



mSTAR: The Mobile Solutions Technical Assistance and Research Project

QUARTERLY REPORT
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Acronyms

A4AI	Alliance for Affordable Internet
ANGeL	Agriculture, Nutrition, and Gender Linkages
APE	Elementary Polyvalent Agents
CATI	Computer Assisted Telephone Interview
CDCS	Country Development Cooperation Strategies
BSP	Blue Star Program
DBBL	Dutch Bangla Bank Limited
DD	Digital Development
DFID	UK's Department for International Development
DFS	Digital Financial Services
DIAL	Digital Impact Alliance
eLAN	Electronic Cash Transfer Learning Action Network
FOG	Fixed Obligation Grant
FtF	Feed the Future
GIS	Geographic Information System
GoL	Government of Liberia
GSK	GlaxoSmithKline
HKI	Helen Keller International
ICT	Information and Communication Technology
IFPRI	International Food Policy Research Institute
INE	Instituto Nacional de Estadística
INS	Instituto Nacional de Saúde

IP	Implementing Partners
IRRI	International Rice Research Institute
MAUS	Mobile Access and Usage Survey
MNO	Mobile Network Operator
MOU	Memorandum of Understanding
mSTAR	Mobile Solutions Technical Assistance and Research
PCHP	Private Community Health Providers
RCT	Random Control Trial
READ	Reading Enhancement for Advancing Development
RTD	Real-time Data
RVC	Rice Value Chains
SAPLING	Sustainable Agriculture and Production Linked to Improved Nutrition Status, Resilience, and Gender Equity
SMC	Social Marketing Company
SMS	Short Message Service
SOW	Scope of Work
SUB-IR	Sub-Intermediate Results
TA	Technical Assistance
UCT	University of Cape Town
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USG	United States Government



Lolita Singahan is one of many Filipinos benefiting from mobile banking services. With the mobile services, Singahan no longer has to make the six-hour trek to and from the bank. Photo courtesy of USAID.

Background

The Mobile Solutions Technical Assistance and Research Program (mSTAR) is a cooperative agreement between USAID's Global Development Lab (Lab), Center for Global Solutions and FHI 360 to foster the rapid adoption and scale-up of digital technologies for development. mSTAR's revised main objective, as outlined in the results framework presented in the Year 4 work plan, is to provide technical support and thought leadership for digital development built on evidence-based practices and standards to enable effective programming and learning.

The program continues to work across the three programmatic areas originally envisioned in the initial program design: Digital Finance, Development Informatics and Digital Inclusion. However, the revised results framework now includes activities that improve the enabling environment for digital and financial inclusion under these three areas as well as activities that provide technical support through applied research, partnerships and knowledge sharing. The goal of mSTAR's technical support is to both increase user demand and capabilities and improve programming among USAID and implementing partners.

This report presents information about the activities that were implemented under each of the new intermediate results (IR) during the first quarter of Year 4:

IR 1. Increased Effective Utilization of Digital Technologies in USAID and Partner Programs.

Activities under Intermediate Result 1 focus on increasing the effective utilization of digital technologies among USAID and implementing partners through technical support, capacity building and knowledge sharing.

IR 2. Improved Enabling Environment for Digital and Financial Inclusion.

Activities under Intermediate Result 2 focus on interventions that operate directly on the enabling environment, including market systems, to enable underserved populations to access digital technologies.

IR 3. Increased User Demand and Capabilities with regard to Digital Tools and Services.

Activities under Intermediate Result 3 increase user demand and capabilities for digital tools and services through research, increased awareness and fostering of partnerships.

IR 1. Increased Effective Use of Digital Technologies in USAID and Partner Programs

During the first quarter of Year 4, mSTAR supported USAID in developing and/or disseminating a variety of tools and knowledge products that incorporate digital technologies into programming for both USAID and its implementing partners (IPs) across all three areas in which mSTAR works: **Digital Finance**, **Development Informatics** and **Digital Inclusion**. In some instances mSTAR staff trained USAID and IP staff and provided technical assistance (TA). The activities implemented during this quarter are presented in this report according to the Sub-Intermediate Result (Sub-IR) which we presented in the Year 4 work plan.



Students play a game in Kenya. Photo courtesy Ed Owles, Worldview.

Sub-Intermediate Result 1.1: Increased awareness and capacity of USAID and partner program staff to apply digital technologies effectively.

During this reporting period mSTAR continued to support USAID missions and the USAID Global Development Lab in developing and disseminating a variety of tools to improve USAID programming through the effective application of digital technologies. This section presents mSTAR's accomplishments related to each new tool or initiative introduced or implemented during this quarter.

FEED THE FUTURE DFS GUIDE AND WORKSHOP

During this quarter, mSTAR finalized the development of the *Guide to the Use of Digital Financial Services in Agriculture*, known as the "Guide." mSTAR integrated USAID's feedback into a new version of the Guide and finalized six case studies. On February 17, 2016, mSTAR hosted a launch of the Guide. Fifty-six implementing partners and representatives from USAID attended and 29 international viewers livestreamed the event.

Also in this quarter, mSTAR assisted USAID in hosting two training events in Uganda on February 4 and 5, 2016. The first event was a 100-person forum on integrating digital financial services in agriculture. Sixty people attended the second workshop, which focused on creating action plans with implementing partners on the Guide.

The forum and workshop enabled mSTAR consultant Elizabeth Diebold to formulate a brief discussing the opportunities and challenges when integrating digital financial services into Feed the Future programming in Uganda. A key takeaway included the ripe potential for collaboration among Feed the Future implementing partners in a number of key areas such as insurance products, empowering village agents and farmers, digital information systems and data collection, relationships with banks and aggregators, and linking digital supply chain logistics to e-payments. Ms. Diebold also explored programmatic next steps including a potential crop insurance pilot to capture farmer, insurance provider and bank feedback. All of this information will allow USAID/Uganda to swiftly apply lessons learned into future activity design.

“Now I find comfort in monitoring the performance of my team...if there is need for financial monitoring, I can speak with the finance team.” – Sanaur, SMC

mSTAR/BANGLADESH

TECHNICAL ASSISTANCE TO USAID IPs

The mSTAR team in Bangladesh (mSTAR/Bangladesh) provides short-term, on-demand technical assistance (TA) to USAID IPs in Bangladesh to increase their capacity relevant to mobile money and/or e-payments. During this quarter, mSTAR/Bangladesh started TA assignments for four IPs supporting their use of digital financial services. These IPs are the Reading Enhancement for Advancing Development (READ) project implemented by Save the Children; the Rice Value Chain project implemented by the International Rice Research Institute (IRRI); the SAPLING (Sustainable Agriculture and Production Linked to Improved Nutrition Status, Resilience, and Gender Equity) project implemented by Helen Keller International (HKI); and the ANGeL project implemented by the International Food Policy Research Institute (IFPRI).

GRANT TO SOCIAL MARKETING COMPANY

mSTAR/Bangladesh issued a grant to Social Marketing Company (SMC) in Bangladesh to help document the benefits of transitioning to mobile payments. During this quarter, SMC successfully implemented the planned activities under the agreement and submitted all the milestone deliverables within schedule.

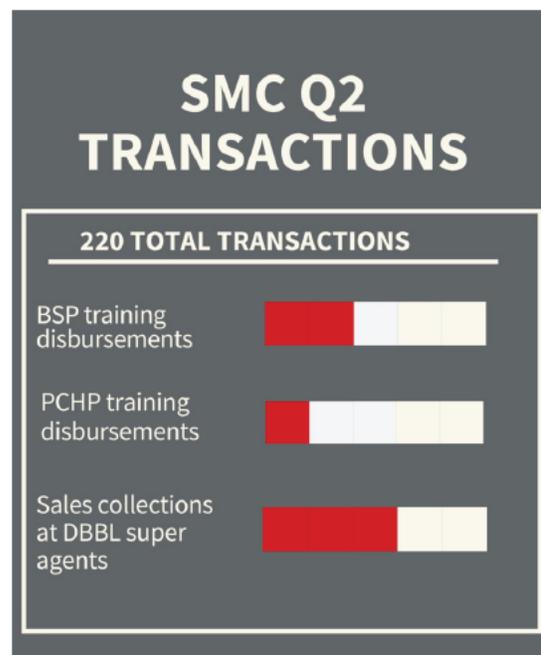
The seventh and last milestone deliverable was submitted this quarter. The Fixed Obligation Grant (FOG) of SMC was closed on February, 29, 2016.

During this quarter SMC made 220 mobile transactions worth around USD \$259,785. Of these transactions, 51 transactions worth BDT 20,400 were made for BSP (Blue Star Program) training disbursements, 23 transactions worth BDT 6,200,000 were made for PCHP (private community health providers) training disbursements and 146 transactions worth BDT 14,149,332 were made for sales collections at DBBL (Dutch Bangla Bank Limited) super agents.

Since the start of the grant through March 31, 2016, SMC has made a total of BDT 98,379,014 (approximately USD \$1.25 million) in transactions using digital financial services, including both mobile and other electronic channels, through 2,457 transactions among 1,628 beneficiaries.

GENDER AND ICT STRATEGY AND TOOLS

mSTAR is supporting the USAID Global Development Lab’s Digital Inclusion Team to develop a Gender and Information and Communication Technology (ICT) Strategy. During this reporting period, mSTAR finalized the scope of work for the Gender and ICT Survey Toolkit with the Digital Inclusion Team. Following a month-long outreach effort eliciting appropriate consultant applications to complete the work, mSTAR and USAID reviewed final candidates.





A woman in Malawi uses a mobile phone as part of a VillageReach SMS project that allows community health workers to register pregnant women in their villages, log estimated delivery dates, encourage them to continue attending ANC and discuss where they will deliver. © 2015 Jodi-Ann Burey/VillageReach, Courtesy of Photoshare.

Ultimately, mSTAR and USAID selected Thao Nguyen. Thao brings 18 years of experience across 20 countries to the table and has worked on projects including the Women's Entrepreneurship Support Sector Development Program in the Republic of Armenia, the Scoping Study of Women's Entrepreneurship Development Interventions and Promoting Gender Inclusive Growth in Central and West Asia Developing Member Countries. Thao will commence work in the following quarter.

USAID MOZAMBIQUE MOBILE ACCESS AND USAGE SURVEY (MAUS)

mSTAR is implementing the Mobile Access and Usage Survey (MAUS), a multi-phased, complex survey to generate detailed data that will allow USAID to establish baselines and design projects that fully leverage the potential of mobile technology in Mozambique. In this quarter, mSTAR began data collection for the two surveys comprising MAUS: the Computer-Assisted Telephone Interview (CATI) survey and a complex household survey spanning 56 districts. Each survey targets four Feed-the-Future (FtF) priority provinces: Tete, Manica, Zambezia and Nampula. Highlights from this reporting period include the completion of two successful trainings in Maptuo and Nampula City and the completion of Round I data collection for the CATI survey.

Round I data collection for the CATI survey was completed ahead of schedule and within a much quicker time frame than expected, saving two weeks of anticipated data collection time. Approximately 750 surveys were completed per province for a total of 3,007 completed surveys.

mSTAR also setup an SMS messaging system across the three mobile network operators (MNOs) in Mozambique to deliver weekly text messages and provide coordinated airtime incentive deposits. For the experimental component of the CATI survey, one group of Round I respondents receives no further communications until the second round, while a second group receives a weekly SMS and a third group receives a weekly SMS and airtime incentive. The SMSs and airtime incentives surveys will continue over the next four months. mSTAR will provide USAID/Mozambique and the Lab with an Analysis Summary providing descriptive statistics for Round I in the following quarter and SMS updates on the SMS system.

One of the major preparation activities for this survey was the collection of an adequate number of mobile phone numbers across each MNO. While MNOs agreed, in principle, to provide phone numbers, two of them ultimately proved reluctant to share this data.

mSTAR and the subcontractor were required to engage in conversations with several executives and lawyers in order to finally obtain mobile phone numbers required for the survey.

At one point mSTAR had to enact a backup plan of contracting another agency to purchase Vodacom numbers. Obtaining numbers from other implementing partners also provided difficult and brought up several concerns related to privacy. After successful negotiations with the MNOs, mSTAR obtained 48,000 numbers from the MNO MCEL; 40,000 from Movitel and 50,000 numbers from Vodacom.



MAUS team meets to discuss CATI in Mozambique.

MAUS HOUSEHOLD SURVEY

PROGRESS AS OF Q2 2016



The household survey commenced at the same time as the CATI survey. Within one month, mSTAR and the subcontractor completed the electronic scripting and testing of the USAID approved questionnaire. The questionnaire consisted of over 101 questions in both English and Portuguese. During a six-day session in Nampula City, Mozambique, the implementing partner, Ipsos, and mSTAR conducted a training of 30 enumerators fluent in six languages. Following a field test of the survey instrument, data collection began in four provinces the week of February 24. Currently, one survey team is operating in each of the provinces. Teams are traveling to 32 widely dispersed enumeration areas per province across a total of 56 districts. As of the end of the reporting period, mSTAR achieved 40% of the total data collection target of 2,176 households.

Prior to conducting the sampling for the household survey in January, mSTAR sought confirmation from the USAID/Mozambique on districts that should be categorized as FtF zones. Such information affects the sampling frame since the survey is stratifying by FtF and non-FtF districts. The Mission provided an update that there have been several new districts added to the FtF target areas or re-zoned. This posed a challenge since the only available data for surveying is from 2007 and in several cases, the new FtF district names did not correlate with the old database.

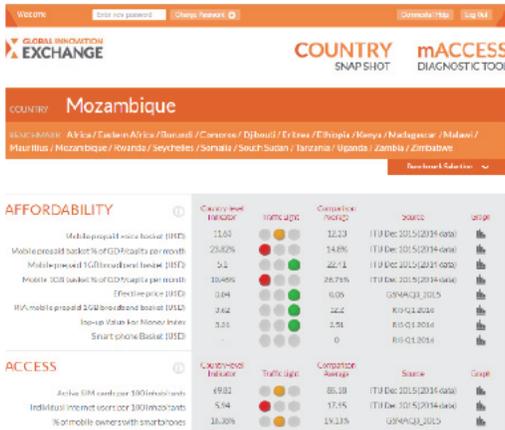
In order to adjust sampling for this, mSTAR conducted research on the name changes, spoke with the INE and mapped the alternate district names in the dataset. This caused some initial delays; however, mSTAR problem-solved using in-country contacts and GIS experts to ensure appropriate stratification of FtF zones for the survey.

Other challenges encountered during the household survey include delays caused by the inability of subcontractor field teams to obtain district approvals in a timely manner. To address this, mSTAR worked with the subcontractor on logistics, sending representatives ahead of the survey field teams to collect approvals in advance. This strategy has sped up activities; however, field teams continue to struggle with anticipating delays in district approvals that might be caused by a long-term absence or political tensions. In order to complete data collection in a timely manner after initial delays in 2015, the household survey commenced shortly before the flooding season in the northern regions. This has caused several delays with the field team as well and mSTAR has been monitoring weather delays on a daily basis with the subcontractor. Other unanticipated challenges in the field include increasing political tensions in Manica and a cholera outbreak in Zambezia. In Manica, survey teams are working around areas that have experienced recent outbreaks of violence or road blockages. mSTAR has replaced several areas selected during sampling in order to avoid issues. In Zambezia, there were delays due to recent cholera deaths. The first secretary of the 'regulo' stopped the enumeration team for a time and this issue has continued to resurface. mSTAR is monitoring each of these challenges with the subcontractor to avoid and anticipate future issues and delays.

DIAGNOSTIC TOOLKIT

mSTAR is implementing a "Diagnostic Toolkit" to enable missions to assess mobile access, provide staff with a decision-making framework relevant to the strategic planning stage such as the CDCS (country development cooperation strategies), program design and implementation. In this quarter, mSTAR launched Phase 2 of the development of the Diagnostic Toolkit.

Building upon initial website development and mission testing in Phase 1, Phase 2 will focus on refining the website, incorporating coverage maps and piloting the use of GIS tools with coverage map data with at least one USAID mission. In February, the Digital Inclusion Team, mSTAR and Research ICT, the subcontractor under this work, held a series of meetings in Washington, DC with the GeoCenter. Relevant Lab partners, NetHope, Alliance for Affordable Internet (A4AI) and the Digital Impact Alliance (DIAL) also attended.



Diagnostic Toolkit Interface

Additionally, Research ICT led a presentation for USAID staff from the Lab and other Bureaus to demonstrate the capabilities of the tool and elicit feedback. As a result of this series of meetings and presentation, the tool has been updated to incorporate additional functionalities and user-friendly features. Updates to the website include a “Country Snapshot” page, clarifications on indicators, clearer language in the User Manual and a subset of resource links on the website. Coverage maps are currently being loaded. In the next quarter, mSTAR will work with USAID to finalize the work plan and dates for conducting a mission pilot with coverage maps.

USAID DIGITAL DEVELOPMENT TRAINING

mSTAR is working with the Center for Global Solutions within the Global Development Lab to deliver a series of deep-dive trainings on digital development and the Lab’s four work streams – Digital Inclusion, Development Informatics, Digital Finance, and the GeoCenter.

“[The village simulation] really put me in the mind of the people we are designing for.” - Training Participant

The main objectives of the trainings are to help USAID staff recognize current and future projects that may benefit from the inclusion of particular digital technologies and solutions; to increase their knowledge about the challenges and requirements for effectively integrating digital solutions into programming; and to cultivate technical skills necessary to design and implement projects that use these technologies. In February of this quarter, mSTAR and members of the Global Development Lab staff delivered a training for regional USAID mission staff and key partners at the West Africa Regional Mission in Accra, Ghana. Fifteen USAID staff from various regional missions attended the five-day training along with four staff from the Bank of Ghana, Save the Children, Africa Cashew Alliance, and the Borderless Alliance. Participants also went on field visits to the DELIVER project, Esoko, and Tigo Mobile Money to observe programs that have successfully used digital tools in their activity implementation. The next training is scheduled to take place in El Salvador on June 20-24, 2016 with the plan that future trainings will be conducted quarterly.



Digital Development Training participants study user-centered learning in Accra, Ghana.

REAL TIME DATA ADAPTIVE PROGRAMMING INITIATIVE

The Real Time Data (RTD) Adaptive Programming Initiative is a joint effort between mSTAR and the USAID Global Development Lab. This initiative tests how RTD systems underpinned by mobile technology can enable a more adaptive and participatory approach to development in complex settings. This initiative is concerned with how to integrate flow data most

appropriately from multiple agents across the

information supply chain including community members, frontline workers and government decision makers to facilitate rapid operational assessments, adaptive and iterative learning and summative evaluations. It involves four main components. The first is a Learning to Adapt Workshop focused on how RTD systems can facilitate adaptive programming and aid decision-making. The second component is a Conceptual Framework describing the theoretical and practical foundations for RTD learning systems. The goal of this component is to develop an understanding and systematic methodology for how these learning systems can be designed and implemented across development practice. The third component is an Applied Toolbox based on the parameters outlined in the Conceptual Framework. The Applied Toolbox will be mapped onto USAID's Program Cycle and will help USAID mission design, implement and adapt RTD systems. The final component will be dissemination of the toolbox and promotion of lessons learned.

In this quarter, mSTAR contracted a consortium led by the Institute of Development Studies (IDS) with Overseas Development Institute (ODI), Reboot Design and Feedback Labs, for development of the Conceptual Framework and received approval from USAID to subcontract. The subcontract for the conceptual framework began its period of performance on March 1, 2016. On March 22-23, 2016, mSTAR hosted work planning meetings with USAID and the IDS Consortium in Washington, DC to review the contract, activity timeline, discussion of the literature review and the case studies and their methodology. On March 23, 2016, the IDS consortium delivered a kick-off presentation at USAID describing the Conceptual Framework activity.

During this quarter, mSTAR met with USAID to gain further clarity on the scope of work for the Applied Toolbox. In late February, the work on this activity slowed down as composition of the team and skills sets required for this activity were revisited. It was determined that a key skill set was lacking – complexity and systems thinking. In the next quarter, mSTAR will take steps to recruit and hire a consultant with complexity and systems thinking expertise. The consultant will help to jumpstart the development of the toolbox.

DATA UTILIZATION STUDY (ETHNOGRAPHY)

Through the Data Utilization Study, mSTAR is examining the factors surrounding how USAID missions manage data flow and use data as a resource for improved decision-making and adaptive programming. The ethnographic research team, led by mSTAR's subcontractor Reboot Design and comprised of members from Reboot, FHI 360 and USAID undertook their third and final research trip to Zimbabwe in January, 2016. The objective of this research trip was to triangulate data observations gathered from previous Mission trips in order to further strengthen the final report. With the field research complete, Reboot has begun work on an in-depth report analyzing adaptive programming in USAID missions and how digital technology plays a facilitating role. The report is expected to be complete in July, 2016.



Afghan men listen as a representative from M-Paisa, or mobile money, describes how mobile bill pay works. Photo courtesy of FAIDA.

Sub-Intermediate Result 1.2: Deeply engaged audience for digital tools and services

mSTAR recognizes that in order to promote the effective use of technology in development programs, development practitioners, policy makers and funders must have access to practical and engaging information so that they are able to make appropriate programming and implementation decisions. During the reporting period, mSTAR continued to host a variety of events and talks on topics relevant to digital development. A key cornerstone of mSTAR's engagement activities are the Tech Tuesday events, which highlight practitioners with extensive experience amplifying the impact of digital technologies for those at the base of the pyramid. Two of these events are highlighted below.

mSTAR/BANGLADESH AWARENESS RAISING ACTIVITIES

STAR has been raising awareness among USAID staff and IPs in Bangladesh on the use of digital payments in programs. A Dhaka-based technical workshop, "Digitizing Payments: From Theory to Practice," was held on February 10, 2016.

A total of 16 participants from 12 organizations participated. During this quarter, mSTAR/Bangladesh also published a total of five learning documents including one mobile money infosheet, three mobile money experiences and one video case story.



Digitizing Payments workshop participants evaluate mobile money challenges and opportunities.

TECH TUESDAY EVENTS

mSTAR continued to provide a web-broadcasting platform for USAID staff to log in and listen to the Digital Development Team's monthly Tech Tuesday events.

In January, Rikin Ghandi, CEO of Digital Green, spoke at Tech Tuesday on how low cost video and interactive voice response technologies can amplify agriculture training, extension and health and nutrition programs. The discussion highlighted Digital Green's data-driven, community-based approach to improving agriculture and nutrition practices among poor farmers and their families in Africa and South Asia.

In February, Eric Rodenbeck, CEO of Stamen Design, presented on how his organization creates compelling interactive design and data visualization media. Much of the discussion focused on Stamen's work in interactive mapping design.

In March, Frances Sibbet, Digital Service Lead for the UK's Department for International Development (DFID), spoke about the organization's new digital strategy. She highlighted DFID's approach to enabling their staff to be more digitally capable in their work and programming.

IR 2. Improved Enabling Environment for Digital and Financial Inclusion

During the reporting period, mSTAR conducted two main activities that enable underserved populations to access digital financial services. The first of these activities is the Liberia e-Payments Activity, which is working to enroll teachers in a mobile money payroll system. The second is the India Digital Financial Partnership Activity, which seeks to establish an autonomous entity to manage the collective action of private sector, government and non-profit actors to create scalable solutions that drive digital finance merchant acceptance with an emphasis on reaching low-income populations.

The Liberia e-Payments Activity is in its final stages of implementation. Possibilities for expanding the work to other Liberian counties and government ministries exist, but did not result in an expanded scope of work during the reporting period. The activity in India is the newest and will go into full implementation once the host of the Partnership is chosen.

Sub-Intermediate Result 2.1: Improved Market Systems that Enable Underserved Populations to Access Digital Technologies

mSTAR focuses on creating environments in which resources can be allocated to populations at the bottom of the pyramid. This often entails convening stakeholders across the private, public and non-profit sectors. In Liberia, mSTAR works with Ministry of Health, the Ministry of Education, and local MNOs to facilitate a more enabling environment for electronic government-to-people transactions. Similarly in India, mSTAR is creating a consortium designed to drive the acceptance of electronic payments for both merchants and consumers in underserved areas.

LIBERIA ePAYMENTS ACTIVITY

mSTAR/Liberia led several achievements toward the scale-up of teacher salary payments via mobile money. Scheduled for January 2016, the initial rollout of teacher mobile money enrollments and digital salary payments was delayed due to lack of finalization of the Memorandum of Understanding (MOU) between the Government of Liberia and Lonestar, MTN's subsidiary MNO in Liberia. The execution of the MOU is the key remaining precursor to rollout. It has been complicated by bureaucratic complications as it is to be signed and attested to by three government entities and one private telecommunications company. However, progress has been made and signatures are expected for the beginning of FY16Q3.

In preparation of rollout, mSTAR has led mobile money agent and liquidity management planning including site visits and assessments of target counties. Liberia's Civil Service Agency dedicated a staff member that mSTAR has engaged in planning a help desk. The help desk will be used as a recourse mechanism for customer questions relating to payments. While Lonestar was previously the only viable mobile money product, Cellcom is a competitor that launched mobile money in March 2016. mSTAR has been working to observe Cellcom's product availability for use in civil servant payments. mSTAR continues to monitor market developments.

INDIA DIGITAL FINANCIAL PARTNERSHIP

mSTAR is implementing the India Digital Finance Partnership Activity to establish a local, autonomous, multi-stakeholder governance and management structure serving as a vehicle for continued collective action and scalable solutions to drive digital finance merchant acceptance. The Partnership will emphasize reaching low-income populations. In this quarter, mSTAR facilitated evaluation discussions regarding proposals submitted for the grant to host the Digital Financial Partnership. The final two candidate organizations were requested to clarify their technical approach through in-person meetings in India.

These meetings were instrumental in ironing out a more coherent technical approach from both candidates and clarifying expectations for the Partnership moving forward. Afterwards, the technical evaluation committee decided to move forward with a finalist. mSTAR worked on recruitment and hiring the CEO and Project Coordinator and preparing the monitoring and evaluation framework for the Initiative. mSTAR has also facilitated dialogue around branding and marking and negotiated a budget, program description and terms of agreement with the finalist organization.

IR 3. Increased User Demand and Capabilities with regard to Digital Tools and Services

mSTAR seeks to make knowledge and data collected through applied research widely available to actors interested in ICT4D, and to connect digital development stakeholders to stimulate their demand and build their capacity to use those tools and knowledge. During the reporting period, mSTAR continued its work with SSG Advisors to conduct a landscape assessment identifying and analyzing business models and/or new technologies for expanding digital access and inclusion to poor or otherwise marginalized populations.

mSTAR also continued its evaluation of the mVaccination application in Mozambique. Additionally, mSTAR finalized its assessment of the current payment methods in four agricultural value chains in Burma and the opportunities for using digital financial services such as mobile money. Finally, mSTAR launched the Principles for Digital Development report on February 29th, 2016, culminating over a year of consultations with ICT for development stakeholders.

Sub-Intermediate Result 3.1: Increased Research Utilization for Digital Technologies

Research into the utilization of digital technology has driven immense innovation in product design across multiple sectors and geographies. However, implementation of these new products has not been fully realized. mSTAR is determining new methods to practical implementation and evaluation. In Mozambique mSTAR is evaluating the mVaccination platform which reduces barriers to complete child vaccination. In Burma, mSTAR recently completed a value chain assessment to determine the best foothold for digital financial services in Agriculture.



mSTAR staff in Liberia.

MOZAMBIQUE mVACCINATION

Following the completion of baseline data collection for the main random control trial (RCT) in fall of 2015, mVacciNation activities in the current reporting period focused on additional components of the evaluation, including (1) the qualitative component investigating changes to vaccine-related processes in the public health system as a result of the introduction of the mVacciNation application, and (2) the Sub-RCT that will test one or more strategies for reducing the barriers to complete child vaccination via small modifications to the mVacciNation application.

Subawardee University of Cape Town (UCT) began the qualitative investigation of process improvements in late-2015 by organizing focus group discussions and in-depth interviews in Ribáuè District, Nampula Province. This past quarter, UCT transcribed the audio recordings from the data collection effort in Ribáuè, developed a thematic codebook, applied the thematic codes to the transcripts and wrote short memos for ten key process-related themes.

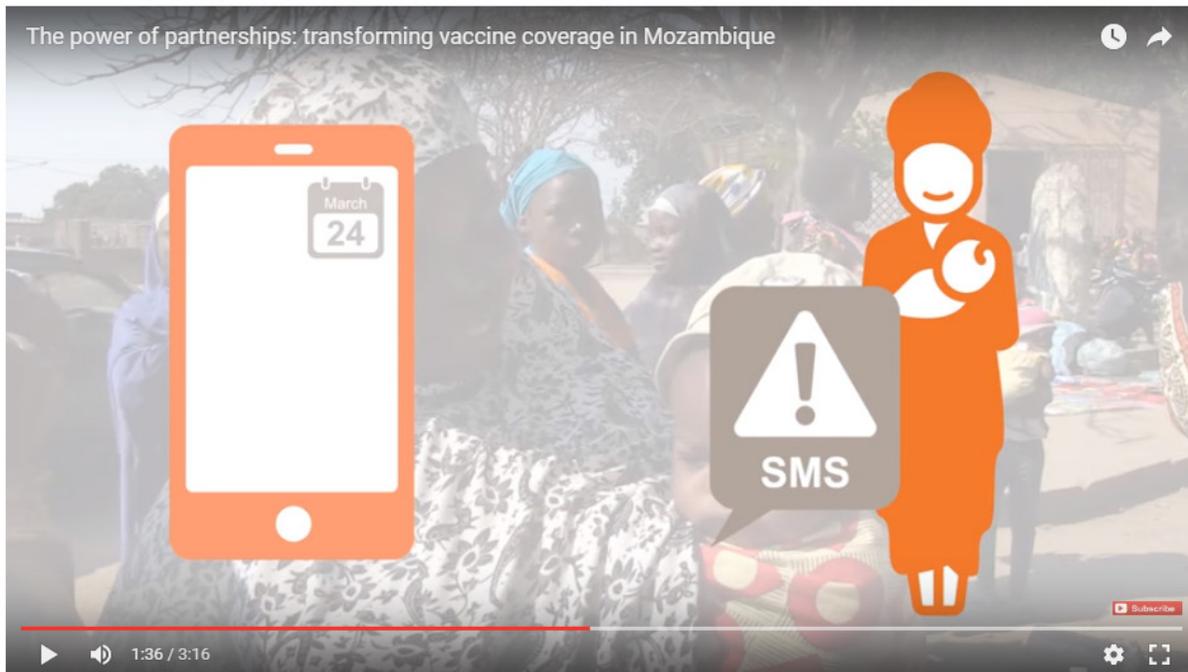
At the same time, two potential treatment arms for the Sub-RCT were discussed with donors. The first is a modification of the current mVacciNation SMS reminders for caregivers to include information on stock availability. The second is use of Elementary Polyvalent Agents (APEs) to deliver the vaccination reminders to caregivers in person. The potential barriers these treatments address were borne out of a combination of the baseline data

and discussions with caregivers, health facility personnel, the Instituto Nacional de Saúde (INS) and project stakeholders. To assess the feasibility of these two potential treatment arms, the research team has been collecting additional information on stock-outs and the APE program.

Next quarter, the team will continue its due diligence efforts by taking a closer examination of the caregivers' perspective on vaccination stock-outs and APEs and finalize the design of the Sub-RCT.

Other accomplishments in this reporting period include the completion of a draft Baseline Report and the convening of informative discussions on endline outcome measures with stakeholders. In the next quarter, the Baseline Report will be shared with donors. UCT will continue engagement with donors on desired endline secondary outcome measures within the existing budget.

Two important technical components of the evaluation that affect the overall activity timeline were also discussed this reporting period, this includes defining "up-take" of the mVacciNation application at health facilities and a revision to the "impact manifestation" period used for the evaluation. mVacciNation has been rolled out to 85 health facilities by VillageReach, separately funded by GlaxoSmithKline (GSK). While health facilities in the control trial have received electronic devices, training and follow-up support, many have yet to fully take up use of the mVacciNation application on a regular or normalized basis. Some facilities have not entered any data on patient visits or stock levels while others experience long lag times in entering data due to lack of electricity. Up-take in the facilities must be considered sufficiently complete in order to assess the impact the application has on the childhood vaccination rate, the primary objective of the evaluation. Partners leading the implementation will communicate the criteria and date by which up-take can be assumed to FHI 360 in the following quarter so the timeline can be updated as necessary. The current assumption is that health facilities will be sufficiently using the application as of April 2016.



GlaxoSmithKline released a video featuring the implementation of mVacciNation, and the diverse set of collaborators involved in the application.

Data collected and analyzed following the baseline survey also required a revision of the “impact manifestation” period originally assumed for the evaluation. This is the amount of time required for the intervention, the mVacciNation application, to produce the expected impacts. The original expectation was that the time a child would have received all required vaccinations should be measured at the age of 14 weeks, in accordance with the Mozambique Ministry of Health vaccination schedule. However, baseline data collection found that nearly all children actually receive their full course of vaccinations after this age – a large portion of children nine months after birth. In order to adjust to this reality, endline data collection will not start until the cohort of children can be expected to have been vaccinated, six months later than anticipated. mSTAR has revised the schedule accordingly and discussed this with donors to seek feedback and approval. It is anticipated that due to the significant depreciation of the currency of the UCT subaward (the RAND), this extended timeline can be accommodated without additional funding from donors. mSTAR will complete activity budget projections in the next quarter to confirm this and discuss with donors.

BUSINESS MODELS FOR DIGITAL INCLUSION ASSESSMENT

In this quarter, mSTAR continued work with SSG Advisors to complete a landscape assessment to identify and analyze business models and/or new technologies for expanding digital access and inclusion to poor or otherwise marginalized populations. As a major component of this assessment, SSG conducted individual interviews with key informants. mSTAR and SSG coordinated all-day workshops, termed “white-boarding sessions,” with key industry, government, and development leaders. In total, over 100 executives and practitioners from government, industry, startups, and the development community shared their perspectives on the future of Internet connectivity for low-income populations and discussed what emerging business models and solutions hold the most promise. The white-boarding sessions held in Washington, DC, Nairobi, Silicon Valley, Manila and Delhi brought together approximately 15 key individuals representing diverse interests and perspectives. In addition to reflecting on opportunities and challenges in their own sectors, each attendee also participated in cross-sector break-out groups to brainstorm emerging solutions and discuss areas for potential collaboration.

Beyond informing the assessment and final report, an interesting outcome of the white-boarding sessions was the overwhelmingly positive response from all of the individuals and companies involved. Attendees cited the sessions offered an uncommon opportunity for diverse stakeholders with an interest in increasing connectivity for the world's poor to be in the same room and have a conversation about common challenges and promising models. Shortly after the final white-boarding session in Delhi, SSG drafted a final report and presentation. In March 2016, findings and several preliminary recommendations were shared with the Digital Inclusion Team. In the next quarter, mSTAR will work to complete a well-rounded draft with SSG, engage USAID in finalizing the report and prepare a public event to feature the report.

DIGITAL FINANCIAL SERVICES IN AGRICULTURAL VALUE CHAIN ASSESSMENT IN BURMA

The final assessment was disseminated to stakeholders via email and posted to MicroLinks. It is available in full and abridged versions in English, and abridged version in Burmese. A two-page overview of the findings was drafted and submitted to USAID for input in February. That feedback is still pending. Once it is received, it will be integrated into the overview and published.

“As an incubator, there is very little external push to focus specifically on last-mile solutions.” - Director of a startup incubator in Manila

Sub-Intermediate Result 3.2: Increased Engagement with Digital Development Stakeholders

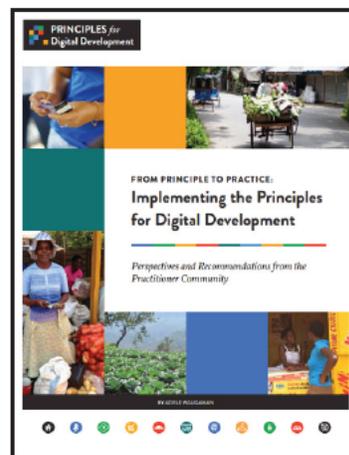
Digital development cannot be achieved in a vacuum. It requires significant collaboration between a plethora of stakeholders including donors, implementers, government actors and the private sector. mSTAR recognizes the need for more robust coordination and has worked to create an environment in which these conversations can occur.

PRINCIPLES FOR DIGITAL DEVELOPMENT REPORT AND LAUNCH EVENT

In February, mSTAR released *From Principle to Practice: Implementing the Principles for Digital Development*. Written by mSTAR consultant Adele Waugaman, the report explores the learnings from the previous year's community discussion around the Principles for Digital Development. It makes explicit recommendations to donors, implementers and other development actors on how best to put the Principles into practice.

On February 29, over 200 people from more than 150 organizations attended a full-day report launch event at FHI 360's Academy Hall. The event included a series of lightning talks, panel discussions and interactive breakout sessions. The event featured high-level keynotes from U.S. Global Development Lab Executive Director Ann Mei Chang, Co-Lead of UNICEF's Innovation Unit Chris Fabian and Kate Wilson, CEO of the recently-launched DIAL.

To date, over 60 donors, implementing partners and private sector organizations have endorsed the Principles for Digital Development. Looking to the future, custodianship of the Principles will be transitioned to DIAL, who will continue to promote them throughout the development sector, particularly at the field level.

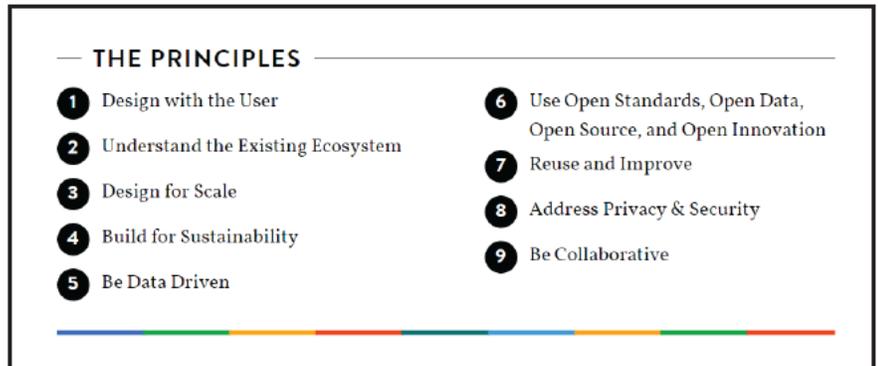


Principles for Digital Development report.

“HARNESSING THE DATA REVOLUTION” RESILIENCE SUMMIT AND RECOGNITION AWARDS

Planning and promotion continued for the Summit, which will take place on May 10-11 in Bangkok. During this quarter, mSTAR reviewed 68 applications for the two recognition award categories: early stage innovations and impact demonstration. A panel of judges consisting of USAID and FHI 360 staff selected the top five applications from each category as finalists.

Finalists are be invited to Bangkok to present during the Summit.



MONITORING AND EVALUATION

In Quarter 2, the mSTAR’s DevResults data management platform became fully operational. Multiple stages of training with project staff to input all mSTAR activities, results of historical data from the beginning of the project, and a pilot test of reporting this quarter’s data for all 27 activities were held. Q2 was also the first quarter mSTAR conducted a data quality assessment (DQA) on the new project indicator. M&E Specialist Molly Chen chose a random sample of activities and checked backup documentation for each data point. Results were overall positive and recorded in individual DQA sheets. The project staff conducted post evaluations using survey methods for the Ghana Digital Development Training, launch event for the Guide for the Digital Financial Services, the Internet of Things with Cisco, and the Cash Transfer Catalog Session with the Electronic Cash Transfer Learning Action Network (eLAN).

COMMUNICATIONS

At the beginning of Year 4 mSTAR formulated a communications strategy. The communications strategy is aimed at increasing awareness of the mSTAR mechanism, its activities and potential to USAID missions, implementing partners, host country governments, the private sector, academic community and NGO’s in targeted developing countries globally and within the US to influence the way mobiles for development programs are designed and delivered. As part of that strategy, mSTAR envisions using online and print publications, social media, video and events among other tools to disseminate both program-generated information and knowledge and information relevant to the ICT4D community.

During the reporting period, mSTAR onboarded the new team Communications Specialist, Clarissa Perkins, and began the full implementation of the communications strategy.

mSTAR's subsequent outreach via its social media platforms broadened to include 115 new Twitter followers and 54 new Weekly Reader subscribers. mSTAR also formalized its communications packet that will allow the project to document and disseminate information to a wider audience. In addition, mSTAR continued to host events on topics of interest to the ICT4D community.

Cash Transfer Technology Catalog Design Session
On March 24th, mSTAR worked with eLAN to host an interactive design session with the objective to help develop a catalog for cash transfer technology. The catalog is designed to enable humanitarians to quickly find and use the best technology in disaster situations. Representatives from Oxfam, MasterCard, USAID, Mercy Corps, The Cash and Learning Partnership and FHI 360 were among 29 attendees that participated in the design session, which included refining use cases that will help eLAN create a more user-centric catalog for both field and headquarters staff.

Pending Scopes of Work

Most of the buy-ins that mSTAR receives have a specific scope of work attached to them at the time of fund obligation, but sometimes mSTAR receives buy-ins from USAID for a specific scope of work that has not been formulated prior to receiving the funding. USAID and mSTAR, therefore, embark on a process of writing the scope of work so that the funding can be used for an activity. In other cases, funding remains from complete or suspended activities and in collaboration with USAID, mSTAR initiates a process of reallocation of those funds to other activities. This section describes the tasks that mSTAR performed during the reporting period to formulate scopes of work or reallocate funding.

During this quarter, mSTAR worked with the Development Informatics Team to develop a scope of work for an activity that aims to document the value and impact of open data initiatives in low and middle income countries in order to understand the path forward for future interventions. This research will focus on informing development actors and research institutions through comprehensive literature reviews, in-depth analysis of identified case studies, and strategies and guidance for successfully integrating open data into development projects. At the end of this reporting period, mSTAR provided the team with an initial SOW for review and comment.

In the next quarter, once the SOW is fully approved by the Development Informatics Team, which was previously known as Real Time Data, mSTAR will release a solicitation to procure the services of a research institution to lead the research.

Also for the Development Informatics team, mSTAR has been developing a scope of work for an activity that will support USAID's Global Development Lab to provide guidance on processes and practices for the responsible collection and use of data for both missions and IPs. The envisioned activity provides tools and guidelines that USAID can provide its staff and IPs to foster best practices for responsible collection and use of data, especially data about individuals within socioeconomic, cultural and political contexts who would face increased vulnerability if their data were exposed. At the end of this reporting period, mSTAR provided the team with an initial SOW for review and comment. In the next quarter, once the SOW is fully approved by the Development Informatics Team, mSTAR will release a solicitation to procure the services of a research institution to lead the research. mSTAR has also been working with the Development Informatics Team to ascertain the knowledge and interest around the Digital Development Principles and facilitate and fund appropriate responses to any gaps within the Missions and Bureaus.

The Development Informatics Team is conferring internally to prioritize the most pressing demands and ensure that any response does not duplicate efforts by other teams within USAID. When this has been agreed to, mSTAR will confirm the scope of work.

mSTAR has been working with the Digital Inclusion Team to build a Gender ICT curriculum (with both in-person and online resources) to support USAID missions to successfully understand and integrate ICT into their programming. At the end of this reporting period, mSTAR provided the team with an initial SOW for review and comment. In the next quarter, once the scope of work has been agreed on, the next steps will be to engage with an educational web development firm to begin creating the materials. mSTAR has also been working with the Digital Inclusion Team to understand mission knowledge gaps around Digital Inclusion and define how these could be best addressed. At the end of this reporting period, mSTAR provided the team with an initial SOW for review and comment.

mSTAR has also been working with the Digital Financial Services Team to develop a scope of work to outline how mSTAR can support the Government of the Islamic Republic of Afghanistan's Policy Coordination Unit to create the foundational digital financial ecosystem required for civilian government salary payment transactions to occur digitally.

At the end of the reporting period, mSTAR joined an Afghan delegation to a study tour in India to better understand the evolving India payments system and its digital identities. mSTAR produced a report and recommendations coming out of the study that will be present to President Ashraf Ghani for approval.

mSTAR has also been working with the Digital Financial Services Team to develop a scope of work for a RegTech activity, which aims to catalyze innovation and private sector investment in technology solutions to support financial services regulators and supervisors in Ghana and the Philippines. In these countries, digital technology to expand financial inclusion has been prioritized by the respective governments. The envisioned activity will a) utilize a challenge grant competition to identify promising solutions to increase consumer protection, (b) pilot test those solutions in collaboration with public and private sector stakeholders in Ghana and the Philippines, and (c) bring together regulators and industry through a series of convenings to frame more collaborative relationships.



Management and Financial Updates

Annex A: Indicator Reporting Table – Quarter 2

#	Indicator	Result totals	Frequency	Activities reporting to Indicator for Q2:
Program Objective: Provide technical support and thought leadership for digital development built on evidence-based practices and standards to enable effective programming and learning				
Intermediate Result 1: Increased effective utilization of digital technologies in USAID and partner programs				
IR.1.a	Number of mSTAR trainees effectively utilizing digital technologies in their work		Annually	will track annually
IR.1.b	Number of USAID and partner programs who have adopted or made an explicit commitment to adopt digital development to enhance development outcomes as a result of project assistance		Annually	will track annually
Sub-IR 1.1: Increased awareness and capacity of USAID and partner program staff to apply digital technologies effectively.				
1.1.a	Number of USAID and partner program staff who report an increased understanding of digital technologies as a result of mSTAR project interventions	21	Quarterly	Ghana DD training, FtF launch event, BD T.A.
1.1.b	Number of learning event participants reporting increased understanding of digital development	104	Quarterly	Ghana DD training, FtF launch event, BD T.A & events, Principles event
1.2.a	Number of new digital technology learning products	28	Quarterly	Principles report, DFS FtF guide, Mali DFS Blog, Weekly Reader, Diagnostic Toolkit, BD learning products
1.2.b	Number of learning events for digital development	21	Quarterly	Ghana DD training, FtF launch event, BD T.A & events, Principles event, IoT, BanQu, eCM, SSG whiteboardings, CoP meetings
1.2.c	Number of attendees at digital development learning events	725	Quarterly	Ghana DD training, FtF launch event, BD T.A & events, Principles event, IoT, BanQu, eCM, SSG whiteboarding (3), CoP meetings
1.2.d	Number of new members joining DFS Community of Practice		Annually	will track annually
1.2.e	Number of views and downloads of digital technology learning products	3745	Quarterly	Principles report, DFS FtF guide, Mali DFS Blog, Weekly Reader
1.2.f	Number of new buy-ins from donors and private sector partners		Annually	will track annually
1.2.g	Number of engagements facilitated by mSTAR with digital financial services stakeholders	14	Quarterly	Ghana DD training, FtF launch event, BD T.A & events, DFS CoP
Intermediate Result 2: Improved enabling environment for digital and financial inclusion				
IR.2.a	Improved score for priority countries on World Bank FinDex (Denotes the percentage of respondents who report having an account (by themselves or together with someone else).	India- 53.1; Bangladesh- 31.0; Burma- 22.8; Liberia-18.8; Mali-20.1	Annually	WB FinDex Account Penetration (15+): Denotes the percentage of respondents who report having an account (by themselves or together with someone else). For 2014, this can be a mobile account as well as an account at a bank or another type of financial institution. This is measured as a percentage of the adult population aged 15+ in 2014.
IR.2.b	Improved score for priority countries on Freedom House index (1 representing the most free and 7 the least free)	India- 2.5; Bangladesh- 4.0; Burma- 6.0; Liberia- 3.5; Mali-4.5	Annually	Each country score is based on two numerical ratings—from 1 to 7—for political rights and civil liberties, with 1 representing the most free and 7 the least free.
IR.2.c	Improved score for priority countries on World Business Doing Business survey (out of total 189 countries)	India- 130; Bangladesh- 174; Burma- 167; Liberia- 179; Mali-143	Annually	A high ease of doing business rank means that the regulatory environment is more conducive to the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores (this measure shows the distance of each economy to the frontier, which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance from frontier is reflected on a scale of 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. For example, a score of 75 in DB 2015 means an economy was 25 percentage points away from the frontier constructed from the best performances across all economies and across time) across 10 topics, each consisting of several indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2015.
Sub-IR 2.1: Improved market systems that enable underserved populations to access digital technologies				
2.1.a	Number of countries who have adopted or have made an explicit commitment to adopt policies or regulations to increase the use of digital technologies		Annually	will track annually
2.1.b	Number of new products or services designed to meet the wants and needs of USAID project beneficiaries introduced as a result of mSTAR project interventions		Annually	will track annually
2.1.c	Number of market assessments conducted for digital technologies	2	Quarterly	Myanmar, Bangladesh
2.1.d	Number of recommendations from market assessments adopted for digital technologies in priority countries		Annually	will track annually
IR 3: Increased user demand and capabilities with regard to digital tools and services				
IR.3.a	Number of users receiving payments by digital tools and services		Annually	will track annually
IR.3.b	Number of users making payments by digital tools and services		Annually	will track annually
IR.3.c	Number of users using digital tools and services		Annually	will track annually
Sub-IR 3.1: Increased research utilization for digital technologies				
3.1.a	Number of research activities conducted by mSTAR for digital technologies	3	Quarterly	MAUS CATI Report, RTD Case Studies
3.1.b	Number of recommendations resulting from mSTAR research activities utilized by programs		Annually	will track annually
3.1.c	Number of new approaches and technologies introduced for digital development		Annually	will track annually
Sub-IR 3.2: Increased engagement with digital development stakeholders				
3.2.a	Number of engagements facilitated by mSTAR with digital financial services stakeholders	14	Quarterly	Ghana DD training, FtF launch event, BD T.A & events, DFS CoP
3.2.b	Number of organizations that have endorsed Principles for Digital Development		Annually	will track annually

Annex B: mSTAR Bangladesh Quarterly Report - Quarter 2



USAID
FROM THE AMERICAN PEOPLE

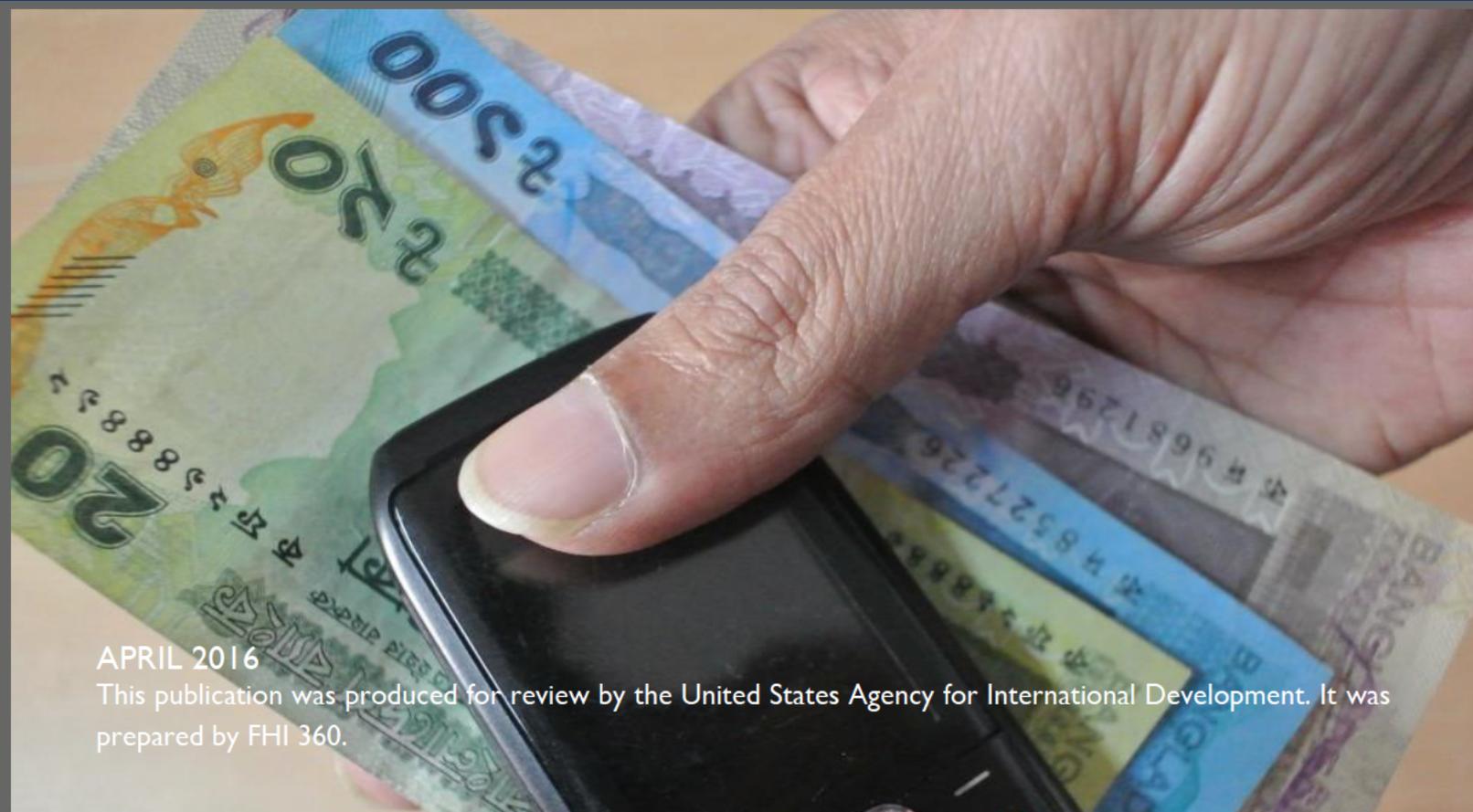


MOBILE SOLUTIONS TECHNICAL ASSISTANCE & RESEARCH (mSTAR), BANGLADESH

QUATERLY REPORT, FY 2016
01/01/2016 – 03/31/2016

APRIL 2016

This publication was produced for review by the United States Agency for International Development. It was prepared by FHI 360.



Mobile Solutions Technical Assistance and Research (mSTAR), Bangladesh

QUARTERLY REPORT, FY 2016,
(01/01/2016 – 03/31/2016)

COOPERATIVE AGREEMENT NO.: AID-OAA-A-12-00073

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

AMC	Activity Management Committee
AOR	Agreement Officer Representative
BB	Bangladesh Bank
DFS	Digital financial services
IP	Implementing partner
MFS	Mobile financial services
MM	Mobile money
MNO	Mobile network operator
mSTAR	Mobile Solutions Technical Assistance and Research
mSTAR/B	Mobile Solutions Technical Assistance and Research/Bangladesh
SMC	Social Marketing Company
USAID	United States Agency for International Development
USG	United States Government

1.0 Executive Summary

This report provides an overview of mSTAR/Bangladesh (“mSTAR/B”) activities for FY 2016 from January 1, 2016 to March 31, 2016. It highlights the key achievements with respect to the mSTAR/B work plan and M&E indicators. Planned activities for the upcoming quarter are also outlined in this report.

Over the last quarter, mSTAR/B effectively managed and assisted one grantee with the process of transitioning from cash to mobile payments. During the quarter, mSTAR/B began providing short-term technical assistance to four USAID implementing partners. In addition, mSTAR/B published five learning documents aimed at helping IPs gain more knowledge on mobile payments and to enable them to make informed decisions when deciding whether to adopt mobile payments in their projects. Moreover, mSTAR/B continued its ongoing dialogue facilitation with different stakeholders to promote digital financial services and to encourage the development of an efficient mobile money ecosystem that will benefit all beneficiaries of USAID projects in Bangladesh.

In addition to the achievements made by mSTAR/B, this report also highlights challenges faced by the mSTAR/B team and our grantee and TA recipients during this quarter, along with the mitigation measures adopted and/or planned to resolve these issues. Key lessons learned from this quarter are included at the end of this report.

2.0 Country Activity: Bangladesh

mSTAR is a broad, flexible, and responsive technical assistance and action learning program that fosters the rapid adoption and scale-up of mobile money, mobile technologies and mobile data solutions, in developing countries. Ultimately, mSTAR seeks to increase access and use of mobile technologies by the poor, civil society, local government institutions, and private sector stakeholders.

The mSTAR/Bangladesh activity supports the acceleration and adoption of mobile money and electronic payments (e-payments) within the USAID Mission’s programs, with a specific emphasis on health, education, agriculture and gender. Implementation of this activity began in September 2013.

mSTAR/B is helping USAID implementing partners to integrate mobile payments and electronic payments into their program operations. In addition, mSTAR/B also works with USAID/Bangladesh, implementing partners, and other relevant parties to define and capture mobile money metrics consistent with USAID’s country-level results framework. Local capacity building, ownership, and sustainability are key principles to be supported through this activity. The objectives of this program are to:

- Increase the use of digital payments in USAID programs—especially those in the Economic Growth portfolio (Global Climate Change and Feed the Future)—resulting in efficiency and productivity gains across USAID/Bangladesh’s sector portfolios resulting in strengthened programs and greater attainment of development outcomes, and
- Promote improvements in the overall digital finance sector within Bangladesh that will be beneficial to improving uptake within USAID projects and by USAID beneficiaries, which in the case of the latter will also help to promote financial inclusion.

3.0 Updates on Work Plan Specified Deliverables

3.1 Overview of Deliverables and their Status

Deliverable	Status
1. Quarterly Performance Reports on project activities to indicate progress toward established performance targets	The 2 nd quarterly report of 3 rd year (this report) was prepared and shared in April 2016.
2. Conduct technical workshops	One Dhaka based workshop entitled “ <i>Digitizing Payments: From Theory to Practice</i> ” was held on February 10, 2015 in this quarter. A report summarizing the workshop was published online .
3. Provide technical assistance (TA)	During this quarter, mSTAR/B started short-term technical assistance assignments for four IPs: <ul style="list-style-type: none"> • READ project, implemented by Save the Children • Rice Value Chain project, implemented by IRRI • SAPLING project, implemented by HKI • ANGeL project, implemented by IFPRI
4. Publish learning documents and multimedia content	During the reporting quarter, mSTAR/B published 5 learning documents including mSTAR/B’s midline survey.

3.2 Deliverables: Targets and Achievements

Deliverable Name	FY 16 Targets	Achievements	
		Q2 (Jan - Mar 2016)	Total FY15 (to date)
Technical workshops	4	2	3
On-demand STTA*	6	4	4
Learning documents and multimedia content	20	5	11
Stakeholder meetings	4	1	1
Portfolio acceleration assessment reports	2	1	1

* On-demand STTA is counted once the assignment has begun, not when it is requested.

4.0 Updates on Work Plan Activities (Quarter 2, FY 2016)

The major activities in the work plan are:

1. Awareness raising activities
2. On-demand short-term technical assistance
3. Grants management
4. Portfolio acceleration
5. Dialogue facilitation
6. Integration with other Digital Development activities
7. Environmental compliance
8. Branding and marking
9. Data collection, monitoring and evaluation

Overall Status: On Track

4.1 Awareness Raising Activities

4.1.1 mSTAR/B Technical Workshops

A Dhaka-based technical workshop, entitled “[Digitizing Payments: From Theory to Practice](#)” was held on February 10, 2016. The workshop focused on how digital financial services could be incorporated into USAID projects. The workshop also included a simulated group activity so that participants could learn how to identify potential scopes of adopting mobile money in project operations. USAID IP staff also shared their concerns on mobile money usage in an open discussion. A snapshot of the workshop is provided below.

The workshop also covered how mSTAR/B can help USAID implementing partners to transition from cash to mobile payments. In addition, it included a recap of key discussions from previous workshops including the benefits of using mobile money in projects.

A total of 16 participants (12 males and 4 females) from the following 12 organizations participated in the workshop:

- | | |
|--------------------------------|--------------------------------------|
| 1. DAI | 7. Hellen Keller International (HKI) |
| 2. Deloitte | 8. IBI International |
| 3. Democracy International | 9. Winrock International |
| 4. Dhaka Ahsania Mission (DAM) | 10. Dnet |
| 5. IRRI | 11. WildTeam |
| 6. Save the Children | 12. UNDP |

The workshop covered the following topics:

- **Overview of mSTAR Bangladesh**

M Ataur Rahman, mSTAR/Bangladesh Project Team Lead, welcomed all participants. He mentioned that mSTAR/Bangladesh has the technical competency to help USAID’s implementing partners in transitioning

from cash to electronic and mobile money. Ataur mentioned that mSTAR/Bangladesh organizes awareness raising workshops to educate USAID IPs on digital financial services (DFS). In addition, mSTAR/B produces numerous learning documents that can help USAID IPs to take informed decisions while transiting to DFS from cash. He further mentioned that mSTAR/Bangladesh also provides intensive technical assistance to USAID's IPs to assess the potential scopes for using DFS, the viability of adopting mobile money, and to smoothen the transition from cash to DFS.



- **How to integrate DFS into your project**

Jaheed Parvez, Technical Lead of mSTAR/Bangladesh gave a brief presentation on the process of incorporating DFS in project operations and discussed exiting mobile financial services (MFS), in particular, for both individual and corporate users, existing regulations, the process for opening a corporate MFS account, and the limitations of MFS products.

Jaheed mentioned that the MFS industry in Bangladesh follows a bank-led model which makes MFS secure as the money is backed up by a trust account with the bank, meaning that money kept in a MFS account is as safe and secure as money kept in a regular bank account. He mentioned that as long as the PIN number is secure, the money in an MFS account is also secured. Talking about the increase in popularity of mobile money within Bangladesh he mentioned that the MFS industry has observed rapid growth in the last couple of years.



Speaking about MFS regulations, Jaheed mentioned that Bangladesh Bank, the central bank of Bangladesh, has formulated MFS guidelines and also made a new department named the Financial Inclusion Department. He said that the involvement of the central bank has contributed towards increased use of mobile financial services. In addition, Jaheed talked about the existing limits in number and volume of transaction applicable for individuals, however, he mentioned that the limits do not apply to corporate MFS users.

Jaheed mentioned that as USAID has made electronic payment the default payment system, it will be helpful for USAID IPs to consider mobile money as an option since the number of bank branches and ATMs are fewer than the number of MFS agent points. He said that opening an account is very easy

provided that the beneficiaries have the required documents and also spoke about alternative ways of opening an account in case beneficiaries do not have a national identity card. For corporate users, he mentioned that it is easy to open a corporate MFS account compared to opening a corporate bank account.

Jaheed spoke about the different benefits of MFS, which include transparency, instant payment, record keeping, time saving and reduced risk. However, he also mentioned that use of mobile money may not make sense for some particular types of transactions.

- **Group Work**

The participants participated in a simulated group exercise. Participants were provided with two scenarios where transactions are made using cash and were required to assess the viability of using mobile money for each. One scenario focused on a case where cash withdrawals were made by staff for incentive payments and the other one focused on a case where beneficiaries receive their incentives in cash, often facing delays. Participants evaluated the scenarios, identifying potential problems with cash and how mobile money could be a better alternative. After discussing in groups, participants gave group presentations on why they think mobile money is a better fit over cash in these two scenarios.



- **Open Discussion**

In the open discussion, the mSTAR team responded to various questions and concerns raised by participants. In response to a question, Jaheed said that the money sent to a beneficiary is not only faster but also helps in record keeping by the finance team. Additionally, he shared that MFS providers provide periodic transaction statements to corporate users which will benefit the finance team for audit purposes. In response to another question, he shared that additional costs incurred due to use of electronic payments can be charged to USAID. Jaheed mentioned that mSTAR is ready to help USAID IPs in digitizing payments.



The full workshop report is available [online](#).

Overall Status: On Track/Ongoing

4.1.2 mSTAR/B Learning Documents

During this quarter, mSTAR/B published a total of five learning documents, including one mobile money infosheet, three mobile money experiences and one video case story.

Infosheets

During this quarter, mSTAR/B published a new Infosheet on [OK Banking](#). The Infosheet provides an overview of the product(s), cost, information on how to set up a corporate agreement, and the bulk payment process.

Mobile Money Experience

mSTAR/B developed three mobile money experiences highlighting the benefits of mobile money on USAID IP staff and beneficiaries. [Razzak](#) worked with USAID's SHOUHARDO II project implemented by CARE Bangladesh. His story shows how adoption of mobile money has made his life easier by eliminating the need to travel to the bank to withdraw cash. [Anamika](#) is an extension facilitator of WorldFish and worked with USAID's Aquaculture for Income and Nutrition project. Her story focuses on how adoption of mobile money increased her work efficiency and reduced her risk from handling cash. [Sanaur](#) is a frontline manager with Social Marketing Company. His story reflects how adoption of mobile money saves time and aids in more effectively monitoring field level activities.

Videos

During this quarter, mSTAR/B published a video entitled [Initially We Thought It Would Not Work' - SMC's Transition to Mobile Money](#). In the video, the Head of Training & Service Delivery at SMC, Dr. Salah Uddin Ahmed, shares how he perceived the transition to using mobile money and how he feels it has benefited SMC.

Other Communications Activities

mSTAR Bangladesh Newsflash is a monthly e-newsletter aim at promoting the project's activities, learning documents, and other information related to mobile money to stakeholders. The aim of the e-newsletter is to create a space for the project to promote mobile payments across USAID projects. In this quarter, three issues were circulated to more than 260 individuals from USAID, USAID implementing partners, mobile financial service providers and other development organizations. This quarter included the [January](#), [February](#) and [March](#) issues of the newsletter.

Overall Status: On Track/Ongoing

4.1.3 Event Participation

mSTAR/Bangladesh team participated in six different events hosted during this quarter. A summary of those events are given below:

- 1. USAID Feed the Future Partners' Meeting:** mSTAR's Regional ICT & Digital Finance Advisor and M&E Specialist presented about the state of DFS in Bangladesh and how mSTAR can help Feed the Future partners to make use of it. As a result of this meeting, we learned about a cash mapping assessment being planned by the Agricultural Value Chain project, implemented by DAI. As a result of this, mSTAR decided to partner with the AVC project to add on analysis related to DFS to the assessment.
- 2. Digital Financial Services: Benefiting USAID projects and beneficiaries:** mSTAR's Regional ICT & Digital Finance Advisor and Technical Lead presented at the Digital Financial Services meeting hosted by USAID/B. The meeting provided an opportunity for mSTAR/B to share the benefits of digital payments and to answer questions from USAID IP finance staff.
- 3. Mobile Money & Digital Payment Conference, Indonesia:** mSTAR/B Project Team Lead presented at the event showcasing core activities and successes of mSTAR/B along with giving an overview of the MFS industry of Bangladesh. The conference provided mSTAR/B an opportunity to connect with and learn from other development organizations and DFS providers from around Asia.
- 4. Payment Digitization Planning Workshop:** mSTAR/B Project Team Lead attended a high-level workshop on digitization hosted by Access to Information (a2i) at the Prime Minister's Office. The workshop discussed how government agencies, development organizations and development partners can work together to escalate financial inclusion.
- 5. Participating at the Dialogue on National Financial Inclusion Strategy Development in Bangladesh:** mSTAR/B Project Team Lead attended a conference hosted by Access to Information (a2i) at BFP-B on financial inclusion. mSTAR/B had the opportunity to position itself as a strong player that works to promote financial inclusion for the unbanked population.
- 6. Frugal Innovation Forum, 2016:** mSTAR/B's MFS Associate participated in the Frugal Innovation Forum 2016 hosted by BRAC. The event this year focused on 'Financial innovation for household resilience' and discussed how DFS can play a pivotal role during pre & post disasters situations.

Overall Status: On Track/Ongoing

4.2 On-demand Short-term Technical Assistance

During this quarter, mSTAR/B provided technical assistance to USAID's READ project implemented by Save the Children. mSTAR/B conducted a technical workshop to increase awareness on mobile money and mobile financial services across READ's core and partner staff. Read the [full report](#).

In addition, mSTAR/B also conducted an in-depth assessment of USAID's Rice Value Chain (RVC) project to better understand the financial behavior of the key stakeholders along the value chain and to evaluate potential scopes of using mobile money in the RVC project. The assessment report will be provided to IRRI in the next quarter.

mSTAR/B is providing technical assistance to USAID’s SAPLING project implemented by HKI. In this quarter, we assisted them in developing survey questions specific to DFS for their household census.

mSTAR/B is also providing technical assistance to USAID’s ANGEL project implemented by IFPRI. In this quarter, we facilitated their meetings with different MFS providers so that they can choose from the providers that would best fit in their project activity.

Updates on this ongoing technical assistance will be shared in the next quarter.

4.3 Grants Management

mSTAR/B grants are aimed to fund USAID/Bangladesh IPs who are committed to testing mobile and electronic payments, whether to a limited or extensive degree, in order to compare and document the costs, challenges, and benefits of using cash versus mobile and electronic payments. In this section, the details of the implementation of this quarter have been depicted.

4.3.1 Update on mSTAR/B current grantees

The last remaining grant, to Social Marketing Company (SMC), was closed in February. As a result of receiving the grant, SMC adopted mobile payments in three programmatic areas of their operations. In this quarter they continued disbursing payments to beneficiaries using mobile money.

SMC successfully implemented all the planned activities under the grants agreement and submitted all the milestone deliverables within schedule. The seventh and last milestone deliverable was submitted in this quarter and the Fixed Obligation Grant (FOG) of SMC was closed on 29th February, 2016.

The PCHP program of SMC is still continuing the use of MFS payments for their training programs, as this system saves time and smoothened the process for arranging the trainings in the field. After closing of the grant at the end of February, they performed seven more transactions in March.

The following table provides a summary of the mobile money transactions made by SMC during this quarter, including the month of March 2016 for PCHP transactions.

Social Marketing Company					
Year	Month	Volume of transactions		No. of transactions	No. of unique beneficiaries¹
		BDT	USD²		
2016	January	12,783,192	163,030	127	59
	February	5,386,540	68,697	86	
	March	2,200,000	28,058	7	
Total (Jan-Mar, 2016)		20,369,732	259,785	220	59

¹ The number of unique beneficiaries is calculated by grantees on a quarterly basis.

² 1 USD=78.41 BDT (as of April 10, 2016)

During this quarter, SMC made 220 mobile transactions worth around USD \$259,785. Of these transactions, 51 transactions worth BDT 20,400 were made for BSP training disbursements, 23 transactions worth BDT 6,200,000 were made for PCHP training disbursements and 146 transactions worth BDT 14,149,332 were made for sales collections at DBBL super agents.

Since the start of the grant through March 31, 2016, SMC has made a total of **BDT 98,379,014 (approximately USD \$1.25 million)** in transactions using digital financial services, including both mobile and other electronic channels, through 2,457 transactions among 1,628 beneficiaries.

From the previous quarter, SMC started its endline evaluation of the grants implementation and continued field work until January of this quarter. A draft report was submitted to FHI 360 in the end of February, and is currently being finalized. The central objective of this impact evaluation was to identify the benefits and challenges with using DFS during the pilot period, weighing both direct and indirect costs. It also aimed to capture lessons learned during the pilot period and to determine future prospects for continuing the use of DFS within SMC. Both primary and secondary stakeholders were included in this survey. Primary stakeholders included Blue Star providers, PCHPs and outlet owners. SMC's head office, area office and field level sales staff were considered as secondary stakeholders. A total of 234 BSP and outlet owners, and 30 SMC officials were selected as a sample for the quantitative survey and 18 SMC staff were included for participation in a qualitative survey. The evaluation location covered the area offices of Dhaka, Rangpur, Khulna, Barisal, Chittagong and Sylhet region of SMC's supply chain which include 9 districts of Bangladesh.

Overall Status: Completed

4.3.2 Continuation of MFS in the programs of previous mSTAR/B grantees

In addition to SMC, mSTAR/B previously provided grants to Dnet and WorldFish to implement digital payments in their programs. The following is an update on the digital transactions made by those two organizations after the end of the grant period.

Dnet:

After closure of the grant program in March, 2015, Dnet is still continuing to use MFS for disbursing payments to program beneficiaries. The following table shows the volume of transactions of three quarters from April 2015 to March 2016. The transactions records from April 2015 to December 2015 were not reported in earlier quarterly reports.

Dnet MFS Transactions Records					
Year	Month	Volume of transactions		No. of transactions	No. of beneficiaries
		BDT	USD ³		
2015	April	123,932.00	1581	506	506
	May	54,121.00	690	532	532
	June	46,295.00	590	452	452
	Q3 Total:	224,348.00	2861	1490	1490
	July	47,855.00	610	635	635

³ | USD=78.41 BDT (as of April 10, 2016)

	August	37,845.00	483	529	529
	September	53,270.00	679	777	777
	Q4 Total:	138,970.00	1772	1941	1941
	October	52,042.00	664	659	659
	November	84,355.00	1076	860	860
	December	130,013.00	1658	772	772
	Q1 Total	266,410.00	3398	2291	2291
2016	Jan	203,205.00	1581	1038	1038
	Feb	71,135.00	690	927	927
	Mar	59,920.00	590	935	935
	Q2 Total	333,260.00	2861	2900	2900
Grand Total (April 2015- March, 2016)		962,988.00	12,281.44	9239	8622

WorldFish:

The grants program with WorldFish for their AIN project was also completed in March 2015. The following table shows the volume of transactions over the last three quarters from July 2015 to March 2016. From April 2015 to June 2015, WorldFish did not make any transactions via MFS. Like Dnet, these transactions records of AIN have not been reported in earlier quarterly reports.

WorldFish MFS Transactions Records					
Year	Month	Volume of transactions		No. of transactions	No. of beneficiaries
		BDT	USD ⁴		
2015	July	727,445.00	9,277	671	671
	August	1,051,763.00	13,414	949	949
	September	430,536.00	5,491	540	540
	Q4 Total:	2,209,744.00	28,182	2,160	2160
	October	332,628.00	4,242	482	482
	November	237,166.00	3,025	275	275
	December	158,401.00	2,020	156	156
	Q1 Total	728,195.00	9,287	913	913

⁴ 1 USD=78.41 BDT (as of April 10, 2016)

2016	Jan	18,222.00	232	27	27
	Feb	196,469.00	2,506	117	117
	Mar	212,971.00	2,716	122	122
	Q2 Total	427,662.00	5,454	266	266
Grand Total (July 2015- March, 2016)		3,365,601.00	42,923	3,339	3,339

Overall Status: Ongoing

4.4 Portfolio Acceleration

In this quarter, mSTAR/B published the results of a savings group assessment through primary and secondary surveys. The assessment evaluated the financial behavior of savings group members and identified challenges faced by the groups. The assessment is aimed to identify how digital financial services might be able to help saving groups and increase savings habits. Read the [Savings Group Assessment report](#).

Overall Status: On Track/Ongoing

4.5 Dialogue Facilitation

In this quarter, mSTAR/B held meetings with several different stakeholders to advance mSTAR's overall objectives and goals.

- mSTAR/B Project Team Lead and mSTAR's Regional ICT and Digital Finance Advisor visited agent banking outlets of Bank Asia in March 2016 to better understand the working process and functions of agent banking outlets.
- mSTAR/B Project Team Lead visited Postal Card distribution at Tangail district with government's Access to Information (a2i) initiative in February 2016. The purpose of the visit was to learn more about the activity.
- mSTAR/B hosted a presentation of mPower to learn about their SmartMoney web platform. The presentation opened up opportunities to exchange knowledge and to learn from each other's experience with mobile money.
- mSTAR/B Project Team Lead and mSTAR's Regional ICT and Digital Finance Advisor held meeting with GrameenPhone and Robi to learn more on the activities encompassing mobile financial services.
- mSTAR Regional ICT & Digital Finance Advisor, Project Team Lead and Technical Specialist met with Access to Information (a2i) at the UNDP office to explore potential areas of collaboration to escalate financial inclusion in rural areas.

Mobile Money Consultative Group (MMCG) Meeting

mSTAR/B organized the [fifth meeting](#) of Mobile Money Consultative Group ([MMCG](#)) in February 2016. The meeting discussed how mobile money could be a potential tool to empower rural women. The meeting was attended by 18 development professionals from 9 development organizations, the meeting discussed in detail the challenges faced by development projects in rolling out mobile money among women on the frontline and brainstormed on potential mitigation measures. Three MFS providers also presented their products and services at the meeting specific to women.

Overall Status: On Track/Ongoing

4.6 Integration with other Digital Development activities

No other activities were conducted by USAID's Digital Development team in Bangladesh this quarter, so no action was taken.

Overall Status: On Track/Ongoing

4.7 Environmental Compliance

mSTAR/B continues to follow environmental compliance guidelines. mSTAR/B also observed that use of mobile money at the frontline also potentially contributes to reduced carbon footprints by USAID funded projects. Although we have not yet been able to quantify this impact across all of the projects supported by mSTAR except SMC, it is based on the fact that on a whole, projects that have transitioned to using mobile payments instead of cash have reduced the travel required for payment processing and collection.

Starting with the endline evaluation conducted by SMC, mSTAR/B has tried to estimate the total carbon emissions saved through the use of DFS by SMC during their pilot testing of DFS in their programming. We used the vehicle CO2 emissions for Dhaka from 2009 found in the paper [Transport Sustainability of Dhaka: A Measure of Ecological Footprint and Means for Sustainable Transportation System](#), coupled with data collected by SMC on travel times for transactions, and some of our assumptions about the method of travel where SMC's data was incomplete. Based on this, we were able to roughly estimate that during the pilot testing, a total of around 330 kilograms of carbon emissions were reduced through the use of DFS instead of cash for payments associated with 55 PCHP trainings, 74 BSP trainings, and sales collections from four sales officers during the pilot period.

While this estimate is imprecise given data limitations, it provides some insight into the fact that the reduction in travel required by SMC as a result of the switch to DFS from cash almost certainly resulted in carbon emissions savings. This estimate, however, does not account for any differences in carbon emissions from financial service providers, as the amount of travel required to move cash for banks versus MFS providers was not calculated.

Overall Status: On Track/Ongoing

4.8 Branding and Marking

mSTAR/B continues to follow mSTAR’s branding and marking policy. All publications and appearances have followed the mSTAR Branding and Marking plan and USAID’s ‘Graphic Standards Manual’.

Overall Status: On Track/Ongoing

4.9 Data Collection, Monitoring and Evaluation

4.9.1 Reporting the M&E Indicators based on the Revisited M&E Plan for FY2016

mSTAR/B prepared a revised M&E plan for FY 2016 to match changes made to the project work plan for FY 16 and it was approved by USAID/B during Q1 (Oct-Dec 2015). Based on the revised M&E Plan, attainment of each indicator against the target has been tracked and reported in section 5.

Overall Status: On Track/Ongoing

5.0 Update on Attainment of Project Indicators

Indicator	Unit of Measure	Disaggregation	Baseline Value (Year)	FY 16 Target	Actual Jan-Mar 2016	Total FY 16 annual actuals
Project Objective: Assist USAID/Bangladesh to integrate digital payments in the programs and operations of implementing partners, as well as to support expansion of the digital payments industry in ways that are beneficial to USAID programs and USAID’s broader development objectives at an ecosystem level.						
PO: Number of USAID/Bangladesh projects who have received support from mSTAR that have used digital financial services in the calendar year.	Number of USAID/Bangladesh projects	Portfolio (Agriculture, Health, GCC, etc)	3 (2014)	10	N/A	This indicator is calculated annually.
Intermediate Result I: Increased efficiency and cost-savings across USAID/Bangladesh programs as a result of adoption of digital financial services						
Percentage change in efficiency, as measured by direct and indirect cost savings, between cash and digital financial services	Percentage change in efficiency	Portfolio (Agriculture, Health, GCC, etc)	N/A	+25%	N/A	This indicator is calculated annually.
Sub-IR I.1: Increased use of digital financial services by USAID/Bangladesh programs						

I.1: Percentage change in value of transactions by projects that have received support from mSTAR	% change in the value of monetary transactions	Portfolio (Agriculture, Health, GCC, etc)	BDT 362,955 (2014)	+25% (BDT 57,803,261)	N/A	The percent change is calculated annually.
Sub-IR 1.2: Increased awareness and capacity of USAID/Bangladesh mission and project staff to use digital payments						
I.2: Number of USAID/Bangladesh mission and project staff who report an increased understanding of digital payments as a result of participation at mSTAR facilitated workshops	Number of USAID Bangladesh mission and project staff	mSTAR Implementing Partners, Gender	0 (2014)	50	33	49
Intermediate Result 2: Increased availability of digital financial products and services relevant to USAID projects and their beneficiaries						
Number of new or modified products or services designed to meet the wants and needs of USAID project beneficiaries introduced as a result of mSTAR project engagement	Number of new or modified products or services	Type of product or service	N/A	2	0	1
Sub. I.R. 2.1. Increased coordination of digital financial services partners and programs in Bangladesh						
2.1 Number of engagements facilitated by mSTAR with digital financial services stakeholders	Number of engagements	Type of engagement, Topic of engagement	N/A	4	1	1

6.0 Challenges Faced during FY16 Q2 and Steps Taken

Challenges	Steps Taken to Address
Grantees	
<p>Most of the senior officials at SMC that were interviewed during the endline evaluation stated that they do not feel that the MFS adds financial value to their sales team, particularly given the need to pay service charges to the MFS provider for processing those payments.</p>	<p>mSTAR/B intends to share the findings for from endline evaluation with SMC senior management: there is a good chance that the amount of time saved by sales officers to cover more outlets and better explain products to outlet owners would have led to increased sales, which may have more than offset the cost of using MFS.</p> <p>As the pilot was with only five sales officer out of more than 100, the current pilot results need to be explored further. That said, further analysis to understand what financial benefits resulted from this pilot in terms of sales over the short and medium term is worthwhile.</p>
<p>SMC's PCHP deputy manager and other PCHP staff in SMC HQ mentioned that MFS increased their workload, specifically for checking payment vouchers and bill adjustment.</p>	<p>mSTAR/B communicated with them that the overall savings due to the shift from cash to MFS was significant, due to time savings at the field level. Even the head office staff and also the area office staff felt that MFS makes the whole process easier than before and increased the number of training batches they were able to hold. As a result, the PCHP team is now continuing to use MFS, even after closing of the mSTAR/B grant.</p>
mSTAR/B	
<p>Mobile Financial Service (MFS) providers are often reluctant to share their information that are related to pricing. At times, providers share the information with mSTAR/B team with the condition of not making it public.</p>	<p>mSTAR/B is now offering MFS providers to keep some of their pricing confidential and noting the price as undisclosed in some of its documents. It provides comfort to the service providers in sharing cost related information. It also helps mSTAR/B during one-on-one meeting with USAID IPs where mSTAR/B is in a better position to understand the perspective of both parties.</p>
<p>The training participants of this quarter's workshop expressed their desire to have more information on different topics, such as hybrid MFS models that exist in other countries, more case studies and examples from the field at organization and individual level, school fee payment systems using MFS, more details on piloting, and more on cost involvement and transparency of the MFS.</p>	<p>mSTAR team is planning to cover the most relevant issues gradually in future awareness workshops.</p>

7.0 Lessons Learned from this Quarter

- Select USAID IP staff are interested to learn about mobile money in depth and therefore a day long workshop will be helpful.
- As the mSTAR/B team has grown, it is now increasingly important to store all contact details of IPs and other stakeholders in a central database that is easily accessible to everyone on the team.

8.0 Planned Activities for Next Quarter

Awareness raising activities:

- Publish at least one new infosheet on agent banking.
- Publish an MFS comparison table.
- Develop at least two mobile money experiences.
- Develop at least one mobile money snapshot capturing the organizational experiences of using mobile money.

On-demand short-term technical assistance

- Finalize and publish the assessment report of USAID's RVC project implemented by IRRI which will include the potential scope of using mobile money into the project.
- Finalize the TA report for USAID's ANGeL project implemented by IFPRI.
- Continue to support HKI, as required.

Grants management:

- Finalize and publish the final report of SMC which will reflect the impact of piloting DFS into SMC's programs.

Portfolio accelerations:

- Work with DAI Inc. on the design of the agricultural value chains assessment will be finalized and field work will begin.

Dialogue facilitation:

- A mobile money consultative group (MMCG) meeting will be held in the next quarter. It will focus on savings & loan products and how MFS savings and loan products can be incorporated in development projects.

Data collection, monitoring and evaluation:

- Develop a database of contact information of staff from IPs and different stakeholders.

Annex C: Mobile Money Infosheet - OK Banking



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Mobile Money Infosheet: OK Banking

USAID promotes increased access to and usage of mobile financial services in order to deepen financial inclusion, accelerate broad-based economic growth, and instill transparency into funding flows. These infosheets provide information on different mobile financial services available in Bangladesh so that USAID implementing partners can make more informed decisions when choosing a provider. All of the information in this infosheet is self-reported by the provider and is subject to change at any time.

Overview: OK Banking is the name of the mobile financial service offered by ONE Bank Limited. OK Banking offers a range of products and services, including cash transfers between individuals (P2P), between businesses/organizations and individuals (B2P), merchant payments, airtime purchases, and international remittance payments. Currently OK Banking has over 300,000 users and about 90,000 agent points. Accounts are tied to individual SIM card numbers and can only be accessed by users using their personal PIN. Users can dial *269# to access their account by USSD menu (currently only available in English). At present, only Grameenphone and Robi subscribers can access OK Banking.

Setting up a corporate account: Organizations need to sign an agreement with ONE Bank Limited to open a corporate mobile money account. Once the corporate account is opened, organizations can make bulk payments to beneficiaries.

Process for making bulk disbursement payments: Corporate account users can make bulk transfers by sending a list of the individual accounts plus the amounts to be transferred to ONE Bank via email. Once the payments have been made, OK Banking sends an instant SMS notification to the organization and to the individuals. A detailed report of the transaction is shared with the organization as per their agreement.

Pricing structure and limitations:

Action type	Corporate accounts	Limitations	End-user (P2P)	Limitations
Opening an account	Free	N/A	Free	Grameenphone or Robi SIM required to avail the services
Cash in	Free	N/A	1%	<ul style="list-style-type: none"> ▪ BDT 25,000/day ▪ 5 times/day ▪ BDT 150,000/month ▪ 20 times/month
Business to Person (B2P) payment*	0.5%*	N/A	N/A	N/A
Collection	1.5% (negotiable)	No limits	N/A	N/A
Cash out from agent**	N/A	N/A	1%	<ul style="list-style-type: none"> ▪ BDT 25,000/daily ▪ 3 times/day ▪ BDT 150,000/month ▪ 10 times/month
Cash out from ATM**	N/A	N/A	N/A	N/A
Cash out from Bank Branch**	N/A	N/A	N/A	N/A
Person to Person (P2P) transfer	N/A	N/A	BDT 5 per transaction	<ul style="list-style-type: none"> ▪ BDT 10,000/day ▪ 20 times/day ▪ BDT 25,000/month ▪ 70 times/month
Merchant payment	Undisclosed	N/A	Free	N/A
Mobile Top up	N/A	N/A	Free	<ul style="list-style-type: none"> ▪ Currently service available with Grameenphone only ▪ BDT 10,000/day ▪ BDT 1,000/time ▪ BDT 100,000/month

*Corporate disbursement tariff is negotiable in nature depending on business volume, nature etc.

** Maximum cash out in any mode in total is BDT 150,000/month



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Coverage profile:

Type	Number nationwide	Additional details
Subscribers	300,000+	Country wide coverage
Agents	90,000+	Includes 65,000 MobiCash agents
ATMs	32	OK Banking users are not able to cash out from ONE Bank's ATMs
Full service branches	72	Branches available at all divisional cities. The branches provide basic OK Banking services, including account opening.
Partial service offices	N/A	N/A
Merchants	100+	Includes utilities and e-commerce businesses.

Examples of organizations using this service:

- Passport Fees Collection:** The Department of Immigrations and Passports (DIP) is collecting passport application fees using OK Banking.
- Bill Collection:** Dhaka Water and Sewerage Authority (Dhaka WASA) is collecting water bill payments from consumers using OK Banking.

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DISCLAIMER

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

This infosheet is supported by USAID's Mobile Solutions Technical Assistance and Research (mSTAR) project. It was written by [Kazi Amit Imran](#). mSTAR offers on-demand technical assistance to support USAID implementing partners in Bangladesh with the transition from cash to mobile and electronic payments. To learn more about technical assistance options, contact M Ataur Rahman, Project Team Lead at arahman@fhi360.org.



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Easier than a bank account: Razzak's story

Md Abdur Razzak has been a Community Agriculture Volunteer (CAV) in Sirajganj district with CARE Bangladesh for the last four and half years. Like other CAVs, CARE Bangladesh opened a bank account for him with Agrani Bank with the intention of transferring his monthly honorarium into a bank account and to familiarize him with the formal financial system.

Unfortunately, this was often more of a burden than a benefit. The bank branch is located about 10 kilometers away from where Razzak works. In order to collect his BDT 2,600 honorarium, Razzak had to travel around 35 to 40 minutes each way to the bank branch. Since the bank is only open during working hours, he had to take almost a half day out of his work to do this. Moreover he had to hire an auto-rickshaw or travel by local van, which cost him about BDT 100. In addition, the bank charged him a BDT 300 account maintenance fee every six months.

Realizing that this was a challenge faced by Razzak and other CAVs, CARE Bangladesh reached out to mSTAR for technical assistance to help them to pilot the use of mobile money to disburse honorariums under the SHOUHARDO II project.

When CARE Bangladesh first told Razzak about this pilot, he felt unsure about how exactly it would work. He had heard about mobile money before but had never used it. The first time he received his honorarium via his UCash account (the provider selected by CARE Bangladesh), he received an SMS notifying him that the



honorarium had been transferred to his account, although he was unsure how to withdraw the money. The local project office helped him with this, and he quickly became comfortable with using his mobile wallet.

“Now I can give my full time and attention to my core work without worrying about travelling to the bank to withdraw money” – Razzak

Overall, he found receiving his honorarium via a mobile wallet to be much less hassle than in a bank account, saving him both time and money. He now even uses his mobile wallet to send money to his family and friends. Razzak's story illustrates how development organizations' use of mobile financial services can serve as an effective channel for increasing the financial inclusion of rural Bangladeshis.

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Less stress, at both work and home: Anamika's story

Anamika Das Popy is an Extension Facilitator (EF) working with USAID's Aquaculture for Income and Nutrition (AIN) project implemented by WorldFish. Anamika's core role is to promote best agricultural practices among farmers by conducting training sessions aimed at improving yields. At each field level training conducted by AIN, beneficiary farmers receive BDT 40 as an incentive for attending. Those incentives are provided to the EFs as advances, which they then disburse to farmers at the training.

When Anamika began working with AIN, she had to collect these training advances from her respective technical specialist, which often required her to travel long distances. It typically took Anamika around 3 to 4 days from the time she collected the money from the technical specialist until she could distribute it among beneficiaries. This required her to hold onto the cash during that period. Moreover, in cases when she did not receive the advance in time, she had to convince farmers to accept delays in receiving their incentives. In some instances, she made the payment from her own pocket.

"It was stressful to deal with farmers who wanted their money instantly" – Anamika

Anamika also faced the associated risks of carrying cash from one place to another. In one case, she explained that once she lost a BDT 1,000 (equivalent to ~USD\$ 13) note while travelling from the technical specialist's office to her work station. Later, she had to compensate the project for the lost money. Collecting the money and keeping the cash with her made Anamika uncomfortable.



Anamika speaking to Community Farmers to cross check that they have received payments

"Once I lost BDT 1,000 while travelling and had to repay it myself. From that time, I always had to stay alert while carrying cash."
– Anamika

WorldFish decided to pilot mobile payments in the AIN project with support from a grant from USAID's mSTAR project. Along with other EFs, Anamika opened a mobile money account in May 2014 with support from WorldFish and DBBL Mobile Banking. Anamika had heard about mobile money earlier through television commercials but never used it for herself and had little knowledge about how it worked.

In mid-2015, Anamika participated in a mobile money workshop organized by WorldFish. From the training, she learned how to use mobile money, particularly how to cash out and make



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domestic transfers. Anamika also learned how to check the balance of her mobile money account.

Recalling her first experience with mobile money, Anamika mentioned that she was unsure how the process would work. Although, in the back of her mind, she knew from the previous experiences of her peers that mobile money would make her life easier.

Anamika reaches about 50 beneficiary farmers directly and another 50 beneficiary farmers through Community Farmers (CFs). CFs are lead farmers selected and trained by WorldFish. Each CF leads single to multiple amateur to farmer groups. She now receives the incentives transferred directly into her mobile wallet and cashes out the exact amount at a mobile money agent close to the training location before disbursing them to beneficiary farmers. The CFs now also receive incentives directly into their mobile wallets, which they disburse to beneficiary farmers. Unlike before, when Anamika had to first deliver cash to the CFs, she is now no longer involved in this side of the payment process.

Anamika now feels comfortable doing her work and no longer needs to worry about these tasks any more. Although for her own satisfaction, she occasionally checks in with her Community Farmers to cross check whether they have received their payments on time and to ensure that they have not faced any difficulty.

In addition, Anamika explained that now she carries less cash on her person everyday. She feels safe storing her money in her mobile money account and cashes out from a nearby agent point. She now no longer carries additional cash with her for daily grocery shopping or when she occasionally makes larger purchases in the market. Now she cashes in a lump sum amount into her mobile wallet and cashes out the amount required from an agent point or transfers the money to the vendor's personal mobile wallet to purchase her groceries.

“Now I find comfort in using mobile money for personal purposes as well. It is safe and easy to carry” – Anamika

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