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

**ANNUAL PROGRESS REPORT
OCTOBER 2012 - SEPTEMBER 2013**

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Scaling Innovations in Mobile Money (SIMM) Project Annual Progress Report

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ACRONYMS

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

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

EXECUTIVE SUMMARY

During the annual period of October 1, 2012 to September 30, 2013, the SIMM Project achieved significant milestones in its effort to build an enabling environment for mobile money and overall electronic money in various localities in the country.

From October 2012 through March 2013, SIMM focused its efforts in forging partnerships with its four (4) pilot cities and municipality, which was made official through the signing of Memoranda of Understanding (MOUs) between USAID with each of the pilot cities and municipality. These partnerships helped usher the establishment of mobile money ecosystems with the commitment of LGUs to support mobile money interventions within their offices and among the private and public sectors.

Throughout the year, SIMM held mobile money fora, workshops, presentations and meetings for government agencies, umbrella organizations, cooperatives, small and medium enterprises (SMEs), business establishments, and service providers to increase awareness and consequently interest in the benefits of using mobile money in their operations and businesses. This gave way to an enriching exchange of knowledge and information and a deeper understanding of the financial needs of the different sectors and key players, and how mobile money in turn can help address these needs.

With this, SIMM was able to create business models that suit the needs of five (5) large microfinance institutions (MFIs) in the country, assist the Commission on Audit (COA) in coming up with a policy that will support the implementation of mobile money across all government agencies, implement the very first mobile money payroll and payment system for a government agency, and collaborate on pushing forth mobile money collection systems for real property tax and other government fees for pilot cities, and disbursement for teachers' allowances and students' stipends. SIMM also pursued collaboration with large government agencies such as the Department of Social Welfare and Development (DSWD) for its CCT Program, and Social Security System (SSS), PhilHealth and Pag-Ibig for collection payments.

These achievements were made possible mostly due to facilitating factors where government agencies have become more receptive to switching to cashless transactions brought about by the Philippine Government's thrust towards digitization of its financial transactions to achieve greater transparency, accountability and cost-efficiency. Furthermore, mobile network operators (MNOs) have also become open towards offering their technologies as an electronic delivery channel for account-issuing institutions like banks and cooperatives in a cost-effective way. While there were also hindering factors that slowed down progress in certain areas of work within the year, SIMM was nonetheless able to push through and double its efforts to reach targets.

At the same time, SIMM extensively worked with mobile money providers, traditional trade, MFIs (rural banks and cooperatives), and other potential channels to develop channel strategies that address the value proposition, agent economics, and pricing, compensation and incentive models making the business case for becoming mobile money agents. More so, SIMM continued to find innovative ways to expand the CI/CO networks to ensure the supply and demand cycle of mobile money is met in its pilot cities.

Launching events and marketing caravans with mobile money providers were also rolled-out during the latter part of the year as SIMM gained momentum in increasing its reach in terms of new users and new savings accounts opened through branchless banking.

SIMM has also started working on two major projects for financial literacy and driving customer usage, namely the development of training modules on financial literacy and consumer education, and development of

behavior change communication plan and outreach materials for driving adoption and usage of mobile money in the Philippines. These projects are expected to be completed and rolled-out by during the early period of Year 3.

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

Lastly, during the past year, SIMM has also compiled key lessons learned and best practices in growing mobile money adoption and usage, particularly on program management and stakeholder relations. These key lessons and best practices have provided insight to the project as to how it can more effectively maximize Year 3 and achieve more results and outcomes.

CHAPTER 1: INTRODUCTION

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

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

Despite many positive factors that have enabled the Philippines to become one of the most successful m-money markets in the world, other factors have constrained its growth.

OBJECTIVES AND KEY RESULTS

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

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

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

Working with the government, the mobile network operators (MNOs), financial institutions, and local organizations, SIMM will address obstacles that are impeding the growth of branchless banking in order to achieve growth-oriented sustainable results and impact. SIMM focuses on three primary areas: creating business

models that scale, achieving inclusive user uptake, and promoting global knowledge sharing of m-money. SIMM will be responsible for delivering the following results.

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

INTERNAL AND EXTERNAL FACTORS

An environmental analysis on the past year ending September 30, 2013 brings to fore external factors and forces that enabled mobile money growth in adoption and usage, as well as those that hindered it. These forces may be classified into political, economic, social, technological and legal factors.

Enabling Forces: Political

The period 2012 to 2013 saw an increasing awareness and urgency on the part of some key government agencies to switch from cash to electronic payments, including mobile money. Engagements with the Department of Budget and Management (DBM), Bangko Sentral ng Pilipinas (BSP), Commission on Audit (COA), and the local government units (LGUs) of the Municipality of Pulilan, Quezon City, Batangas City and Valenzuela City have indicated preference for electronic payments. The prevailing political atmosphere emphasizing transparency, accountability and cost efficiency in government is contributing significantly to such preference.

Economic

Based on focus group discussions (FGD) conducted among MFI clients and low income rural and urban dwellers, mobile money can be the preferred short to long-term savings accumulation product since it requires no maintaining balance, no penalties, and are accessed through outlets that the consumers feel more comfortable with. Realizing the ability to make remote payments has also been cited as a contributing factor, and interest bearing savings deposit account products that may be accessed via mobile banking have proven to be very attractive.

Social

Given the social pattern where members of many families work or study in other places, the demand for domestic remittance service will continue to grow and mobile money is very well positioned to be the preferred remittance method since it is one of the lowest-priced in the current market.

Technological

Mobile network operators (MNOs) have begun to be more open towards offering their technologies as an electronic delivery channel for account-issuing institutions like banks and cooperatives in a cost-effective way. Previously, the store-of-value accounts are bundled with the mobile money product which then directly

competes with account-issuing institutions. The option of mobile banking then was perceived as unfeasible due to high entry barriers. Given this new openness, an increasing number of deposit-taking institutions would like to offer mobile banking to their clients, foremost of which is the National Confederation of Cooperatives (NATCCO), the confederation of cooperatives with an aggregate membership of 2.2 million people.

Furthermore, the increasing penetration of smartphones in the market is also a positive development for mobile money as the device drastically enriches the user experience of mobile money. Completely menu-driven mobile applications drive richer content into the payments experience while keeping keystrokes and security risks to the minimum. Hence, more consumers have access to easier-to-use payment method with more utility to them.

More so the pervasiveness of social media, even among low-income youths, also presents a cost-effective opportunity to reach this consumer segment which may eventually prove to be early adopters of mobile money considering the emotional and cool or “hip” appeal of using and paying through ATM cards as was also learned during FGDs conducted.

Hindering Forces: Political

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

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

Economic

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

The lack of ubiquity of mobile money agents is also hampering the growth of mobile money. A look at many outlets reveals the lack of viability of the business especially when they are restricted to servicing only one principal, i.e. exclusivity. According to a research report, a viable mobile money agent business requires 400-600 customers, or a daily transaction volume of 30-50 per agent¹. Many local agents have volumes less than these thresholds.

SIMM’s work to increase mobile money adoption among conditional cash transfer (CCT) beneficiaries is hampered by the very low mobile phone ownership, i.e. 14% only, among CCT beneficiaries as revealed by the Department of Social Welfare and Development (DSWD) program director for the CCT program. Approaches

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

at providing them free phones were not previously pursued for fear that the devices will just be sold or pawned out of the greater need for immediate cash.

Social

Lack of consumer awareness has created fear and mistrust among target low-income users to mobile money. Considering the target market's lack of confidence and interest in trying new concepts and technology, face-to-face selling is proving to be the more effective way but has challenges in its ability to scale. The lack of strong Small and Medium Enterprise (SME) umbrella organizations is also presenting a major challenge in reaching, creating awareness and in propagating m-money payroll especially those who still pay salaries in cash.

Technological

The lack of mass activation technology tools from some mobile money providers is hampering the opening of new mobile money accounts. In some events participated in by SIMM, one-on-one activation took about eight minutes per account to complete. Technology and improved business processes will help make high volume activation, e.g. opening accounts for 10,000 students, more feasible.

Legal

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

OVERVIEW OF ANNUAL REPORT

This report covers the progress of the SIMM project during the annual period October 1, 2012 to September 30, 2013. Section 2 describes the progress of SIMM in reaching its targets for year 2 per objective, and during this period significant milestones were achieved particularly in establishing mobile money ecosystems in SIMM pilot cities followed by successes in the adoption of mobile money by the Pulilan local government in Bulacan for its payroll disbursement and utility payment system, the establishment of CI/COs, the activation of new users and enrolment of new savings accounts, and the rolling out of three projects namely the Mobile Finance Services (MFS) Business Models for Micro Finance Institutions (MFIs) Project, the Financial Literacy and Training Needs Assessment Project, and the Behavior Change Communication Project.

During this period, SIMM also conducted several mobile money fora, activation events, government agencies and private sector meetings to push forth the adoption of mobile money, and workshops on mobile money for COA auditors and the National Payments System.

SIMM's strong collaboration within the past year with the pilot cities is finally bearing fruit as SIMM is set to launch several interventions in the following months, namely the Quezon City mobile money disbursement of teachers' allowances and students' stipends, the Valenzuela City real property tax mobile money collection system, and the Batangas City real property tax and business permit mobile money collection system. Furthermore, SIMM continued to pursue activities in promoting supply-side networks and has been closely coordinating with the Commission on Audit (COA) to facilitate the issuance of COA Circular No. 2013-007 also known as "*Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government*" as released on September 18, 2013. This eOR circular is the last piece of regulation required to fully enable implementation of electronic payment and collection system in the government.

The progress of the project is categorized by objective and towards the end of the section, detailed project results and performance review show baseline data against accomplishments. Section 3 presents the lessons learned and best practices for the past year, particularly in terms of program management in forging partnerships, building ecosystems, and stakeholder relations. Section 4 describes the priorities for Year 3 and how SIMM intends to achieve remaining project results and outcomes.

CHAPTER 2: KEY PROGRESS TO DATE

BUILDING MOBILE MONEY ECOSYSTEMS IN SIMM CITIES

SIMM Batangas City

Batangas City is one of USAID’s partner-cities under the Cities Development Initiative (CDI), which aims to disperse economic opportunities in the country through the empowerment of secondary cities as engines of growth. CDI is an integral part of the US-Philippines Partnership for Growth where the US Government and the participating city hold mutual responsibility for promoting growth through appropriate policies and incentives, greater transparency and accountability, and increased competitiveness. Thus, with Batangas City’s profile as a partner-city under this initiative, it has been identified as a SIMM pilot city.



USAID Assistant Administrator Eric Postel and Valenzuela City Mayor Sherwin Gatchalian exchanged tokens of partnership during the November 11 MOU Signing Ceremony, as USAID Mission Director Gloria Steele looked on.

SIMM Valenzuela City

On November 7, 2012, USAID Assistant Administrator for the Bureau of Economic Growth, Education, and Environment Eric Postel and USAID Philippines Mission Director Gloria Steele and Valenzuela City Mayor Sherwin Gatchalian signed a Memorandum of Understanding (MOU) to promote the adoption of mobile money for government financial transactions to make doing business with the City more convenient for its citizens.

The Valenzuela City Council passed on February 25, 2013 Ordinance No. 75 entitled “An Ordinance Providing for Authorization and Recognition of the Use of Automated System of Payments to the City of Valenzuela” to enable the City of Valenzuela to adopt and/or implement electronic payment systems, including mobile money, for government financial transactions

(see Annex A).

On September 10, 2013 Valenzuela City decided to implement first Globe X-Change Inc.’s (GXI) solution to launch the service and have subsequent launches for BPI Globe BanKO and Smart Communications. GXI proposed a two-month development and testing period and committed to launch the service by November 15, 2013. SIMM provided technical support for the integration of Valenzuela City’s on-line real property billing system and GXI’s mobile money platform.

SIMM Municipality of Pulilan, Bulacan

In January 2013, SIMM met with Pulilan local government officials to introduce the SIMM Project with the aim of making the municipality a SIMM pilot city. Following a series of meetings, Pulilan Mayor Vicente Esquerra Sr. expressed commitment in adopting mobile money in the payroll system of the LGU and for the payment scheme of the Pulilan Water System, which is owned and managed by the LGU. Pulilan officially became the third SIMM pilot city with the Memorandum of Understanding (MOU) Signing on February 15, 2012 USAID Mission Director Gloria Steele and Pulilan Mayor Vicente Esquerra Sr.



Pulilan officials, Mayor Vicente Esquerra, Sr. and Vice Mayor Elpidio Castillo and USAID Mission Director Gloria Steele signed the memorandum of understanding that will scale mobile money for government payroll and water utility payments.

On June 10, 2013, the *Sangguniang Bayan* Resolution No. 42-2013 ‘Recognizing BPI Globe BankO as electronic payments and collection service provider of the Municipality of Pulilan, Bulacan and authorizing the municipal mayor Hon. Vicente B. Esquerra Sr. for and behalf of the municipal government of Pulilan, Bulacan to enter into a cash management agreement with BPI Globe BankO for the use and operation of electronic payments facility’ was signed (see Annex B), authorizing Pulilan Mayor Vicente Esquerra Sr. to enter into an agreement with BPI Globe BankO to push for the mobile money payroll and payment system in the municipality. The LGU payroll system and payment system for Pulilan Water System was officially launched on August 15, 2013.

SIMM Quezon City

Also in January 2013, SIMM met with Quezon City local government officials to introduce the SIMM Project and Chief of Staff Aldrin Cuña expressed interest in the project and some reservations due to concerns of the city government in the reconciliation of payments and issuance of official receipts which has prevented the city from shifting towards electronic transactions. By the end of the month, Mayor Herbert Bautista sent a letter of request to USAID to partner with SIMM in improving various governance services through mobile money. Among the priority transactions selected include 1) Payment of Real Property Taxes; 2) Stipends to local government scholars; and 3) Payment of amortizations due to the local government’s housing corporation.



Quezon City Mayor Herbert Bautista and USAID Philippines Mission Director agreed to pursue good governance reforms through usage of mobile money for government financial transactions.

For two months SIMM coordinated with the Quezon City LGU, and on March 25, 2013, the Memorandum of Understanding signing ceremony was held between the local government of Quezon City and USAID represented by Mayor Herbert Bautista and USAID Mission Director Gloria Steele, making Quezon City the fourth SIMM pilot city.

OBJECTIVE 1: Facilitating E-Payroll Distribution

Active

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

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

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

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

In line with this goal, the Mobile Finance Services (MFIs) Business Models for Microfinance Institutions (MFIs) Project was launched on April 10, 2013 with five institutions participating in the project, namely the National Confederation of Cooperatives (NATCCO), the largest network of cooperatives in the country, rural banks First Isabela Cooperative (FICO) Bank and GM Bank of Luzon, microfinance non-governmental organization (NGO) Kabalikat Para sa Maunlad na Buhay Inc. (KMBI), and credit cooperative Center for Community Transformation (CCT) Credit and Savings Cooperative. The project aims to develop MFS business model for each MFI focusing on mobile money transactions covering a range of services from microcredit, savings, insurance, loan disbursement/payment and payments for other goods.

SIMM engaged Software Group Inc. to implement the project, and in May 2013 a series of workshops and focus group discussions (FGDs) were held with participating financial institutions for the business model reviews and to test the product concepts and assess their awareness and willingness to use mobile money.

The recommended product concepts, the results of the FGD with clients, and data (financial data and business processes) were all factored into the draft business model, which were developed and completed in June 2013. The proposed business models presented organizational, technological, and business process impact of the proposed MFS business models and recommendations on how to move forward for design and execution to pilot the MFS product.

Table 1. Proposed Business Models

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

All four financial institutions except KMBI are amenable to the recommended business model and signed off for the pilot. KMBI decided to discontinue project partnership with SIMM to fully commit to a remittance

product being developed with Opportunity International. KMBI has already put in a substantial investment into this project prior to signing the agreement with SIMM. Separate copies of the completed research papers will be submitted to USAID.

SIMM Quezon City

Sikap Buhay Entrepreneurship and Cooperative Office (SBECO)

On April 15, 2013, SIMM engaged with Sikap Buhay Entrepreneurship and Cooperative Office (SBECO), discussing collaboration opportunities for enabling mobile money for cooperatives in Quezon City and to partner with them for the joint development and conduct of financial literacy training on m-money to their network of cooperatives. SIMM's collaboration with Sikap Buhay resulted in two Mobile Money Forums in May 2013 which resulted in leads keen on acquiring m-money services to improve their operations, particularly the IBC 13 Broadcast Workers Cooperative (BWC), Agapay sa Pamumuhay Credit Coop and Fairview Toda Multi-Purpose Cooperative. While SIMM has pursued several cooperatives under Sikap Buhay, the IBC 13 BWC was the one to formally adopt mobile money during this year. The Federation of Cooperatives of Workers Organizations (FEDCO) is completing requirements and reviewing contract with GCash.

Intercontinental Broadcasting Corporation (IBC) 13 Broadcast Workers' Cooperative (BWC)

IBC 13 BWC cooperative has an operations office in Quezon City and provincial offices in Iloilo, Davao and Laoag. To date, the cooperative has 130 active members, with different types of loans ranging from personal loans that start at US\$114 (PhP5,000) to special loans at US\$1,145 (PhP50,000) disbursed through checks encashed in banks. The cooperative expressed interest in mobile money loan disbursement for its members to increase efficiency and savings in operations to the cooperative, and additional financial benefits to members, and on July 4, 2013 SIMM and mobile money provider BPI Globe BanKO formally launched the mobile money loan disbursement. As of this period, a total of 137 IBC 13 members were registered as new mobile money users including those residing in their satellite office in Iloilo, 133 new savings accounts opened via branchless banking and 74 users trained on financial education and literacy by SIMM and BPI Globe BanKO.

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

BWC Chairman Rommel Rivera

SIMM Batangas City

Office of the City Veterinarian and Agricultural Services (OCVAS)

Batangas City is home to over 50 active cooperatives with membership estimated at over 24,000 individuals. For this period SIMM has actively worked with the OCVAS Cooperative Division to promote adoption of mobile payments by cooperatives in Batangas City. SIMM in partnership with OCVAS convened a forum with Batangas City cooperatives on November 16, 2012 to promote the use of mobile money for loan disbursements, collections, and payroll. Nineteen (19) cooperatives with a combined membership of 5,700 attended the event. To date seven (7) cooperatives and one (1) SME were actively engaged for pilot implementation in Batangas City. Out of these however, three, namely Sta. Clara Multipurpose Cooperative, Mahacot Multipurpose Cooperative, and Pinagbuklod Multipurpose Cooperative have already submitted requirements with their chosen mobile money provider and are awaiting official activation cash in/cash out (CI/CO) and payment agents, and Sorosoro Ibaba Multipurpose Cooperative has yet to move forward with its interest in adopting mobile money for its savings and loans services.

San Isidro Multipurpose Cooperative (SIMCO)

On March 23, 2013, SIMM and BPI Globe BanKO for the SIMCO General Assembly where more than 250 cooperative members participated. During the event, 59 cooperative members opened their new mobile money

savings accounts. SIMCO will continue to activate all their existing and new members so that everyone in their community will have access to mobile money services through the cooperative, which is now an accredited cash-in/cash-out merchant of BankO.

Yoolah Marketing

Following the success of SIMCO, trade payments for SME Yoolah Marketing was also rolled-out and with Yoolah Marketing becoming a BPI Globe BankO partner outlet during this period. Yoolah Marketing is a direct selling company in the city with over 200 agents owned by the general manager of SIMCO, and as of end of annual period Yoolah Marketing reported 95 agents to have activated new mobile money accounts with BPI Globe BankO. This figure is pending validation by BPI Globe BankO.

Pinamucan Ibaba Multipurpose Cooperative

The Pinamucan Ibaba Multipurpose Cooperative has two CI/CO and payment center branches to cater to its more than 200 members and residents of nearby communities. Training and activation is targeted for the cooperative and its members starting Year 3.

Ilijan Multipurpose Cooperative

Ilijan Multipurpose Cooperative officially became a BPI Globe BankO partner outlet on September 2013. The cooperative has 630 members, of which some are employees of the Korea Electric Power Corporation (KEPCO), the largest electricity-generating facility in the country located in barangay Ilijan. The cooperative's priority mobile money services include cash in/cash out and remittance service to KEPCO employees and payroll and microloans to address the problem of rampant loan sharks that result to overburdened debt by its members. As of September 2013, there was a registered of 9 new mobile money accounts with thirty 30 trained on financial literacy and mobile money by SIMM and BPI Globe BankO. SIMM together with BPI Globe BankO will conduct a formal launch and activation event in October 2013 and is targeting to reach 400 new users and new savings accounts on the event day.

"We now have the technology to lift ourselves from poverty, whether in slippers or barefoot. Our cooperative can be an enabler and savings mobilizer not just for its members but to the entire community as well."

Ilijan MPC Chairman Felipe Concepcion

SIMM Valenzuela City

Valenzuela Cooperatives Managers Club

During this year, SIMM has collaborated with the Valenzuela Cooperatives Managers Club to reach out to more than 30 member cooperatives in the city. On September 25, 2013, a mobile money summit was held in Valenzuela City in partnership with the club, attended by more than 100 participants composed of general managers, board of directors, accountants and savings and loans heads. Following this summit, the largest cooperative in the city, the Holy Cross Savings and Loans Cooperative with more than 8,000 members, has expressed interest to adopt mobile money. SIMM for the next quarter will actively engage this cooperative to gain a considerable mobile money user base in Valenzuela City.

- Promote e-payroll options to established businesses

SIMM has for the past year promoted m-money as an alternative payroll solution that will increase savings up to 67% relative to commercial bank ATM payroll for businesses and companies with 100 employees and below. SIMM targeted businesses with tight cash flow, or with employees working remotely and require a more convenient and cost-efficient payroll service like manufacturing, retail, call centers, and construction. While SIMM has engaged more than 150 businesses and umbrella organizations/associations for this purpose, only two (2) have moved forward with mobile money adoption.

VMobile Technologies, Inc.

SIMM supported the use of mobile money through GCash by VMobile Technologies, Inc., a direct selling organization selling universal e-load wallet with over 1.2 million retailer members nationwide. VMobile is promoting the use of GCash by its members as a payment facility to top-up its virtual load wallet and for sales commission payout. Also, members can nominate their GCash account for their periodic sales commission payout (e-payroll). SIMM supported VMobile and GXI's campaign to activate and promote usage amongst VMobile members. A total of 2,000 accounts were opened during this campaign.

For next quarter, SIMM will work with VMobile and GXI to develop two to three networks that will practice end-to-end electronic transactions. Furthermore, a training program will be developed which will be rolled-out by its network leaders, supported by digital communication campaigns (i.e., Facebook fan page, VMobile website). Incentives will also be provided to network leaders to motivate them to quickly develop and expand their "electronic" networks and for members for their cash-in transactions.

SIMM Valenzuela City

Pulido Manpower Services

SIMM facilitated the adoption of mobile money through GXI's Powerpay e-payroll by Pulido Manpower Services, a manpower agency from Valenzuela City. Thirty (30) GCash Powerpay cards were initially purchased and distributed to its employees, resulting in 30 new users. Prior to using GCash e-payroll, Pulido Manpower Services transports cash payroll of employees to sites using public transport (i.e., bus, tricycle, etc.) with at least two security personnel in plain clothes.

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

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

SIMM Municipality of Pulilan, Bulacan

Pulilan LGU Payroll Disbursement and Water Payment System

On August 15, 2013, SIMM achieved a milestone with the Municipality of Pulilan as it launched the very first mobile money payroll for a local government unit in the country, along with the acceptance of mobile money payment for water utilities. This intervention was made possible by a *Sangguniang Bayan* Resolution issued on June 10, 2013 by the Pulilan local government unit, recognizing BPI Globe BanKO as electronic payments and collection service provider of the Municipality of Pulilan, Bulacan and authorizing the municipal mayor Hon. Vicente B. Esguerra Sr. for and behalf of the municipal government of Pulilan, Bulacan to enter into a cash management agreement with BPI Globe BanKO for the use and operation of electronic payments facility.



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

This resulted in achieving a one government agency using mobile money payroll and payment services, and with 4 activated BanKO partner outlets in the area, 375 new mobile money accounts opened and consequently 375 new mobile money savings account opened through branchless banking, 326 trained on financial literacy

and mobile money, and almost 90% in reduction of transaction costs. This reduction is attributed to reducing transaction cost from US\$126.37 (PhP5,307.50) to US\$12.35 (PhP519) per payroll period of 15 days which resulted from streamlining of processes to one-time travel cost and eliminating time to queue for releasing and receiving of salary.

SIMM Quezon City

SIMM’s engagement with the Quezon City LGU for the past year was focused on the adoption of mobile money for business process and requirements of pilot services namely collection of real property taxes and disbursement of stipends and allowances to more than 14,000 teachers and 10,000 students. The issuance of the *Sangguniang Bayan* ordinance enabling the implementation of electronic payments and collections using mobile money and authorizing the Mayor to enter into agreement with the service provider is for approval and the allowance and stipend disbursement for teachers and students is set to be launched on December 2013.

OBJECTIVE 2: Reducing Transaction Costs in the Payment System

Active

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

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

For the past year, SIMM has likewise focused on engaging government agencies in providing a convenient and cost-efficient collection method for voluntary contributions made to large national payment streams such as Social Security System (SSS), PhilHealth, Pag-ibig, and other services such as civil registry document requests from the National Statistics Office (NSO). To date, these agencies have not moved forward with the adoption of mobile money but SIMM continues to provide technical assistance to other agencies in relation to this project objective.

Kenya Study Visit

SIMM assisted USAID organize a Study Visit to Kenya for Philippines Government (GPH) officials with the objective of understanding and learning from the Kenyan Government experience on digitization of government financial transactions and with the intent to apply the learning, where applicable, through relevant policy reforms and implementation initiatives to digitize government financial transactions. The participants were composed of DBM and key officials in public financial management such as the Bureau of Internal Revenue and the Commission on Audit and the Department of Science and Technology which is responsible for automation and digitization initiatives in government. The study visit was held on August 26 to 31, 2013.

Mobile Money Training for Government Auditors

SIMM held two batches of COA Auditors’ Mobile Money Training on November 29, 2012 and then most recently on September 26, 2013 for 35 Metro Manila-based National Government and Local Government auditors by providing



SIMM Deputy Chief of Party Vice Catudio talks about the project during the COA Auditors’ workshop on mobile money held last September 26, 2013.

resource speakers on SIMM project, mobile money regulations and the different mobile money products in the market. Also, Valenzuela City’s COA Supervising Auditor Sally Almo shared w/ the government auditors the experience of Valenzuela City in implementing mobile money for real property tax collection and the role played by Valenzuela City COA in proactively working with the LGU management to implement the system.

SIMM Valenzuela City

Mobile Money-based Real Property Tax Assessment and Collection System

SIMM has assisted the Valenzuela City LGU to implement a mobile-based real property tax assessment and collection system, and currently the USSD user interface is being developed by GXI. SIMM is providing technical support for system integration (to integrate Valenzuela City’s on-line real property tax billing system with GXI’s mobile money platform) for both tax assessment (bill inquiry) and payment. Target launch date for the system is November 15, 2013. The system will be the country’s first on-line mobile tax assessment and collection system implementation in the government.

SIMM Batangas City

Mobile Money-based Payment Collection System

Based on initial discussions with city officials the past year, SIMM has identified potential opportunities for person-to-government (P2G) mobile money implementation with the city government namely, business permits and licenses, real property tax, market fees, civil registry fees, and water payment fees. The LGU also identified salary payment for city health workers deployed in rural areas as well as contractual employees for e-payroll service. SIMM is targeting to launch the Batangas City LGU initiative in December 2013, the peak season for real property tax and business permit fees payments.

- Facilitate an efficient payment system via m-money

SIMM has engaged several public and private sector agencies and businesses in the aim of promoting mobile money payments for utilities to enable users to pay their bills anytime, anywhere, thereby reducing excessive delays and lost time and resources for both bill payers and the receiving companies. While SIMM has engaged public utilities and private businesses such as the Batangas City Water District, Fortune General Insurance Inc. LGU Guarantee Corporation, and Development Finance International Inc, one has moved forward during the past year with this aim and has successfully adopted mobile money payment, the Pulilan Water System utility payment.

SIMM Pulilan Bulacan

Pulilan Water System Payment

During this period, SIMM has successfully launched the water utility payment system for the LGU-owned Pulilan Water System on August 15, 2013. The water system currently has more than 8,000 concessionaires and the Pulilan LGU together with mobile money caravans being rolled out by BPI Globe BankKO is continuing to increase uptake of this service.

OBJECTIVE 3: Improving Public Service Delivery (G2P)

Active

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

CCT beneficiaries

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

Considering that CCT program covers 3.1 million poor households in the country as of 2012, the impact of implementing mobile money for CCT distribution would have been successful if not for the very low mobile phone ownership among beneficiaries which is only at 14% nationwide. Therefore, to assist DSWD, SIMM has worked with the agency and mobile money providers to explore deployment of point-of-sale or electronic data capture terminals as an alternative mode of accessing electronic money account.

Automating the CCT Compliance Monitoring and Cash Grant Distribution System

Through the year, SIMM has devoted much work on developing a concept paper for an automated compliance monitoring and electronic cash grant distribution system which features biometric authentication for DSWD’s CCT program. This concept paper proposes to automate the compliance monitoring process of DSWD and shift the remaining 40% of CCT beneficiaries to electronic cash grant distribution with biometric authentication. The concept paper will be presented to DSWD on October 4, 2014. Cost driver data will be obtained from DSWD as basis for the cost-benefit analysis to support the concept paper. SIMM will observe rural cash grant distribution to validate the assumptions used in the concept paper particularly in rural setting.

- Enhance financial literacy of CCT and non-CCT beneficiaries

SIMM is developing financial literacy and education training materials and will train staff of local government units, schools, businesses and cooperatives to continuously reach the communities to enrich existing financial literacy training programs and materials including special discussions on mobile banking, consumer protection and awareness, product uptake and improved product use, and personal development for improved livelihoods.

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

Also, on June 2013, SIMM has engaged Social Enterprise Development Partnerships Inc. (SEDPI) for the development of training modules on financial literacy and consumer education. The training needs assessment research study has been completed for this period, and key messages on savings, micro-loans and insurance, and designs for training materials and modules are well underway and will be finalized by October 2013, with training of trainers to roll out also starting October 2013. A separate copy of the study will be provided to USAID.

OBJECTIVE 4: Promoting Supply-Side Networks

Active

Prospective

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

- Develop focused channel management strategy

SIMM worked with mobile money providers, traditional trade, MFIs (rural banks, and cooperatives), and other potential channels develop channel strategies that address the value proposition, agent economics, and pricing, compensation and incentive models making the business case for becoming mobile money agents. While SIMM has engaged several organizations such as the Grameen Foundation and developed the Channel Management Strategy study which was later on put on hold due to budget constraints, activities were shifted towards the Agnostic Agent Network (AAN) project.

Tapping Cooperatives as Financial Service Provider for the Unbanked

SIMM worked with mobile money providers to acquire cash-in/cash out (CI/CO) outlets in SIMM cities as part of its strategy to develop m-money ecosystem. Cooperatives have been an effective partner in serving as CI/CO particularly in specific communities within SIMM cities like development and multipurpose cooperatives in San Isidro, Ilijan and Pinamukan in Batangas City. Cooperatives are the preferred financial service provider of the unbanked, specifically for credit (loans), savings and investment and now for cash-in and cash out transactions. A total of 9 CI/COs from the cooperative and SME sectors have been accredited and trained as of September 30, 2013.



The Ilijan Multipurpose Cooperative started operating as a BanKO partner outlet in Brgy. Ilijan, Batangas City on September 2013.

Geographic Information System (GIS) Mapping of CI/CO Outlets in SIMM Cities

For the past year, SIMM conducted mapping of registered agents in the SIMM cities based on the list of agents provided by mobile money providers. The mapping covered both registered agents as well as non-registered agents that were identified during mapping. A total of 152 CI/CO outlets were mapped, with 67 in Batangas City, 79 in Valenzuela City, and 6 in Pulilan. Mapping in Quezon City, which has a total of 622 CI/CO agents will be done in the fourth quarter of 2013. The exact map coordinates of the CI/CO outlets were taken using a global positioning system (GPS) and plotted in a Google map. Once the mapping is completed for the four SIMM cities, the output will be presented to each mobile money provider and point out distribution gaps and will be used as an input in developing CI/CO agent network expansion strategies and action plans to support m-money ecosystem development in SIMM cities.

Expansion of CI/CO Network through National Retail Chains

SIMM is currently helping forge a partnership between BPI Globe BanKO and Cebuana Lhuillier for BanKO's partner outlet network. Cebuana Lhuillier is the country's biggest pawnshop network with over 1,800 outlets nationwide and has transformed its business model from a pawnshop business to one-stop-shop micro-financial service provider offering lending (pawn), bills payment, reload, micro-insurance, domestic and international remittance services to communities. BanKO and Cebunana Lhuillier will discuss further commissions, transaction values and resolve issue on remittance where BanKO's product is initially viewed as competing with Cebuana Lhuillier's remittance product.

Furthermore, SIMM has been working with ECPay, Inc., 7/11's technology provider, and GXI to re-launch CI/CO service within ECPay's retail network. ECPay's platform handles universal loading (e-

load), bills payments and soon, remittance. It has over 1,000 outlets within its network which includes 7/11's over 800 branches, SanMig Food Avenue, Petron's convenience store network, and other smaller retail chains. ECPay will launch the service in the first quarter of 2014.

- Encourage platform integration (merchant network with banking back office)

For the past annual period, SIMM has worked with payment gateway providers to equip agents with point-of-sale (POS) devices that are capable of servicing account holders of any mobile money provider or bank, and are interconnected with the banks' core banking systems.

Supporting the Establishment of a Shared Agent Network

SIMM has continued supporting the establishment of a shared agent network that will facilitate the development of a universal e-wallet that can accommodate cash-in and cash-out transactions of any payment service provider (i.e., GCash, SmartMoney, BanKO, Bancnet, Megalink, Visa, Mastercard, etc.) as well as offer related services such as bills payment, airline ticket booking, micro-insurance payment, etc. The shared agent network will address the issue of low transaction volume (experienced by closed-loop systems) and the complexity of liquidity management for maintaining multiple wallets (for agents servicing multiple closed-loop networks).

The shared agent network project is spearheaded by Mercy Corps and supported by Micro Ventures, Inc., the company behind Hapinoy Stores that has over 1,300 retail stores in its network; Card Bank / Card SME, the largest MFI in the country with over 2 million borrowers, which has mandated Hapinoy to develop and manage an agent network to support its lending operations; Tao Corporation, one of the biggest direct-to-retail distribution companies in the country that has over 500,000 retail outlets within its distribution network; and Mobile Ventures, Inc., the technology firm behind the universal e-wallet "Pitaca"; and Bancnet, the largest ATM network in the country.

OBJECTIVE 5: Driving Customer Usage

Active

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

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

SIMM for the past year has engaged public relations firm Hamlin-Iturralde Inc. or TeamAsia to help build on existing research on mobile money in the Philippines by conducting a consumer awareness baseline study to tease out consumer knowledge, attitudes, and practices on mobile money as well barriers and triggers to adoption. TeamAsia was officially engaged on August 2013 to roll out the Development of Behavior Change Communication Plan and Outreach Materials for Driving Adoption and Usage of Mobile Money in the Philippines or Behavior Change Communication (BCC) Project, and has started initial activities, particularly the research components of the audience analysis study. The audience analysis study is being finalized by TeamAsia and will be completed and submitted by October 2013.

Initial results of the study showed that the most common barriers to the usage of mobile money are the lack of information on mobile money and the fear of losing money with mobile money. Opportunities for adoption are the convenience and accessibility of using mobile money, and that majority of respondents are inclined or are saving money and sending money to family and relatives. SIMM and TeamAsia in the following months will be

developing a behavior change communication plan and strategy, BCC materials and a social marketing training for representatives of SIMM pilot cities to ensure that the market segment is able to shift from awareness, understanding, knowledge, trial to regular use of mobile money. A copy of the audience analysis study will be provided to USAID once it has been submitted by TeamAsia.

OBJECTIVE 6: Promoting Global Knowledge Sharing of M-Money

Active

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

- Promote global enabling regulatory environment

SIMM throughout the year has assisted the government, particularly COA, in coming up with a policy that will support the implementation of mobile money across all government agencies.

Enabling Electronic Payments in Government through COA Circular on Electronic Official Receipts
 SIMM has been coordinating closely with COA to facilitate the issuance of a circular that will provide guidelines on acceptability of electronic official receipts (EOR) as prescribed in the Department of Trade and Industry (DTI) and Department of Finance (DOF)’s Joint Department Administrative Order (JDAO) No. 10-01 series of 2010. The COA Circular No. 2013-007 also known as “*Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government*” (see Annex C) was released on September 18, 2013 to guide all government agencies in their implementation of electronic collection systems. The EOR circular is the last piece of regulation required to fully enable the implementation of electronic payment and collection systems in government as prescribed in DTI-DOF JDAO No. 02 series of 2006.

- Support research agenda into the needs of the unbanked

SIMM has assisted the BSP in formulating the most appropriate model, strategy or a high-level glide path towards (1) interoperability amongst all accounts, and (2) an inclusive payments system, which in SIMM’s view, will lead to the scaling of mobile money adoption and usage.

National Payments System Workshop

This period is highlighted by the conduct of the National Payments System workshop on April 22-24, 2013, a first of its kind in the Philippines. This is part of the bigger Mobile Money Interoperability in the Philippines Study that SIMM has commissioned that will look into appropriate models and glide path for inclusive payments and funds transfers in the Philippines. The study as of September 2013 is being finalized by the Bankable Frontier Associates (BFA) after receiving comments from BSP.



BFADirector James Hokans facilitates the small group discussion on the gaps in policy and regulation during the National Payment System workshop. The group consists of representatives from the Bangko Sentral ng Pilipinas, Philippine Health Insurance Corporation, Government Service Insurance System, and G-Xchange, Inc. (GCash).

The workshop brought together more than thirty key actors in the Philippine financial system comprising of commercial banks, non-banks, mobile money providers, ATM networks, and selected government agencies to discuss critical issues challenging the payments industry today. The workshop, which was facilitated by BFA, provided a venue for the industry to come together, assess where they are in the context of a national payments system, identify the immediate and long-term gaps that need to be addressed, and lay out a possible roadmap for implementing the Philippine National Payments System.

- Integrate knowledge sharing component

For the period of 2012 to 2013, SIMM continued to build on its existing presence online through the project website and social media networking sites. Moreover, SIMM has been proactive and consistent in producing USAID success stories, news stories and knowledge sharing sessions for knowledge exchange and information dissemination about the project.



Twitter Chat, Video, and Webinar

SIMM has participated in several knowledge sharing platforms such as the live Twitter chat (hashtags #AskUSAID #mobilemoney and #e-payments) hosted by USAID Mobile Solutions on mobile money and electronic payments. Likewise it has contributed to a video of the Office of Innovation and Development Alliances (IDEA) of USAID covering sectoral issues and how USAID and the Philippine Government is achieving more inclusive economic growth. SIMM ha also produced a six-minute video on mobile money, which is being used for information dissemination purposes by the project.

SIMM has also participated in a webinar entitled ‘Demystifying Electronic Payments: Lessons From Pathfinder on How to Transition Away From Cash:

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

Digital Engagement on Mobile Money

SIMM’s online presence has gained ground based on a review of site analytics and social media insights. The project is tapping traditional and non-traditional media to share data and emerging best practices on scaling mobile money programs in the Philippines.

For the past year, the SIMM project website received a total of 7,951 page views, with April 2013 having an all-time high hits or page views at 1,196 since inception of SIMM website in September 2012. Site traffic for the year was at an average of 663 visits per month or 22 visits per day.

SIMM’s website, www.simmphil.org is still on the top three Google chrome result for the search item, and search terms referred to the website include *Scaling Innovations in Mobile Money (SIMM) Project*, *G X-Change and simm philippines*. Visits to the website were made mainly through referrers with the top three being search

engines like Google search, Google image search, and Yahoo search, through Facebook and through Twitter. The website also has to date 14 blog followers, re-posting SIMM’s stories and announcements. Furthermore, to help increase visits to the SIMM website and to encourage knowledge sharing, e-newsletters in the form of success stories and news, resources and images were made available for viewing and downloading (see Annex D).

SIMM on Social Media

SIMM continues to monitor relevant key metrics data on SIMM’s social media, particularly Facebook (fb.com/SIMM.Philippines) and Twitter (@mmoneyphl) to deepen measurement and analysis of SIMM’s social media initiatives and its impact to stakeholder outreach and online behavior.

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

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

Table 2. Social media indicators

Indicator	Total
Page likes Lifetime - Total number of people who have liked the page (unique users)	138
Daily friends of fans Number of people who are friends with people who liked the page (estimated) (unique users)	85,405
Page Stories Number of page stories (total count)	50
Page consumption Average number of clicks on any of the page content per month. Clicks generating stories are included in "Other Clicks." Stories generated without clicks on page content (e.g., liking the page in Timeline) are not included. (total count)	213
Engaged users¹ Average number of people who engaged with the page (unique users) per month	128
Total reach Average number of people who have seen any content associated with the page (unique users) per month	1,702
Organic reach Average number of people who visited the page, or saw the page or one of its posts in news feed or ticker per month. These can be people who have liked the page and people who haven't. (unique users)	106
Viral reach² Average number of people who saw the page or one of its posts from a story shared by a friend (unique users)	1,609
Total impressions Average number of impressions seen of any content associated with the page per month (total count)	6,711
Organic impressions Average number of times that posts were seen in News Feed or ticker or on visits to your page per month. These impressions can be by people who have liked the page and people who haven't. (total count)	2,894
Viral impressions³ Average number of impressions of a story published by a friend about the page per month (total count)	3,650

¹ Engagement includes any click or story created

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

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

News and Articles on SIMM Project

SIMM gained considerable media reach during the period of October 2012 to September 2013 as it was able to generate both directly and indirectly 44 news placements in print, online and television pertaining to activities of the project (see Annex E).

ANNUAL PROGRESS PER PMP PROJECT INDICATORS

Beginning the start of the fiscal year, SIMM enhanced the Performance Monitoring Plan (PMP) to better assess the progress of the activities and corresponding performance indicators towards targets. Changes include mapping of the results framework to demonstrate the logical flow of project activities moving upward from outputs, results to overall goals with the corresponding performance indicators; and re-aligning the targets according to the fiscal year. To measure performance, SIMM is utilizing a mix of quantitative and qualitative data collection methodologies to capture data from national and local partners that are attributable to the project's set of interventions.

Baseline data starting September 2012 was gathered and updated figures were continuously cleansed in an effort standardize parameters/definition of the indicators and improve the quality of data. It must be noted additional reports submitted to SIMM are not part of the existing compliance reports to BSP and are extracted manually resulting to untimely and incomplete data across the three providers. The summary results table is as Annex F.

SIMM and DAI Business Analyst continued enhancements to the SIMM Technical and Administrative Management Information System (TAMIS) to facilitate and integrate project monitoring and reporting. The re-design of the project information system is aligned with the project results framework, workplan, and indicators to make it easier for staff to record and track performance. Considering that the SIMM project deals with multiple stakeholders with project activities that undergo an entire project cycle, a stakeholder module was developed to include pertinent details of the partner organizations from profile, contacts, milestone, adoption figures and activities conducted from meetings, trainings to other events. Other enhancements have been made to track progress of activities through the action logs which details the issue items, agreements, persons responsible, due dates and next steps. The new modules may serve as a template for future DAI mobile money projects around the world.

Project Activity Indicators

Percent (%) of activities that improved financial inclusion of women and for individuals and households in rural areas²

During the year, SIMM conducted total of 387 activities ranging from project introductions, workshops, product presentations, coordination meetings, roundtable discussions, business forum to financial education trainings.

² Results are still partial as numbers are still being populated to generate the universe number of SIMM activities and participants who attended.

Of the total, 69 training activities on the benefits and uses of mobile money were conducted covering a total of 2,009 individuals of which 1,159 were women.

Value of activities funded by cost-sharing/contribution arrangements with SIMM

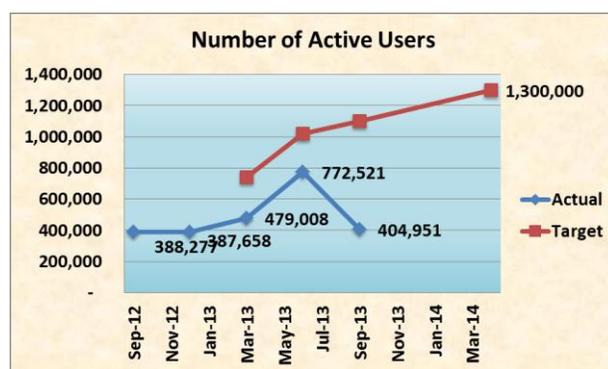
Part of SIMM’s partnership agreements is to leverage resources from its public and private sector partners, be it in cash or in-kind like technology, methodology, expertise, use of facilities, promotional materials, and personnel time, in order to help achieve the goals and objectives of the project.

For the fiscal year value of activities funded through cost-sharing arrangements with SIMM is estimated at a cumulative total of \$32,000 for the period August 2012 – September 2013. This includes costs incurred for the SIMM project launches, trainings and activation events with national and local counterpart agencies hosting the event (venue, use of amenities). There were also cost-sharing arrangements for the conduct of the mobile money training and activation events with the MMPs wherein MMPs including staff time, supplies and other event materials, marketing collaterals or tokens distributed to participants and subsidized cost of technology e.g., setting up m-money infrastructure or platform. In addition, during the same period DAI leveraged amounting to more than of \$80,000 for operational costs (travel, per diem and transportation) and other technical support. Cost-share value may still be underestimated as this computation has not completed gathering data on staff time.

Context-level indicators

During the year, SIMM continued to improve quality of data and have discussed and agreed upon a standard set of parameters and definitions for the performance indicators. The final definitions and revised figures will be reported next quarter. Note that the providers have not previously collected the data prior to the implementation of the project and are now seeing the benefits of tracking regular use more than number of registered accounts.

For the number of active users, only two MMPs submitted their data for the last quarter of the year Jul-Sep 2013. Notably, since baseline data in September 2012, active users have been slowly increasing throughout the year exceeding targets for the fiscal year with a total number of 772,521. It can stated that there has been increased regular use every quarter since the start of the project. However, the figures are anticipated to change next quarter as the mobile money providers undergo reorganization and system enhancements based on agreed upon parameters.



The percent (%) increase in volume (monetary value) of m-money transactions for the last quarter is still partial. Notably it can be observed that the amount is slowly increasing from PHP 53 billion (USD\$1.2 billion) in September 2012 to PHP60 billion (or 1.4 billion) in June 2013, showing a 13.7 percent rate of increase.

Table 3. Volume of m-money transactions

Period	Volume (monetary value) of m-money transactions
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	In PHP	In USD\$
Jul-Sep 2012	53,039,897,658.23	1,262,854,706.15
Oct-Dec 2012	58,671,232,993.88	1,396,934,118.90
Jan-Mar 2013	57,394,741,715.77	1,366,541,469.42
Apr-Jun 2013	60,285,413,641.29	1,435,366,991.46
Jul-Sep 2013	26,308,412,481.20	626,390,773.36

Data shows that the highest transactions in monetary value is transfer to other subscribers (P2P/W2W) at followed by conversion of cash to e-money, conversion from cash centers of each provider, then ATM/POS withdrawals.

Results level indicators

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

SIMM has taken several approaches in engaging businesses to adopt m-money payroll from conducting business forum in pilot cities, working with umbrella organizations to engaging directly with private sector. During the year, it was also realized that the m-money payroll was attractive to cooperatives and other microfinance institutions who need a loan disbursement facility that will increase operational efficiency and membership expansion. As of the end of the reporting period, SIMM has a total of 3 SME/microfinance institutions who have signed a Memorandum of Agreement/Service Level Agreement to launch their e-payroll/disbursement, namely National Confederation of Cooperatives (NATCCO), IBC 13 Broadcast Workers Cooperative (BWC) and Pulido Manpower. Yoohlah, an SME based in Batangas has opened mobile money accounts for its agents and has started disbursing some sales rebates. Below are the strategies employed, results and organizations in the pipeline for adoption.

A. Business Forum

In December 14, 2012, SIMM conducted a business forum in Batangas City with 300 business executives and officers in attendance, of which 57 companies expressed interest in adopting mobile money were obtained. However, due reorganizations across the three providers and other priority areas, the sales leads were not actively pursued.

B. Umbrella Organization of key industries

In March, SIMM shifted its approach to working with umbrella organizations of key industries including construction, security guard agencies, restaurants, manpower agencies to direct selling companies, etc. Out of the 157 establishments and umbrella organizations/associations engaged, 31 accepted the offer for a preliminary meeting and project presentation and one has adopted m-money payroll. Notably, low turnout was due to weak influence of association over management of their member companies, large businesses are already served by commercial banks, and micro to small businesses were not prioritized by the providers given the low labor force size.

- Pulido Manpower Services is a small business with a total of 30 employees. From transporting cash payroll of employees to sites using public transport (i.e., bus, tricycle, etc.) with at least two security personnel in plain clothes, now Pulido Manpower Services disburses its payroll through GCash Powerpay cards of the employees.

C. Mobile Financial Services for Cooperatives and other microfinance institutions

For microfinance institutions (MFIs), in the national level, SIMM is working with five participating MFIs, CCT Credit Cooperative, Inc. (CCT), First Isabela Cooperative (FICO) Bank, GM Bank of Luzon, Inc. (GM), Kabalikat para sa Maunlad na Buhay Inc. (KMB) and National Confederation of Cooperatives (NATCCO), to develop Mobile Financial Services models. The project has four key milestones from the project kick off, business model review, product development and MFS Business Model Development and pilot implementation. Starting next quarter and before LOP the 4 participating organizations will be launching their payroll/disbursement facility.

- NATCCO has signed a MOA with Smart Money to implement mobile financial services namely cash deposits, withdrawals, bills payments, accounts management, airtime top-up. Ready for service is scheduled by January 2014.

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

- IBC 13 Broadcast Workers Cooperative (BWC) – On June 26, 2013, IBC 13 BWC signed the cash management contract with BPI Globe BanKO and ready for service on August 12 enabling loan disbursement to their members especially those residing in the provinces. IBC 13 BWC cooperative has an operations office in Quezon City and provincial offices in Iloilo, Davao and Laoag. To date, the cooperative has 130 active members, with different types of loans ranging from personal loans that start at PhP5, 000 (US\$114) to special loans at PhP50, 000 (US\$1,145).

D. M-money Payroll Product for Rural Banks

To fast track the efforts and meet LOP targets, SIMM will be developing a marketing plan for rural banks to offer payroll services to large portfolios of SMEs. SIMM will work with rural banks starting with FICO, RB Malaraya, BanKO Kabayan, and First Valley in order to offer m-payroll to their SME clients by next quarter.

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

Table 4. Organizations in the pipeline for adoption by April 2014 (LOP)

Sector	Name of Organization	Status	
Financial Institutions	1. GM Bank	After signing of contracts and system integration, SIMM will facilitate launching of financial services starting November 2013 through February 2014.	
	2. First Isabela Cooperative (FICO) Bank		
	3. CCT Savings and Credit Cooperative		
	Private Sector	4. FICO	The m-money payroll product and marketing plan will be piloted in four rural banks with a target of about 20 SMEs adopting m-money payroll in January 2014.
		5. RB Malaraya	
		6. BanKO Kabayan	
		7. First Valley	
Private Sector	8. Software Group	SIMM encourages its contractors to adopt mobile money in their operations particularly payroll and disbursements of per diem and other allowances.	
	9. Social Enterprise Development Partnerships, Inc. (SEDPI)		
	10. TeamAsia		
	11. S.P. Deloraya Job Contracting & Consultancy Services Inc	Manpower agencies have a potential to adopt (1) higher conversion rate as most agencies are still disbursing salaries in cash, (2) high liquidity among others. Pilot testing is scheduled by January 2014.	
	12. Fortune General Insurance (FGIC)	FGIC is a partner of Sikapbuhay for its microinsurance project for about 25,000	

Sector	Name of Organization	Status
		tricycle drivers. FGIC will be adopting mobile money for collection of insurance premiums. FGIC has selected GCash and is now finalizing the contract.
Cooperatives	13. Ilijan Multi-purpose Cooperative 14. Pinamukan Ibaba Multipurpose Cooperative 15. San Isidro Multipurpose Cooperative 16. Sta. Clara Multipurpose Cooperative 17. Pinagbuklod Multipurpose Cooperative 18. Mahakot Multipurpose Cooperative 19. Holy Cross Savings and Credit Cooperative	Local cooperatives from SIMM Quezon City, Batangas and Valenzuela cities. Services for adoption include loan collection, disbursement and payroll scheduled starting November 2013.

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

During the year, SIMM achieved target of one government agency adopting both mobile money payroll and collection of water fees. Municipality of Pulilan, Bulacan released an SB resolution in June 2013 recognizing BPI Globe BankKO as the municipality's electronic payments and collection service provider. The launching and live simulation of the first mobile money payroll in government was held on August 15, 2013.

In the local SIMM cities, project activities were delayed due to the May 2013 elections and reorganization of key government elected officials. In Valenzuela city, the Infoboard feature allowing bill inquiry of real property taxes has been completed in May 2013 while system integration with the providers are still underway. Launching of service is scheduled in November 2013. In Quezon City, after evaluation, the Committee has decided that the savings feature of BPI Globe BankKO is best for the disbursement to students' stipends and teacher's allowance. Ordinance No. SP 1508 S2005 authorizing the city treasurer to accept as an alternative mode of payment through banks, internet banking and mobile money is scheduled for release in October 2012. Launching of service is scheduled in December 2013.

In the national level, Smart Communications and Landbank signed a Memorandum of Understanding to implement the BayadLoad service that allows people to pay their mandatory contributions for social security, housing, provident and health insurance to large government payment streams, Social Security System, Philippine Health Insurance and Home Development Mutual Fund (also known as Pag-IBIG Fund), using credit on their mobile phones. After completion of technical requirements, launching of services is scheduled in March 2014.

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

SIMM has launched 9 BankKO Partner Outlets (BPO) in Batangas City and Municipality of Pulilan namely, Yoolah, San Isidro Multipurpose Cooperative, 2 branches of Pinamukan Ibaba Multipurpose Cooperative and 4 branches of 8GAD corporation. SIMM is working with MMPs to expand existing agent network in SIMM cities and tap existing retail networks (i.e., convenience stores, drugstores) and partner with Mercy Corps in building an agnostic agent network. Below is the pipeline of activities and the corresponding number of outlets to be opened.

Table 5. No. of CI/CO merchant partners

	Organization	No. of cash-in/cash-out merchant partners
Agent Networks	Agnostic Network/Auto Top Up Ventures Inc. (ATVI)	300
	Direct Agent 5	250
	Cebuana Lhuillier	300
	EC Pay/7-11	800

	Pay Venue	
		800
Microfinance institutions	First Isabela Cooperative (FICO) Bank	8
	CCT Savings and Credit Cooperative	7
Batangas City	1. Sta. Clara Multipurpose Cooperative 2. Pinagbuklod Multipurpose Cooperative 3. Mahakot Multipurpose Cooperative	3
Municipality of Pulilan, Bulacan	Cooperatives and SMEs	16
Valenzuela City	Holy Cross Savings and Credit Cooperative	7
	Other Cooperatives and SMEs	
Quezon City	Cooperatives and SMEs	5

Number of new m-money users

New m-money users here are defined as people who have applied and activated mobile money accounts for the first time. This is an output indicator that will result from SIMM and the MMPs' combined outreach and marketing activities like mobile money training, consumer education, and activation events. For the year, SIMM activated a total of 3,042 new mobile money accounts across the three providers.

Table 6. No. of new m-money users

Reporting Period	Number of new users	Description
Oct-Dec 2012	78	New users have activated their mobile money accounts following the mobile money training and activation sessions held in USAID
Jan-Mar 2013	59	Individuals opened mobile money accounts during the Batangas Business Forum and SIMC General Membership Assembly co-organized by the SIMM project.
Apr-Jun 2013	140	Yoolah Marketing, SIDC and Quezon City Cooperative Activation events co-organized by the SIMM project.
Jul-Sep 2013	2765	Activation events for IBC 13 BWC members, Pulilan, Montalban Homeowners Association, V-mobile technology, and Pulido Manpower

Number of people opening savings accounts via branchless banking

Savings accounts refer to deposit accounts that earn modest interest. Branchless banking refers to mobile-enabled deposit accounts. As the first and only virtual bank, BPI Globe BankO activations will be accounted for under this indicator. Certification report from BPI Globe BankO shows a total of 822 savings accounts were opened during SIMM led activities from December 2012 to September 2013. Per advice of USAID COR, quarterly data will be revised reflecting reported final figures from BPI Globe BankO. Notably, the total number is still underestimated as it does not include number of accounts opened by SIMM-supported BPOs. Attached is the certification of BPI Globe BankO's participation and contribution to the SIMM Project (Annex G).

Table 7. No. of new savings accounts opened

Event	Date	Number of savings accounts opened
Batangas Forum	14-Dec-12	40
SIMCO General Membership Assembly and BPI-Globe BankO Activation	23-Mar-13	43
Quezon City Coop Forum	28-May-13	4

Event	Date	Number of savings accounts opened
IBC 13 and BPI Globe BankKO Launching of Mobile Money Services	4-Jul-13	119
End Users Training on Mobile Money for Pulilan Municipal Employees / Activation Event	24-Jul-13	287
E-Payroll and Water Simulation / End Users Training / BankKO caravan activation event	2-Aug-13	31
BPO training for Ilijan MPC	21-Sep-13	7
Valenzuela Cooperative Mobile Money Summit	25-Sep-13	2
BPO Launch and Activation of 8GAD Computer Shop, Pulilan Bulacan	28-Sep-13	13
Homeowners Association (HOA) , Montalban	21-Sep-13	219
Pulilan water system	24-Sep-2013	9
Pulilan launch of services	15-Aug-2013	48

Number of people trained in financial education and literacy

A total of 2,009 (male 839, female 1156) participants from public and private sectors comprising of local and national agencies, SMEs, MFIs and large businesses attended trainings on mobile-money. The events familiarized employees of local agencies, SMEs, and large businesses and MFIs and their respective members on the project and the benefits of mobile money that resulted to key outcomes – forged partnerships and activation of new users. Number shows emphasis on building awareness of various sectors on the benefits of mobile-money to ensure establishment of local ecosystems.

In August, the Mobile Financial Services Training Needs Assessment was completed showing 40 percent unbanked respondents, lack of familiarity with mobile money and majority of financial needs particularly (1) savings for emergencies and education of children (2) microinsurance as protection for emergencies. The approach of the training will be to introduce financial education and demonstrate mobile money as a system innovation to reach personal financial goals or objectives from savings, insurance, to productive loans. Training will be supplemented by powerpoints, comic books and instructional videos. Pilot testing for each segment including local government, cooperatives, microfinance institutions, small and medium enterprises will be conducted in November 2013 and the roll out starting December 2013 thru February 2014.

Percentage (%) by which transaction costs are reduced

Quantifying the man hours spent and transportation cost from preparation to actual disbursement based on preliminary data, the new payroll process takes total of 1076 minutes or 18 hours (2.2 days) reducing the manual system by 2 hours. Total cost of the new system amounts to only Php 519 (or \$12.35) per payroll period of 15 days. Rate of decrease of actual costs is 90 percent. Reduced time is attributed to the streamlining of processes to one-time travel cost and eliminating time to queue for releasing and receiving of salary.

Old Manual Payroll Process

- The old manual payroll process takes total of 1215 minutes or 20 hours (2 days and a half)
- Total cost amounts to Php 5,307.50 (or \$126.37) per payroll period of 15 days attributed to time spent by the employees in preparing payroll, traveling, queuing and releasing time.

Number of conferences supported to share knowledge

A COA Auditors' Mobile Money Training Workshop was conducted in September 2013 with key officials from the central office, national agencies and local government units to share best practice of Valenzuela City in

implementing the mobile money bill inquiry and real property tax collection and the role played by Valenzuela City COA in proactively working with the LGU management to implement the system.

Table 8. Training data, FY 2013

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

Date	Event Title	Female	Male	Total
11-May-13	Financial Management Seminar for BOD/Mobile Money Presentation	59	30	89
14-May-13	SIMM project presentation to Sta Clara MPC	8	1	9
15-May-13	Mobile Money Presentation for Rexinton Enterprises	1	0	1
18-May-13	Mobile Money Training for Boss LLC	0	1	1
18-May-13	Mobile Money Presentation for Jamaro Trucking	1	0	1
18-May-13	Mobile Money Training for Ernie's Food Industries	0	1	1
22-May-13	Mobile Money Presentation with RR Punzalan Metal Trading	1	0	1
22-May-13	Mobile Money Training For Rich Ads Construction and Supply	0	0	1
22-May-13	Presentation of Globe Gcash to Pinamukan MPC	8	1	9
23-May-13	Mobile Money Presentation for the Heart of the Ocean Beach Resort	1	0	1
23-May-13	Mobile Money Training for BATELEC I	0	1	1
25-May-13	Mobile Money Presentation to Lucky Fourteen Trucking	1	0	1
25-May-13	Mobile Money Presentation for BM Mulingtapang Hardware	1	1	2
25-May-13	Mobile Money Presentation for Alvarez Shopping Center	1	0	1
25-May-13	Mobile Money Presentation for Citimart Shopping Center	0	1	1
27-May-13	Yoolah Marketing Training for agents	59	4	63
28-May-13	Managing Cooperative Finances	94	34	128
28-May-13	SIMM presentation to Ilijan Board of directors	10	4	14
28-May-13	Mobile Money Presentation to Club Media Asia Inc.	1	0	1
29-May-13	Mobile Money Presentation for Worldwork Manpower Center	1	0	1
3-Jun-13	Mobile Money Presentation for SPD Job Contracting and Consultancy Services	0	1	1
6-Jun-13	SIMM Project Presentation to BOD of IBC 13 Broadcast Workers Coop	1	4	6
7-Jun-13	Presentation of Mobile Money to Pamumuhay Credit Coop Board Members	9	2	11
13-Jun-13	SIMM Project Presentation with the Puhunan	6	4	10

Date	Event Title	Female	Male	Total
	Pangkaunlaran ng SikapBuhay (PPSB) Program Partners			
17-Jun-13	Mobile Money Presentation for Transcend Employment Agency	1	0	1
20-Jun-13	Mobile Money Presentation to Valenzuela Managers Cooperative	16	3	19
21-Jun-13	Mobile Money Presentation for Enriquez Security Service	0	1	1
27-Jun-13	SIMM Project Presentation to VP Manuel Maloles	0	1	1
28-Jun-13	Mobile Money Presentation for Environment and General Services, Inc.	1	0	1
29-Jun-13	Presentation of SIMM Project to Pinagbuklod MPC Board of Directors	9	3	12
13-Jul-13	Mobile Money Presentation to Bagbag Multi-Purpose Cooperative	7	5	12
16-Jul-13	Project Introduction to FEDCO Board of Directors	1	2	4
6-Jul-13	Ilijan MPC Board of director meeting	2	10	12
1-Jul-13	Mobile Money Presentation for Delta Management Inc.	1	0	1
2-Jul-13	Mobile Money Presentation for Toplis Solutions Inc.	0	1	1
2-Jul-13	Mobile Money Presentation for Kabraso Multi-Purpose Cooperative	0	1	1
5-Jul-13	Mobile Money Presentation for Diars Assistance	1	0	1
2-Jul-13	Mobile Money Presentation for Velco Asia Management Corp.	1	0	1
24-Jul-13	End Users Training on Mobile Money fo Pulilan Municipal Employees / Activation Event	108	171	279
25-Sep-13	Valenzuela Cooperative Mobile Money Summit	63	42	105
20-Jul-13	Mobile Money Project Introduction to Care Filipino MPC Board of Directors	5	13	18
20-Jul-13	Mobile Money Projec Introduction to Manggagawa ni San Jose Multipurpose Cooperative (MSJMPC)	0	0	0
2-Aug-13	E-Payroll and Water Simulation / End Users Training / BanKO caravan activation event	71	40	111
14-Aug-13	Mobile Money Presentation to MAG-BASA re mobile money for 4,000 teachers	0	0	0
12-Aug-13	Mobile Money Project Presentation to Councilor ROrmmel Ayuson	0	1	1
5-Sep-13	Live Disbursement and End Users Training for IBC 13 BWC Members	19	23	42
19-Sep-13	BanKO partner outlet training for Ilijan MPC	0	0	0
26-Sep-13	Mobile Money Training for Government Auditors	25	7	32
TOTAL		1156	839	2095

CHAPTER 3: LESSONS LEARNED AND BEST PRACTICES

During the past year of project implementation ending September 30, 2013, SIMM has compiled key lessons learned and best practices in growing mobile money adoption and usage. Some of the practices fall under program management, and some are under stakeholder relations.

Program Management in Forging Partnerships

Under program management, the choice of LGUs as partners in building m-money ecosystems in cities and municipalities is proving to be effective, provided there is strong support from local executives who see the relevance and benefits of the project. Initially, they drive medium to high volume mobile money disbursements.

As an example, Pulilan, Bulacan adopted mobile money payroll to all its employees and contractual personnel. Quezon City is also about to use mobile money to disburse stipends to 10,000 student scholars and 14,000 public school teachers. Aside from driving mobile money disbursements themselves, they also collect taxes and fees from their constituents which may be made through m-money. Aside from being direct users of mobile money disbursements and collections, they are also effective in convening MFIs and in communication and information dissemination to their constituents through their village leaders. They can even create opportunities to gather their people which can be used as mobile money activation events. One example is doing mass mobile money activations in tandem with a free rural health checkup caravan. This top-to-bottom approach in effect helps promote change among other local officials and inducing trial among frontliners ensures more sustainability once it is cascaded to the barangay level.

Also, project activities are well executed with LGUs who have dedicated counterpart teams for mobile money initiatives, ensuring policy decisions and implementation of agreed commitments and deliverables.

Furthermore, leveraging resources of sectors involved such as mobile money providers' manpower and marketing support, partnership with telecommunications on other products, and forging of local partners and logistical support from government have proven to be helpful in achieving more results.

Working with large MFIs as drivers and agents of mass activations is also showing promising results. With their large memberships and customer base, helping them use mobile money for disbursements is driving mobile money adoption and promoting its regular use. FICO Bank alone is expecting to activate 4,000 borrowers and kiddie savers in a few months. NATCCO is also committed to activating 10% of their membership base.

SIMM has also promoted coaching and knowledge sharing among its team members on more effective selling and negotiation techniques that increases understanding, buy-in and maximizing activation commitments of its implementing partners.

Working with local government cooperative office or division such as OCVAS of Batangas City LGU and Sikap Buhay of Quezon City LGU has gained considerable results in terms of project reach. These offices have become champions in promoting mobile money to their cooperative members and even endorsed cooperatives that are likely to adopt the technology.

Successful experience of pilot cooperatives in the implementation of mobile money services provides opportunity to share first-hand experience on mobile money with other cooperatives. These cooperatives, like the IBC 13 BWC, have the potential to also serve as champions among its network of cooperatives. And to effectively scale mobile money, inducing trial is critical among innovative pilot cooperatives to champion the efforts. It is critical that the initial experience of pilot cooperatives is successful for effective promotion. Ensuring communication protocol and after sales institutional hotline made available by the mobile money provider are critical.

Stakeholder Relations and Building Ecosystems

Under stakeholder relations and building ecosystems, SIMM has been successful in driving partner buy-in via business case selling. A simple cost-volume-profit analysis demonstration has been effective in convincing small to medium-sized cooperatives. For larger sized partners, working with them to create their business models has also been proven to be effective. Not only do they become more prepared to invest in m-money projects, they have proven to be more committed to the project implementation journey as well.

SIMM's practice of putting the needs of its demand-side implementing partners first has earned their confidence and trust in pursuing their mobile money projects with SIMM. They appreciate the needs-based selling more than mobile money product selling. For organizations with lower change management capacities, SIMM's handholding of partners, including joint project management, has helped project implementation run faster and smoother.

SIMM's emphasis on being impartial and unbiased among its partner mobile money providers have also gained their support and cooperation to work with SIMM.

For key stakeholders whose cooperation is key but difficult to obtain, SIMM's approach of conducting deep education efforts has proven effective. A good example is with COA where SIMM worked with partners to deliver mobile money workshops to state auditors. It also helped that SIMM worked with USAID to arrange a study visit to Kenya among the key officials of important stakeholders to m-money growth from the government sector.

However, there were also practices that did not yield expected results. One of these was promoting mobile money directly to umbrella organizations and industry associations which proved to be less than ideal channels. First of all, SIMM's objective in promoting mobile money was commonly misunderstood as having a profit motive. More importantly, unless the umbrella organization is highly relevant, influential, and adds significant value to the business of their members, their messages are not being fully noted by the members.

Estimating timeframes for mobile money partner selection by demand-side partners, contracting and system integration has mostly been underestimated. Mobile money providers must conduct business process reviews to identify priority areas and demonstrating benefits of mobile money in their operational efficiency can fast track decision making and adoption of the Board of Directors of cooperatives.

Activities of mobile money providers must also adjust to the schedule of cooperatives mostly after office hours and weekends, and constant follow-through with the activities until completion from presentation, contracting to training is very much needed. At least three (3) months from engagement is ideal.

There is need for further breakdown of milestones and activities to better estimable units in order to increase accuracy of the schedule estimates.

CHAPTER 4: PRIORITIES FOR YEAR 3

For year 3, SIMM will focus on completing its projects with partners that are delivering large numbers of activations of new mobile money users and agents. SIMM will continue working with its pilot cities such as Pulilan LGU to complete the mobile money caravans in the town's nineteen (19) barangays.

SIMM is also working closely with Quezon City LGU to implement the activation and mobile money disbursements to 24,000 scholars and public school teachers with launch date of December 2013, and SIMM and Valenzuela City is about to launch its mobile money bill inquiry and collection for real property tax his November 2013 in time for the window of opportunity during the peak season of December to January.

Aside from LGUs, SIMM will continue to aggressively work to complete its projects with MFIs. NATCCO is working on its technology platform to activate over 100,000 new mobile money users out of its 2.2 million membership base, with launch targeted on January 2014. On the other hand, FICO Bank is starting to use mobile money loan disbursements and collections this December 2013 to 4,000 borrowers and special savers. CCT Savings and Credit Cooperative has already initiated mobile money partner selection process, and with SIMM's guidance, will contract with its chosen provider by this November 2013. On a more detailed note, SIMM will:

Facilitating E-Payroll Distribution

SIMM is developing a marketing plan for rural banks to offer payroll services to large portfolios of SMEs. SIMM will work with rural banks starting with FICO, RB Malaraya, BankO Kabayan, First Valley in order to offer m-payroll to their SME clients.

Furthermore, SIMM will continue its effort to increase number of active users and savings accounts in the different barangays in Batangas City, following the targeted public launch of Ilijan Multipurpose Cooperative as a BankO partner outlet on October 2013 and the activation of about 400 new users during the launch day. Other cooperatives are also expected to launch once submitted requirements have been approved and contracts signed.

Reducing Transaction Costs in the Payment System

The COA circular 2013-007 "Guidelines for the use of electronic official receipts (eORs) to acknowledge collection of income and other receipts of government" issued on September 18, 2013 is expected to fast track implementation of the collection of government taxes and other fees using mobile money.

SIMM will also provide technical assistance for system integration of local government information systems and mobile money providers to enable live bill inquiry and payment features and fast track implementation. Also, mobile money providers are expected to implement technical requirements for Bayadload and/or enable acceptance of payments through Bancnet switch.

Improving Public Service Delivery (G2P)

SIMM is continuing to work with local governments to include 4Ps beneficiaries in mobile money activations and training in SIMM pilot cities and municipality, and forge partnerships with Globe Telecom Corporate Social Responsibility for this particular initiative.

Furthermore, SIMM will also continue its collaboration with DSWD to complete the concept paper and pilot the automated CCT compliance monitoring and cash grant distribution system.

Pretesting of Training the Trainers (ToT) and participant modules for each segment including local government units, microfinance institutions, cooperatives and small medium enterprises to commence in October and will run until November 2013. Roll-out of 18 training sessions will be conducted from December 2013 to February 2014.

Promoting Supply-Side Networks

To meet its target on new mobile money agents, SIMM is working with key payment aggregators with agent relationships with many outlets with one of them activating mobile money CI/CO service in up to 800 of its existing outlets by December 2013. SIMM has obtained buy-in of other similar organizations.

SIMM is also forging partnerships between mobile money providers and companies with large networks such as Cebuana Lhuillier with 1,800 outlets nationwide, ECPay, Inc with 1,000 retail network including 7/11 and SanMig Food Avenue, Direct Agent 5 and Pay Venue to meet its targets for new mobile money agents. SIMM will continue to collaborate with Mercy Corps Inc. for the implementation of the agnostic agent network project.

Driving Customer Usage

SIMM for the next quarter is completing its Behavior Change Communication (BCC) Project on consumer knowledge, needs and behaviors on mobile money. This includes the completed audience analysis study, the BCC plan and strategy, BCC key messages, designs and materials, the social marketing workshop and the completed report. The BCC materials are targeted to be launched on first week of December 2013.

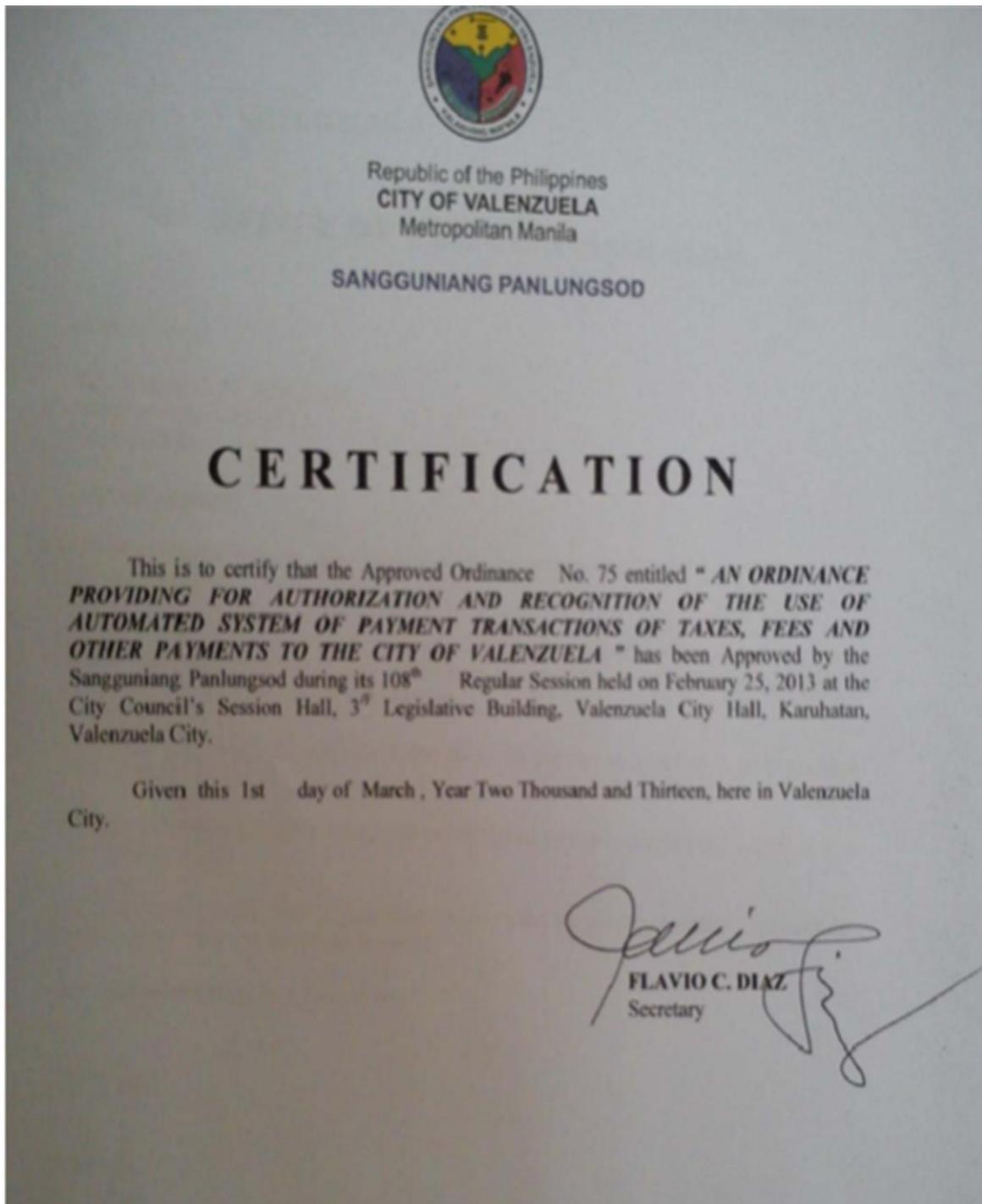
Promoting Global Knowledge Sharing of M-Money

SIMM will forge partnerships to conduct conferences to present the final study and findings of the Interoperability study by Mercy Corps and Bankable Frontiers Associates, five (5) MFI Business Models for mobile financial services business, and the best practices of SIMM pilot cities and municipality.

ANNEXES

- A. Valenzuela City Certification on Ordinance No. 75 *'An Ordinance Providing for Authorization and Recognition of the Use of Automated System of Payments to the City of Valenzuela'*
- B. Sangguinang Bayan Resolution No. 42-2013 *'Recognizing BPI Globe BankKO as electronic payments and collection service provider of the Municipality of Pulilan, Bulacan the and authorizing the municipal mayor Hon. Vicente B. Esguerra Sr. for and behalf of the municipal government of Pulilan, Bulacan to enter into a cash management agreement with BPI Globe BankKO for the use and operation of electronic payments facility'*
- C. COA Circular No. 2013-007 *'Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government'*
- D. SIMM website news, SIMM success stories
- E. Published news stories
- F. SIMM Performance Monitoring Plan (PMP) Results Table as of September 2013
- G. BPI Globe BankKO Certification

A. Valenzuela City Certification on Ordinance No. 75 '*An Ordinance Providing for Authorization and Recognition of the Use of Automated System of Payments to the City of Valenzuela*'



B. Pulilan, Bulacan Sangguniang Bayan Resolution No. 42-2013



Republic of the Philippines
PROVINCE OF BULACAN
MUNICIPALITY OF PULILAN

OFFICE OF THE SANGGUNIANG BAYAN

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

PRESENT:

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

ABSENT:

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

RESOLUTION NO. 42-2013

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

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

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

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

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

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



Republic of the Philippines
PROVINCE OF BULACAN
MUNICIPALITY OF PULILAN

OFFICE OF THE SANGGUNIANG BAYAN

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

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

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

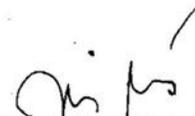
APPROVED.

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

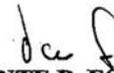


ISIDORO C. SANTOS
Secretary to the Sangguniang Bayan

ATTESTED BY:


ELPIDIO C. CASTILLO
Municipal Vice Mayor

APPROVED BY:


VICENTE B. ESGUERRA SR.
Municipal Mayor

C. COA Circular No. 2013-007 'Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government'



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

CIRCULAR

No. : 2013-007

Date: SEP 18 2013

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

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

1.0 RATIONALE/SCOPE

Electronic Collection System is an online facility provided by government agencies that enables debtors, creditors and other clients to pay government dues and charges through a computer or telephone. It is a system for receiving, sending, storing, generating, or otherwise processing electronic data messages or electronic documents pertaining to receipt and deposit of government collections. Relative to this, the COA has issued COA Circular No. 2004-006 dated September 9, 2004 setting the guidelines and principles on the acceptability of evidences of receipt of payment which defines acceptable forms of proofs of payment.

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

The electronic forms of evidence of receipt of collection is acceptable, on the basis of Sec. 7 of Republic Act (R.A.) No. 8792, otherwise known as the "Electronic Commerce Act of 2000" which states as follows:

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

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[Handwritten signature]

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

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

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

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



2.0 DEFINITION OF TERMS

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

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3.0 GENERAL GUIDELINES

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



4.0 SAVING CLAUSE

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

5.0 REPEALING CLAUSE

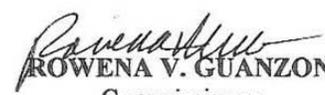
All circulars and memoranda inconsistent herewith are hereby revoked, amended or modified accordingly.

6.0 EFFECTIVITY

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


MA. GRACIA M. PULIDO TAN
Chairperson


HEDY L. MENDOZA
Commissioner


ROWENA V. GUANZON
Commissioner

D. SIMM Website News, SIMM Success Stories

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SIMM Philippines' strategy focuses on areas that will expand the rapid adoption of e-money while also deepening financial inclusion. Throughout, project activities demand a strong component of pilot testing and experimentation to create demonstration and catalytic effects for posit [Read More »](#)

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What's New

COA partners with USAID for workshop, auditors to champion mobile money

Quezon City, Philippines – The use of mobile money in government transactions is expected to gain more support as thirty-five government auditors participated in a mobile money training on September 26 at the Commission on Audit (COA) Central Office in this city, organized by the agency in partnership with the U.S. Embassy Manila's United States Agency for International... [Read the full article »](#)

Electronic receipts now official and acceptable, says COA

Manila, Philippines – The Commission on Audit (COA) on September 18, 2013 has issued the much-awaited circular on the Guidelines for the Use of Electronic Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government, or COA circular 2013-007. Together with COA Circular 2004-006 on electronic disbursements, this new circular removes all doubt and uncertainty about... [Read the full article »](#)

Former informal settlers to save money, pay mortgage using mobile money

Perpecto Balleres, 34, stood outside the small room of the Jovil 3 Annex Homeowners Association (HOA) in Montalban, Rizal province. "I'm waiting for my wife. She's also signing up," he explained. Balleres signed up earlier for a mobile money account before going back to work at the public market in Balintawak, Quezon City. "My wife will use her... [Read the full article »](#)

Mobile money streamlines coop loan transactions, members save on time and cost

Over a hundred members of television network IBC 13's Broadcast Workers Cooperative are now eager to receive their loans through their cell phones, as the use of mobile money technology is gaining ground among cooperatives in the country. This new loan system which aims to streamline loan application and disbursement was introduced to the cooperative by USAID-funded Scaling... [Read the full article »](#)

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What's New

Mobile money: a safer and more efficient way to pay salaries

Leonora, 63, standing in front of a big crowd, shared her fear of being robbed and killed while performing her duties as municipal treasurer of the Local Government of Pulilan in Bulacan province. It was almost unthinkable that such a job could be so risky. Leonora del Rosario has been the municipal treasurer for 20 years. She recounted... [Read the full article »](#)

Pulilan LGU Pioneers Mobile Money Payroll and Utility Payment in the Country

Through partnership between the Pulilan Local Government and the U.S. Government, the residents of Pulilan, Bulacan will have the convenience of receiving salaries and paying bills by using their mobile phones. Pulilan has been selected as a pilot area for U.S. Embassy Manila's United States Agency for International Development's (USAID), Scaling Innovations in Mobile Money (SIMM) Project, which... [Read the full article »](#)

Mobile money helps Pulileños to save, pay utility bills with convenience

A group of residents gathered under a propped up tent with savings account representatives outside the Pulilan municipal hall in Bulacan early morning of August 2. In a white shirt, old jeans, and a small towel around his neck, one vendor was about to sell them his homemade empanada (pastry turnover) when he decided to inquire as well... [Read the full article »](#)

Cellular phones make loan payments more convenient for cooperative members

Manila, Philippines - For most members of the Broadcast Workers Cooperative (BWC), the cooperative arm of Philippine TV and radio network IBC 13, work means having to be always out in the field, at times in far-flung areas. The BWC management saw how difficult it was for their members to access their money and make financial transactions especially during... [Read the full article »](#)

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SIMM Philippines' strategy focuses on areas that will expand the rapid adoption of e-money while also deepening financial inclusion. Throughout, project activities demand a strong component of pilot testing and experimentation to create demonstration and catalytic effects for positive impact. [Read More »](#)

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What's New

US Government, Municipality of Pulilan Promote "Mobile Money" for Increased Transparency and Efficiency in Governance

Manila, February 15, 2013 — The U.S. Government and the Municipality of Pulilan, Bulacan have launched a new partnership to implement the use of electronic payments for government services. Gloria D. Steele, Director of the U.S. Embassy's United States Agency for International Development (USAID) Mission in Manila and Vicente Esguerra, Sr., Mayor of Pulilan today signed a memorandum... [Read the full article »](#)

USAID announces Pulilan, Bulacan as third SIMM City

Pulilan, Bulacan – USAID has partnered with the Municipality of Pulilan, Bulacan to pilot the use of mobile money for government payroll and utility payments, as a way of improving transparency, efficiency, and financial inclusion. The Municipal Government of Pulilan will work closely with USAID's Scaling Innovations in Mobile Money (SIMM) Project to digitize existing payment and collections... [Read the full article »](#)

OPPORTUNITIES: CALL FOR PROPOSALS

REQUEST FOR PROPOSAL FOR THE MOBILE FINANCIAL SERVICES BUSINESS MODEL FOR MICROFINANCE INSTITUTIONS PROJECT The Philippines Scaling Innovations in Mobile Money Project (SIMM) is a 24-month program funded by the United States Agency for International Development (USAID) with the objective of expanding financial inclusion by boosting the adoption and usage of mobile money and creating enabling environment for... [Read the full article »](#)

USAID supports Batangas City innovations for enhanced growth and transparency

Over 300 businesses converged at the Batangas City Convention Center on December 14 to witness the launch of the Batangas City Government's streamlined business registration process and mobile payment scheme for financial transactions which will be implemented by January 2013. These initiatives are in line with the City's goal of propelling Batangas City as an investment destination. As... [Read the full article »](#)

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What's New

Government auditors as enablers of innovative payment systems

USAID in partnership with the Commission on Audit (COA) held the Mobile Money Training for Government Auditors on November 29 in Quezon City. Auditors representing key national and local government agencies, namely the Department of Social Welfare and Development, Land Bank of the Philippines, Department of Budget and Management, Philippine Health Insurance Corporation, Home Development Mutual Fund, Bureau... [Read the full article »](#)

Mobile banking key to financial services

Manila, Philippines – MOBILE PHONE banking is the new game changer in microfinance as it gives consumers greater access to services at minimal cost, the United States Agency for International Development (USAID) said yesterday. "The market potential for microfinance is still huge, and only 158 of 606 rural and cooperative banks are engaged in microfinance," said Mamerto Tangonan,... [Read the full article »](#)

USAID and Valenzuela City partner to scale up mobile money use for good governance

The U.S. Agency for International Development (USAID) and the City of Valenzuela have partnered to pilot the use of mobile money for payment of government services. USAID Assistant Administrator for the Bureau of Economic Growth, Education, and Environment Eric Postel, USAID Philippines Mission Director Gloria Steele, and Valenzuela City Mayor Sherwin Gatchalian signed the partnership agreement that will... [Read the full article »](#)

USAID, Valenzuela City launch partnership to enhance governance through mobile money use

Manila, Philippines – The U.S. Embassy and the City of Valenzuela launched a new partnership that will promote the use of mobile money for payment of government services. United States Agency for International Development (USAID) Assistant Administrator for the Bureau of Economic Growth, Education and Environment, Eric Postel, together with USAID Philippines Mission Director Gloria D. Steele and... [Read the full article »](#)

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SNAPSHOT

Former informal settlers to save money, pay mortgage using mobile money



Photo: USAID/SIMM

Perpecto Balleres (rightmost) with wife Mary Grace (left) are now mobile money account holders. They will use their accounts to save money and pay their mortgage.

Mobile money can be a vehicle for extending financial inclusion and improving the welfare of the poor while offering a more cost-effective and efficient method compared to traditional means such as cash payments through banks.

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

Perpecto Balleres, 34, stood outside the small room of the Jovil 3 Annex Homeowners Association (HOA) in Montalban, Rizal province. "I'm waiting for my wife. She's also signing up," he explained. Balleres signed up earlier for a mobile money account before going back to work at the public market in Balintawak, Quezon City. "My wife will use her mobile money account for our savings, and I'm going to use mine to pay for our house and lot here."

Balleres is talking about an electronic account that he can access with his mobile phone and use to save money, pay mortgage and utility bills, buy goods and airtime load, and send money. This novel way of cashless transaction was introduced by U.S. Embassy Manila's United States Agency for International Development's (USAID) Scaling

Innovations in Mobile Money (SIMM) Project and BPI Globe BankO to the Foundation for the Development of the Urban Poor (FDUP), of which Balleres is a member beneficiary. SIMM and BPI Globe BankO have been holding marketing caravans in Montalban to encourage community members to sign up for mobile money accounts.

FDUP is a non-government organization partnering with community organizations in empowering the urban poor by building better communities and helping them to secure properties such as house and lot.

The Montalban community is part of the Community Mortgage Program of government agency Socialized Housing and Financing Corporation (SHFC). HOA President Grace Hortinela said that in order for the residents to buy land titles, they have to pay a one-time fee to the landowner and then pay mortgage to SHFC monthly. FDUP acts as the mobilizer.

Hortinela told the residents to start saving up for their fee to the landowner, but she didn't want the association to hold everyone's money. "Money can ruin relationships, and we need to build trust in the community," she said. "We want the residents to understand the value of money and the importance of saving."

SIMM's intervention in Montalban is but one of the many examples of how mobile money can help expand financial inclusion across the different segments of the society, particularly the marginalized

and unbanked families. According to a survey, World Bank reported that more than 80% of Filipino households own a mobile phone, and this poses a great opportunity to tap mobile money technology for financial transactions such as savings and loan payments.

The mobile money mortgage payment system will take effect once all 764 residents have registered for a BanKO account. This intervention aims at making the housing loan payment system less costly and more convenient for the community members, and increase transparency and cost- and time-efficiency for FDUP. So far 200 residents have enrolled.

The residents of the community used to be informal settlers from several parts of Metro Manila. Among them is the Balleres family who lived near a brook in Balintawak before relocating in 2008. Mr. Balleres watched over his three kids ages 3, 5, and 8 as they played along the empty street. "At least they can safely play here. Our old house was just a meter long, and our children have fallen into the water several times," he said.

Holding their one year old daughter, his wife Mary Grace, 36, stepped out of the room after completing registration. As a homemaker, she wants to save up for an emergency fund for her brood of seven. Their ATM account closed because it had less than the maintaining balance.

"We couldn't save up," she said, "because I couldn't deposit just PhP100 (US\$2.3) in the bank, so I just keep the money at home. Then it becomes easier to spend. Before I know it, we have nothing left again." When their children get sick, they resort to borrowing money from relatives.

Another resident, Remedios Alido, 60, also recently enrolled for a BanKO mobile money account. Alido moved in from their old home beside a railroad in Manila last 2008. She wants to use her mobile money account to save up to start another business and also pay her mortgage. Her husband still works as a mechanic in Manila at the age of 65, and their three kids are already working. She has three grandchildren.

Alido's main source of income is the two jeepneys which they own, leased out on a daily basis. Her daughter has a computer shop nearby, which she is considering to expand.

As they are learning more about the features of their new mobile bank accounts, residents hope there will be a BanKO partner outlet (BPO) in the community soon. Currently, the nearest BPO is in the town proper, and they have to pay a roundtrip fare of PhP43 (US\$1). "If there's one nearby, we can go anytime and it will be easier to save up every day," said Mary Grace Balleres. Her husband agreed, adding "it would make a big difference in the long run even if we just deposit small amounts often."

SNAPSHOT

Mobile money streamlines coop loan transactions, members save on time and cost



Photo: USAID/SIMM

IBC 13 employees open mobile money accounts to avail of services such as savings, bills payment, buy pre-paid load apart from receiving their loans through their cell phones.

Cooperatives using mobile money can benefit by reducing transaction costs in loan disbursement, and members save on transportation and opportunity cost and eliminate the risk of theft or robbery.

Telling Our Story

U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

Over a hundred members of television network IBC 13's Broadcast Workers Cooperative are now eager to receive their loans through their cell phones, as the use of mobile money technology is gaining ground among cooperatives in the country.

This new loan system which aims to streamline loan application and disbursement was introduced to the cooperative by U.S. Embassy Manila's United States Agency for International Development's (USAID) Scaling Innovations in Mobile Money (SIMM) Project in cooperation with BPI Globe BankO, as an alternative to the traditional process which took an average of six working days from application to disbursement.

With mobile money, loan processing and disbursement now takes only three days. Money is sent straight to the employee's mobile money account within minutes from approval. An SMS message is simultaneously received by their mobile phones linked to their accounts to notify them of the loan release. Once the money is deposited in their mobile money account, they can begin to send money to their relatives, buy pre-paid airtime load, and pay bills right from their mobile phones in the cheapest and most convenient way. They can transact with any ATM or go to any BankO Partner Outlet located within their neighborhood using their mobile money accounts linked to the ATM card and mobile phone.

Previously, loan releases done by check took three-days to clear. Clients also had to spend time and money to go to the bank and leave the office during working hours.

Recently, twelve members including company driver Beda Boquiron and audio/video editor Christian David availed of this new mobile money service.

Boquiron applied for a loan of PhP50,000 (US\$1135) to fund his small business and pay for his children's school expenses. This is not his first time to make a loan, and previously he would get his check from the cooperative and wait in line for more than an hour at the bank. Aside from loans, his regular financial transactions also include paying bills and sending

money. "Paying water and electricity bills took more than an hour and costs me PhP60 (US\$1.36) for travel to and from the payment outlet two kilometers from the studio," said Boquiron. He would also send PhP1,000 (US\$23) to his relatives in the province at least once a month and then pay the transaction cost of PhP50 (US\$1.13) at a pawnshop.

David on the other hand applied for a PhP10,000 (US\$227) loan to pay for his father's medical expenses. "The entire process from application to releasing of checks usually takes a little less than two weeks and it takes me more than an hour from release of check to encashing it at the bank," David said.

"Now the whole system is faster and far less stressful. I don't need to go the bank during office hours. I can withdraw my money anytime from a nearby ATM," he added.

Most members prefer borrowing money from their cooperatives because of customized payment schedules and lower interest rates.

Using mobile money to receive loans helped them save on costs, spend less time in queues, and most importantly, placed them in significantly less danger. "I'm looking forward to our household making payments through my new mobile money account," David shared.

SNAPSHOT

Mobile money: a safer and more efficient way to pay salaries



Photo: USAID/SIMM

Leonora del Rosario (leftmost) sends the very first mobile money payroll for a government office in the country on August 15 as three LGU employees, including Municipal Administrator Vic Esguerra (rightmost) confirms receiving SMS stating successful deposit of his salary to his mobile money account.

Through mobile money payroll, local governments can provide more convenient, secure and transparent transfer of funds ensuring access to additional financial services to its employees and constituents.

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

Leonora, 63, standing in front of a big crowd, shared her fear of being robbed and killed while performing her duties as municipal treasurer of the Local Government of Pulilan in Bulacan province. It was almost unthinkable that such a job could be so risky.

Leonora del Rosario has been the municipal treasurer for twenty years. She recounted the death of the municipal treasurer of nearby town in San Jose del Monte. On her way back to the municipal hall after withdrawing more than a million worth of salaries for government employees, this treasurer was fired at by two armed men while in transit and died on the spot.

Leonora is relieved that she no longer has to face that kind of fear every time she withdraws money from the bank for the salaries of about 300 Pulilan government employees. She is thankful for the new system of disbursing payroll adopted by the Mayor. This new system uses mobile money technology.

The Pulilan Local Government in partnership with the U.S. Embassy Manila's United States Agency for International Development's (USAID) Scaling Innovations in Mobile Money (SIMM) Project, launched the mobile money payroll system, the first of its kind for a government office in the country last August 15, 2013. The mobile money platform is provided by BPI Globe BanKO.

Now the LGU employees with the convenience of their mobile phones can enjoy not only its payroll services but also other features such as savings account, bills payment, money transfer, and purchase of goods, insurance and prepaid load.

Pulilan Mayor Vicente Esguerra Sr., beaming with much pride for this milestone for Pulilan shared, "We are grateful for this technological advancement. This is part of a dream to afford the Pulileños the best of services which they truly deserve."

Department of Budget and Management Undersecretary Richard Moya commended the initiative as it affirms the values of the government, which he described as "transparency over opacity, accountability over impunity, efficiency over

redundancy, agility over red tape, and citizens' cooperation over exclusivity.”

USAID Deputy Mission Director Reed Aeschliman also praised the local government for valuing safety of their citizens and for promoting transparency and efficiency in its financial transactions.

“Our objective is to lower costs and [make banking] more convenient, because it makes sense,” said BPI Globe BankO President Teresita Tan. She emphasized that having bank accounts in the mobile phones in the Philippines, often regarded as the world's texting capital, is a form of financial empowerment, because it gives the user more control of how much he or she spends and saves.

Apart from the new payroll system, the SIMM Project will also introduce financial literacy training with topics on saving, budgeting, and borrowing money with ease using mobile money to Pulileños.



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

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

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

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

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

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

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

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

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

BANKING THE UNBANKED: STORIES FROM THE FIELD

MOBILE MONEY: CREATING OPPORTUNITIES TO SAVE

When 36-year old wife and mother of one, Lea Calnea learned that SIMCO, their community cooperative is now an accredited BPI-Globe Partner Outlet, she hurriedly inquired about the requirements for opening a new savings account. “My husband and I already have a savings account with another bank. But I wanted to have a separate account so I can start saving for my son’s future,” she shared.

Lea first heard about mobile money on television and has since been encouraged to utilize BanKO’s service because of its convenience and affordability. “Even with only 150 pesos (\$4) in my pocket, I was able to open my BanKO account. And that already includes my initial deposit and the cost of ATM card,” she narrates. Because of her proximity to the coop, Lea said that it will be very easy for her to make small deposits on her son’s account on her way to or from work.

Through USAID assistance, working mothers in Batangas like Lea now have access to better financial services, harnessing mobile technology platforms



Photo by: Vicente Catudio/US.AID/SIMM

Cooperative member, Lea Calnea is all smiles as she surveys her new BanKO account.

to expand financial inclusion. By facilitating linkage between mobile money providers and cooperatives in urban and rural communities, USAID is helping increase touch points for people to send money, pay bills, and build assets safely, conveniently, and affordably.

Lea hopes to impart the value of saving to her son. “Hopefully, when he’s old enough, he will continue what I started. Times are tough so it’s important to always have something stored up for the rainy days.”

The family that saves together



Photo by: Vicente Catudio/US.AID/SIMM

Steep bank charges and handling fees have compelled husband and wife Rudy and Luisita Dinglasan to give up their old savings account. “Yung konting ipon namin sa bangko, naubos lang dahil di na naming kayang bayaran yung maintaining balance” (Because we could no longer afford to maintain the required balance in our account, the bank ended up taking whatever’s left of our savings.), recounted Mang Rudy, a mechanic and father of three. That’s why he was pleased to learn that there is now a low-cost financial product in the market that can provide people like them a safe place for storing money sans the high transaction costs. For the Dinglasans, having the means and ability to save will better equip their family in weathering any financial crisis.

One of SIMM’s key goals is to expand the poor’s access to financial services by harnessing low-cost technology for development.

Pilot MFIs Lead Expansion of Mobile Financial Services

Through SIMM, USAID will pilot new business models to scale mobile banking services in the microfinance sector and introduce mobile money as a secure and convenient delivery channel for financial services like loan disbursement, collection, savings, and microinsurance premiums.

This quarter, SIMM formalized partnerships with five key microfinance institutions (MFIs), namely GM Bank of Luzon, CCT Savings and Credit Cooperative, First Isabela Cooperative (FICO) Bank, Kabalikat para sa Maunlad na Buhay, Inc. (KMBI), and the National Confederation of Cooperatives (NATCCO) to develop and implement a set of cutting-edge interventions aimed at integrating mobile money in the backend operations of MFIs with the aim of increasing efficiency and transparency in their operations.

The project will also extend the delivery of financial services to more than 200,000 MFI depositors and borrowers from rural- and urban-based rural banks and cooperatives in different parts of the country with the potential to scale to over 2.3 million microfinance clients.

SIMM has recently awarded the contract for the mobile financial services business modeling to Software Group, a global IT consulting firm with offices in Bulgaria, Kenya, and the Philippines that specializes in providing business solutions to the financial sector, e.g., commercial banks, microfinance institutions (MFIs), cooperatives, credit unions, payment network operators, and mobile operators.



Photo by: Donato Paul/USAID/SIMM

SIMM's MFI partners were invited to witness the MOU signing between USAID and the Local Government of Quezon City last March 25. In photo are (standing): Representatives from CCT, KMBI, NATCCO, and USAID. Seated: Quezon City Accountant Editha Alzona, Mayor Herbert Bautista, USAID Mission Director Gloria Steele, and USAID Office Chief for Economic Development and Governance Daniel Miller.

USAID Forges Partnerships with Top LGUs to Digitize Payment Systems for Better Governance



Pulilan officials, Mayor Vicente Esguerra, Sr. and Vice Mayor Elpidio Castillo and USAID Mission Director Gloria Steele signed the memorandum of understanding that will scale mobile money for government payroll and water utility payments.

The U.S. Agency for International Development (USAID) has partnered with the Municipality of Pulilan, Bulacan and the Local Government of Quezon City to pilot the use of mobile money to enable citizens and businesses to pay local government fees for business registration, real property tax, occupational permits, housing amortization, even water utility bills using their mobile phones. This is aligned with the Philippine government's thrust to transition to electronic payments to foster transparency in the bureaucracy and expand opportunities for financial inclusion.

Under this partnership, Quezon City will also digitize G2P social transfers, specifically educational stipends to 10,000 government scholars and subsidies to housing beneficiaries and public school teachers. For Pulilan, electrifying key government payment streams like payroll will mean reduced administrative costs and improved delivery of public services for citizens.

Both governments are working closely with USAID's Scaling Innovations in Mobile Money (SIMM) Project to automate existing payment and collections system for a faster, more secure, and more accountable management and tracking of government financial transactions.

SIMM will also mobilize the business and microfinance sectors in both localities to boost adoption and usage of mobile money for payroll, trade payments, and microfinance loan disbursements and collections.

On February 15 and March 25, respectively, USAID Philippines Mission Director Gloria D. Steele signed the memorandum of understanding with local chief

executives Pulilan Mayor Vicente B. Esguerra, Sr. and Quezon City Mayor Herbert M. Bautista.

"This partnership will further advance economic development in Pulilan," said Mayor Esguerra. He encouraged key officials and the private sector to help the Municipal Government bring the benefits of mobile money to their constituents. "We will work with you to promote inclusive growth in Pulilan and make it a better place to live in for your citizens," USAID Mission Director Gloria Steele said.

In his speech, Mayor Bautista underscored that it is time for government to update archaic laws and policies and recognize the benefits and convenience of using new technologies to deliver public services. Quezon City has earlier championed the application of technology for governance with the passage of Quezon City Ordinance 1508, which authorizes the City Treasurer to accept online payments as an alternative payment mode for tax collection.

USAID Mission Director Steele remarked, "We are optimistic that Quezon City, being the largest and one of the most progressive cities in the Philippines will become a model for other local governments to adopt innovative solutions like mobile money to improve governance."



The project is part of a bigger initiative called Partnership for Growth, where the Governments of the Philippines and the United States agreed to work together to address key constraints to broad-based, inclusive economic growth, so the Philippines can achieve sustainable, inclusive development, at par with other high-performing emerging economies.

Quezon City Mayor Herbert Bautista and USAID Philippines Mission Director agreed to pursue good governance reforms through usage of mobile money for government financial transactions.

Valenzuela City and USAID to pilot mobile payment solutions for government services

The U.S. Agency for International Development (USAID) and the City of Valenzuela have partnered to pilot the use of mobile money for payment of government services.

USAID Assistant Administrator for the Bureau of Economic Growth, Education, and Environment Eric Postel, USAID Philippines Mission Director Gloria Steele, and Valenzuela City Mayor Sherwin Gatchalian signed the memorandum of understanding that will promote the adoption of mobile money for government financial transactions and make doing business with the City more convenient for citizens.

"Valenzuela City has long been championing the use of technology to streamline our business operations, improve transparency, and reduce inefficiencies in public service delivery," Mayor Gatchalian said. Recently, President Benigno Aquino III hailed Valenzuela City as the Most Business-Friendly LGU-Highly Urbanized City Category for 2012 owing to its business and governance reforms.

In his speech, Assistant Administrator Postel lauded Valenzuela City for taking the bold step of promoting and accelerating use of mobile money in the delivery of social services.

"Valenzuela City under the leadership of Mayor Gatchalian is on the cusp of game-changing developments—embracing technology-driven innovations to further enhance business processes to make government operations more efficient, more transparent, and more responsive to the needs of its citizens," Mr. Postel said.

Automating government transactions means citizens would have less people to deal with, thereby reducing potential leakage of government funds. Mobile money is seen as a cost-effective and transformative tool for increasing transparency and efficiency in governance.



Figure 4. (Seated from left to right) USAID Assistant Administrator Eric Postel, Valenzuela City Mayor Sherwin Gatchalian, and USAID Mission Director Gloria Steele sign the memorandum of understanding that will implement the use of mobile money as a payment option for real property tax, business registration, and other local fees in Valenzuela City.

The project is expected to benefit 130,000 households and 64,000 formally employed citizens in Valenzuela City.

HIGHLIGHTS

- Valenzuela City is one of the pilot implementation areas of SIMM, a two-year USAID project which is mobilizing stakeholder support to create an enabling environment for mobile money in the Philippines.
- Through this partnership, SIMM and its mobile money partners, BPI-Globe BankO, G-Xchange, Inc. and Smart Communications will assist Valenzuela City in integrating mobile money into their existing payment system, specifically for real property taxes and soon, allow citizens to transact with the government with greater ease using mobile technology.
- SIMM will also work with the business sector and microfinance institutions in Valenzuela to enable mobile money for payroll and payments.
- Valenzuela City will soon pass a resolution supporting the city-wide implementation of this groundbreaking initiative.

USAID supports Batangas City innovations for inclusive economic growth and transparency

Over 300 business owners and executives representing 250 businesses converged at the Batangas City Convention Center on December 14 to witness the launch of the Batangas City Government's streamlined business registration process and mobile payment scheme for financial transactions which will be implemented on January 2013.

These initiatives are in line with the City's goal of propelling Batangas City as an investment destination. The event dubbed "Promoting Batangas City as an Investment Destination through Innovations in Business Registration Processes and Financial Transactions" was a joint undertaking of the City of Batangas, the Batangas Province Chamber of Commerce and Industry and the U.S. Agency for International Development (USAID).

As one of the focus areas of USAID's Cities Development Initiative, USAID through its SIMM and INVEST projects is assisting Batangas City in instituting sound business reforms and integrating modern payment systems such as mobile money to make doing business in Batangas more transparent and convenient for citizens. Secretary to the Mayor, Atty. Reginald Victor Dimacuha said that the local government is now moving into integrating technology with government procedures to facilitate the public's access to government services.

In his remarks, USAID OEDG Chief Daniel Miller lauded the City Government in pursuing key innovations and regulatory forms to maximize the City's business potential that will drive broad-based, inclusive, sustainable economic growth in Batangas City. He assures the City Government of continued support from USAID in pursuing their development goals for the people of Batangas.



Figure 14. (Above) USAID Chief Daniel Miller commends Batangas City officials, Secretary to the Mayor, Atty. Reginald Dimacuha and Local Economic and Investment Promotion Officer Erick Sanohan for championing innovative reforms in pursuit of sustainable progress in Batangas City.



(Inset) Notwithstanding the long queue, participants from the business sector were in full force at the Batangas City Business Forum where they received updates on the City's business registration process and electronic payment facility.

HIGHLIGHTS

- SIMM Chief of Party, Mamerto Tangonan made a case for mobile money before the Batangas City business sector, reinforcing how it could help businesses save 58% on payroll disbursement costs.
- A quick survey of the business owners and representatives that attended the event revealed that 59 or 20% are interested in using mobile money. A sample of the respondents interviewed said that they like the convenience and cost-savings that mobile money offers and will look into discussing m-money as a payroll option with management.
- Convinced of the benefits of m-money, 23 participants signed up to become new mobile money users after the forum.
- Government officials and private sector participants signed the Batangas City covenant to support the City's 12-point investment and economic growth agenda.

Photos



Above: Key actors from the Philippine payments industry rally together for the National Payments System Workshop on April 22-24, 2013 to assess the state of the industry in the context of interoperability, identify gaps that need to be addressed, and formulate a high-level strategy towards enabling an inclusive and efficient financial system.



Left: Philippine Clearing House Corporation Eduardo Katigbak, Jr. and Bangko Sentral ng Pilipinas (BSP) Director of the Payments and Settlements Office Bella Santos share their thoughts on risk management and governance, the potential challenges and drawbacks of setting up a national payments system.



Right: BSP Deputy Governor Nestor Espenilla, Jr. discusses his key takeaways gleaned from the workshop case studies, specifically other countries' experiences on interoperability. Joining him in his group are (counter clockwise): Banco de Oro Senior Vice President, Transaction Banking Group Head Emmanuel Narciso; Bank of the Philippines Islands Senior Vice President Card Banking Group Maria Cristina Go (not in photo); Commission on Audit Director Lita Diez; and Deputy Treasurer of the Philippines, Policy and Planning Subsector, Atty. Gisela Lood.



Left: Bankable Frontier Associates Director James Hokans facilitates the small group discussion on the gaps in policy and regulation that need to should be addressed to ensure competence, security and certainty around payment transactions. The group consists of representatives from the Bangko Sentral ng Pilipinas, Philippine Health Insurance Corporation, Government Service Insurance System, and G-Xchange, Inc. (GCash).

Right: Bancnet’s Executive Vice President and Chief Operating Officer Aristeo Zafra explains their position on interoperability and what possible role they will play in its eventual implementation. Bancnet is one of the national switch operators in the Philippines.



Left: “We are here because of the proposition that an interconnected and interoperable system will not only create an inclusive system but also a more efficient payment system.” – BSP Deputy Governor Nestor Espenilla, Jr. on the rationale of the National Payments System Workshop

Right: “I applaud you for being part of this movement that will help the Philippines achieve accelerated, broad-based, and inclusive growth.” – USAID Philippines Mission Director Gloria Steele

PHOTOS

Soro-Soro Ibaba Multi-Purpose Cooperative (SIDC) General Assembly and GCash Activation



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



SIDC members sign up for GCash, as GCash promotes a new product called Grassroot GCash Express ATM+SIM. The kit includes their new GCash ATM card and Globe Prepaid SIM for only Php50 (US\$1.25).

MAY GINHAWA SA GCASH EXPRESS ATM+SIM

Ngayon, ang remittance ay credited agad-agad sa ATM card mo. Pwede mo itong ma-withdraw mula sa 9,000 ATMs nationwide.



GET STARTED WITH GCASH EXPRESS ATM+SIM!

Tumawag sa GCASH Customer Service 2882 FREE gamit ang iyong GCASH-enabled Globe SIM para i-activate ang iyong GCASH EXPRESS ATM+SIM account. Makaring lumawag sa (02) 739-2882 gamit ang kahit anong landline.

Mapa-cellphone man o kahit saang ATM sa Pilipinas, pwede mo nang makuha ang perang padala sa iyo with GCASH EXPRESS ATM+SIM!

Gamit lamang ang GCASH-enabled Globe SIM, maari ding makuha ang remittance mula sa alinmang 7,000 GCASH outlets sa Pilipinas.



Mga features ng GCASH EXPRESS ATM Card:

- Walang annual fee
- Walang mantaring balance required
- Withdrawal from over 9,000 Expressnet, Bancnet and Magellan ATMs sa Pilipinas
- P100,000 daily wallet limit
- Withdrawal limit ay depende sa ATM
- P11 withdrawal fee

Mga features ng GCASH-enabled Globe SIM

Konkredito sa GCASH EXPRESS ATM Card

- Makakunha ka ng text notification pagkatinggip mo ng remittance
- Maaring mag-check ng balance gamit ang GCASH Menu sa SIM
- Siguraduhang hindi mag-expire ang SIM upang patuloy kang makatanggap ng remittance (bagay ng load kahit isang beses sa tatlong buwan)

Makakunha mo ang remittance mula sa 7,000 GCASH outlets nationwide with corresponding Cash-out Fee:

- Globe Store
- SIM Deployment Stores
- Partner Prepaidshops
- Partner Rural Banks
- Globe Load Distributors
- At marami pang iba

Maari mong gamitin para sa mga sumusunod na transaksyon via GCASH Menu sa SIM:

- Pambayad ng bills (kuryente, tubig, telepono, cable, etc.)
- Pambili ng Globe o TM prepaid load na may 10% rebate
- Pampalala ng pera sa ibang tao

Migroong 24/7 customer assistance!

- Maari kang tumawag sa 2882 FREE gamit ang iyong GCASH-enabled Globe SIM o kahit anong Globe o TM cellphone
- Makatatawag sa din sa (02) 739-2882 gamit ang kahit anong landline.

Safe and secure dahil garantisado ng Globe Telecom

The GCash Grassroot GCash Express ATM+SIM. The kit includes their new GCash ATM card and Globe Prepaid SIM for only US\$1.25 (Php50).

Photos



(Left photo) USAID Philippines Deputy Mission Director Reed Aeschliman attends the Pulilan Mobile Money Payroll and Bills Payment launch August 15, 2013 at the Pulilan Central School in Pulilan, Bulacan. He is welcomed by Pulilan Mayor Vicente Esguerra Sr. (Right photo) Department of Budget and Management Undersecretary Richard Moya also attends the event and delivered the key message.



(Left photo) Municipal Treasurer does an actual payroll disbursement and links up to BankO Link with 3 LGU employees confirming receipt of sms indicating salaries credited in mobile money account. (Right photo) Pulilan LGU, USAID, SIMM, DAI, PFM, and BPI Globe BankO pose for photo ops.



(Left photo) BPI Globe BankO President Teresita Tan explains to Aeschliman how a BankO partner outlet operates and the mobile money services that BankO offers while (right photo) a young lady opens a BankO mobile money account at the Tambunting Pawnshop in Pulilan.

Photos



Smart eMoney Inc. (SEMI), a subsidiary of Smart Communications, Inc. (Smart), on August 2013 forged a partnership with the National Confederation of Cooperatives (NATCCO) to implement mobile banking that aims to provide accessible financial services to the millions of cooperative members nationwide. This mobile banking partnership is supported by the United States Agency for International Development (USAID) under the Scaling Innovations in Mobile Money (SIMM) Project.

Photos

Pulilan Mobile Money Payroll Simulation and BankO Activation Caravan

August 2, 2013, Pulilan Municipal Hall, Pulilan, Bulacan



Pulilan Treasurer, Accountant and BPI Globe BankO Product Manager (l-r) do the payroll simulation on August 2, 2013 as witnessed by LGU employees. The employees also attended the training on mobile money payroll.



Pulilan constituents opened up new BankO mobile money accounts during the caravan. A total of 47 new accounts were opened on that day.

E. Published News Stories

2012-2013 Media Monitoring

No.	Date	Media Company	Media Type	Title	Link
1	28-Oct-12	Ilocos Times	Online News	US, Phl strengthen improve access to financial services through mobile phones	http://www.ilcostimes.com/pdf-issues/oct22-oct28-12.pdf
2	07-Nov-12	Philippine Information Agency	Online News	USAID, Valenzuela gov't sign agreement to promote mobile money payment scheme	http://ncr.pia.gov.ph/index.php?article=241352268612
3	07-Nov-12	ValenzuelAko	Online	Valenzuela City, USAID to Build Mobile Payment System for Enhanced Governance	http://www.valenzuela.gov.ph/index.php/article/news/1224
4	09-Nov-12	Ilonggo Tech Blog	Blog	Smart powers delivery of country's first fully mobile microfinance services - See more at: http://www.ilonggotechblog.com/2012/11/smart-powers-delivery-of-countrys-first.html#.UnBW2vmnpsk	http://www.ilonggotechblog.com/2012/11/smart-powers-delivery-of-countrys-first.html#.UnBW2vmnpsk
5	13-Nov-12	SMART	Online	Valenzuela LGU taps Smart Money for transactions	http://www.l.smart.com.ph/about/newsroom/press-releases/2012/11/13/valenzuela-lgu-taps-smart-money-for-transactions
6	20-Dec-12	Skyscraper City	Blog	Batangas City launches USAID-supported reforms to promote competitiveness	http://www.skyscrapercity.com/showthread.php?p=98416359
7	20-Dec-12	PIA Calabarzon	Blog	Batangas City launches USAID-supported reforms to promote competitiveness	http://pia-calabarzon.blogspot.com/2012/12/batangas-city-launches-usaid-supported.html

8	17-Jan-13	Batangas City Government	Online	Batangas Launches USAID-Supported Reforms	http://batangascity.gov.ph/batangas2/home/?p=749
9	03-Feb-13	Batangas City Government	Online	SCALING INNOVATIONS in MOBILE MONEY (SIMM) PROJECT	http://batangascity.gov.ph/batangas2/home/?page_id=697
10	25-Mar-13	Philippine Information Agency	Online	U.S. Gov't, QC, LGU ink partnership on SIMM Project	http://news.pia.gov.ph/index.php?article=241364194554
11	25-Mar-13	Interaksyon	Online News	USAID picks QC as pilot area for mobile money project	http://www.interaksyon.com/business/57947/usaids-picks-qc-as-pilot-area-for-mobile-money-project
12	26-Mar-13	Quezon City Government	Online	Quezon City Government Partners with USAID for Mobile Payment Governance Innovation	http://www.quezoncity.gov.ph/index.php?option=com_content&view=article&id=1069:qc-govt-partners-with-usaid-for-mobile-payment-governance-innovation&catid=1:latest-news&Itemid=362
13	28-Mar-13	Yahoo! News Philippines	Online News	QC, USAID facilitate mobile payments	http://ph.news.yahoo.com/qc-usaid-facilitate-mobile-payments-221659677.html
14	29-Mar-13	Balita	Online News	Tax payments puwede sa cellphone	http://www.balita.net.ph/2013/03/29/tax-payments-puwede-sa-cellphone/#.UnBW4_mnpsk
15	21-May-13	NATCCO Network	Online	NATCCO, USAID launch Mobile Money for co-ops	http://www.natcco.coop/index.php/home-2/123-natcco-usaid-launch-mobile-money-for-co-ops
16	05-Jun-13	NATCCO Network	Online	USAID's Miller sees more partnerships with NATCCO after SIMM Project	http://www.natcco.coop/index.php/home-2/131-usaid-s-miller-sees-more-partnerships-with-natcco-after-simm-project
17	29-Jul-13	FICO Bank	Online	FICOBANK Partners with DAI-SIMM	http://ficobank.com/news/ficobankDAISIMM.htm
18	01-Aug-13	BPI-Globe BankKO	Online	BankKO pioneers mobile money payroll with Pulilan LGU	http://www.banko.com.ph/newsroom/view/1
19	05-Aug-13	NATCCO Network	Online	Co-op Leaders Enthusiastic over Mobile Banking	http://www.natcco.coop/index.php/home-2/148-co-op-leaders-enthusiastic-over-mobile-banking
20	14-Aug-13	SMART	Online	LANDBANK, Smart launch breakthrough mobile savings and livelihood partnership for 4Ps	http://www.lsmart.com.ph/About/newsroom/corporate/2013/08/14/landbank-smart-launch-breakthrough-mobile-savings-and-livelihood-partnership-for-4ps

21	14-Aug-13	Business Mirror	Online News	LandBank allots P1-billion loan for CCT beneficiaries in Smart e-load retail	http://www.businessmirror.com.ph/index.php/en/news/economy/18002-landbank-allots-p1-billion-loan-for-cct-beneficiaries-in-smart-e-load-retail
22	14-Aug-13	The Manila Times	Online News	LandBank, Smart launch financial program	http://www.manilatimes.net/landbank-smart-launch-financial-program/29636/
23	14-Aug-13	Interaksyon	Online News	Smart, Land Bank tie up for mobile-based savings, livelihood project for the poor	http://www.interaksyon.com/business/68621/smart-land-bank-tie-up-for-mobile-based-savings-livelihood-project-for-the-poor
24	15-Aug-13	Businessweek Mindanao	Online News	LandBank, Smart launch livelihood partnership for 4Ps	http://www.businessweekmindanao.com/2013/08/15/landbank-smart-launch-livelihood-partnership-for-4ps/
25	15-Aug-13	Telecompaper	Blog	Smart, Landbank launch savings, top-up retailer programme	http://www.telecompaper.com/news/smart-landbank-launch-savings-top-up-retailer-programme--961192
26	16-Aug-13	Contact Center Solutions Community	Blog	Smart, Landbank launch savings, top-up retailer programme [Global Data Point]	http://callcenterinfo.tmcnet.com/news/2013/08/16/7347575.htm
27	16-Aug-13	Positive News Media	Blog	Landbank-Smart partnership launches Panalo SIKAP for 4Ps beneficiaries	http://positivenewsmedia.com/blog/2013/08/landbank-smart-partnership-launches-panalo-sikap-for-4ps-beneficiaries/?utm_source=rss&utm_medium=rss&utm_campaign=landbank-smart-partnership-launches-panalo-sikap-for-4ps-beneficiaries
28	16-Aug-13	Scoop.it	Blog	Pulilan LGU Pioneers Mobile Money Payroll and Utility Payment in the Country	http://www.scoop.it/t/alternet-utiba-americas-mobile-money-in-latin-america
29	17-Aug-13	Pulilan Government	Online	Pulilan Mobile Money Payroll and Bills Payment Launch	http://www.pulilan.gov.ph/news.php?id=719
30	17-Aug-13	Manila Bulletin	Online News	Luzon Newsbits for August 17,2013 - PAYROLL PROJECT	http://mb.com.ph/News/Provincial_News/27584/Luzon_Newsbits_for_August_17,2013#.UhlrTZlwd6k

31	17-Aug-13	Mindanao Gold Star Daily	Online News	Landbank, Smart launch breakthrough mobile savings, livelihood partnership for 4Ps	http://www.goldstardailynews.com.ph/business/landbank-smart-launch-breakthrough-mobile-savings-livelihood-partnership-for-4ps.html
32	18-Aug-13	The Mindanao Current	Blog	Breakthrough Mobile Savings and Livelihood Partnership for 4Ps	http://themindanaocurrent.blogspot.com/2013/08/landbank-smart-launch.html
33	19-Aug-13	Malay	Online News	Pulilan residents selected for mobile money project	http://www.malaya.com.ph/index.php/business/business-news/38739-pulilan-residents-selected-for-mobile-money-project
34	20-Aug-13	Manila Bulletin	Online News	Landbank, SMART in CCT partnership	http://mb.com.ph/Business/Corporate/28016/Landbank,_SMART_in_CCT_partnership#.Uh187plwd6k
35	20-Aug-13	ABS CBN	Television		
36	20-Aug-13	The Manila Times	Online News	USAid's Mobile Money project rolls out in Pulilan	http://www.manilatimes.net/usaid-mobile-money-project-rolls-out-in-pulilan/31619/
37	20-Aug-13	Philippine Star	Online News	USAID's SIMM project	http://www.philstar.com/banking/2013/08/20/1109201/usaid-simm-project
38	20-Aug-13	Phildevfinance	Blog	BanKO unveils first-ever LGU mobile banking	http://phildevfinance.blogspot.com/2013/08/banko-unveils-first-ever-lgu-mobile.html
39	22-Aug-13	Payroll	Blog	Philippine province launches mobile money payroll	http://payrollen.info/?p=1510
40	23-Aug-13	Scoop.it	Blog	Philippine Province Launches Mobile Money Payroll	http://www.scoop.it/t/alternet-utiba-americas-mobile-money-in-latin-america
41	22-Aug-13	My Solar Power Tips	Blog	Philippine province launches mobile money payroll – FutureGov Magazine	http://mysolarpowertips.com/solarpowerblog/philippine-province-launches-mobile-money-payroll-futuregov-magazine.html
42	23-Aug-13	Future Gov	Blog	Philippine Province Launches Mobile Money Payroll	http://www.futuregov.asia/articles/2013/aug/22/philippine-province-launches-mobile-money-payroll/
43	01-Sep-13	Yahoo! News Philippines	Online News	SEMI forges partnership with Natcco	http://ph.news.yahoo.com/semi-forges-partnership-natcco-164456311.html

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21-Sep-13

The Daily Tribune

Online News

QC government to use mobile mobile banking to improve financial services

<http://www.tribune.net.ph/index.php/metro-section/item/19322-qc-government-to-use-mobile-mobile-banking-to-improve-financial-services>

SIMM Performance Monitoring Plan (PMP) Results Table as of September 2013

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
Number of active users	Number of people	388,277 ¹	387,658 ²	479,008	772,521	404,951 (Partial data, includes only two MMP reports)	559,000	1,300,000	<p>Data is partial pending submission of one mobile money provider. During the period, SIMM met with the mobile money providers to discuss and agree on a standard set of parameters and definitions for the performance indicators. Since the providers are undergoing reorganization and system enhancements, the revised figures will be reported next quarter.</p> <p>For the number of active users, only two MMPs submitted their data for the last quarter of the year Jul-Sep 2013. Notably, since baseline data in September 2012, active users have been slowly increasing throughout the year exceeding targets for the fiscal year with a total number of 772,521. It can be stated that there has been increased regular use every quarter since the start of the project.</p> <p>Notably one of the providers has increased its newly registered accounts by 2 million in the 6 months period covering January – June 2013.</p> <p>Further, there was a significant change of reported total registered mobile money accounts for one of the providers showing</p>

¹Previously reported at 356,425

²Previously reported at 345,992

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
									a 30 percent rate of decrease from 7.5 million in March 2013 to 4.8million as of June 2013. The stark decrease may be attributed to the updating of systems and definitions of the said provider. SIMM is further exploring and gathering information for the change in numbers.
Percent (%) increase in volume (monetary value) of m-money transactions	Amount	PHP 53,039,897,658.23	PHP 58,671,232,993.88	PHP 57,394,741,715.77	PHP 60,285,413,641.29	PHP 26,308,412,481.20 (Partial data, includes only two MMP reports)			For the period April-June 2013, updated data shows a 13.7 percent increase in volume (monetary value) of m-money transactions from baseline figures. Amount value is PHP60,285,413,641.29 (or \$1,470,375,942.47).
	Percent increase	NA	10.6%	8.2%	13.7%	TBD	200%	200% from baseline	

Strategic Objective 1: Create an Enabling Environment for Mobile Money by Creating Business Models that Scale

IR1 Improved Efficiency of E-Payroll Distribution

Number of SMEs and/or large businesses using e-payroll	Number of new businesses	0	0	0	2	1	43	100	<p>As of the end of the reporting period, SIMM has a total of 3 SME/microfinance institutions who have signed a Memorandum of Agreement/Service Level Agreement to launch their e-payroll/disbursement, namely National Confederation of Cooperatives (NATCCO), IBC 13 Broadcast Workers Cooperative (BWC) and Pulido Manpower.</p> <p>To fast track the efforts and meet LOP targets, SIMM will be developing a marketing plan for rural banks to offer payroll services to large portfolios of SMEs. SIMM will work with rural banks starting with FICO, RB Malaraya, BankO</p>
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Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
									<p>Kabayan, and First Valley in order to offer m-payroll to their SME clients at least 20 each by next quarter.</p> <p>Other priority activation include the following:</p> <ol style="list-style-type: none"> 1. GM Bank 2. First Isabela Cooperative (FICO) Bank 3. CCT Savings and Credit Cooperative 4. Software Group 5. Social Enterprise Development Partnerships, Inc. (SEDPI) 6. TeamAsia 7. S.P. Deloraya Job Contracting & Consultancy Services Inc 8. Fortune General Insurance (FGIC) 9. Ilijan Multi-purpose Cooperative 10. Pinamukan Ibaba Multipurpose Cooperative 11. San Isidro Multipurpose Cooperative 12. Sta. Clara Multipurpose Cooperative 13. Pinagbuklod Multipurpose Cooperative 14. Mahakot Multipurpose Cooperative 15. Holy Cross Savings and Credit Cooperative
IR 2 Improved Public Service Delivery									
Number of government agencies using e-payroll/e-bills payment	Number of agencies	0	0	0	1	1	2	5	<p>During the quarter, SIMM achieved target of one government agency adopting mobile money payroll and collection of water fees. Municipality of Pulilan, Bulacan released an SB resolution in June 2013 recognizing BPI Globe BankKO as the municipality's electronic payments and collection service provider. Launching of services is scheduled on August 15, 2013.</p> <p>In the local SIMM cities, project activities were delayed due to the May 2013</p>

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
									elections and reorganization of key government elected officials. After completion of system integration and signing of contracts, Valenzuela and Quezon City are scheduled to launch its services in November and December respectively.
IR 3 Supply-side Networks Promoted									
Number of cash-in/cash-out merchant partners operating mostly in rural areas	Number of new CI/COs	0	0	1	4	4	1,075	2,500	SIMM has launched 9 BankO Partner Outlets (BPO) in Batangas City and Municipality of Pulilan namely, Yoolah, San Isidro Multipurpose Cooperative, 2 branches of Pinamukan Ibaba Multipurpose Cooperative and 4 branches of 8GAD corporation. SIMM is working with MMPs to expand existing agent network in SIMM cities and tap existing retail networks (i.e., convenience stores, drugstores) and partner with Mercy Corps in building an agnostic agent network.

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
Number of new agents trained	Number of agents trained	0	NA	1	4	4	860	2,000	Agents of the nine (9) BPOS activated were trained uses from opening accounts, cashing in and cashing out.

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

IR 4 Reduced transaction costs in the payment system

Percentage (%) by which transaction costs are reduced	Percent decrease in transactions costs	TBD	NA	NA	NA	90%	20%	20%	Preliminary Data: Quantifying the man hours spent and transportation cost from preparation to actual disbursement in Pulilan, Bulacan, the new payroll process takes total of 1076 minutes or 18 hours (2.2 days) reducing the manual system by 2 hours. Total cost of the new system amounts to only Php 519 (or \$12.35) per payroll period of 15 days. Rate of decrease of actual costs is 90 percent. Reduced time is attributed to the streamlining of processes to one-time travel cost and eliminating time to queue for releasing and receiving of salary.
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IR 5 Increased adoption and use of m-money services

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
Number of new m-money users	Number of people	0	78	59	140	2,765	107,500	250,000	<p>During the year, a total of 3,042 individuals opened m-money accounts during activation events co-organized by the SIMM project.</p> <p>Notably, as of the writing of this report, SIMM conducted barangay activation events in Batangas and Pulilan that will generate large numbers.</p>
Number of people opening savings accounts via branchless banking ³	Number of persons	0	40	43	4	735	4,300	10,000	<p>Certification report from BPI Globe BankKO shows a total of 822 savings accounts were opened during SIMM led activities from December 2012 to September 2013. Notably, the total number is still underestimated as it does not include number of accounts opened by SIMM-supported BPOs.</p>
Number of people trained in financial education and literacy	Number of CCT beneficiaries; Number of non-CCT beneficiaries trained	130	502	357	658	6,840	5,160	12,000	<p>A total of 2,009 (male 839, female 1156) participants from public and private sectors comprising of local and national agencies, SMEs, MFIs and large businesses attended trainings on mobile-money. The events familiarized employees of local agencies, SMEs, and large businesses and MFIs and their respective members on the project and the benefits of mobile money that resulted to key outcomes – forged partnerships and activation of new users.</p>

Cross Cutting IR 6 Promote Global Knowledge Sharing

³ Quarterly data has been revised reflecting final figures reported by BPI Globe BankKO. BPO source data are being validated with BankKO.

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
Number of conferences supported to share knowledge	Number of conferences	0	0	0	0	1	1	3	<p>A COA Auditors' Mobile Money Training Workshop was conducted in September 2013 with key COA officials from the central office, national agencies and local government units to share best practice of Valenzuela City in implementing the mobile money bill inquiry and real property tax collection service; and the role played by Valenzuela City COA in proactively working with the LGU management to implement the system.</p> <p>After the development and pilot testing of business models and completion of studies currently in the pipeline, several conferences will be held to share lessons learned and best practices for replication</p>
Number of research papers shared and developed	Number of research papers	0	0	0	0	1	1	3	<p>Interoperability study has been submitted to BSP for final approval in July 2013.</p> <p>In the pipeline pending finalization.</p> <ol style="list-style-type: none"> 1. Five MFIs have agreed to the conduct of the study to create the MFI Business Model for mobile financial services business. 2. NATCCO Business Model
Project Activity Level Indicators									
Percent (%) of activities that improved financial inclusion of women	Percent of activities	0%	67%	57%	TBD	TBD	50%	50%	During the year, SIMM conducted total of 387 activities ranging from project introductions, workshops, product presentations, coordination meetings, roundtable discussions, business forum to financial education trainings. Of the total,

Performance Indicator	Unit of Measurement	Baseline (as of Sep 2012)	Oct-Dec 2012	Jan-Mar 2013	Apr-June 2013	Jul – Sep 2013	FY3 Target	LOP Target	Notes
Percent (%) of activities that improved financial inclusion for individuals and households in rural areas	Percent of activities	0%	74%	88%	TBD	TBD	90%	90%	69 training activities on the benefits and uses of mobile money were conducted covering a total of 2,009 individuals of which 1,159 were women. Note: Results are partial as DAI's Technical and Administrative Management Information System (TAMIS), which houses all project data, is still undergoing revisions and data population. Data will be available by next quarter.
Value of activities funded by cost-sharing/contribution arrangements with SIMM	Dollar value of activities	\$3,127	\$13,130	\$1,320	TBD	\$14,423	\$43,000	\$100,000	For the fiscal year value of activities funded through cost-sharing arrangements with SIMM is estimated at a cumulative total of \$32,000 for the period August 2012 – September 2013. This includes costs incurred for the SIMM project launches, trainings and activation events with national and local counterpart agencies hosting the event (venue, use of amenities).

CERTIFICATION

Cost-share

This is to certify that BPI Globe BankKO, Inc. has provided the following manpower and financial support for its participation in USAID's Scaling Innovations in Mobile Money (SIMM) project:

- I. Manpower: total of 672 man-hours, broken down into the following officer and staff levels:

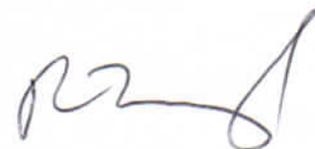
Position Level	Man-Hours
President	9.0
Group Heads (VP and CxO)	80.5
Managers	120.5
Specialists	462.0
Total Man-hours	672.0

- II. Transportation: PHP 103,340.00
- III. Travel Expenses (Meals, Accommodation, Misc.): PHP 20,550.00
- IV. Marketing, promotions, SIM card, ATM and other subsidies: PHP 545,810.00

BankKO Partner Outlets Activated

This is to certify further that BPI Globe BankKO has activated the following BankKO partner outlets, through the facilitation of the USAID-SIMM project:

Institutions	Agent Code
Yoolah	171034
San Isidro Multipurpose Cooperative	170828
Ilijan Multi-purpose Cooperative	174033
8GAD Corporation in Pulilan 1	174262
8GAD Corporation in Pulilan 2	174289
8GAD Corporation in Pulilan 3	Application under processing
8GAD Corporation in Pulilan 4	Application under processing
Pinamukan Ibaba Multipurpose Cooperative 1	Application under processing
Pinamukan Ibaba Multipurpose Cooperative 2	Application under processing



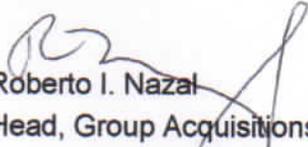
BankKO Mobile Money Collections and Disbursements

This is to certify further that BPI Globe BankKO has activated the following BankKO collections and disbursements facilities, through the facilitation of the USAID-SIMM project:

Institutions	Classification	BankKO MM Service	Date of installation
IBC Broadcast Workers Cooperative	MFI	Disbursements	12-Aug-13
Pulilan Water System	LGU	Collections	2-Aug-13
Pulilan Local Government	LGU	Disbursements	2-Aug-13

BankKO Mobile Money Accounts Opened

This is to certify further that BPI Globe BankKO has activated a total of 1,612 BankKO accounts through the facilitation of the USAID-SIMM project.



Roberto I. Nazal
 Head, Group Acquisitions
 BPI Globe BankKO-SIMM Project Lead