SIMM COP delivered a presentation entitled Breakthroughs in Efficiency and Transparency in LGU Disbursements and Collections using Mobile Money at the PHALTRA Convention to create awareness in preparation for the envisaged circularization by the Bureau of Local Government Finance (BLGF) of m-money as payment option for all cities and municipalities nationwide. There were about 2,000 local treasurers and assessors in the audience.

In November 2014, SIMM COP presented at the Mondato Summit Asia held in Singapore. The summit sought to gain a better understanding of the varied needs and wants of the addressable market(s) across the Asia Pacific. SIMM shared the strategies employed to achieve scale and build robust mobile money ecosystems, particularly within SIMM cities.

Webinars, Twitter Chat, Videos

SIMM took advantage of digital platforms in sharing the project's successes and experiences in scaling mobile money such as the live Twitter chat hosted by USAID Mobile Solutions on mobile money and electronic payments in May 2013. Likewise it has contributed to a video of the Office of Innovation and Development Alliances (IDEA) of USAID covering sectoral issues and how USAID and the Philippine Government are achieving more inclusive economic growth. SIMM also produced a six-minute video on mobile money, which was used for information dissemination purposes by the project.

Two USAID-hosted webinars featuring mobile money services were also actively participated in by SIMM, namely the 'Demystifying Electronic Payments: Lessons From Pathfinder on How to Transition Away From Cash: Lessons Learned From Pathfinder on Transitioning Away From Cash' in May 2013, and the E-Payments Internal Working Group in April 2014.

Communication Channel	Description
SIMM Website www.simmphil.org	From September 2012 to December 12, 2014, the SIMM project website received a total of 25,332 views, broken down as 609 for 2012, 11,151 for 2013, and 13,572 for 2014. This showed a sustained increase in number of visits or views to the website, with the month of January 2014 having an all-time high hits or page views at 2,031. Average site traffic across the years showed an increase, with 2014 averaging at 39 visits per day. Top posts in the website that received most visits all time are the Home Page, BPI Globe BanKO, and About SIMM Philippines. SIMM's website is still on the top three Google chrome result for the search item, and search terms referred to the website include Scaling Innovations in Mobile Money (SIMM) Project, G X-Change and simm philippines. Visits to the website were made mainly through referrers with the top three being search engines like Google search, Google image search, and Yahoo search, through Facebook and through Twitter. The website also has to date 24 blog followers, re-posting SIMM's stories and announcements. Furthermore, to help increase visits to the SIMM website and to encourage knowledge sharing, e-newsletters in the form of success stories and news, resources and images where made available for viewing and downloading.
Social Media **Twitter: @mmoneyphlv** **www.facebook.com/Philippines.SIMM**	To gauge the overall impact of social media, SIMM continuously monitors relevant metrics on social media and microblogging sites, especially Facebook. This is to deepen the mode of measurement and analysis of the project's social media presence and its effect to stakeholder outreach and online behavior. There was a considerable increase across most indicators as compared to the

Communication Channel	Description
	previous year particularly with page consumption, engaged users, total reach, viral reach, and viral impressions registering more than 1,800% increase. SIMM's social media impact is discussed further in the Outcomes section.
Media Placements	SIMM has also garnered considerable media reach from October 2012 to December 2014. The project gained media presence through online news, print articles, ads, blogs, and radio. A total of 144 news placements in print, online, television, and radio were monitored by SIMM, which is a compilation of stories written by SIMM and partners. The stories that gained most number of placements pertain to the launching of government tax mobile payment systems in Quezon City, Batangas City, and Valenzuela City, the coordination of mobile money partner G-Xchange Inc. with the local government unit in promoting the use of mobile money as a mode of payment.
LGU Toolkit	An LGU Toolkit for mobile money adoption is being compiled and packaged by SIMM to assist LGUs that would like to adopt mobile money for government transactions. This kit includes information on project introduction, enabling regulatory framework, needs assessment, forging partnerships, value proposition, operations management, training, and communications component
Lessons Learned Workshop	With the numerous milestones the project has achieved over the course of two years, SIMM gathered lessons and documenting experiences of national and local key partners in scaling and sustaining mobile money. SIMM conducted a Lessons Learned Workshop on November 18, 2014 with 29 representatives from key partners documenting successes achieved and at the same time challenges encountered by the project in terms of program management and implementation. This workshop gave partners a venue to share experiences and learnings of all partners and a chance to appreciate the entirety of the project and its accomplishments across different interventions. Key recommendations put forward by participants during the workshop include: 1) Enforce regulations for interoperability and monitor compliance 2) Mount continuous m-money provider information campaign to promote services and benefits and, 3) Strengthen after-sales support, both from the MMPs to partner institution and partner institution to end users perspectives.

CHAPTER 3: OUTCOMES

Since the beginning of the project, SIMM enhanced the Performance Monitoring Plan (PMP) to better assess the progress of the activities and corresponding performance indicators towards targets. Changes include mapping of the results framework to demonstrate the logical flow of project activities moving upward from outputs, results to overall goals with the corresponding performance indicators; and re-aligning the targets according to the fiscal year. To measure performance, SIMM is utilizing a mix of quantitative and qualitative data collection methodologies to capture data from national and local partners that are attributable to the project's set of interventions. Some findings and recommendations from the USAID Internal Assessment were incorporated in this section[6].

Mobile Money Users' Data, Philippines (Sep 2012 – Sep 2014)[7]

Since beginning of the project, SIMM has been working with the providers to continuously standardize and update figures to generate comparable data. It must be noted that, Mobile Money User data (i.e. no. of registered mobile money accounts and active users) are not part of the reportorial requirements of Bangko Sentral ng Pilipinas (BSP), hence additional data requests were made to generate baseline figures starting September 2012. It must be noted that throughout the project implementation, data has been regularly updated as soon as more accurate and complete information were made available. Notes on the performance indicators, baseline figures and data limitations are detailed in the succeeding sections of this report. SIMM is working with the BSP and the MMPs to discuss and agree on a standard definition and interpretation in preparation for expanded BSP report on electronic money. The Mobile Money User Data full report is attached as Annex B. Data presented below is based on the agreed definition of the performance indicators for the SIMM project and subject to available data systems of the each of the providers.

1. Number of Registered Mobile Money Users refers to the number of active registered mobile money accounts opened daily (KYC, over the phone or air activation). Active refers to newly opened mobile money accounts and active or valid registered accounts and excludes dormant/inactive accounts and locked/deactivated sim cards,
2. Number of Active Mobile Money Users refers to the number of registered mobile money accounts who used any m-money transaction in the past 30 days within the quarter period covered.[8] Transactions include both inflow and outflow (i.e. mobile banking, funds transfer, ATM/POS and merchant withdrawals, purchase of Airtime/Internet, send money/remittance, pay bills, balance inquiry, transfer to other subscribers.

At the start of the project, baseline data was gathered in September 2012, showing a reported total of 9.5 million registered mobile money account users and 356,425 active users. During the third quarter of FY 2013, alongside management turnovers across the providers, significant changes were made to the baseline data as a result of system enhancements, changes in data parameters and purging of numbers. As a result, baseline data was

[6] . The internal assessment was conducted by USAID Philippines and Digital Development Division of the USAID Global Development Lab in Washington within the period of June 16-27, 2014. The internal assessment concentrated on SIMM's two-year implementation period, from April 26, 2012 through March 31, 2014.

[7] This report is still subject to review and validation of BSP.

[8] Due to system limitations in gathering the 90 day period per Alliance for Financial Inclusion definition and to ensure comparative data across all providers, active users were limited to monthly average or month with the highest number of active users within the quarter period covered.

revised to 6.5 million registered users and 539,101 active users reflecting updated and purged data under the agreed upon data parameters.

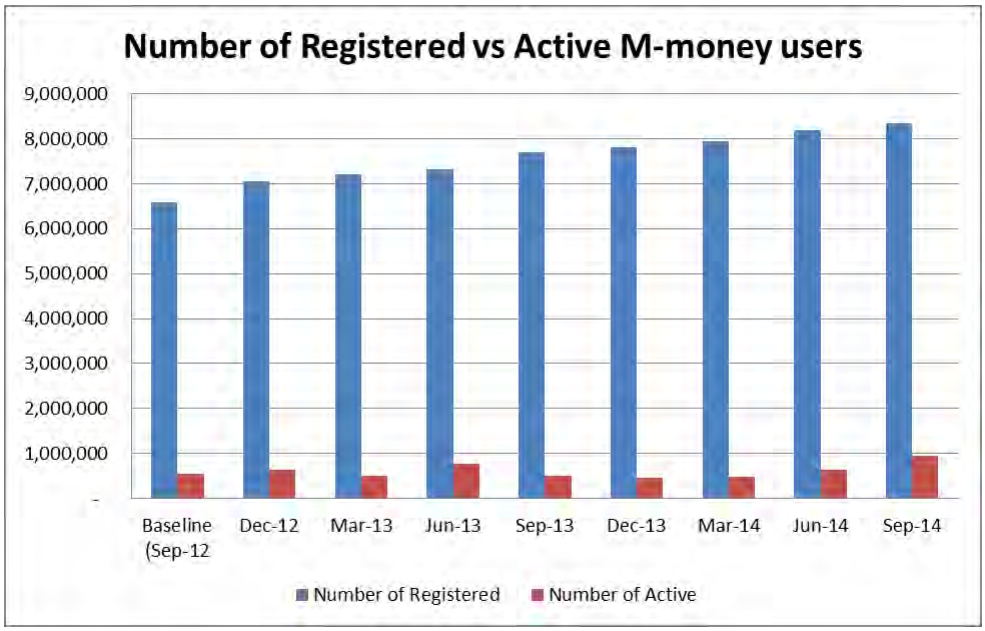
By September 2014, there was a reported total of 8.3 million registered users and 939,511 active users showing an increase of 27 percent and 74 percent respectively from baseline figures. The percentage ratio of registered users versus active users has increased to 11 percent from baseline figures of 8 percent. It must be noted that the number of active users is dependent on several variables existing during each reporting period (i.e. marketing campaigns of the providers and spending behavior of consumers based on scheduled and unanticipated events).

Table 13: Mobile Money User Data

Mobile Money User Data	Baseline (Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Rate of Increase
Number of Registered Users	6,589,133	7,062,400	7,200,174	7,328,927	7,694,631	7,813,271	7,951,609	8,182,898	8,350,182	27%
Number of Active Users	539,101	643,565	499,649	776,298	512,818	450,241	478,404	632,433	939,511	74%
Percentage Ratio of Registered vs. Active Users	8%	9%	7%	11%	7%	6%	6%	8%	11%	

Since baseline in September 2012, there have been observed lows in March and September 2013, peaks in December 2012; and highs in Apr – June 2013 and July – September 2014. Data shows that the highest transactions in monetary value is transfer to other subscribers (P2P/W2W), followed by conversion of cash to e-money, conversion from cash centers of each provider, then ATM/POS withdrawals.

Figure 8: Number of registered vs. Active M-money Users



Currently, Smart e-Money, Inc. has majority market share of the total mobile money accounts in the Philippines at 65 percent followed by GCash at 25 percent then BanKO at 10 percent. However, upon closer look at the statistics for the last two years, GCash and BanKO have shown substantial progress in their performance.

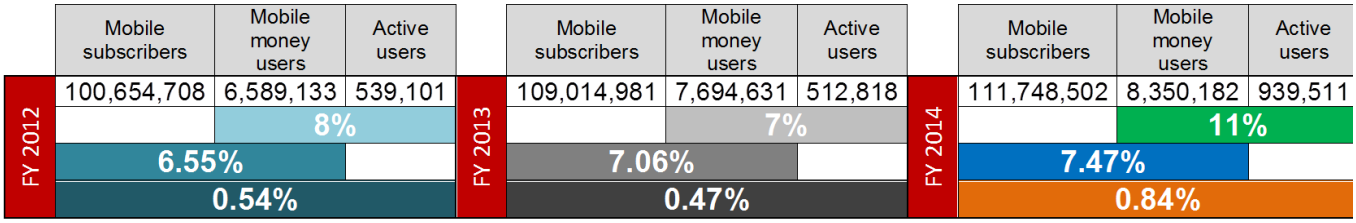
BanKO's exceptional results, showing a 294 percent increase in registered users and 57 percent increase in active users, are attributed to the aggressive acquisition efforts starting FY 2014. Notably, 22 percent of the people who opened savings account in BanKO is directly attributed to the SIMM project including key partnerships with DSWD CCT graduate program, Alalay sa Kaunlaran (ASKI) Inc., the school attack in SIMM cities Pulilan and Batangas; Quezon City Disbursement Project for teachers and students, and USAID/Basa programs. GCash has also increased its registered users by 46 percent and active users by 146 percent, primarily as a result of its priority to promote their payroll product. Several marketing campaigns were also launched from new products and services, raffles and reduction in transactions fees.

Table 14: Mobile Money User Data Market Share

Type	Mobile Money Providers	Market Share	Rate of Increase in Registered Users	Rate of Increase in Active Users
E-Wallet	GCash	25%	46%	146%
	Smart	65%	9%	12%
Branchless Bank	BanKO	10%	294%	57%

To understand the overall context of mobile money in increasing financial inclusion in the country, a recent study released by BSP for FY 2013 shows that only 26.7 percent[9] of the approximately 67.3 million Filipino adults have access to formal financial channels. On the other hand, mobile money technology provides significant opportunities to fill this gap with 111.7 million mobile subscribers of which 8.3 million (or 7.5 percent) have mobile money accounts in FY 2014. It must be noted that multiple SIM ownership is common in most global regions, as such based on the report released by GSMA, *The Mobile Economy, Asia Pacific 2014*, unique mobile subscribers was reported at 49 percent in the Philippines[10]. Concurrently, data on the unique mobile money users across all major providers is currently not available.

Figure 9: Mobile Subscribers and Mobile Money User Data



Considering the data presented, mobile money technology still demonstrates great potential in reaching a large demographic of Filipinos who are unbanked. From baseline figures in FY 2012 to FY 2014, data below shows an increase in numbers across the board.

[9] http://www.bsp.gov.ph/downloads/Publications/2013/Financial%20Inclusion.pdf, p. 4
[10] http://asiapacific.gsmamobileeconomy.com/GSMA_ME_APAC_2014.pdf, p. 5

Table 15: Mobile Subscribers vs. Mobile Money User Data

Item Description	FY 2012	FY2014	Rate of Increase
Mobile Subscribers	100,654,708	111,748,502	11%
Mobile Money Users	6,589,133	8,350,182	27%
Active Users	539,101	939,511	74%

CREATE BUSINESS MODELS THAT SCALE

- Improved efficiency of e-payroll distribution
- Improved public service delivery
- Supply-side network

Improved efficiency of e-payroll distribution

Mobile Finance Services (MFS) Project

Set up and development of Mobile Financial Services model that meet long-standing but largely unmet requirements of Microfinance Institutions (MFIs).

SIMM sought to match both the business requirements of MFIs and client demand with existing product and delivery platforms of mobile money providers. Mobile Money Providers (MMPs) were initially unwilling to extend customization beyond the standard product features they currently provide and support. SIMM facilitated negotiations that sought to show MMPs the potential revenue and market share contribution of an MFIs and show efficiency gains and additional revenue to MFIs. As a result, seven (7) different business models were created for the five (5) participating Financial Institution (FI). For more in depth information, please see MFI business model analysis and recommendations.

- Loan disbursements and repayments for loans in a group with GCASH for CCT Credit Cooperative, (CCT)
- Loan disbursements and repayments for individual loans with GCASH for First Isabela Cooperative Bank (FICO) Bank
- Closed loop agency banking with SMART for GM Bank of Luzon, Inc. microfinance clients
- Agency banking with GCASH for GM Bank's microfinance clients
- Loan disbursements and repayments for loans in a group with GCASH for Kabalikat para sa Maunlad na Buhay, Inc. (KMBI)
- NATCCO's business model as a mobile banking platform provider using SMART's Mobile Banking Service (MBS)
- National Confederation of Cooperatives (NATCCO) member coop business model using NATCCO MM for loan disbursements and repayments.

Of the 5 MFIs where m-money pilots were implemented there were two models that show potential for scaling up and client uptake depending on the level of system integration needed.

- PinoyCoop Mobile (NATCCO) model – (own account management, outsourced technology) white labeled product provided by Smart e-Money Inc. (SEMI) that gives cooperative members/clients access to their savings accounts via their mobile phones. The system seamlessly integrates (via switches) the SMART Money system to NATCCO's core banking system, the EKoopBanker. The model allows the

MFI to retain and control client data – which has long been a requirement of an industry wary of client poaching and increasingly faced with challenges in retaining clients. Pinoy CoopMobile will be ready-for-service in January 2015, after the completion of stringent integration testing and user acceptance testing. It will initially serve 60,000 members of NATCCO primary cooperatives. For the full-scale rollout, the service will be available to NATCCO primary cooperatives' 2.3 million members.

- FICO Bank model (outsourced account management and technology) there is no integration between the core banking system and the mobile money system; client interface is via the biller menu and transaction reports are sent at the end of the day (4:00 PM). Prior to the successful set up of the reports generation, the MMP sent reports a day after posting and transaction. Microfinance institutions, with their emphasis on on-time collection and strict monitoring to ensure portfolio quality and over the long term, sustainability of operations, were unwilling to use mobile money as a channel for paying loans or making deposits. The payment service was initially intended for microloan repayments only but has been extended for the deposit mobilization of a new savings product, the Wais na Nanay Savers Club. The product is designed for mothers and housewives who want to build up their savings through small but regular deposits.

Local Cooperative Program

Introduced mobile money disbursement system that helps cooperatives increase operational efficiency and membership expansion through increased access to financial services

Through the leadership of its innovative General Manager Rommel Rivera, the Broadcast Workers Cooperative (BWC), the cooperative arm of Philippine TV and radio network IBC 13 is one of the early adopters who used the mobile money disbursement facility to release loans to its members. Work for the employees means having to be always out in the field, at times in far-flung areas. The BWC management saw how difficult it was for their members to access their money and make financial transactions especially during emergencies. "Even for those doing desk work, productive time is lost whenever they leave the office during work hours to pay utility bills," BWC Chairman Rommel Rivera said.

A time and motion study of the old check voucher and new mobile money disbursement processes show an approximate reduction of 24 hours or one day in processing emergency loan applications to release. Major changes include the following:

1. From preparation of individual check to just one check to be transferred to the IBC 13 mobile money wallet
2. From transmittal of the check to satellite offices with 3 days to clear to sms notification of electronic funds transfer in a few minutes
3. From travel time and transportation cost to go to the bank to withdraw funds to transacting electronically from paying bills, sending money, purchasing of goods and withdrawing from any ATM or BPO within their community.

The time saved does not include the further delay caused by the unavailability of the signatories to release funds which is now eliminated through the online web application system called BanKOlink.

> Mobile money has made access to loans and other financial services faster reducing the process from an average of 6 days to 3 days. Employees attest to the faster and cheaper services of mobile money particularly for paying electricity bills and sending money.

During the pilot run, crew driver Beda Boquiron applied for a loan of PhP50,000 (US$1135) to fund his small business and pay for his children's

school expenses. This is not his first time to make a loan, and previously he would get his check from the cooperative and wait in line for more than an hour at the bank. Aside from loans, his regular financial transactions also include paying bills and sending money. "Paying water and electricity bills took more than an hour and costs me PhP60 (US$1.36) for travel to and from the payment outlet two kilometers from the studio," said Boquiron. He would also send PhP1,000 (US$23) to his relatives in the province at least once a month and then pay the transaction cost of PhP50 (US$1.13) at a pawnshop. Using mobile money to receive loans helps cooperatives them save on costs, spend less time in queues, and most importantly, placed them in significantly less danger

Mobile Money Payroll (Mmpay Program)

Addressing structural barriers in adopting mobile money payroll by inducing trial and first-hand experience of the benefits

Understanding the barriers of mobile money payroll adoption, SIMM launched a strategic partnership with the mobile money providers prioritizing on shared objectives and developing a program that directly addresses the barriers to adoption by minimizing switching cost to m-money payroll through subsidy in the cost of ATM cards or through subsidy in the cost of disbursement for the first three (3) months of implementation. Nine months after the launch of the Mmpay program in February 2014, 107 companies have adopted mobile money payroll with 137,516 number of accounts opened. A descriptive analysis of the companies that adopted mobile money payroll sheds some light on the industries with high take up, size of companies and geographical distribution.

The table below shows that the majority of those who adopted come from the large enterprise (based on employee size) at 72% followed by medium at 15.9% then small enterprise at 12.2%. Mindanao has the largest conversion rate at 37.38%, followed by NCR at 28.04%, other parts of Luzon at 14.95%, and Visayas at 19.63%.

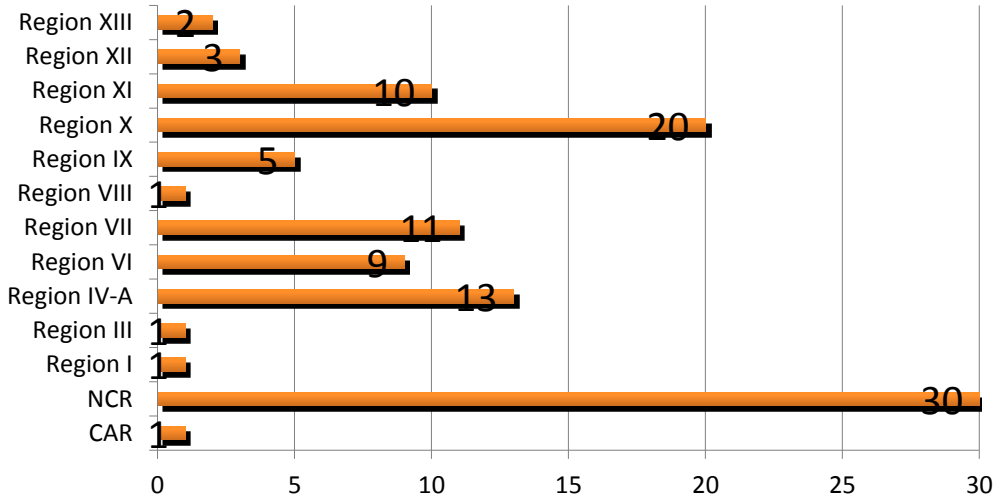
Table 16: M-money payroll business conversion dashboard

Type of Enterprise	Metro Manila	Other Luzon	Visayas	Mindanao	Total
Small Enterprise	-	3	-	10	13
Medium Enterprise	2	1	5	9	17
Large Enterprise	24	17	15	21	77
Total	26	21	20	40	107

** The count is inclusive of businesses that are not yet booked but included in USAID/SIMM pipeline (i.e. gives intention but submitted incomplete details/requirements)*

The table below shows the number of businesses that converted to m-money payroll for the period of February to October 2014. The majority of the registered m-money payroll employee are coming from the National Capital Region and followed by Region X or Northern Mindanao then Region XI as shown below. The statistics may be influenced by the aggressiveness of the Regional Account Officers and the demand in the area.

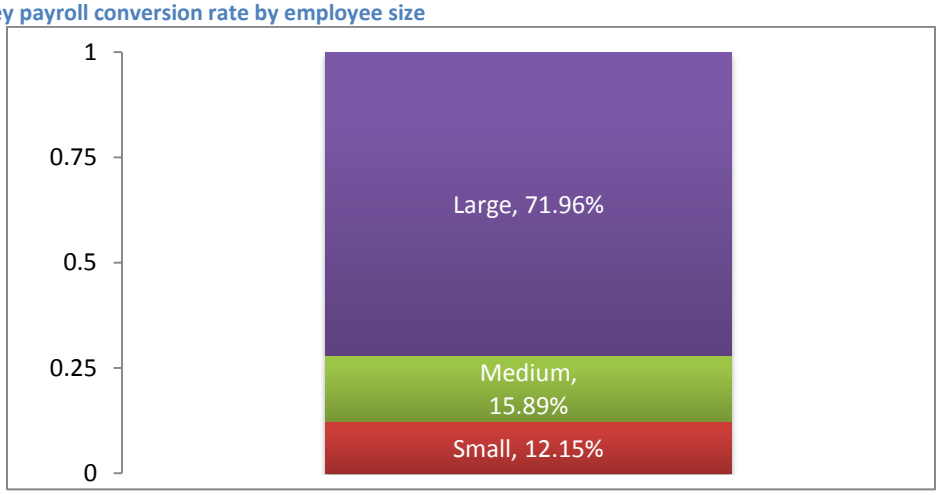
Figure 10: M-money payroll conversion by region



** Mindanao has the largest conversion rate at 37.38%, followed by NCR at 28.04%,other parts of Luzon at 14.95%, and Visayas at 19.63%.*

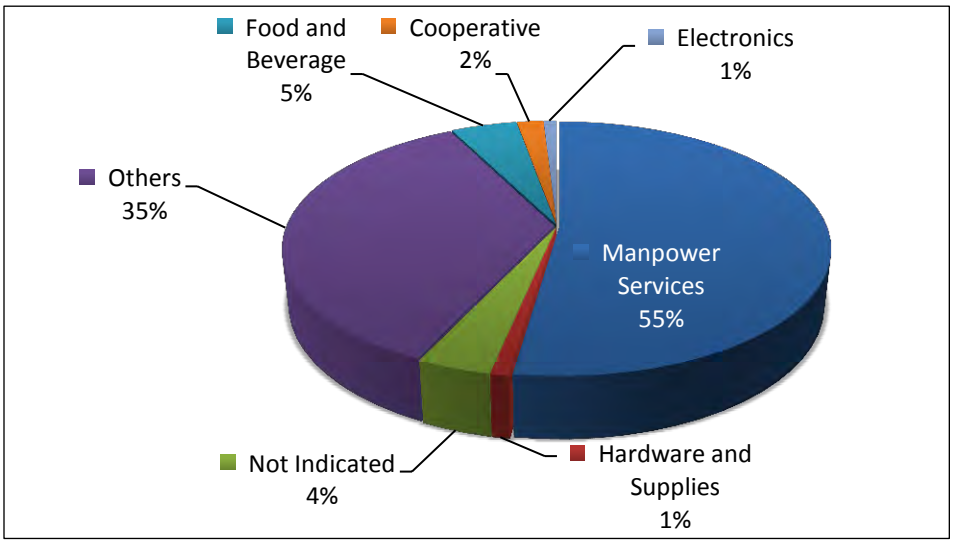
Out of 107 entities that adapted m-money payroll, 30 businesses are small and medium enterprise. Subsequently, 9 out of 77 large enterprises have employees more than 5,000. While large businesses mean higher capital (ergo higher capacity to maintain annual daily balances in the bank), a cheaper and more convenient way of disbursing/accessing salaries is preferred. A higher savings in terms of disbursement cost becomes more recognizable in bigger organizations. In addition, the distance of SMEs as well as the behavior of employees in manpower agencies will best explain why those in Mindanao are most receptive to m-money payroll compared to others.

Figure 11: M-money payroll conversion rate by employee size



**Businesses categorized based on the number of employees: (a) Micro: 1 - 9 employees, (b) Small: 10 - 99 employees, (c) Medium: 100 - 199 employees, and (d) Large: More than 200 employees.*

Figure 12: M-money conversion rate by industry



** Others includes Call Center, Marketing. Trading, IT, Manufacturing, Medical Services etc.*

Some businesses in rural and urban areas are still using cash envelopes for payroll. Salaries of these employees are mostly sent to families in distant provinces. Cash handling costs and security risk faced by organizations that manage employee payrolls through physical cash payments will be drastically reduced with the adoption of m-money. For many employees, m-money would imply a more convenient and cheaper way to save, spend and remit money to their loved ones.

Improved public service delivery

Conditional Cash Transfer (CCT) Program

Studying the operational challenges of the CCT program and developing a business case to ensure the efficient monitoring and distribution of cash grants

Given the very low penetration of mobile phones amongst CCT beneficiaries (14% nationwide) plus the fact that almost 60% of CCT beneficiaries are already receiving their cash grants through Landbank's cash card (electronic payment), the project dropped the mobile money solution for CCT cash grant distribution and instead focused on helping DSWD identify key issues and solutions. SIMM developed and submitted a draft concept paper to DSWD with a proposed automated solution for compliance monitoring and cash grant distribution / transfer. Below are the recommendations for future programming.

1. Implement the proposed automated solution for compliance monitoring and cash grant distribution / transfer which addresses the following issues:
   - manual process to validate compliance with conditionalities – *through electronic data capture of compliance which can be reported and consolidated electronically at DSWD regional offices and head office*,
   - the lack of a payroll system that computes automatically cash grants based on compliance with conditionalities – *through a payroll system that will compute cash grants based on compliance with conditionalities which will then be reported and consolidated electronically,*

- beneficiary authentication during cash grant withdrawal – *through a biometric authentication system which solves the need to memorize pin number or share pin with somebody else .*
- manual cash grant distribution process in hard-to-reach areas – *through an electronic voucher system that can work both on-line and off-line*

2. Bid out the project to a third-party service provider that will implement the project nationwide over a long-term period to ensure reasonable return on investment.

Banking the Unbanked

Forging partnerships through the mobile money ecosystem build up approach scales user take up and ensures sustainability of the efforts

The project was able to forge a key partnership with BPI Globe BanKO whose core objective is to bank the unbaked sector.

- Community-based acquisition rather than individual consumer acquisition
- The importance of delivering financial literacy training to educate the unbanked and to promote savings, micro-insurance, etc. to the unbanked or marginalized sector.
- Creation of mobile money ecosystem for sustainability—agent network, other use cases (loans disbursement and collection, collection of membership dues, e-load business, etc.)

As a result of this initiative, a total of 130,000 new mobile money or savings accounts opened for the marginalized sector and 129 new BPOs (CICO outlets) in DSWD / CCT SLP areas, particularly in the Zambales area.

- 110,000 new users from the DSWD / CCT Sustainable Livelihood Program (SLP)
- 20,000 new users from Lakas ng Kababaihan

Per BanKO, initial statistics from the accounts opened by former CCT beneficiaries indicate that poor households are saving by keeping their money in their BanKO account as opposed to the habit of full withdrawal upon cash grant distribution.

Pulilan Municipal Government mobile money payroll

Creating an enabling environment for mobile money government payroll increases security of personnel and convenience and ease for constituents in rural areas

The Municipality of Pulilan Bulacan through the issuance of local resolutions in the Municipality of Pulilan Bulacan (Ordinance No. 42-2013, June 10, 2013), enabled the legal environment to implement the country's first government mobile money payroll. The new resolution is a pioneer initiative for municipalities in rural areas, located far from select authorized government depository banks (AGDB), to fully and confidently disburse salaries to government employees using electronic payments and collection systems particularly mobile money. It must be noted that by law government agencies are mandated to maintain its deposit account in AGDB such as Landbank of the Philippines, Development Bank of the Philippines, among others.

The shift from cash based to mobile money systems has significantly contributed the following to the Pulilan municipal government.

- ✓ Safety for personnel disbursing salaries and the small number of actual users – Without the need to transport huge amounts of actual cash every pay period, the Pulilan municipal treasurer expressed relief and gratitude to the m-money intervention. While more users tend to utilize the ATM option, those who

chose to use m-money believe they are safer for not carrying not-so-small fund amounts for utilities payments or grocery money

- ✓ Operational and back-end efficiency as transactions are prepared and disbursed electronically eliminating manual segregation and unreconciled funds
- ✓ Convenient and easy payroll preparation, approval and disbursement of funds through the of online web applications ensures available and timely release of funds direct to the employees
- ✓ Strengthened audit trail of government financial transactions through the live electronic transaction history ledgers

Below is a comparative table detailing the reduced time and transaction cost as a result of the shift from the old cash based manual system to the new mobile money system.

Table 17: Comparison of Payroll Procedures

Old Manual Payroll Procedure	New Mobile Money Payroll Procedure
The old manual payroll process takes total of 2984 minutes or 49 hours (6.2 days). Total cost amounts to Php Php 5,509.52 (or 125.22) per payroll period of 15 days attributed to time spent by the employees in preparing payroll, traveling, queuing and releasing time.	The new payroll process takes total of 1,120 minutes or 18.6 hours (2.3 days) reducing the manual system by 4 days. Total cost of the new system amounts to only Php 870.08 (or $19.77) per payroll period of 15 days from. Rate of decrease of actual costs is 84 percent. Reduced time is attributed to the streamlining of processes to one-time travel cost and eliminating time to queue for releasing and receiving of salary and unreconciled amount of disbursements amounting to an average P3250 or $73.86 lost per period.

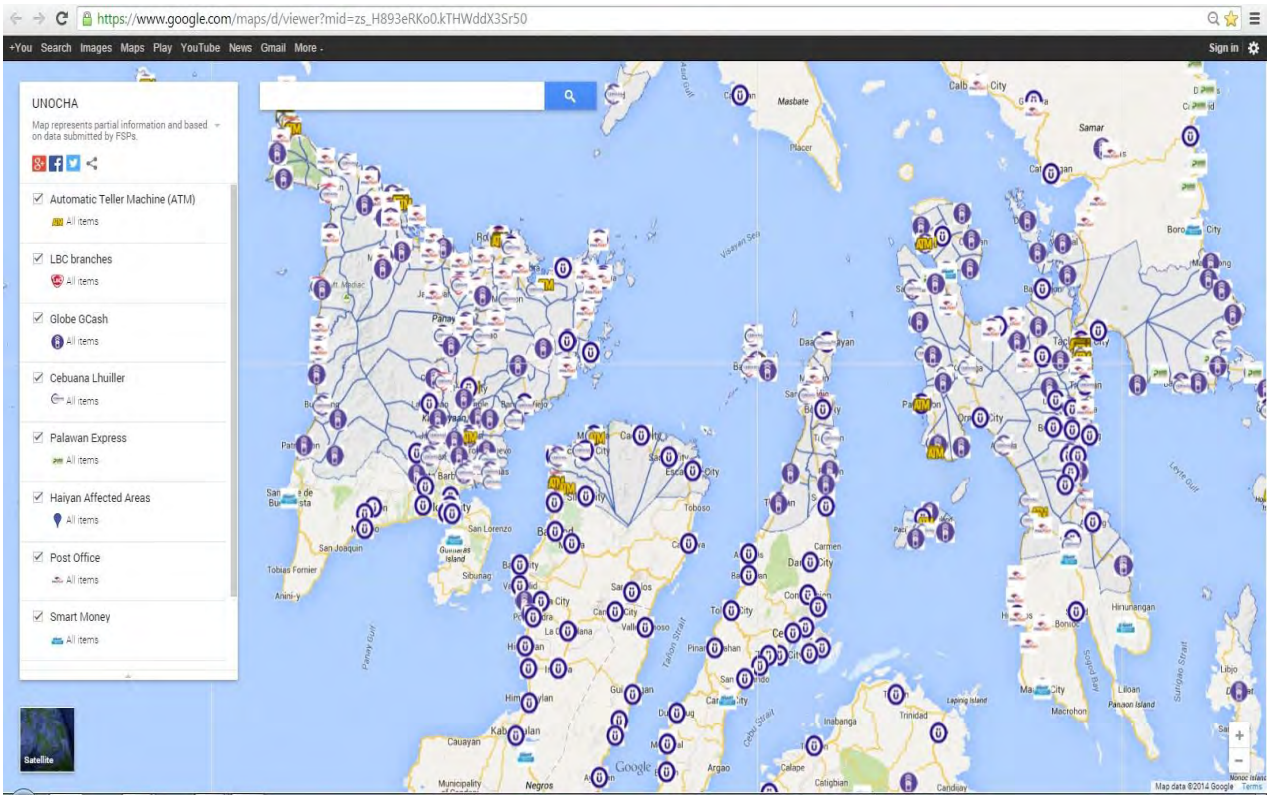
As of February 2014, statistics from BanKO showed that about 30% are regularly using the services primarily balance inquiry, and purchase of airtime load. Moreover, some have performed Send Money and Pay Bill transactions demonstrating significant room for take-up.

Since its launch in August 2013, the Municipality of Pulilan Bulacan has been successfully using the new electronic payroll system via mobile money for more than one year. All current and new municipal employees receive their salaries electronically. Notably, BPI Globe BanKO has reported that among their payroll accounts, Pulilan accountholders show the highest level of activities.

Cash transfer programming for Typhoon Haiyan-affected communities

The project facilitated decision making process of the humanitarian assistance actors in choosing the appropriate Financial Service Providers (FSPs) in for their electronic cash transfers to the Haiyan victims. SIMM also developed the Philippine Humanitarian Response Readiness Map for the UN OCHA-Cash Working Group, a planning tool for future cash and electronic transfers that maps the location of all affected areas and the accessibility/visibility of the FSPs in the area. The map that can be accessed through this link has been useful in planning the recent typhoon Ruby that followed the same glidepath of Yolanda. Among the key features include:

- Maps the various FSPs available by Region and City/Municipality
- Provides information on the Profile of the affected areas (population, household, number of displaced family and individuals)



After one year of implementation, below were the best practices identified during the UN OCHA Cash Working group Workshop.

1. FSPs good relationship with key regulatory national agencies such as BSP allowed the lessening of requirements for opening accounts and payouts and DSWD in providing beneficiary databases
2. Risk assessment in partnerships to protect interest of the partners involved.
3. Flexibility as a best practice.
4. Regulators as key to provide guidance on what can and cannot be done.
5. Standard contract templates for cash payouts used for the Cash Conditional Transfer beneficiaries fast-tracked contracting within 2 weeks. As a result, the unconditional cash for work first distribution of Oxfam and MLhuillier to beneficiaries started in week 3.
6. Smartmoney provided free phones with accounts pre linked to the mobile phones and ATM cards and prepaid with the disbursement fund. The distribution allowed Smart to present the products and benefits while the beneficiaries were queuing to receive their assistance. There were also mobile money outlets. Having the production process prior to the caravans allows more time for verification of database and training on the uses, products and services.
7. Oxfam and MLhuillier clear division of labor based on the core business of the humanitarian assistance actor and the FSP particularly on the beneficiary verification process for the former and cash transfers and releasing for the latter.

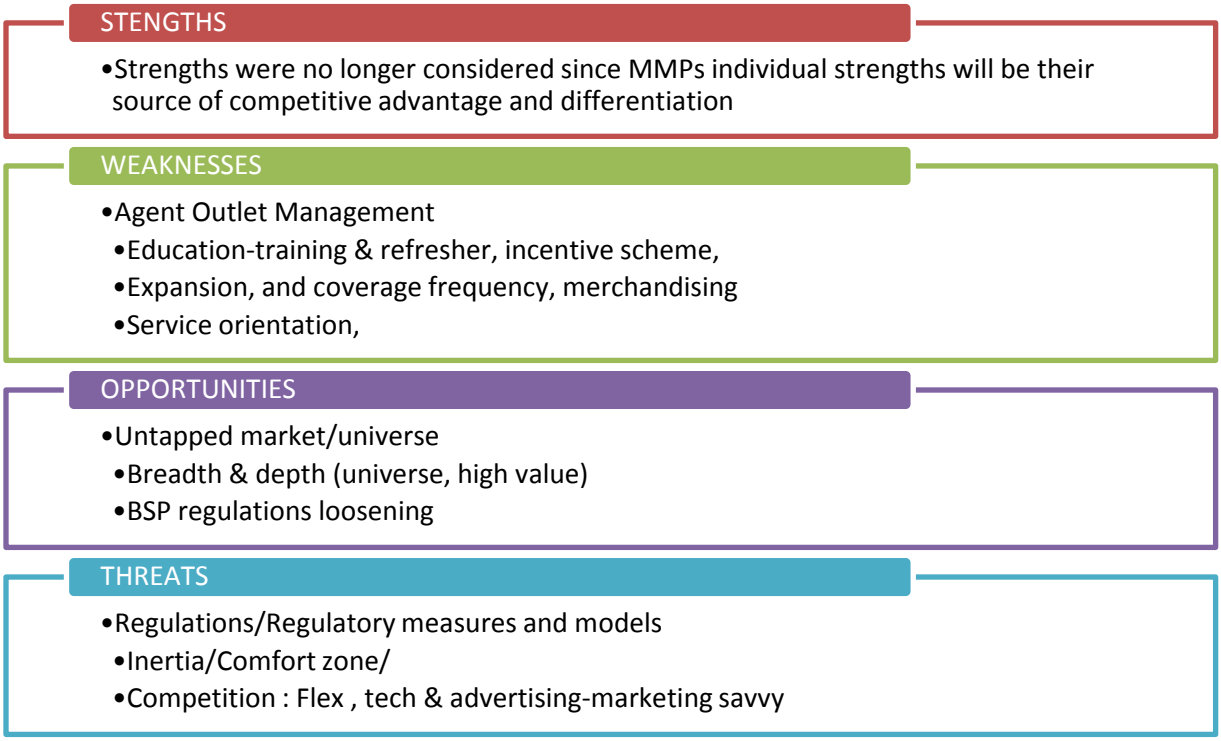
<u>Supply-side network</u>

Channel Management Study

Studying the current mobile money agent structure and channels local and internationally lead to opportunities to create new models and replicating best practices

Below are the key findings and recommendations of the Channel Management Strategy:

Figure 13: Highlights of the Channel Management Strategy



A. Account management is key to a successful agent network in the Philippines to provide business development and entrepreneurial skills to the frontliners.

1. CICO outlets managed or manned directly by the owner / proprietor tend to be more successful vis-à-vis outlets manned by employees or "tinderas".
2. Key to CICO business growth and profitability is the business development and entrepreneurial skill / drive of the owner. Examples:
    - Cross-selling m-money products and services to regular customers or "suki" to grow the business
    - Exploring creative ways to cut short the time required to rebalance with the nearest bank, i.e., leaving early before the bank opens so he/she can avoid long queues – to improve efficiency
    - Selling eload via m-money to take advantage of higher margins vis-à-vis eload inventory from distributor to increase margins
3. Ability of CICO agents to gain the trust of customers is key. Successful CICO agents are trusted by their customers. For example, not requiring receipt for their transaction and just leaving cash with the outlet for the agent to perform m-money transactions for them.
4. Account management is key to successful CICOs. For example, linking a CICO with liquidity issue to an MFI enables the outlet to grow the business. Ability of account or business development managers to provide advisory in terms of identifying business opportunities, improving processes (efficiency), etc. is definitely a plus.

PULILAN CASE STUDY

Building a sustainable mobile money ecosystem requires development of agent models that respond to the needs of the rural areas

Some early signs of effectiveness:

- Increase in interest of small establishment to become partner outlets. From a baseline of 2, there are now a total of 9 BanKO Parnter Outlets and 3 BanKO Pay Bilis Agents. Through the BPOs, in the past 9 months, a total of about 300 accounts were opened, a total of 828 transactions, and an asset value of Php 643, 837. Of particular interest is SylverCafé that has shown significant activity and increase in its volume of transactions.

Among the models implemented in Pulilan include the following:

- BPO Premium Kit - 25k liquidity, cash in, cash out, KYC account opening, pay bills and remittance
- Starter Kit Plus - 5k liquidity, cash in and cash out and KYC account opening
- Pay Bilis Agent –Kit includes sales kit, collecting agent poster and stamp

SIMM is continuously monitoring the transaction and volume activity of the outlets in Pulilan. Below are some preliminary findings provided by BPI Globe BanKO based on June 2014 data:

- Comparing June numbers to average monthly of YTD May, business is gaining traction. Peso value is up 45%, from average of 28k/month, it grew to 41k last month, despite transaction count being flat (63 vs. average of 63/month), which means that people are putting in more money in their wallets. This may be attributed to the campaigns to increase use of BanKO Pay Bills.
- New customer acquisition declined, from 40/month average to 20 last month, which is understandable because we have al ready acquired the total base last April.

Sylver Café (Pulilan)

- Internet café with predominant food products
- BanKO is already the biggest revenue stream at P120K (transaction value) per month vs. cigarettes P16K and ice cream P6K
- 500 transactions to-date (4 months) with aggregate value of P470K; first month of operation with 40 transactions of which 18 were new customers opened and total transactions valued at P16K
- The outlet is manned by the owner, promotes BanKO by cross selling to walk-in customers, took advantage of higher discount on eload via m-money vs. eload stock from distributor, explores ways to minimize down time for liquidity rebalancing and performs KYC (account opening)
- The owner knows the Business Development Specialist (BDS) from BanKO

Sonjoe Store (Dasmarinas, Cavite)

- **General merchandise store offering Smart Padala**
- **Smart Padala customer base includes student, factory employees and driver / conductor of bus companies plying Dasmarinas route**
- **20-30 Smart Padala transactions per week; P50K peak volume in a day during paydays**
- **Used to have liquidity issue but was able to address liquidity through MBank financing—P100K credit line at 1% interest per month; weekly payment**
- **The store is personally managed by the owner (Mercy)**
- **High trust relationship with customers – no receipts given**
- **Two bus line—Erjohn and Jasper drop their daily fare collection at Sonjoe Store for remittance to the bus head office.**
- **Mercy, the owner knows the Smart sales personnel managing the area and is very happy with the support of Smart**

B. Benchmarking with MMPs in other countries and Designing incentive scheme to drive acquisition (agent accreditation) at the start to grow distribution network and shifting to volume or velocity at a later stage to grow volume

- Market-based pricing and agent commission hinged on customer willingness to pay
- Use of third-party service providers, agent aggregators or super agents to grow and manage agent networks, provide liquidity support, implement training, quality control (audit / evaluation) and maintenance of customer service standard
- Tapping existing distributors (telco, FMCG, pharma, groceries, etc.) that have hundreds or thousands of directly-served outlets to quickly expand the agent network
- Parallel growth of agent network to customers (accounts) to support sustainability of agent network—ratio of agent to accounts: M-Pesa 1:272; Brac 1:138

Figure 14: Channel management strategies of global m-money providers

Safaricom M-Pesa (Kenya)

- **Profile**
- Telco-led model
- 81K agents (full CICO service) or a ratio of 272 accounts per agent
- 22M registered accounts or about 80% of Kenya's population
- Aggregate volume of US$5B per quarter (2013)'

- **Channel management strategies:**
  - Outsources agent training, evaluation (audit) and maintenance of customer service standards to Top Image (a third-party)
  - Utilizes agent aggregators to manage the growing number of agents
  - Uses super agents to support liquidity requirements of agents
  - Customer pricing and agent commission structure focus on key drivers of customer willingness to pay and incentivizing early adoption (acquisition)

BRAC Bank BKash (Bangladesh)

- **Profile**
- Bank-led model, telco agnostic
- 80K agents or a ratio of 138 accounts per agent
- 11M accounts (22% of adult population)
- Controls over 80% of mobile money transactions in Bangladesh
- 25M transactions per month (13M cash-in, 12M cash-out) or an average of 313 transactions per agent (10-11 transaction per day)
- Average transaction value at US$27 (Php1,215 which is very similar to Philippine experience)
- Fees (revenue): 1.85% of cash out; Taka 5 per P2P transaction
- MMP cost profile: 80% of revenue goes to distributor and retailer commission while 7% goes to telcos for USSD access

- **Channel management strategies:**
  - Set-up of new distribution team via direct recruitment (as opposed to reliance with affiliated companies) and re-design of incentives
  - Expansion through 100 regional distributors (telco, FMCG, pharma, grocery, etc.)

C. Benchmarking with distribution system of other industries

1. Retailers are allowed to mark-up to augment incentive or commission
   - ✓ Fast moving goods (high velocity or high turnover goods) like food provide lower incentives or commissions.
   - ✓ Slow moving goods (low velocity or low turnover goods) like pharma products provide higher incentives or commissions
   - ✓ Financing or liquidity support is provided to slow moving goods
   - ✓ Benchmarking with other consumer distribution models

Table 18: Distribution System of Other Industries

Industry	Distributor Model	Distributor Incentive	Pass-on Incentive to Retailer	Retailer Mark-Up	Total Retailer Incentive	Distribution Reach (No. of Outlets)	Credit / Financing Support
Consumer Food A	FMCG	7.25%	0	5.0%	5.0%	100,000 outlets	
Consumer Food B	Instant Formula, Exclusive	9.5%	4.0%	3.0%	7.0%	20,000 outlets	
Consumer Non-Food A	FMCG	5.0%	2.0%	5.0%	7.0%	50,000 outlets	
Consumer Non-Food B	FMCG	8.5%	5.0%	5.0%	10.0%	300,000 outlets	
Pharma A	National Distributor, Non-Exclusive	10.0%, 2.0% (to sub-distributor)	5.0%	5.0%	10.0%	60,000 outlets	30 days credit
Pharma B	Exclusive, Company-Owned	20.0% (to territory distributors)	10.0%	5.0%	15.0%	150,000 outlets	30 days credit

2. Easy access (single access) web based platforms & mobile applications to manage thousands of electronic SKUs from different suppliers & provide full customer access, single funnel API
   - ✓ Bundled services: e-load & payment system, vouchers-GCs (travel, hotel, etc.), VOIP, medical & micro Insurance, gaming, bills payment, remittance
   - ✓ Provides reporting and business analytics functionality to agents which is not offered by MMPs
   - ✓ Agent liquidity & working capital management thru universal wallet system (vs. the need to use multiple wallets that ties-up working capital to slow moving services)
   - ✓ Offers white labeling solution to retail chain networks (i.e., pawnshops, remittance networks, etc.).
   - ✓ Interoperability –seamless interface; no need to switch screens or to use multiple phones
   - ✓ Agnostic distribution model as a multiplier force for acquisition & activation especially in rural areas

D. Selecting agent or outlet based on key attributes: Speed, Location accessibility, Cost, Fund availability, Security, and Service.

Attributes of agents / outlets ranked based on importance to the consumer (based on Focus Group Discussion):

- Speed – transfer of money in a matter of seconds or minutes (average of 3 minutes)
- Location or accessibility – less travel time, less effort

- Cost – services fees or cost of sending money
- Fund availability – agent liquidity
- Security – prevalent for recipients
- Service – excellent customer service

Agnostic Agent Network

Development of Agent Aggregator Model addresses barrier of agent network hampered due to gaps in the existing model from lack of scale, liquidity requirement and compensation

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

As a result, SIMM has forged strategic partnerships between the mobile money providers and two major financial service agent aggregators on a non-exclusive basis thereby enabling the mobile money services of 2,402 agent outlets located nationwide. Currently, SIMM has introduced the financial service aggregators in the SIMM cities to enable agnostic agent networks.

Table 19: Profiles of SIMM Partner Financial Services Aggregators

Auto Top-Up Ventures (ATVI) 1,444 outlets

- Operates under the brand / service name PaySwitch
- Has 1,602 outlets or agents within its network
- Includes DA5, one of the key Western Money distributors in the country, in its network with over 1,300 outlets
- Has dedicated IT development team through its parent company iRipple
- Offers bills payment, airline ticketing, hotel booking, NSO services, eload, gaming pins, e-vouchers and m-money services
- Offers while labeling solution to partner networks

Remitbox Corporation (800 outlets)

- Operates under the brand / service name Remitbox
- Has 800 outlets or agents within its network
- Includes H. Lhuillier, Prime Asia Pawnshop, Gemmary Jewelry and Pawnshop and Tambunting Pawnshops in its network
- Has a dedicated IT development team through its parent company PayVenue
- Offers remittance, m-money, collect service, payroll / disbursement service, e-vouchers and other related payment or money transfer services
- Offers white labeling solution to partner networks

Local Cooperative Program

Building community banks through local cooperatives increases access to financial services to farflung areas currently underserved by currently established financial service providers

Through the champion support of the local government cooperative offices, SIMM has been able to increase financial inclusion in a community of cooperatives through mobile money opening opportunity to reach other sectors from small medium enterprises to schools.

In Batangas City a total of 8 cooperatives adopted the mobile money services through building of agent network which enabled more than 10,000 members and other sectors within the community to open branchless savings accounts as seen in the table below. Three case studies below will demonstrate the increase in number of individuals who opened savings accounts and increased economic activity through the use of mobile money products and services.

Table 20: Batangas City Ecosystem Program Results

Name of Organization	Sector	Type of Mobile Money Service	No. of cash merchants/ agents	No. of people opening savings accounts
Yoohlah	Small Enterprise	Agent	1	95
Pinamukan Ibaba Multipurpose Cooperative	Cooperative	Agent	2	50
San Isidro Multipurpose Cooperative	Cooperative	Agent	1	216
Ilijan Multipurpose Cooperative	Cooperative	Agent	1	576
Pinagbuklod Multipurpose Cooperative	Cooperative	Agent	2	1,135
Mahakot Multipurpose Cooperative	Cooperative	Agent	1	180
Sorosoro Ibaba Development Cooperative, Inc. (SIDCI)	Cooperative	Disbursement Facility		8,130
Balete National Highschool	School	Activation		400
Total			8	10,782

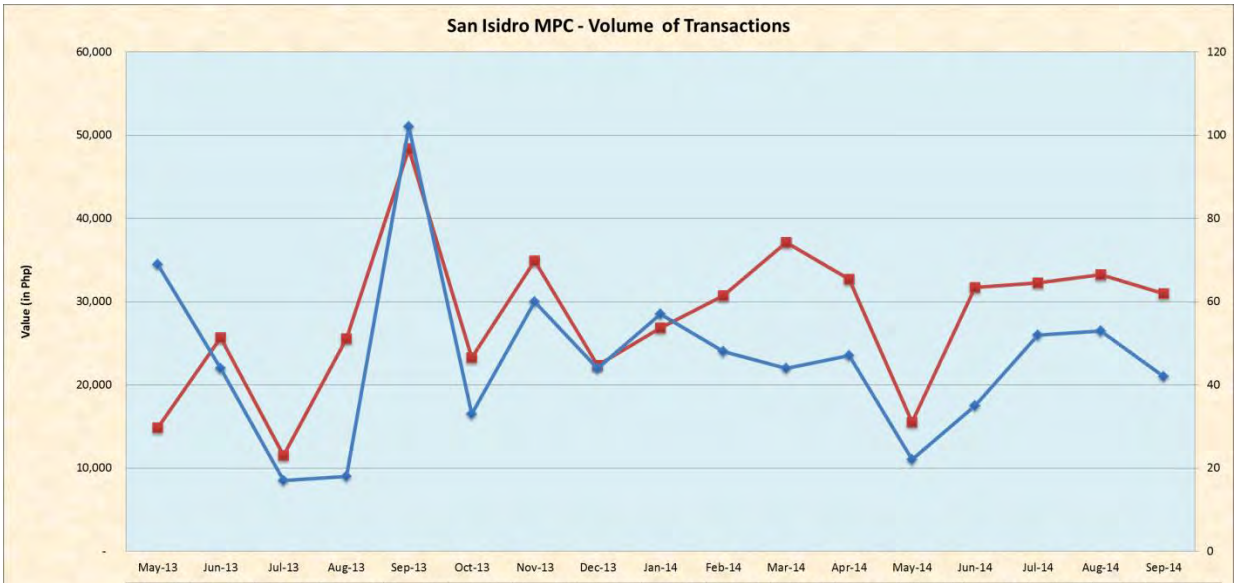
San Isidro Multipurpose Cooperative (SIMCO)

Among the early adopters of mobile money services is SIMC led by an innovative General Manager, Marites Ramirez. SIMCO was founded in April 1999 by a group of teachers from the San Isidro Elementary School providing various financial products and services from loans to savings to its members. Its outreach has grown to more than 300 members along with a share capital estimated at over 6 million pesos (US$150,000). As part of the effort to expand membership, the cooperative continuously develops and explores other products and services such as savings and life products including health, accident insurance. Mobile money presented an opportunity for the cooperative to increase financial services for its members such as depositing and withdrawing funds, easy bills payments of water and electricity, purchase of airtime load as well as sending money to relatives in areas outside of Batangas at very low cost.

At the start of the project, a baseline survey of 121 respondents show that only 4 percent had mobile money accounts and low awareness with only 21 percent hearing or reading about mobile money. As a result of the forged partnership between SIMCO and BPI Globe BanKO in March 2013, SIMCO launched its mobile money services as a BanKO Partner Outlet and activated a total of 216 members opened branchless banking savings account via BanKO. Looking at the statistics below, after a year and 7 months of implementation, data shows regular transactions from May 2013 to Nov 2014 with an increase in the amount of volume from 14, 860 to 40,222 or 171 percent rate of increase and an average of 46 transactions per month. Total revenue earned for mobile money services is Php6,003 at 1% for all cash in and cash out transactions. GM Marites Ramirez sees the long term benefit of mobile money to SIMCO and to small business owners like her.

"For the cooperative, the long term benefit I can see is the security on cash handling not only for the members but for SIMCO. Payments are made directly and stored safely at low cost through mobile money. I anticipate the cooperative growing as more people avail of the new financial products and services that will help the cooperative expand and the members to build their businesses, homes and improve their lives. Adopting mobile money in the cooperative has increased our traffic in the cooperative for daily transactions and has since been increasing our revenue." – General Manager Marites Ramirez

Figure 15: San Isidro MPC M-money Volume of Transactions



	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Value	14,860	25,650	11,500	25,550	48,400	23,297	34,936	22,350	26,857	30,690	37,106	32,663	15,550	31,699	32,257	33,259	30,985
Transactions	69	44	17	18	102	33	60	44	57	48	44	47	22	35	52	53	42

"Mobile money offers our clients the opportunity to save money and get a better hold of their finances, as most of them did not previously have access to formal financial services." - Cristeta Hernandez, Manager, Pinagbuklod Multi-Purpose Cooperative

The testimonial of the SIMC experience has given confidence to the cooperative office of Batanagas, Office of the City Veterenarian and Agurculture Services (OCVAS), and its member cooperatives to adopt mobile money services in their community. Today, OCVAS actively promotes mobile money to its members and regularly provides training on financial literacy and mobile financial services.

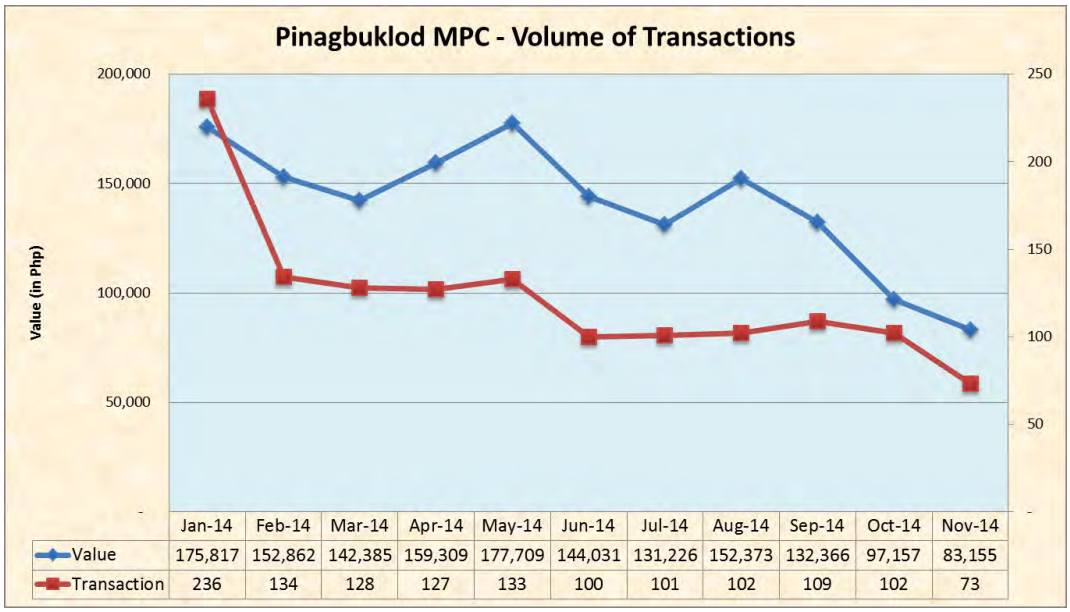
Pinagbuklod Multi-Purpose Cooperative (MPC)

Pinagbuklod Cooperative was established in 1995 serves as refuge for those in need of livelihood assistance and a place for local townsfolk to conveniently buy affordable goods and commodities without having to commute ten kilometers and spend almost PhP50 (or $1.14) just to get to the city's commercial district. In a locality with just about 9,300 residents, most make a living through agricultural means. Here the cooperative lends start-up capital particularly for

those interested to start a hog-raising business venture where half of the earnings from this venture go to the cooperative, which they, in turn, save up for the cooperative members' benefit.

Seeing the benefits of mobile money to the community, the Pinagbuklod cooperative adopted mobile money in November 2013 and has enabled an efficient access to formal financial services for the members to save and pay their electricity. The General Manager Cristeta Hernandez attests that their recent venture in mobile money has indeed helped to advertise and recruit new members to their cooperative. To date the organization has grown to 400 and has a steady flow of transactions from their BPI Globe BanKO counter, 122 transactions and Php140,763 average volume per month and increasing support and awareness from its members who have come to share the many advantages of mobile money through word-of-mouth. Pinagbuklod MPC managed to open more than 1,000 mobile money accounts in their community. They also extended their social responsibility to the community by supporting a financial literacy symposium held for the Balete National High School students and encouraged them to open their own mobile money accounts to promote savings and manage their finances

Figure 16: Pinagbuklod MPC M-money Volume of Transactions



	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Value	175,817	152,862	142,385	159,309	177,709	144,031	131,226	152,373	132,366	97,157	83,155
Transaction	236	134	128	127	133	100	101	102	109	102	73

A closer look at the transactions show a total of 90 active users following the AFI definition of one mobile money transaction in the past 90 days with a number of people transacting monthly. Volume of mobile money transactions range from a minimum of Php 60 to a maximum of Php 43,214 per month. Key personnel interview indicates that the major uses include savings, bills payment, purchase of airtime load and expansion of services to start accepting application and payment for National Statistics Office documents such as Birth Certificate, Marriage Certificate and Certificate of No Marriage. The applicant can fill-up the form for necessary information and the cooperative will apply for the document online and pay through mobile money. The documents will be delivered to cooperative office where the applicants can claim. The cooperative also started collecting other bills payments such as credit card payment and mobile post-paid lines. A lot can be derived from understanding the type of transaction used and the reasons behind the preference to use mobile money over other financial service providers.

Table : Pinagbuklod MPC M-money Frequency and Volume of Transactions

Frequency of Transactions	Number of People Transacting	Volume		
		Max	Mean	Min
11	5	43,214	6,169	60
10	5	18,967	2,793	60
9	2	10,750	3,891	60
8	3	6,400	4,366	60
7	4	6,400	12,848	60
6	10	6,400	4,404	100
5	18	8,401	2,433	100
4	14	8,401	3,899	100
3	31	8,401	2,771	100

For the period Jan – Nov 2014, total volume transacted amounts to about Php 1.5 million or ($34,000) covering both cash in and cash out transactions with 1% commission generating a revenue of Php18,000 or ($400) in 11 months, 400 times more earnings than in traditional banks at 0.25% interest.

Table : Pinagbuklod MPC Revenue generated from Mobile Money

Month	Value (in Pesos)	Revenue (in Pesos)		Revenue (USD$)	
		Mobile Money	Traditional Bank	Mobile Money	Traditional Bank
Grand Total	1,548,389.12	17,989.37	3,870.97	44.97	9.68

Disbursement of scholars' stipends and teachers allowances in Quezon City

Shifting cash disbursements to mobile money systems increase convenience and security to city student scholars.

In March 2014, the first electronic disbursement to forty-four (44) Quezon City student scholars was successsfully completed. From travelling to Quezon City Hall to get their stipends, often taking three months to get disbursed, the scholars receive them straight in their mobile phones. The feedback has been generally positive, but several scholars report that more education and information materials on the products, services and charges are needed. Major findings include the following:

- 66% said that receiving stipend is faster
- 52% said they were able to save by using their BPI Globe BanKO
- 66% said that receiving their stipend is accessible through BPI Globe BanKO
- 75% said they were able to save time in receiving their stipends
- 63% gave a high rating for their overall experience with the new BPI GLobe BanKO
- 82% were aware of the transaction costs
- 100% received sms notification of their stipend release
- 64% liked the new mobile money system more than the old system

Benefits:

- More comfortable because there are no more lines
- Saved time
- Money is secured
- Better than the old process
- Easier to collect stipends
- Safer than old system
- A very good step in improving services

Shifting traditional electronic payment systems to mobile money systems increases operational efficiency, strengthens data integrity and expands financial services

Like most reform measures, it is not without challenges; the project encountered resistance to change, underlying problems of public school teachers on lack of finances and education on cash management, communication challenges to adequately cascade information and instructions to 142 schools with about 13,000 teachers on the nature of the project, lack of awareness on the benefits of new technologies such as mobile money and how to use the expanded financial products and services, and regular implementation activities. Although the project encountered challenges in implementation, the following improvements brought about by the shift to mobile money systems are slowly being realized.

<u>Increased operational efficiency with reduced LGU payroll processing time, and to strengthen data integrity and transparency.</u>

- Previously there was a reported 3-4 months delay in the disbursement of allowances before the shift to mobile money which necessitated the city government to identify the reasons for delay and provide solutions. It was identified that delay was caused by manual processes involved in the payroll preparation from submission of requirements coming from 142 schools and physical transport of documents and converting the payroll to electronic form. As a result, the city government made changes in the payroll process eliminating redundant requirements and use of online webtools that ensure proper checks and balances for disbursements. As a result of these reform measures, improvements have been realized albeit with birthing pains in the beginning with consolidated disbursements for more than 12,000 teachers completed within1-2 months. Once this fully stabilizes, the teachers' supplemental allowance will be released within the same month.

<u>Expanded access to financial services for the public school teacher stationed in Quezon City</u>

- On the part of the teachers, they stand to gain better access to more convenient and cheaper methods of saving money through the shift to mobile money services. BPI-Globe BanKO, the mobile money provider selected by QC LGU in a competitive process, offers an attractive 3 % interest rate per annum on its deposit services. with no maintaining balance required. They also offer the cheapest way to send money, no cost to pay bills, discounts to purchase airtime load, and access to microinsurance.
    1. Results of the survey show that majority of the respondents purchase airtime load and other goods (i.e. medicine and groceries), send money and pay bills monthly, amounting to an average cost of Ph90 every month on transportation cost and service fees. With the new mobile money account, the teachers are enabled to complete their financial transactions at their convenience and ease.
    2. 86% said they pay through Bayad Center while the respondents pay through banks, MERALCO Office, and LBC.

3. On average, the respondents spend Php30 for transportation. Majority pay **Php16**. Notably one reported spending as high as Php150.
4. Per month, 3/4 of the respondents buy airtime worth **Php100**-Php499 per month.
5. As for sending money, the average amount sent by the respondents was **Php2,433**, and more than half send at least once a month. Most of them send through LBC followed by Cebuana Lhuillier. More than 10 also send through Landbank, SMART Padala, or M. Lhuillier
6. Almost all of the respondents buy from Mercury Drug. The second most popular establishment were Malls, followed by supermarkets, then bookstores.
7. Less than half said they saved **Php1,000** or more per month, while P0-P99 came in second

One of the major barriers in adopting mobile money is the transaction charges applied to cash handling. Currently, in order for BPI Globe BanKO to increase benefits such as high interest rate at 3%, it does not invest on its own ATM machines and needs to partner with establishments and other banks for this service. The Php15 ATM usage fee is the cost of operating ATM machines and is applied by interbank networks for the use of their ATMs. The Php15 ATM withdrawal fee goes to Bancnet ATM network and to the bank who owns the ATM machine. Further, investments are made through partnerships with existing establishments within the community to ensure available service that is open beyond banking hours until night time (i.e. Tambunting, Generika, CVM, Czarina)

Hence, despite the transaction charges applied to cash handling, a Benefit-Cost Analysis will demonstrate still a net gain of P70 less the withdrawal charges for the teachers in addition to the convenience and ease of using mobile money services over the more traditional over-the-counter transactions.

Table : Benefit-Cost Analysis Matrix (amounts in PHP)

Item	Costs per month	Benefits per month	Notes
ATM withdrawal fee	- 15		
Transportation to pay bills		16	To pay bills per trip
Pre-paid cellphone load		10	75% load more than Php 100. 10% rebate = Php 10 savings
Money transfer		53	• Ave. amount = Php 2,400 • End-to-end cost using BanKO = 3% or Php 72 • End-to-end cost using next cheapest way (LBC) = Php 125 • Savings = Php 53
Savings		4.91	• Amount saved = Php 1,000/month • Total savings/year (compounded) with BanKO = Php 6.26 • Total savings/year (compounded) with LBP = Php 1.35 • Net savings = Php 4.91
TOTAL	- 15	83.91	
NET GAIN		**68.91**	

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Boost expansion and rapid adoption of m-money service

Achieve Inclusive User Uptake

- Reduced transaction costs in the payment system
- Increased knowledge on m-money market

Reduced transaction costs in the payment system

Mobile Finance Services (MFS) Project

Early signs of success of two Mobile Money (MM) pilot implementation show reduced transaction costs for the MFIs and their respective clients

FICO Bank launched MM in January 2014. MM was used for disbursements of employee allowances, repayments for microfinance loans, and for deposits and withdrawals of a new savings product aimed for group savings, called *Wais na Nanay* (sensible/practical mother). The use of MM of FICO Bank continues to grow since launch. Around 440 clients transacting around PhP4.58 million in mobile money are using the service. The MFS financial model analysis shows potential gain for both FICO Bank and its clients using MM for repayment of loans.

- For FICO bank, data indicates a payback period in three years with an internal rate of return (IRR) of 54.08% as a result of the reduced visits of its account officer from weekly to fortnightly. Further, a cost analysis of the weekly door-to-door loan collection process below shows a 93% cost reduction in loan payment processing per agent from Php197.70 (or $4.49) to Php14.51 ($0.33) primarily due to the travel time and transportation cost eliminated and the time to record client's ledger. It must be noted that an account officer travels weekly to a group of 10 clients.

Table 21: Comparative Analysis of Loan Collection Process

				LOAN COLLECTION - ACCOUNT OFFICER DOOR-TO-DOOR			REPAYMENTS VIA MOBILE MONEY		
Process		Office/Position Responsible	Rate per minute	Time Duration in minutes	Actual Cost	Others expenses	Time Duration in minutes	Actual Cost	Notes
1	Travel to client's residences	Account officer	Php1.34	90	Php120.25		NA	NA	Travel time of 90 minutes per week to a group of 10 clients, time duration and cost
2	Collecting from clients	Account officer	Php1.34	10	Php13.36	Php45.00	0.00	0.00	Fuel expenses 2 liters @PHP45/liter per week to cover 10 clients
3	Recording loan	Account officer	Php1.34	5	Php6.68		5.00	6.68	

				LOAN COLLECTION - ACCOUNT OFFICER DOOR-TO-DOOR			REPAYMENTS VIA MOBILE MONEY		
Process		Office/Position Responsible	Rate per minute	Time Duration in minutes	Actual Cost	Others expenses	Time Duration in minutes	Actual Cost	Notes
	payments								
4	Reconciling loan payments	Account officer	Php1.34	5	Php6.68		5.00	6.68	
5	Crediting loan proceeds to client account	Teller	Php1.15	5	Php5.73		1.00	1.15	
TOTAL				**115**	**Php152.70**	**45.00**	**11**	**Php14.51**	

- For the client, savings can be realized after month 6 of the repayment of loans primarily because of the monthly cost savings from not having to pay transportation costs for jewelry loan interest payments. Further, the project resulted in a new micro deposit product that enables deposit-taking via mobile money that specifically caters to the cash flow behavior of housewives who want to make small and regular deposits. An average of PhP92.50 ($2.15) were saved from transportation fares when microsavings clients of the First Isabela Cooperative (FICO) Bank no longer had to travel to the municipal/city center, but instead remitted m-money through their mobile phones. The project has allowed housewives the convenience of making deposits and allowing them to build up their savings regularly

"I want to save money so I have funds to use when my son starts going to school." – Maylene Reyes, 21

Maylene Reyes, 21, is a young mom and entrepreneur who saves part of her earnings with mobile money, thanks to a digital finance innovation introduced by USAID/SIMM to FICO Bank.

Maylene applied to join the called Wais na Nanay Savers Club (WNSC) and, quite pleased with the experience, admits to encouraging her neighbors to also avail of the program. "Now I am able to deposit US$4.50 (PhP200) to my GCash account once a week. This is very convenient for me, as I am able to make small deposits anytime I want without having to spend on jeepney rides," says Maylene.

Local Government Unit (LGUS) Mobile Services

The Local Government Units as agent s of change and key in integrating e-payments within an ecosystem

SIMM engaged with the local government units (LGUs) given their unique position as among the most effective change agents in the area. Selection of SIMM priority areas based on existing USAID partnerships, on fast time and strong demand for m-money (i.e. MFIs, large enterprise, SMEs, cooperatives, etc.)

- LGUs benefit greatly from e/m-money application for their collections and disbursements especially in improving operational efficiency, transparency and better governance
- TRUST: As a change agent, the LGUs instill trust in the new payment system, thereby overcoming a critical challenge of lack of trust in m-money among consumers.
- POWER and INFLUENCE: They are empowered with the influence to convene other sectors such as their constituents, the local business sector, utility firms, and microfinance institutions to participates in the m-money ecosystem
- LICENSE TO ISSUE: They can also issue valid IDs to enable their constituents to open m-money accounts.

Critical to the support to the needs of the LGUs is the area of Policy and Regulatory Environment. The SIMM team drafted an inventory of existing regulations enabling e-payments for national, local and private stakeholders and identified existing policy gaps. As a result, SIMM worked with the Commission on Audit (COA) in developing the landmark policy, Circular No. 2013-007 of the "Guidelines for the Use of Electronic Official Receipts of Government. This new circular removes doubt and uncertainty about the legitimacy and acceptability of the use of electronic payments for government disbursements and collections.

SIMM has also helped develop the local ordinances that have effectively enabled electronic payment and collection systems in the LGU as it authorizes the local government treasurer to accept collections and revenue through all electronic modes (internet banking, credit card, mobile money etc.)

- Valenzuela City Ordinance No. 2012-139, February 25,2013
- Quezon City Ordinance SP-2228-S-2013, October 14, 2013
- Municipality of Pulilan, Bulacan Ordinance No. 42-2013, June 10, 2013
- Iloilo City Ordinance No. 2014, July 1, 2104
- Cagayan De Oro Ordinance No. 12807-2014

Systematic and participatory processes ensure mobile money technology is responsive to the needs of the LGUs and its constituents

SIMM developed a new mobile money service menu using USSD technology dedicated solely to local government mobile services, ***137#**. USSD is a service that makes use of mobile handsets and telecommunications to send information from client to provider without the use of SMS or internet connection with near global coverage. This will be the platform for all other LGUs who will adopt mobile money for the collection of taxes and fees. In order to achieve this, SIMM implemented the local engagement approach below to ensure that sustainability of the efforts. Moving forward, SIMM has developed an LGU toolkit on how to transition cities and municipalities to e-payment systems particularly mobile money,

Table 22: SIMM Engagement Process

Step	Description of SIMM's Tasks
Project introduction	• Orientation events involving local government units, microfinance institutions (MFIs), mobile money providers, and the main government partner (BSP) • Individual briefings – e.g., Calamba Water District
Enabling regulatory framework	• Existing laws/ordinances/policies were initially reviewed • Closely worked with COA on formulation and adoption of the circular on eORs ("Guidelines for Use of Electronic Official Receipts to Acknowledge Collection of Income and Other Receipts of Government"), which enabled the use of m-money in LGUs
Needs assessment	• The matching of actual needs of assisted LGUs and beneficiaries with business cases of the m-money providers influenced the m-money applications which were developed
Forging partnerships	• Formalization of MOUs between SIMM and partner organizations, and contracts between m-money providers and partner organizations
Value proposition	• Development of terms of reference (TOR) so that identified client needs would become part of business cases of m-money providers
Operations management	• Business process review and reengineering for sustainability, as well as technology development
Training	• Implementing staff of partners (m-money systems) and actual end users (financial literacy, orientation on m-money use)
Communication	• M-money awareness campaigns for behavior change of targeted users

The mobile money services have been launched in 5 cities and one municipality thereby expanding the financial services available to its constituents by improving access to easier, more convenient and cheaper way to transact with government. Soon more taxes and collections will be made available through the mobile money and online services of the local government units.

Table 23: Local Government Mobile Services

City/Municipality	Government Mobile Services	Private Sector Mobile Services
Municipality of Pulilan Bulacan	Government Payroll, Pulilan Water System dues	Meralco, Payroll for manpower and factory companies
Quezon City	Real Property Tax, Business Permit Fee and Market Rental Stall Fee	Meralco, Manila Water, Maynilad
Valenzuela City	Real Property Tax, Construction Permit Fee and Business Permit Fee	Meralco, Manila Water, Maynilad
Batangas City	Business Permit Fee	Meralco
Cagayan De Oro City	Real Property Tax, Business Permit Fee, Market Rental Stall Fee and Traffic Citation Fees	Ongoing - Cagayan de Oro Water District*, Cagayan Electric Power & Light Company Inc (CEPALCO)*
Iloilo City	Business Permit Fee	Ongoing - Panay Electric Company (PECO)

Real property tax collection system in Quezon City

Quezon City is one of the first local government units to launch mobile money financial services in the country. The project was completed 10 months from MOU signing.

The project was able to establish an enabling environment for electronic payment and collection systems including mobile money in government transactions. As a result, more than 300,000 taxpayers are eligible to pay their RPT using their Globe and TM accounts. As of end of March 2014, 276 taxpayers paid their RPT through their mobile phones, amounting to Php550,000. Taxpayers with current accounts do not need to travel and queue in the city hall and now have an easier, faster and more convenient way of settling their RPT dues. This is especially convenient for taxpayers who own property in Quezon City but reside in other provinces or abroad to directly and easily settle their dues anytime and anywhere. In November 2014, the services were expanded providing end to end solution to the taxpayer including business permit fees and market stall rental fee and the automatic issuance of electronic official receipts (eOR).

For the local government, the system lessened manpower costs as the mobile money collection service is open 24/7. This new system will reduce the long queues that cause strain to the taxpayers. This also improved tracking of financial transactions through electronic transfer and settlement of collections after one banking day.

Based on an estimated cost comparison of manual processes and the new mobile money system, cost and time savings can be realized in the man hours spent by the government personnel manually counting and reporting the collections multiple times. Manual tasks that were streamlined in epayments include:

- Cashier's over-the-counter collection of payments and issuance of receipts
- Cashier's verification of the day's collections and preparation of report to Accounting
- Accounting, Treasury and Bank reconciliation and settlement.

For example, under the manual process employees can spend up to 1.7 hours to complete processing of 20 tax payments and issuing official receipts. With the new mobile money system, this can be reduced to 17 minutes as the transaction report including the collections and remittance, are automatically submitted by the electronic payment systems providers the following day which is validated by the IT Department and reconciled between the Treasury Office and the Bank. Because of the new streamlined process, the eOR system is now enabled, allowing taxpayers download their eOR through the reference number provided upon successful payment.

<u>Understand and educate customers to adopt and use m-money services</u>

During the life of the project, SIMM developed its digital media to share project activities, success stories and other pertinent information using the website and social media particularly Facebook and Twitter as part of sharing the Philippines experience in shaping the global mobile money landscape. The Facebook has received more than 8,000 visits with 2,618 unique visitors. Over the course of the year, there were 12,748 impressions, indicating the number of times a page was displayed and seen by other users. There was a considerable increase across most indicators as compared to the previous year particularly with page consumption, engaged users, total reach, viral reach, and viral impressions registering more than 1,800% increase. The table below summarizes key indicators of Facebook page-level (macro) data for the last twelve months:

1. Data produced from July 10 to July 20 (ten days) has been the output of the Social Media Campaign project and recorded the fastest increase across all indicators in a very short period of time. The campaign developed a variety of Facebook content i.e. infographics, bit strips, and online contests and the usage of Facebook Ads which has prompted a considerable increase of Facebook users during the indicated time period.
2. Initial observation in increasing the number of likes in Facebook as a result of the campaign showed that followers are most responsive and most likely to 'share' visual posts i.e. posters, bit strips or

comics particularly if there is incentive, such as winning a prize by sharing a certain poster. Also, the use of Facebook Ads to targeted audiences is helpful in gaining more followers.

3. Outside of the campaign, topics that generated the most number of Facebook activity i.e. likes, shares, and comments were about events organized by SIMM, global stories about financial inclusion, and the entries coming from the social media campaign, with emphasis on the Facebook contest which has gained reach of almost 1,000 Facebook users.

Table 24: Social Media Indicators: Facebook

Indicator	Total
Page likes **Lifetime - Total number of people who have liked, commented or shared the page (unique users)**	2,618
Page Stories **Number of page stories (total count)**	8,812
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)**	635
Engaged users[1] **Average number of people who engaged with the page (unique users) per month**	498
Total reach **Average number of people who have seen any content associated with the page (unique users) per month**	6,234
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)**	528
Total impressions **Average number of impressions seen of any content associated with the page per month (total count)**	12,748
Organic impressions **Average number of times that posts was 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)**	3,439

SIMM has also been active in engaging the public with its presence in another social media site, Twitter. Since the account's creation on May 24, 2012, SIMM was able to gain a total of 499 followers as of and has Tweeted a total of 522 Tweets using varied hashtags like #mobilemoney, #MobileMoneyPH and #mobilepayments to increase visibility in the Twitter society.

Table 25: Social Media Indicators: Twitter

Indicator	Total
Retweets **Entries that have been reposted by another Twitter user**	312
Favorites **Tweets that have been favorite by different Twitter users**	197
Tags **SIMM Twitter account that has been mentioned in Tweets by different Twitter users**	131

Promote Global Knowledge Sharing

- Increased knowledge on m-money market

Increased knowledge on m-money market

Increased knowledge on m-money market

The Research Study on Interoperability in the Philippines came up with recommended high-level glide path on how the BSP and the payments industry may implement interoperability in the Philippines. The high-level recommendations, which were presented to and accepted by the BSP, are divided in the following focal areas:

- Develop Payment Strategy and Vision
- Implement one "National Utility Switch"
- Review and Implement Governance Model
- Enable and Move to Electronic Transactions that achieve financial inclusion
- Clarify BSP role in providing payment infrastructure beyond RTGS for settlement and one-to-one large value payments
- Management information assembly and monitoring
- Provide consumer certainty and trust

Equally important results achieved by the activity are as follows:

1. A better understanding of interoperability and global best practices were imparted to BSP, the key payments industry participants, and key stakeholders, including government agencies, in order to facilitate clear and standard understanding and communication about the subject on interoperability. This was accomplished via a National Payments System (NPS) workshop attended by the BSP, aforementioned participants and stakeholders.
2. A stakeholder analysis on baseline level of understanding of the subject of interoperability among major industry participants was undertaken in order to determine their concerns and attitude towards interoperability.
3. A consensus among the NPS workshop participants and stakeholders was reached to proceed with the initiative to move towards interoperability in key payments use cases.

During the workshop, results of the study were also presented to the participants among which are the current state and potential for interoperability in the Philippines, which included a high-level review of the existing regulatory framework on payments; case studies and lessons learned on the journey taken by other countries

towards interoperability, and; an estimation of the market size of electronic and cash payments in the Philippines.

As a result of this activity, after the key stakeholders have been sensitized on the change contemplated, discussions among industry players, and between regulator and industry players, started which led to greater consensus to accept the change, and more specific ideas on how the change may be implemented.

Following the success of the previous activity on Research Study on Interoperability in the Philippines and the broad consensus and interest it generated, a follow-on activity was undertaken to deliver on some urgent action items on the high-level glide path which is to look into the model of interoperability suitable for the Philippines in promoting financial inclusion and wide use of electronic payments in the economy.

During this activity, the retail payments use cases that are critical in achieving effective interoperability to promote the greater goal of financial inclusion were identified. These are as follows:

1. ATM off-us cash withdrawal
2. Real time credit (Instant payments)
3. Cash In/Out at Cash Merchants (sometimes referred to as cash agents or CICO outlets)
4. Debit card point-of-sale (POS) purchase
5. Remote bills payment (electronic bills presentment and payment).

The key guiding principles on the governance model, which in this case is to have an industry-led Payments System Management Body (PSMB) and having delegated authority from the BSP, were identified. Under the supervision of the PSMB would be the various multilateral, inter-party agreements per payment use case referred to as the Automated Clearing House (ACH) agreements.

The key guiding principles of the single National Utility Clearing Operator (NUCO), operating on a cost-recovery basis, were also identified. An economic model for the NUCO was also prepared.

Finally, a high-level action plan to implement the governance model and the NUCO were identified.

Notable Best Practices employed in the conduct of the NRPS study include:

1. Careful scoping of the activity with the implementing partner/s, which in this case was the BSP.
2. For potentially disruptive changes contemplated by an activity, it is important to convene all stakeholders, including regulators, key industry players, and major users, in order to establish common language and deeper understanding of matters pertaining to the change, and to start the discussion about the change.
3. Furthermore, it is important to undertake a stakeholder analysis in order to determine best way to present the concepts, knowing beforehand the level of understanding and attitudes of stakeholders toward the change, as well as in coming up with mitigating measures to overcome any major objections coming from parties who may perceive to be marginalized by the change.

The positive outputs of the NPRS workshops can be attributed to the strengthening of the consensus of the set of recommendations within the regulating body prior to presenting it to the industry players to drive wider consensus better. During this activity, the NRPS workshop and recommendations were first presented to BSP to strengthen support base before presenting them to the industry players.

Once a support base for a potentially disruptive change is established, involve a wider range of industry players in the value chain to widen the consensus and support for the change being contemplated. In this activity, other players such as card networks, large rural banks and MFIs were also involved.

SIMM Performance Monitoring Plan (PMP) Results Table for the period (Sep 2012 – Dec 2014)[11]

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
Number of active users[12]	Number of people	539,101	643,565	499,649	776,298	512,818	450,241*	478,404	632,433	939,511	NA	During the year, SIMM continued to refine the key context level indicators in an effort to standardize the specification of parameters used to evaluate registered and active users for improved analysis of customer behavior that will aid program design development for m-money. For the period Jul-Sep 2014, total cumulative number of active users is 939,511. Data shows a 74 percent growth of active users from Sep 2012 baseline figures. Due to system limitations and to ensure comparative data across all providers, active users were identified based on monthly average or month with the highest number of active users within

[11] Data is subject to change pending availability and verification of data from the mobile money providers and partner organizations

[12] Mobile money accounts are linked to a sim card or mobile number and not by unique user. Hence, a unique user can have multiple mobile money accounts. Notably, the decrease starting Oct 2013 was due to the change in Gcash definition of active user extracting information by unique user regardless of multiple mobile money accounts (e.g. if John Doe has 5 mobile money accounts, he is only counted once). It has been observed that some providers have more robust and flexible systems to extract specific set of parameters as defined while others encounter limitations in data extraction often resulting to manual generation of reports. It must be noted that BPI Globe BanKO starting Apr-Jun 2014 only provides aggregate figures as a result of management decision. Considerable increase in active users was in May 2014 due to the launching of P1 send money promo by BanKO. Smart E-money Inc. only provides the monthly average.

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
												the quarter period covered. Further, active user will refer to mobile money accounts and not unique user. Since data makes use of a 30-day period, it is currently underestimated and may increase once expanded to AFI definition of at least one transaction in 90 days. (For more information please refer to the Mobile Money User Data Report)
Percent (%) increase in volume (monetary value) of m-money transactions[13]	Amount (in millions) Quarterly	P53,058	P62, 465	P57,396	P60,295	P65,718	P67,970	P63,388	P73,253[14]	P37,716	NA	For the period Jul-Sep 2014, only BanKO and Smart submitted their reports totaling P PHP 14,770,839,410.39 (or $343,507,893.26). Figures are underestimated as Gcash contributes to almost 50% of the total market share. It must be noted that based on the trend, transactions are expected to boost during the period Oct-Dec.
	Percent increase (Quarterly)	NA	17.7%	8.2%	13.7%	23.8%	28%	19.5%	38%	P14,770 (partial data)		
Strategic Objective 1: Create an Enabling Environment for Mobile Money by Creating Business Models that Scale												
IR1 Improved Efficiency of E-Payroll Distribution												
Number of SMEs and/or large businesses using e-payroll[15]	Number of new businesses (Quarterly)	0	0	0	2	1	5	3	35	49	114	**Target achieved.** Cumulative total since the start of the project is 114 companies exceeding targets. The Mobile Money Payroll (MMP)

[13] Data was updated to include specific mobile money transactions (i.e. Mobile Banking and Master Card Money Send, which is the domestic and international remittance product of the one of the providers) that was not previously reported.
[14] Figures were updated reflecting quarterly data provided by BPI Globe BanKO. Previous data submitted was cumulative from Jan 2013 – June 2014.
[15] Figures are updated as new data is provided based on signed M-payroll program application form and Certificate of Partnership Report submitted by G-Xchange Inc.

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
	(Cumulative)				2	3	8	11	46	95		Program for Small and Medium Enterprises (SMEs) and Large Enterprises launched in February 2014 showed very successful results, generating a total of 107 companies with 137,516 employees adopting mobile money payroll. Under the program, Gcash was able to accredit 103 companies with 130,462 new users while BPI Globe BanKO accredited 4 companies with 7,055 new users
IR 2 Improved Public Service Delivery												
Number of government agencies using e-payroll/e-bills payment	Number of agencies (Quarterly)	0	0	0	0	1	2	1	0	1[16]	6	**Target achieved.** • Issuance of local ordinances accepting e-payments for tax collection • Mobile money services launched in 5 cities and one municipality
	(Cumulative)					1	2	4	4	5		

Launch date	Local ordinances
Municipality of Pulilan Bulacan on Aug 15, 2013	Ordinance No. 42-2013, June 10, 2013
Quezon City on Dec 11, 2013	City Ordinance SP-2228-S-2013, October 14, 2013
Valenzuela City on Jan 21, 2014	City Ordinance No. 2012-139, February 25,2013

[16] As of the writing of this report, the fifth city, Cagayan De Oro City, of the SIMM project launched its mobile money collection system on October 2014.

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
												Batangas City on Mar 30, 2014 – Pending issuance after committee hearing held on Nov. 26, 2014 **Cagayan City on Oct 22, 2014** – Cagayan De Oro Ordinance No. 12807-2014 **1Iloilo City on Dec 5, 2014** – City Ordinance No. 2014, July 1, 2104
IR 3 Supply-side Networks Promoted												
Number of cash-in/cash-out merchant partners operating mostly in rural areas	Number of new CI/COs (Quarterly)	0	0	1	4	4	872	4	8	1444[17]	2,621	**Target achieved.** SIMM was able to activate a total of 2,621 cash-in/cash-out merchant partners across all mobile money providers. Notably, 92 percent of the results can be attributed to the agent aggregator model that has hundreds of branches located nationwide, namely Remitbox and Agnostic Network/Auto Top Up Ventures Inc. (ATVI). In September 2014, Gcash and Smart completed the implementing agreement of ATVI with 1,602 outlets.
	(Cumulative)				5	9	881	885	893	2,334[18]		
Number of new agents trained	Number of agents trained (Quarterly)	0	NA	1	4	4	217	5	8	800	2,000	**Target achieved.** Through the partenrhsops with the mobile money providers, agents were trained from uses, opening accounts, cashing in and cashing out to payment
	(Cumulative)			1	5	9	226	231	239	1039		

[17] In Sep 2014, SIMM activated agent aggregator with 1,444 agents. Further, please note that upon verification with BanKO, 8GAD corporation has requested to deactivate 3 branches. Figures have been adjusted to reflect the changes.
[1818] Cumulative figures have been adjusted to reflect the changes excluding deactivated branches.

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
												of bills. SIMM also providers Training of Trainers to agents with certification from partners re-training their respective agents.
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	90% (Pulilan Payroll System)	TBD	TBD	TBD	TBD	93 % for MFI 84% for LGU payroll Estimated 15% for LGU collections	**Target achieved.** • MFI Business model has reduced transaction cost to FICO by 93% • Local Government Mobile Money Payroll has reduced transaction cost by 84 % • Local Government Mobile Collection Service estimates savings at 15 percent with time reduction from 170 to 17 minutes or 84 percent decrease
IR 5 Increased adoption and use of m-money services												
Number of new m-money users[19]	Number of people (Quarterly)	0	78	59	140	2,765	29,665	11,375	96,779	159,247	328,072	**Target achieved.** SIMM has activated more 300,000 new users exceeding project targets Notably, starting the period Apr 2014 to Sep 2014, the SIMM project reached a record high of individuals opening m-money accounts. The figures are attributed to the completion of the project cycle and activation in SIMM cities, ramp up of the M-Payroll Program, mobile money provider supported partnerships such as the Banking the Unbanked program and MFS Models with BPI Globe BanKO,
	(Cumulative)		78	137	277	3,042	32,707	44,082	140,861	300,108		

[19] Figures are updated as new data (as of July 2014) is provided based on Certificate of Partnership Report submitted by the mobile money providers- BPI Globe BanKO, G-Xchange Inc. and Smart E-Money Inc.

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
Number of people opening savings accounts via branchless banking[20]	Number of persons	0	40	43	4	735	21,535	10,925	19,867	138,766	191,916	**Target achieved.** As part of the multiple partnerships with BPI Globe BanKO, a cumulative total of 191,916 savings accounts were opened during SIMM led activities from the start of the partnership to current. Among the highest number of savings accounts opened under branchless banking is attributed to the DSWD CCT graduate program, Alalay sa Kaunlaran (ASKI) Inc., the school attack in SIMM cities Pulilan and Batangas; Quezon City Disbursement Project for teachers and students, and USAID/Basa programs. Out of the total mobile money accounts opened under the SIMM project, 64% are savings accounts which are interest –bearing and protected by deposit insurance.
	(Cumulative)		40	83	87	822	22,357	33,282	53,149	191,915		
Number of people trained in financial education and literacy	Number of CCT beneficiaries; Number of non-CCT beneficiaries trained	130	372	358	658	621	12,418	625	820	110,354	126,456	**Target achieved.** During the period, the following training sessions were implemented by SIMM and the mobile money provides under the project partnership 1. A total of 354 individuals were formally trained under SIMM's Mobile Financial Services and Financial Literacy Program. Three types of trainings were conducted including Training of Trainers, Classroom type participant session and small group training for
	(Cumulative)	130	502	860	1518	2,139	14,557	15,182	16,002	126,356		

[20] Figures are updated as new data is provided based on Certificate of Partnership Report submitted by BPI Globe BanKO

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
												frontliners depending on the needs of the target participants. 2. As part of the partnership with BPI Globe BanKO, 10,192 ASKI members 110,000 DSWD CCT beneficiary graduates were trained on financial literacy and benefits, products and services of mobile money. Gender disaggregated data is not available. Cumulative total number of people trained on financial education and literacy including symposiums, workshops and project introductions since the start of the project is 126,456.
Cross Cutting IR 6 Promote Global Knowledge Sharing												
Number of conferences supported to share knowledge	Number of conferences (cumulative)	0	0	0	0	1	0	2	3	4	3	**Target achieved.** 1-2) SIMM sponsored courses in April 2013 and in June 2014 to create awareness, set a common language to stimulate the right discussions and understanding of the subject, and establish a national agenda for National Retail Payment System (3) COA Auditors' Mobile Money Training Workshop in Sep 2013 with key COA officials from the central office, national agencies and local government (4) Mobile Solutions Forum Asia in Bangkok, Thailand on Jan 6, 2014 about the topic on experience learning

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
												from the challenges faced and adaptations done on how to make mobile work even better.
Number of research papers shared and developed	Number of research papers	0	0	0	0	6	7	7	7	7	3	**Target achieved.** (1) Interoperability study has been submitted to BSP for final approval in July 2013. (2-6) The 5 business models for Mobile Financial Services of NATCCO, FICO Bank, GM Bank of Luzon, KMBI and CCT Credit and Savings Cooperative were completed and submitted to USAID in September. (7) Behavioral Change Communications Study completed in December 2013.
Project Activity Level Indicators												
Percent (%) of activities that improved financial inclusion of women	Percent of activities	0%	67%	57%	TBD	TBD	36%	57%	67%	63%	63%	**Target achieved.** For the purposes of monitoring SIMM initiated activities, a total of 763 activities ranging from project introductions, workshops, product presentations, coordination meetings,

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
Percent (%) of activities that improved financial inclusion for individuals and households in rural areas[21]	Percent of activities	0%	74%	88%	TBD	TBD	92%	99%	-	-	-	roundtable discussions, business forum to financial education trainings. Of the total, 136 training sessions directly conducted by SIMM on financial literacy, and mobile money usage have been conducted since the start of the project covering a total of 6,164 participants of which 3,906 were women. Because results of the SIIMM project is a product of forged partnerships with public and private sector, data collection on the percent of activities that improved financial inclusion for individuals was limited.
Value of activities funded by cost-sharing/ contribution arrangements with SIMM	Dollar value of activities (Quarterly)	$3,127	$13,130	$1,320	TBD	$14,423	$31,132	$10,985	$275,892	$973,510	$1,323,510	**Target achieved.** The value of activities funded through cost-sharing arrangements with SIMM is estimated at a cumulative total of PHP 56,910,952 (or $1,323,510) throughout the life of the project. Notably, BPI Globe BanKO reported the highest cost share to the project totaling PHP 42,607,262.45 attributed to the following
	(Cumulative)	$3,127	$16,257	17,577	TBD	$32,000	$63,123	$74,108	$350,000	$1,323,510		

Description	Amount
Manpower (salaries, meals, transportation)	PHP 38,383,200.00 (191,916 X P200.00)

[21] This indicator measures the percentage of individuals and households who participated in SIMM activities relating to financial inclusion particularly participants that opened savings account and received financial inclusion training. However due to the nature of the forged partnerships with both public and private, monitoring all activities is challenging from all partner organizations are challenging. Instead, results show that SIMM has exceeded the total number of individuals trained and number of accounts opened. SIMM will provide recommendation to USAID on the level of effort needed to collect and process this indicator.

Performance Indicator	Unit of Measurement	Baseline (Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul – Sep 2014	Oct-Dec 2014 LOP	Notes
												Marketing Collaterals, SIM card and ATM subsidies PHP 4,224,062.45 **Total** PHP s42,607,262.45 Total amount leveraged for the project includes both public and private sector contributions. Major contributions are from the three mobile money providers namely BPI Globe BanKO, Gcash and Smart E-Money Inc.) 1. BanKo - P42,607,262.45 (or $22,904.65) 2. Gcash - P3,450,000 (or $80,232.56) 3. Smart E-Money Inc - P9,397,892 (or $218,555.63)

CHAPTER 4: RECOMMENDATIONS

Create Business Models that Scale

Development of m-money models for Microfinance Institutions should include clear criteria for selection of partners and closer cooperation in preparing project workplan and performance indicators

- Provide in depth analysis of Mobile Financial Services (MFS) business models for MFIs, to design impacted business processes, and document new models that integrate mobile money in MFI operations.
- Identification of indicators and criteria that can be used as benchmarks for selection of partner MFIs. During implementation, ensuring continuous alignment of project and partner FI priorities is critical to realize the goals within the life of the project.
- Agreements/contracts with mobile money providers should include a requirement that there be sufficient agents with liquidity near to the required program participants, clients or beneficiaries.
- Future MFS implementation. This includes better and more pragmatic estimates for project resources and timeline, clear and transparent microfinance institution selection, and guidelines and benchmarks for improving partnerships and project management.

From assessment of the partners' organizational and technological capacity, the following criteria indicating readiness to implement MFS were identified:

Table 26: Criteria for Selection

Criteria for selection	Indicator
Board of director/executive support	GM/BOD/President engagement and commitment
Management and staff support	Roles and responsibilities of dd-hoc staff assigned as project team members must be clearly defined. The amount of time allotted for project activities and prioritization must be signed off by MFI management
Project manager skills and dedication	Aside from having background, knowledge, and good management skills, the assigned MFI project manager must be capable of exercising good decision making and must be able to execute and implement key decision points.
Organizational capacity	No conflicting project Named, skilled, and "reserved" resources
Management information system (MIS) capacity	MIS is currently installed and in use
Technology and mobile money provider performance	Level partnerships Delivery on commitment

Implement a systematic and participatory process in developing mobile money services responsive to the needs of government agency partners and their constituents

- Strengthen inter-agency collaboration with umbrella organizations to align national and sub-national objectives for boosting expansion and rapid adoption of mobile money. Key partners include:
    1. Bangko Sentral ng Pilipinas
    2. Department of Interior and Local Government
    3. Bureau of Local Government Finance
    4. Department of Science and Technology

- Strengthen coordination with USAID PFG projects to ensure efforts are aligned and opportunities for linkages are maximized
- Strengthen public and private sector partnerships

Support or give incentives to initiatives of the financial services providers that promote products that achieve the goals of the development agencies.

- Provide a cost benefit analysis after three month trial to ensure either that the companies/ employees will bear the subsequent disbursement fees (i.e. training on net gain because of the services enabled through mobile money)
- Increase co-leadership with the mobile money providers especially during reorganizations to agree on objectives and performance indicators
- Development agencies are not the best entities to promote financial services directly to institutional and individual customers. Selling financial services products requires a high-touch sales process that development agencies are not capacitated to undertake. Moreover, institutional, especially for-profit organizations, do not readily understand the motives and incentives of development organizations as easily as they do the profit motive of business organizations. Leveraging on existing relationships and trust between financial services providers and their business customers has been proven to be a better communications channel than a development agency directly pushing an advocacy with businesses. Besides, businesses usually have better manpower and resources to cover its prospects.

Support to continue the Cash Working Group to ensure continuous dialogue and partnerships across all humanitarian assistance actors and financial service providers

- Regulatory body, BSP, to institutionalize the circular to automatically relax the Know-Your-Customer (KYC) requirements during disaster will facilitate quick response from FSP
- Humanitarian assistance actors should indicate all known requirements in the RFP, like the case in WFP, to ensure that all services expected are clear to both parties involved. This will fast track the bidding and contracting processes (i.e. archiving period, reporting and reconciliation etc.)
- Statements of general good will intention from all parties involved through a standard MOU template in the initial stages will fast track the processes with an understanding that detailed discussions on the contract should immediately follow.
- FSP and humanitarian assistance actors to develop a standard template (generic high level contract) for contracting to ensure speed of service/response. Template should consider the following that have implications on the pricing:
    - ✓ Modality
    - ✓ Areas
    - ✓ Type of program
    - ✓ Number of beneficiaries
    - ✓ Schedule of release
- Humanitarian assistance actors realizing that there is no one FSP that have access to all areas of the country. Collaboration among all actors involved with the overall goal of speedily responding to disaster is key.

- To ensure more seamless interaction for the beneficiary, the humanitarian assistance actors and FSP should work towards:

    - ✓ A common database and map of the affected areas visibility/access of all FSPs
    - ✓ Prepositioning efforts to ensure straight through service on the day of deployment from registration, activation, change of MPIN to payout/release of funds (i.e. mass registration and releasing of funds, prelinked and prepaid accounts)
    - It must be noted that each NGO have their own specific templates depending on the decision planning structure of the organization (i.e. UN)

Channel Management Strategy - Aggregators as strategic solution (platform-based aggregators but with expanded role which includes both agent acquisition, liquidity support, training, regulatory compliance, customer service standards maintenance, merchandising standards, etc.)

1. Agnostic to the Consumer and Interoperable Platform with MMPs
    a. Multiplier factor in outlet acquisition and activation – coverage reach and depth/frequency
    b. Provide shorter codes to the consumer for easier use
2. Agent Management
    a. Incentive scheme for agent
    b. Own the training and continuing education of outlet agents especially in consumer service excellence
    c. Training on working capital and liquidity management while providing access to financial schemes.
3. Consumer awareness & education
    a. Merchandising materials
    b. Consumer orientation and continuing education
4. Provide the tech savvy and technology to manage competitive threat
5. White labeling

Achieve Inclusive User Uptake

Catalyzing and supporting government e-payment systems through ecosystem build up and alignment of needs with mobile money technology

- Disseminate the LGU Toolkit that includes best practices and lessons learned to effectively shift manual systems to e-payments. It includes the SIMM Engagement Process from project introduction, enabling regulatory framework, needs assessment, forging partnerships, value proposition, operations management, training to communications.
- Before project implementation, establish a dedicated counterpart project teams for mobile money initiatives, ensuring policy decisions and implementation of agreed commitments and deliverables.
- Provide coaching and technical knowledge transfer to the decision makers (i.e. Mayor, City Administrator, Treasurer etc.) on enabling regulatory policies, business process reengineering and change management that will help governments successfully transition to e-payments.
- Provide advising and a standard agreement template with mobile money providers to ensure mutually advantageous contacts. Some requirements identified include the following:
    - Sufficient agents with liquidity near to the required program participants, clients or beneficiaries
    - Dedicated account officer
    - Trouble shooting and aftersales protocol

- For large volume government disbursement, proper understanding of the organizational structure is critical in adequately planning for activation and training process to ensure proper communication and buy-in of the benefit of mobile money (Division of City Schools manages 142 schools for both elementary and highschool located in various areas across Quezon City)
- Provide assistance in developing and implementing national campaigns to promote mobile money using Behavioral Change Communication principles (from Inform, Induce and Sustain.

Support or provide technical assistance to bridge the weak points of financial service providers

- Provide assistance in developing business models and new technologies that serve a variety of new partners to ensure adaptability of products and services to sector specific needs (i.e. local government agencies, microfinance institutions and cooperatives, small medium enterprises)
- Provide technical assistance to assess how costs can be absorbed by the organizations instead of the consumer to lessen transaction charges to the consumer

Support to BSP as the key regulatory body to institutionalize key performance indicators that effectively monitor the growth of mobile money and ensure consumer protection

1. Quality and Usage
    a. Number of transactions by unique users
    b. Number of transactions by account disaggregated by transaction type
2. Access
    a. Number of registered mobile money users by account and unique subscriber
    b. Number of dormant registered mobile money users by account and unique subscriber
    c. Number of Active and Inactive agents
    d. Agent transaction volume
3. Conduct consumer study to identify needs of low income and vulnerable sectors for development of appropriate product. This should include consumer protection issues as well.

Strengthen key partnerships with regulators during implementation primarily, Bangko Sentral ng Pilipinas and Commission on Audit (COA), to ensure that a national enabling policy environment is in place

- Provide technical assistance in identifying and developing other local and national policies needed to ensure sustainability of e-payment system in the Philippines
- Continue consultation and close coordination with COA to ensure that actual implementation are compliant with national policies.
- A lesson from the NRPS activity is to involve industry associations (e.g. the Bankers Association of the Philippines, Chamber of Thrift Banks) early on in order to help disseminate information and drive consensus across other players in the industry. The challenge though is in involving industry associations while keeping the workshop participants within a manageable number. Hence, industry associations may have been prioritized over some large users of the payments system.
- For similar activities in the future, be mindful of the time gap between activities, especially at the early stages of promoting a change. If the NRPS activity were conducted later, inaccurate understanding or interpretation of concepts, no matter how well-intentioned, would have led to premature actions inconsistent with the goals and that might have been difficult to undo at a later time.

  It is also recommended to ensure participation of all workshop participants throughout the whole session to avoid incomplete understanding of the topics and risk forming partially-informed opinions or decisions which may happen when key people skip or miss parts of the sessions.

ANNEXES

Annex A: Summary of Trainings

Date	Training Title	Female	Male	Total
31-Aug-12	Mobile Money Training and Activation Workshop with Smart Communications, Inc. (Smart Money)	9	13	22
7-Sep-12	Mobile Money Training and Activation Workshop with G-Xchange, Inc. (GCASH)	26	29	55
11-Sep-12	Mobile Money Training and Activation Workshop with BPI-Globe BanKO, Inc.	16	37	53
16-Nov-12	Mobile Money Forum with Batangas City Cooperatives	25	12	37
29-Nov-12	Mobile Money Training for Government Auditors	11	1	12
14-Dec-12	Batangas City Business Forum	220	103	323
24-Jan-13	Roundtable Discussion with RBAP, Select RBs, and BPI-Globe BanKO on BanKO's Proposition	11	13	24
15-Feb-13	Signing of MOU Between Municipal Government of Pulilan, Bulacan and USAID on the Selection of Pulilan for SIMM Project	15	32	47
25-Mar-13	Signing of MOU between the Local Government of Quezon City and USAID Concerning the Selection of Quezon City for the Scaling Innovations in Mobile Money (SIMM) Project	12	15	27
23-Mar-13	SIMCO General Membership Assembly and BPI-Globe BanKO Activation	184	76	260
3-Apr-13	Introductory meeting with 4HG Multi-Purpose Cooperative	0	2	2
4-Apr-13	Mobile Money Presentation with Mr. Augusto Manalo - Philippine Constructors Association	2	1	3
5-Apr-13	Mobile Money Presentation with Persia Grill	1	0	1
5-Apr-13	Mobile Money Presentation for Kebab House	0	1	1
10-Apr-13	Project Kick-Off of Mobile Financial Services Business Model for MFIs and Cooperatives	7	9	16
16-Apr-13	Mobile Money Presentation with Sikapbuhay	3	2	5
17-Apr-13	Mobile Money Presentation for Software Group (Phl)	0	0	0
19-Apr-13	Mobile Money Presentation for Hotel and Restaurant Association of the Philippines	0	0	0
19-Apr-13	Mobile Money Presentation to Bayview Hotel	0	1	1
22-Apr-13	National Payments System Workshop	14	19	33
23-Apr-13	Mobile Money Presentation to Ilustrado Restaurant	1	0	1
25-Apr-13	Mobile Money Forum with the Philippine Association of Local Service Contractors	23	41	64
26-Apr-13	Mobile Money Presentation for Tags Manpower Services	1	0	1
27-Apr-13	Mobile Money Forum with Philippine Society for Industrial Security	6	87	93
27-Apr-14	Yoolah Marketing Agent Training	59	4	63
29-Apr-13	Business and Cooperative Forum	16	9	25
3-May-13	Batangas City cooperative forum on mobile money	6	2	8
3-May-13	Mobile Money PResentation for Global Resource for Outsourced Workers Inc.	1	0	1
9-May-13	MFS Business Model Project: NATCCO PPC Presentation	9	3	12
11-May-13	Financial Management Seminar for BOD/Mobile Money Presentation	59	30	89
14-May-13	SIMM project presentation to Sta Clara MPC	8	1	9
15-May-13	Mobile Money Presentation for Rexinton Enterprises	1	0	1
18-May-13	Mobile Money Training for Boss LLC	0	1	1
18-May-13	Mobile Money Presentation for Jamaro Trucking	1	0	1
18-May-13	Mobile Money Training for Ernie's Food Industries	0	1	1

Date	Training Title	Female	Male	Total
22-May-13	Mobile Money Presentation with RR Punzalan Metal Trading	1	0	1
22-May-13	Mobile Money Training For Rich Ads Construction and Supply	0	0	0
22-May-13	Presentation of Globe Gcash to Pinamukan MPC	8	1	9
23-May-13	Mobile Money Presentation for the Heart of the Ocean Beach Resort	1	0	1
23-May-13	Mobile Money Training for BATELEC I	0	1	1
25-May-13	Mobile Money Presentation to Lucky Fourteen Trucking	1	0	1
25-May-13	Mobile Money Presentation for BM Mulingtapang Hardware	1	1	2
25-May-13	Mobile Money Presentation for Alvarez Shopping Center	1	0	1
25-May-13	Mobile Money Presentation for Citimart Shopping Center	0	1	1
25-May-14	Mobile Money Presentation to Mahacot MPC Board meeting	6	6	12
28-May-13	Managing Cooperative Finances	94	34	128
28-May-13	SIMM presentation to Ilijan Board of directors	10	4	14
28-May-13	Mobile Money Presentation to Club Media Asia Inc.	1	0	1
29-May-13	Mobile Money Presentation for Worldwork Manpower Center	1	0	1
3-Jun-13	Mobile Money Presentation for SPD Job Contracting and Consultancy Services	0	1	1
6-Jun-13	SIMM Project Presentation to BOD of IBC 13 Broadcast Workers Coop	1	4	5
7-Jun-13	Presentation of Mobile Money to Pamumuhay Credit Coop Board Members	9	2	11
13-Jun-13	SIMM Project Presentation with the Puhunan Pangkaunlaran ng SikapBuhay (PPSB) Program Partners	6	4	10
17-Jun-13	Mobile Money Presentation for Transcend Employment Agency	1	0	1
20-Jun-13	Mobile Money Presentation to Valenzuela Managers Cooperative	16	3	19
21-Jun-13	Mobile Money Presentation for Enriquez Security Service	0	1	1
27-Jun-13	SIMM Project Presentation to VP Manuel Maloles	0	1	1
28-Jun-13	Mobile Money Presentation for Environment and General Services, Inc.	1	0	1
29-Jun-13	Presentation of SIMM Project to Pinagbuklod MPCI Board of Directors	9	3	12
1-Jul-13	Mobile Money Presentation for Dalta Management Inc.	1	0	1
2-Jul-13	Mobile Money Presentation for Toplis Solutions Inc.	0	1	1
2-Jul-13	Mobile Money Presentation for Kabraso Multi-Purpose Cooperative	0	1	1
2-Jul-13	Mobile Money Presentation for Velco Asia Management Corp.	1	0	1
6-Jul-13	Ilijan MPC Board of director meeting	2	10	12
5-Jul-13	Mobile Money Presentation for Diars Assistance	1	0	1
13-Jul-13	Mobile Money Presentation to Bagbag Multi-Purpose Cooperative	7	5	12
16-Jul-13	Project Introduction to FEDCO Board of Directors	1	3	4
24-Jul-13	End Users Training on Mobile Money fo Pulilan Municipal Employees / Activation Event	108	171	279
20-Jul-13	Mobile Money Project Introduction to Care Filipino MPC Board of Directors	4	9	13
20-Jul-13	Mobile Money Projec Introduction to Manggagawa ni San Jose Multipurpose Cooperative (MSJMPC)	3	4	7
2-Aug-13	E-Payroll and Water Simulation / End Users Training / BanKO caravan activation event	71	40	111
12-Aug-13	Mobile Money Project Presentation to Councilor ROmmel Ayuson	0	1	1
14-Aug-13	Mobile Money Presentation to MAG-BASA re mobile money for 4,000 teachers	0	0	0
5-Sep-13	Live Disbursement and End Users Training for IBC 13 BWC Members	19	23	42
19-Sep-13	BanKO partner outlet training for Ilijan MPC	0	0	0
25-Sep-13	Valenzuela Cooperative Mobile Money Summit	63	42	105
26-Sep-13	Mobile Money Training for Government Auditors	25	7	32

Date	Training Title	Female	Male	Total
12-Oct-13	Bringing Mobile Financial Services to Barangay Ilijan	325	155	480
19-Oct-13	Mobile Money: Serbisyong Pinansyal Para sa Batangas	325	155	480
22-Oct-13	Training on BPI Globe BanKO Registration and Activation for the Division City of Schools	0	0	0
21-Oct-13	Training on BPI Globe BanKO registration and activation	0	0	0
Oct 23-24	Financial Literacy and Mobile Financial Services Train the Trainers (ToT)	26	18	44
Nov 5-6	SEDPI ToT to FICO Bank	16	12	28
Nov 13-15	Financial Literacy and Mobile Financial Services Training of Trainers Program	66	17	83
15-Nov-13	Financial Literacy Symposium	258	216	474
21-Nov-13	PUP Financial Literacy and Activation Program	126	75	201
Nov 20-22	Financial Literacy and Mobile Financial Services Training Batch 2	48	27	75
Nov 26-27	Conduct of Financial Literacy and Mobile Financial Services Training of Trainers for Batangas Cooperatives	32	6	38
29-Nov-13	BPI Globe BanKO Partner Outlet (BPO) Training for Agents	4	4	8
30-Nov-13	Mobile Money: Serbisyong Pinansyal Para sa Batangas	136	66	202
3-Dec-13	BanKO Disbursement Facility Training for End Users	13	4	17
Dec 12-13	Financial Literacy and Activation of students and teachers	40	6	46
13-Dec-13	Social Marketing Training	14	16	30
20-Dec-13	Training for QC Cashiers	0	0	0
18-Dec-13	Business Process Redesign Seminar Workshop	8	10	18
Oct - Dec 2013	Training of ASKI members on BanKO benefits,products and services			10192
9-Jan-14	TOT for Valenzuela City LGU	10	4	14
15-Jan-14	GCASH and PowerPay+ 101 Training for Frontliners of FICO Bank	10	8	18
15-Jan-14	FinLit and MFS Training for Sikapbuhay Batch 3	41	18	59
24-Jan-14	CCT Business Process Review and Redesign Training Workshop	8	9	17
29-Jan-14	CCT Business Process Review and Redesign Training Workshop	2	4	6
30-Jan-14	Financial Literacy for Microbusiness Owners	15	1	16
11-Feb-14	Launch of MFS in FICO Bank	56	14	70
17-Feb-14	FinLit and MFS Training for IBC 13 Coop	17	15	32
19-Feb-14	Mobile Money for LGUs - Dinner workshop			0
20-Feb-14	81st Annual Convention of LGU Treasurers and Assessors			0
24-Feb-14	FinLit and MFS Training for Quezon City teachers	114	39	153
26-Feb-14	FinLit and MFS Training for Quezon City teachers	100	29	129
27-Feb-14	FinLit and MFS Training for Quezon City teachers	78	50	128
27-Feb-14	GCASH real property tax payment system orientation for QC barangay captains	43	66	109
28-Feb-14	FinLit and MFS Training for Quezon City teachers	300	100	400
6-Mar-14	SEDPI Training for BanKO BDS and Activation Assistants	4	2	6
8-Mar-14	Orientation with Barangay Bagbag Fairview Household Owners and Sitio leaders on the GCASH system	0	0	0
12-Mar-14	SEDPI TOT with CCT and NATCCO	15	4	19
17-Mar-14	SEDPI TOT with SYPD	0	0	0
29-Mar-14	Gcash orientation for QC barangays	0	0	0
15-Apr-14	TOT with Batangas City LGU Frontliners	29	6	35
15-Apr-14	TOT for Vendors Assoc and M-Money Vendors	22	10	32
30-Apr-14	Orientation to Division Office Employees	26	18	44
16-May-14	SIMM Training During Executive Committee Meeting	3	6	9
2-May-14	Roll-out workshop with SEDPI	8	2	10
9-Jun-14	NPS-I Course	0	0	0
18-Jun-14	Center for Community Transformation (CCT) Savings and Credit Cooperative Financial Literacy	67	0	67
25-Jun-14	Center for Community Transformation (CCT) Savings and Credit Cooperative Financial Literacy	61	2	63

Date	Training Title	Female	Male	Total
July 14-15, 2014	Training of Trainers with Valenzuela City LGU	27	25	52
14-Jul-14	Training of Trainers with Valenzuela LGU Frontliners AM	4	9	13
14-Jul-14	Training of Trainers with Valenzuela LGU Frontliners PM	5	5	10
25-Jul-14	Training of Trainers with CEPALCO and COWD Frontliners	13	11	24
July 25-16, 2014	Training of Trainers with FICCO	14	16	30
25-Jul-14	Participant session with CCT AM	20	1	21
25-Jul-14	Participant session with CCT PM	40	1	41
1-Aug-14	Participant session with CCT AM	7	4	11
1-Aug-14	Participant session with CCT PM	20	7	27
8-Aug-14	Participant session with Pulilan school	42	42	84
11-Aug-14	TOT Frontliner for Remitbox	9	11	20
17-Oct-14	Participant session with Pulilan teachers	18	3	21
8-Nov-14	Participant session with Persia Grill	7	3	10
November 12-13, 2014	Training of Trainers with CCT	14	6	10
19-Nov-14	Training of Trainers with Frontliners Auto-Top ventures Inc. (ATVI)	4	4	8
21-Nov-14	Training of Trainers with Frontliners CDO LGU employees	11	11	22
25-Nov-14	Participant session with Care Filipino Multi-purpose Cooperative	13	8	21
28-Nov-14	Participant session with Manggagawa ni San Jose MPC	9	1	10
1-Dec-14	Participant session with TAGAPAGBANTAY MPC	9	14	23
3-Dec-14	Training of Trainers with Frontliners Iloilo LGU employees	10	8	18
Apr - Sep, 2014	Financial Literacy Training for DSWD graduate program beneficiaries			110,000
TOTAL		**3974**	**2300**	**126456**

Annex B: Mobile Money Users' Data, Philippines (Sep 2012 – Sep 2014)[22]

Since beginning of the project, SIMM has been working with the providers to continuously standardize and update figures to generate comparable data. It must be noted that, Mobile Money User data (i.e. no. of registered mobile money accounts and active users) are not part of the reportorial requirements of Bangko Sentral ng Pilipinas (BSP), hence additional data requests were made to generate baseline figures starting September 2012. It must be noted that throughout the project implementation, data has been regularly updated as soon as more accurate and complete information were made available. Notes on the performance indicators, baseline figures and data limitations are detailed in the succeeding sections of this report. SIMM is working with the BSP and the MMPs to discuss and agree on a standard definition and interpretation in preparation for expanded BSP report on electronic money.

Data presented below is based on the agreed definition of the performance indicators for the SIMM project and subject to available data systems of the each of the providers.

3. Number of Registered Mobile Money Users refers to the number of active registered mobile money accounts opened daily (KYC, over the phone or air activation). Active refers to newly opened mobile money accounts and active or valid registered accounts and excludes dormant/inactive accounts and locked/deactivated sim cards,
4. Number of Active Mobile Money Users refers to the number of registered mobile money accounts who used any m-money transaction in the past 30 days within the quarter period covered.[23] Transactions include both inflow and outflow (i.e. mobile banking, funds transfer, ATM/POS and merchant withdrawals, purchase of Airtime/Internet, send money/remittance, pay bills, balance inquiry, transfer to other subscribers.

At the start of the project, baseline data was gathered in September 2012, showing a reported total of 9.5 million registered mobile money account users and 356,425 active users. During the third quarter of FY 2013, alongside management turnovers across the providers, significant changes were made to the baseline data as a result of system enhancements, changes in data parameters and purging of numbers. As a result, baseline data was revised to 6.5 million registered users and 539,101 active users reflecting updated and purged data under the agreed upon data parameters.

By September 2014, there was a reported total of 8.3 million registered users and 939,511 active users showing an increase of 27 percent and 74 percent respectively from baseline figures. The percentage ratio of registered users versus active users has increased to 11 percent from baseline figures of 8 percent. It must be noted that the number of active users is dependent on several variables existing during each reporting period (i.e. marketing campaigns of the providers and spending behavior of consumers based on scheduled and unanticipated events).

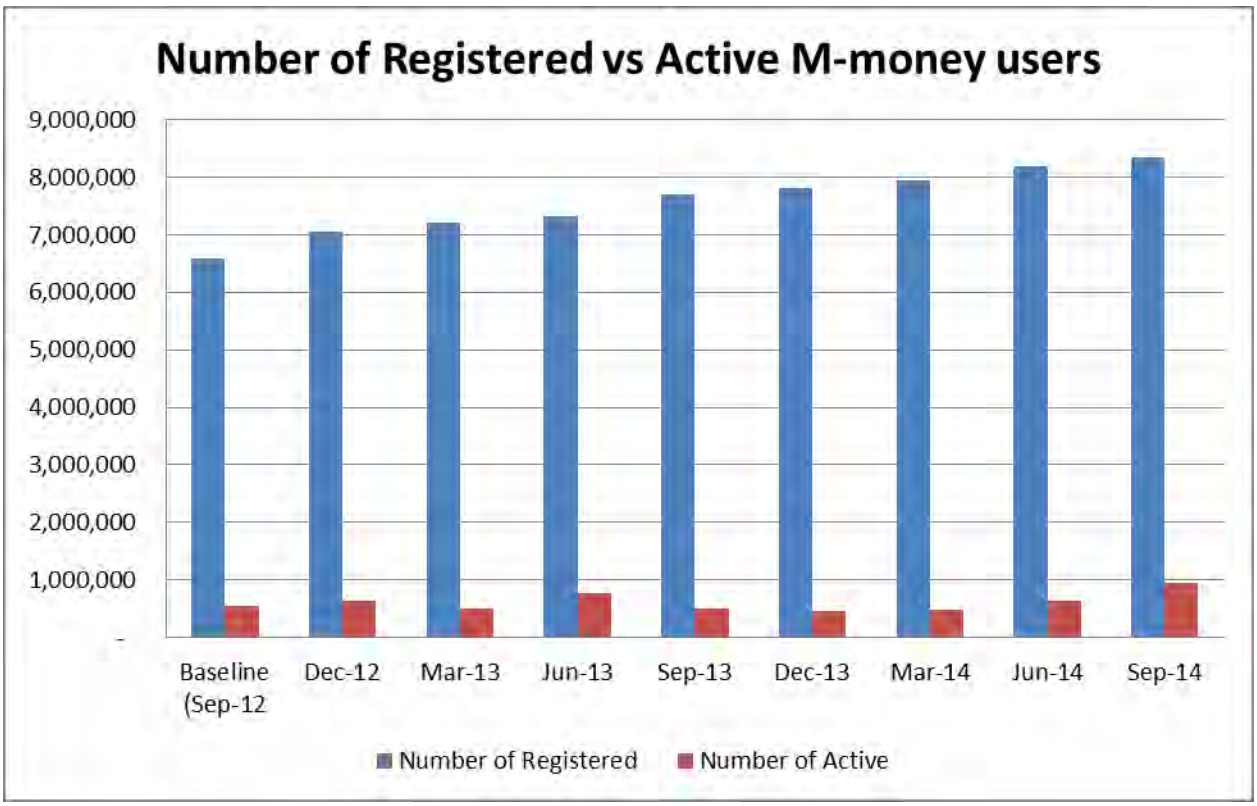
Table 1. Mobile Money User Data

[22] This report is still subject to review and validation of BSP.

[23] Due to system limitations in gathering the 90 day period per Alliance for Financial Inclusion definition and to ensure comparative data across all providers, active users were limited to monthly average or month with the highest number of active users within the quarter period covered.

Mobile Money User Data	Baseline (Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Rate of Increase
Number of Registered Users	6,589,133	7,062,400	7,200,174	7,328,927	7,694,631	7,813,271	7,951,609	8,182,898	8,350,182	27%
Number of Active Users	539,101	643,565	499,649	776,298	512,818	450,241	478,404	632,433	939,511	74%
Percentage Ratio of Registered vs. Active Users	8%	9%	7%	11%	7%	6%	6%	8%	11%	

Since baseline in September 2012, there have been observed lows in March and September 2013, peaks in December 2012; and highs in Apr – June 2013 and July – September 2014. Data shows that the highest transactions in monetary value is transfer to other subscribers (P2P/W2W), followed by conversion of cash to e-money, conversion from cash centers of each provider, then ATM/POS withdrawals.



Currently, Smart e-Money, Inc. has majority market share of the total mobile money accounts in the Philippines at 65 percent followed by GCash at 25 percent then BanKO at 10 percent. However, upon closer look at the statistics for the last two years, GCash and BanKO have shown substantial progress in their performance.

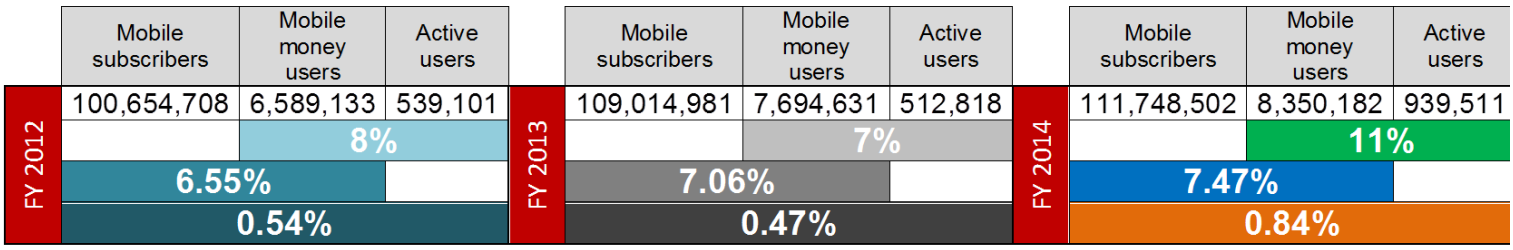
BanKO's exceptional results, showing a 294 percent increase in registered users and 57 percent increase in active users, are attributed to the aggressive acquisition efforts starting FY 2014. Notably, 22 percent of the people who opened savings account in BanKO is directly attributed to the SIMM project including key partnerships with DSWD CCT graduate program, Alalay sa Kaunlaran (ASKI) Inc., the school attack in SIMM cities Pulilan and Batangas; Quezon City Disbursement Project for teachers and students, and USAID/Basa programs. GCash has also increased its registered users by 46 percent and active users by 146 percent, primarily as a result of its priority to promote their payroll product. Several marketing campaigns were also launched from new products and services, raffles and reduction in transactions fees.

Table 2. Mobile Money User Data Market Share

Type	Mobile Money Providers	Market Share	Rate of Increase in Registered Users	Rate of Increase in Active Users
E-Wallet	GCash Smart	25% 65%	46% 9%	146% 12%
Branchless Bank	BanKO	10%	294%	57%

Mobile Subscribers and Mobile Money User Data

To understand the overall context of mobile money in increasing financial inclusion in the country, a recent study released by BSP for FY 2013 shows that only 26.7 percent[24] of the approximately 67.3 million Filipino adults have access to formal financial channels. On the other hand, mobile money technology provides significant opportunities to fill this gap with 111.7 million mobile subscribers of which 8.3 million (or 7.5 percent) have mobile money accounts in FY 2014. It must be noted that multiple SIM ownership is common in most global regions, as such based on the report released by GSMA, *The Mobile Economy, Asia Pacific 2014*, unique mobile subscribers was reported at 49 percent in the Philippines[25]. Concurrently, data on the unique mobile money users across all major providers is currently not available.



[24] http://www.bsp.gov.ph/downloads/Publications/2013/Financial%20Inclusion.pdf, p. 4
[25] http://asiapacific.gsmamobileeconomy.com/GSMA_ME_APAC_2014.pdf, p. 5

Considering the data presented, mobile money technology still demonstrates great potential in reaching a large demographic of Filipinos who are unbanked. From baseline figures in FY 2012 to FY 2014, data below shows an increase in numbers across the board.

Table 3. Mobile Subscriber vs. Mobile Money User Data

Item Description	FY 2012	FY2014	Rate of Increase
Mobile Subscribers	100,654,708	111,748,502	11%
Mobile Money Users	6,589,133	8,350,182	27%
Active Users	539,101	939,511	74%

Number of registered mobile money accounts

Notes on the Baseline Data:

Table 4. September 2012 Baseline Revisions

Reporting Date	BanKO	GCash	Smart	Total
As of Sep-12	218,180	2,231,446	7,096,889	9,546,515
As of Sep-14	218,180	1,426,743	4,944,210	6,589,133

1. As of September 2012 baseline data, total number of registered mobile money accounts was reported at 9.5 million.
2. All throughout FY 2013, all the mobile money providers (MMPs) underwent several organizational changes resulting to management turnovers, changes in key performance indicators and data parameters, system enhancements, and purging of numbers. Due to data limitations, it must be noted that cumulative figures were only added quarterly from baseline initially reported in September 2012.
3. In FY 2014, after continuous consultations conducted quarterly to review data quality and refine parameters/definitions, new data sets were provided further refining and clarifying the data limitations of the two major providers. It was found that figures released quarterly by one of the major providers, GCash, were in cumulative format and revised the data parameters to consider the user activities/behavior particularly due to the account being closed or inactive as of the reporting period. As a result, aggregate figures were over reported.
4. Starting June 2014, baseline data has been updated and refined using current data parameters/definitions. Notably, excluding almost 3 million accounts of purged data from the major providers, baseline as of September 2012 will be at 6.5 million mobile money accounts. As a result, cumulative totals have been revised accordingly.

Currently, user data definition, particularly the number of registered mobile money accounts and active users are appreciated differently across providers depending on its relevance to their business goals. Since mobile money relies on a mobile wallet linked to a mobile number and a sim card, data can be volatile depending on the user activities/behavior. Common problems include defective or broken, lost, expired, recycled sim cards accountholders that may result to a mobile money account number being closed.

> For example, Globe SIM cards have two expiration dates: first one is within 4-6 months after the airtime load expires (expiration can be reversible); after which, the SIM card expires for the second time and is now permanently closed and tagged for

queuing. Further, there are new/unused Globe SIM cards expires a month after the indicated date on the package

Fairly recently, BPI Globe BanKO informed SIMM based on agreement with GCash, BanKO-tagged accounts (i.e. KYCd and approved by compliance) will no longer expire. Please note that previously, KYCd accounts need to have at least one telecommunication transaction and one BanKO transaction within 3 months to prevent expiration of the sim.

As of date the standard definition is *"Number of active registered mobile money accounts opened daily (KYC, over the phone or air activation)".* Active refers to newly opened mobile money accounts and active or valid registered accounts and excludes the following:

1. Dormant accounts for 6 months are considered inactive
2. Sim cards are locked after 6 months of no activity.
3. Accounts can be reactivated within the validity period of two years
4. Reported lost sims are deactivated
5. For GCash, BanKo tagged depositors are removed from the GCash count
6. Other specific concerns may vary based on different products from trade, payroll to consumers
7. Historic accounts for 6 months are considered inactive (sim cards are locked and loses signal). Accounts can be reactivated within the validity period of two years

Table 5. Registered Mobile Money Accounts Data Limitations

Provider	Data limitations
Smart e-Money Inc.	1. Data of Smart was previously reported showing monthly not quarterly numbers. Data has been updated to cover quarterly period. 2. In September 2013, data was updated starting June 2013 as cumulative numbers were purged by 2,152, 679 or 30 percent as of end June (from 7,257,863 in March 2013 it was reduced to 4,844,996 in June 2013). Major reason is due to the multiple sources of data with various parameters that are added together to generate the figures. 3. Cumulative figures reported do not match quarterly numbers reported when added from baseline. This may also be attributed to the various sources of information form Business Operations, Business Analytics and Data Operations that consolidated. 4. Figures can have up to two mobile money accounts linked to a unique mobile number. 5. Reported cumulative figures have a shortfall of an average of 7 percent across all quarters covered 6. These do not include deactivated and dormant accounts. Deactivated are accounts that have not been used for 6 months. An account can be activated within 2 years from opening with a penalty fee. An account will become dormant after two years of inactivity.
GCash	1. Cumulative figures of GCash reported in September 2013 were only added from baseline initially reported in September 2012.

Provider	Data limitations
	2. GCash did not submit number of registered users due to data extraction issues in their system for the period Oct-Dec 2013. Please note that as a result, September 2013 data submitted was reportedly under review. 3. Number of registered mobile money accounts opened daily since 2004 until June 2013 (i.e. KYC, over the air activation). Active or Valid accounts excludes the following a. Dormant accounts for 6 months are considered inactive b. Sim cards are locked after 6 months of no activity. c. Accounts can be reactivated within the validity period of two years d. Reported lost sims are deactivated e. For GCash, BanKo tagged depositors are removed from the GCash count f. Other specific concerns may vary based on different products from trade, payroll to consumers g. Historic accounts are considered inactive (sim cards are locked and loses signal). Accounts can be reactivated within the validity period of two years 4. The figures are automatically updated and extracted quarterly showing as of cumulative\e figures.
BanKO	1. Numbers starting January 2013 were increased due to change of parameters from weekly to daily generation due to missing accounts not accounted 2. Cumulative data includes all accounts KYC and approved. 3. Cumulative figures are more stable because bank accounts are not closed unless initiated by the account holder. BanKO account is still active even if sim is locked after 6 months.

A cursory look at the data from Sep 2012 baseline to June 2014 below shows the number of mobile money accounts that are registered and tagged as active, totaling more than 8 million accounts with a 27 percent increase from baseline figures. Despite the large dip in the number of registered accounts in March 2013 after the purging of one of the major providers, the highest share in the total percentage of registered accounts is still Smart at 65 percent followed by GCash at 25 percent and BanKO at 10 percent, with a combined 35 percent for Globe.

Table 6. Number of Registered Mobile Money Accounts

Type	Mobile Money Providers	Sep-12	Sep-14	Rate of Increase	Market Share
E-Wallet	GCash	1,426,743	2,085,466	46%	25%
	Smart	4,944,210	5,404,328	9%	65%
	Total	6,370,953	7,489,794	18%	
Branchless Bank	BanKO	218,180	860,388	294%	10%
Grand Total		6,589,133	8,350,182	27%	

BanKO report shows a more stable increase in new savings accounts opened via branchless banking, quadrupling its customer base in 2 years reaching a high of 294 percent rate of increase. It must be noted that BanKO as an interest-bearing and insured deposit accounts is governed by banking rules and regulations while the other two providers are regulated as e-money wallets. GCash growth rate is at 50 percent rate and Smart money at 8 percent. The slow growth of Smart Money may be attributed

to its organizational restructuring and movement to Smart e-Money, Inc. (SMI), the financial services subsidiary of wireless leader Smart Communications, Inc. (Smart).

Apart from the major purging of numbers in FY 2013, quarterly data shows volatility of the accounts with spikes of increase and 'drop outs' across the quarters primarily due to dormant accounts and/or inactive/deactivated sims, as previously discussed. This is more applicable to the two wallet providers, GCash and Smart e-money, whose current data systems monitor the validity and activity of the sim cards. On the other hand, data from BanKO shows more stable increase reflecting the savings accounts opened not including live statistics on the account activity.

Due to current data limitations, the yearly figures may provide a better representation of the progress of the mobile money growth in the Philippines. It is recommended that further discussion be made with BSP to regulate the volatility of the mobile number as the basis of the e-wallet account number

Number of active mobile money users

Based on the Alliance for financial inclusion (AFI) definition, *active user refers to a person who has used m-money-related services during the past 90 days or 3 months'.* This indicator helps determine the extent of regular use of mobile money users based on the transactions made periodically. It must be noted that for the purpose of mobile money accounts are linked to a sim card or mobile number and not by unique user. Hence, a unique user can have multiple mobile money accounts.

Since beginning of the project, SIMM has been working with the three mobile money providers to continuously standardize and update figures to generate comparable data. During the implementation of the project, it has been observed that some providers have more robust and flexible systems to extract specific set of parameters as defined while others encounter limitations in data extraction often resulting to manual generation of reports. As a result, due to system limitations and to ensure comparative data across all providers, active users were identified based on monthly average or month with the highest number of active users within the quarter period covered. Further, active user will refer to mobile money accounts and not unique user. Starting June 2013, figures were updated to reflect standard definition below.

Standard Definition: Number of Active Mobile Money Users refers to the number of registered mobile money accounts who used any m-money transaction in the past 30 days within the quarter period covered. Transactions include the following:

1. Conversion from cash centers
2. ATM/Mobile/Internet Banking
3. Remco Partners Abroad
4. MasterCard Money Send
5. Conversion from cash centers of each provider
6. ATM/POS withdrawals
7. Funds transfer from e-money wallets to deposit accounts
8. Payment to Merchants
9. Bills Payments
10. Transfer to Other Subscribers (P2P/W2W)

11. Airtime Purchases
12. Donations

Note on the Baseline

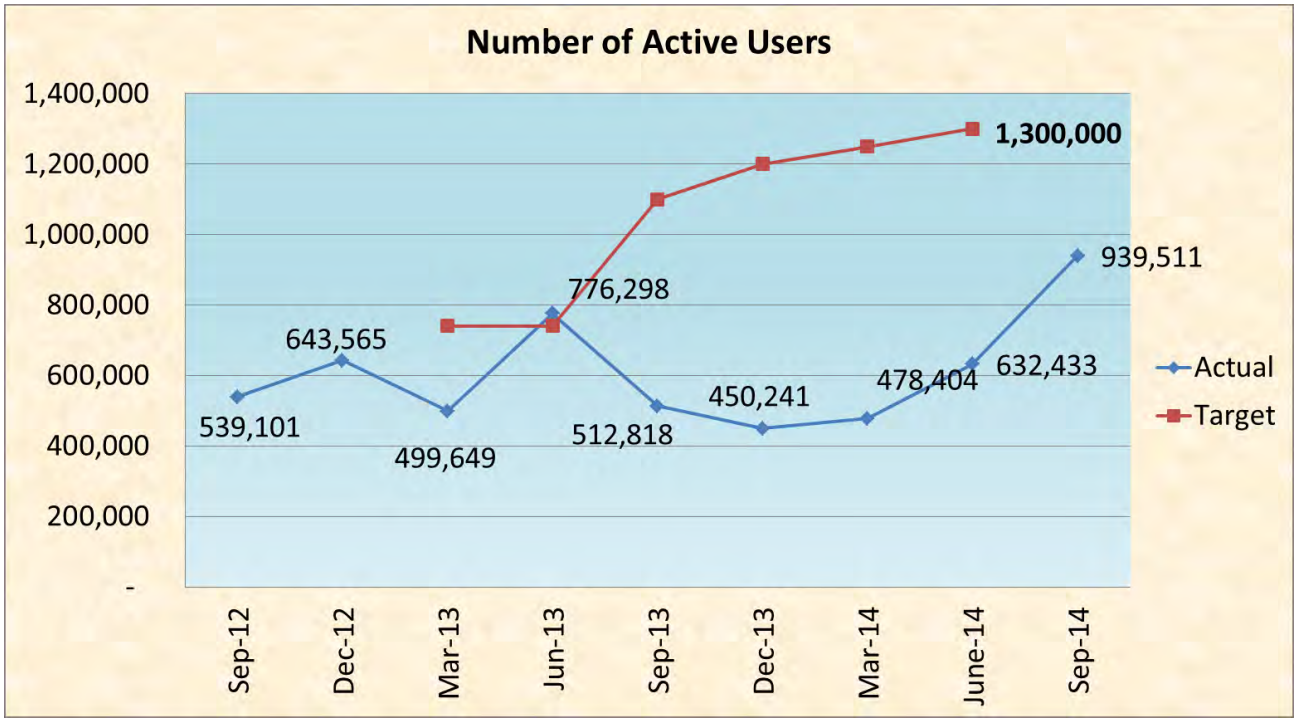
1. Initial baseline figures were reported in September 2014 with 356,425 active users.
2. In June and December 2013, the baseline figure was revised to 529,101 as a result of the expanded data parameters and updates to include all other types of transactions particularly cash in (i.e. mobile banking, funds transfers) and cash out (i.e. ATM/POS and merchant withdrawals).
3. SIMM worked with the mobile money providers to continuously validate reports to ensure standard and comparable data across all the providers. Below are the data limitations and actions taken to address the limitations and standardize parameters for more sound analysis.

Table 7. Mobile Money Active Users Data Limitations

Provider	Data limitations	Actions Taken to Address Data Limitations
Smart Money	Active use includes any transaction made during the month. Only average monthly and cumulative total numbers for the quarter are provided. Lastly, the report script is currently not configured to generate unique usage quarterly.	Generated report is subject to double counting. The most accurate approximation is the monthly average.
GCash	Active use includes only transactions initiated (i.e. Payment to merchants, bills payment, P2P, donations and Purchase of airtime load) by the subscriber and not going out of the mobile money system (GCash registration is not counted as a transaction.)	Active users will include both inflow and outflow of transactions. Number indicates unique user (unique mobile number linked to a mobile money account) regardless of the number of transactions. To get a comparable figure, the maximum or highest number of active users for the period covered is used.
BanKO	Active use includes any transaction made during the month. Report script includes only monthly active use and not unique for the past 90 days	Number indicates unique user (unique mobile number linked to a mobile money account) regardless of the number of transactions. To get a comparable figure, the maximum or highest number of active users for the period covered is used.

Since baseline in September 2012, there have been observed lows in March and September 2013, peaks in December 2012; and highest in Apr – June 2013 exceeding targets for the 2013 fiscal year with a total number of 772,521. Data shows that the highest transactions in monetary value is transfer

to other subscribers (P2P/W2W), followed by conversion of cash to e-money, conversion from cash centers of each provider, then ATM/POS withdrawals.



By Sep 2014, the percentage ratio of registered users versus active users has increased to 11 percent from baseline figures of 8 percent. Notably, active users progress is dependent on several variables existing during the reporting period (i.e. marketing campaigns of the providers and spending behavior of consumers based on scheduled and unanticipated events).

Mobile Money User Data

Mobile Money User Data	Baseline (Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Rate of Increase
Number of Registered Users	6,589,133	7,062,400	7,200,174	7,328,927	7,694,631	7,813,271	7,951,609	8,182,898	8,350,182	27%
Number of Active Users	539,101	643,565	499,649	776,298	512,818	450,241	478,404	632,433	939,511	74%
Percentage Ratio of Registered vs. Active Users	8%	9%	7%	11%	7%	6%	6%	8%	11%	

Data below shows a total increase in active users of 74 percent from baseline figures attributed greatly by GCash that had a rate of increase of 146 percent followed by BanKO at 57 percent. As of September 2014, of the total active users, GCash has the highest share of active users at 61 percent, followed by Smart e-Money, Inc. Inc. at 30 percent and BanKO at 9 percent.

Table 8. Number of Active Mobile Money Users

Type	Mobile Money Providers	Sep-12	Sep-14	Rate of Increase	Market Share
E-Wallet	GCash Smart Total	233,181 250,851 484,032	573,425 279,707 853,132	146% 12% 76%	61% 30%
Branchless Bank	BanKO	55,069	86,379	57%	9%
Grand Total		539,101	939,511	74%	

LIST OF ATTACHMENTS

01 - MFIs and Cooperatives

CCT
- Signed Memorandum of Understanding
- BPR Process Flow

FICO Bank
- Signed Memorandum of Understanding
- Jewelry Loans Payment
- Microfinance Loan Payments and Disbursements
- FICO Letter Report to SIMM

GM Bank
- GM Bank Agent Network Presentation

KMBI
- Signed Memorandum of Understanding

NATCCO
- Signed Memorandum of Understanding
- SOEMCO BPR Process Flow

02 - Policies

BSP
- BSP Circular No.649
- BSP Memo M-2009-031_E-Money reporting

COA
- COA Circular 2004-006
- COA Circular 2013-007

DOF-DTI
- JDAO DOF-DTI No. 1 Series of 2010
- JDAO DOF-DTI No. 2 Series of 2006

03 - Mobile Money Providers

BPI Globe BanKO
- BanKO USAID SIMM Partnership Certification

Certification for October 2012 – June 2014

G-Xchange, Inc (GCASH)
GXI Certification SIDC 16 Jan 2014
SIMM Certification of Partnership Mpayroll Gcash Dec 2014
Memorandum of Understanding with Remitbox
Certificate of Activation: VMobile Technologies Inc.

SMART E-Money
SIMM Certificate of Partnership Smart money Aug2014

Certificate of Mobile Money Adoption_ATVI

04 - SIMM Cities

LGU Toolkit
Batangas City
Batangas LG Terms of Reference
Cover Sheet - Proof of Concept Agreement

Pulilan Municipal Government
Signed Memorandum of Understanding
Pulilan Sangguniang Bayan Resolution

Quezon City
Final Approved Quezon City IRR of Ordinance no. SP-2228 S-2013
Signed Memorandum of Understanding
Quezon City Ordinance no. SP-2228 S-2013

Valenzuela City
Signed Memorandum of Understanding
MOU Signing Program
Valenzuela Ordinance no. 2012-139

Iloilo City
Iloilo City Ordinance no 2014-315

Cagayan de Oro City
Cagayan de Oro City Ordinance no 12807-2014

05 - National Retail Payment System(NRPS)

NRPS Final Report - Phase 1

NRPS Draft Report - Phase 2

06 – Channel Management Strategy

Mobile Money FGDs Full Report

07 - Mobile Financial Services

Mobile Money Agent Model
- GM Bank
  - GM Agent Network Financial Model - bank owned
  - GM Agent Network Financial Model - bank led
  - GM Agent Network Financial Model - partnership

Mobile Money Business Model
- CCT
  - CCT Proposed MFS Business Model v1.4
  - CCT Proposed MFS Business Model Report v1.7
- FICO
  - FICO Proposed MFS Business Model Report v4
  - FICO Proposed MFS Business Model v1.01
- GM
  - GM Proposed MFS Business Model Report v1.3 – DRAFT
  - GM proposed mfs business model v2.1 – SIMM
  - GM proposed mfs business model v2
  - GM Technology Integration v1.0
- KMBI
  - KMBI Proposed MFS Business Model Report v1.2
  - KMBI Proposed MFS Business Model v3.2
  - KMBI Proposed MFS Business Model v3.3 - Board Meeting
- NATCCO
  - natcco proposed mfs business model report final
  - NATCCO Proposed MFS Business Model v3 – SOEMCO
  - natcco proposed mfs business model v3

Mobile Money Financial Model
- CCT
  - CCT Fin Model v9
- FICO
  - FICO Fin Model v9.1
- GM
  - GM FinModel Total v1.1

KMBI
KMBI Fin Model v8
NATCCO
NATCCO Fin Model FINAL v1.1

FGD Report
CCT Focus Group and Product Development Report V6 FINAL
FICO Focus Group and Product Development Report V5 FINAL
Focus Group Summaries V7 – Final
GM Focus Group and Product Development Report V5 FINAL
KMBI Focus Group and Product Development Report V6 FINAL
NATCCO Focus Group and Product Development Report V5 FINAL

07 - Financial Literacy and MFS Training Support Project

USAID SIMM SEDPI PO-Fully Executed-13Jun13
1 - Training Plan
usaid simm training plan Revised
usaid simm work plan 130827

2 - Training Needs Assessment
USAID SIMM MFS Training Support TNA Data Presentation
USAID SIMM MFS Training Support TNA final report
usaid simm tna main messages 130829 consolidated Proposed

3 - Training Modules and materials
usaid simm finlit workbook 140207
Powerpoint Presentations
usaid simm 140206 classroom-type training
usaid simm 140206 individual and small group orientation
usaid simm flmb1 140311 intro to mobile money
usaid simm flmb2 140311 uses of mm and mm providers
usaid simm flmb3 140310 savings through mobile money
usaid simm flmb4 140311 insurance through mobile money
usaid simm flmb5 140311 loans through mobile money
usaid simm flmb6 140311 payment through mobile money
Trainers Manual
usaid simm trainers guide 140206 individual and small group qc lgu
usaid simm trainers guide 140310 introduction to classroom-type
usaid simm trainers guide 140311 session 1
usaid simm trainers guide 140311 session 2
usaid simm trainers guide 140311 session 3
usaid simm trainers guide 140312 session 4
usaid simm trainers guide 140312 session 5

usaid simm trainers guide 140312 session 6

4 - Financial Literacy Comic Books
- FINAL usaid simm comics 140304 financial planning
- usaid simm comics 140304 financial planning
- usaid simm comics 140304 insurance
- usaid simm comics 140304 loans
- usaid simm comics 140304 savings

5 - Mobile Money Videos
- FINANCE VIDS A
- Insurance
- Loans
- Security
- Pay Bills
  - fin pay bills BANKO B
  - fin pay bills GCASH B
  - fin pay bills SMART B
- Purchase Goods
  - fin purchase goods ATM B
  - fin purchase goods BANKO B
  - fin purchase goods GCASH B
  - fin purchase goods SMART B
- Remit
  - fin remit BANKO B
  - fin remit GCASH B
  - fin remit SMART B
- Savings
  - Savings BANKO Part B
  - Savings GCASH Part B
  - Savings Part A
  - Savings SMART Part B

6 - Completion Report of the trainings conducted
- usaid simm completion report 140326

7 - Proposed Roll out Plan
- usaid simm roll out manual 140325

8 - Terminal Report
- usaid simm terminal report 140717
- usaid simm terminal report 140717

usaid simm spss data 130829

usaid simm consolidated spss 130822 end users
usaid simm lgu heads spss 130817
usaid simm mfi heads spss 130817
usaid simm sme spss 130815

08 - Gender

Scaling Innovations in Mobile Money (SIMM) Gender Action Plan 2013
Scaling Innovations in Mobile Money (SIMM) Gender Action Plan RESULTS as of Sep 2013
Scaling Innovations in Mobile Money Gender Issues Table

09 - BCC Project

USAID SIMM Audience and Communication Analysis
USAID SIMM BCC Plan

10 - Communications

Event Photos
- 012114 Valenzuela City launch
- 021214 FICO Bank launch
- 051514 Payatas BPO launch
- 060414 BSP Workshop
- 060914 NPSI Course
- 061114 NPS Planning Workshop
- 061814 ICT Forum
- 080213 Smart NATCCO MOA signing
- 081513 Pulilan Payroll Launch
- 101913 Ilijan Mobile Money Launch
- 111513 FinLit Symposium Balete
- 121113 QC launch

Media monitoring
- SIMM Media Monitoring Sheet

Social Media
- USAID SIMM Social Media Campaign - Completion Report
- USAID SIMM Social Media Campaign - Inception Report
- USAID SIMM Social Media Campaign - Social Media Report

Success Stories
- Batangas coop upgrades payroll system thru mobile-based disbursement
- Bridging the gap with mobile phones Rural moms save with mobile money
- Financial Literacy Trainers Lead the Way to Economic Success
- Mobile money a beginning of better things to come FINAL
- Mobile money helps coop promote community service

- Mobile-enabled payroll brings added benefits for employees
- Quezon City government scholars receive allowances through mobile phone
- Two USAID projects collaborate to achieve better development
- USAID teaches high school students how to save money through mobile money
- SIMM Newsletter – Innovate

SIMM Videos

- Instructional Video
- Promotional Video

Lessons Learned