



USAID E-PESO ACTIVITY YEAR I WORKPLAN

March 18, 2015- September 30, 2015

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CONTENTS

CONTENTS	I
ACRONYMS.....	II
EXECUTIVE SUMMARY	I
Year I Targets	2
Workplan Format.....	2
SUB-PURPOSE 1: RAPID ADOPTION OF E-PAYMENTS IN FINANCIAL SYSTEM	3
OVERVIEW AND TARGETS	3
ACTIVITIES	4
Task # 1: Facilitate Adoption of e-Payment Services in Government Agencies	4
Task #2: Increase Private Sector Adoption of e-Payments	4
SUB-PURPOSE 2: INFRASTRUCTURE FOR E-PAYMENTS EXPANDED	6
OVERVIEW AND TARGETS	6
ACTIVITIES	6
Task # 1: Promote Expansion of Front-End e-Payment Infrastructure	6
Task # 2: Strengthen Back-End e-Payment Infrastructure	7
SUB-PURPOSE 3: ENABLING ENVIRONMENT FOR E-PAYMENTS IMPROVED	9
OVERVIEW AND TARGETS	9
ACTIVITIES	10
Task # 1: Ease Constraints to Broad e-Payment Adoption and Usage	10
Task # 2: Assist Financial Regulators in Overseeing e-Payment Growth	10
Task # 3: Promote Standards of Good Practices in Financial Services for Consumers.....	11
Task # 4: Assist Financial Regulators and E-Payment Service Providers to Improve Digital Security Measures.....	11
SUB-PURPOSE 4: GAPS IN BROADER E-PAYMENT ECOSYSTEM ADDRESSED	13
OVERVIEW AND TARGETS	13
ACTIVITIES	13
Task # 1: Build e-Payment Ecosystem, Including M-Money Ecosystems, by Expanding and Aligning SIMM City Implementation to All Regions of the CDI.....	13
Task # 2: Promote Global Knowledge Sharing of e-Payments	14
ENVIRONMENTAL COMPLIANCE WITH REGULATION 216.....	16

ACRONYMS

AML	Anti-Money Laundering
ATM	Automated Teller Machine
BAP	Bankers Association of the Philippines
BSP	Bangko Sentral ng Pilipinas
BTCA	Better Than Cash Alliance
CCT	Conditional Cash Transfer
CDI	Cities Development Initiative
CFT	Combating the Financing of Terrorism
COA	Commission on Audit
DBM	Department of Budget and Management
DOST	Department of Science and Technology
DSWD	Department of Social Welfare and Development
EMI	Electronic Money Issuer
EMV	Europay Mastercard Visa
FATF	Financial Action Task Force
G2P	Government to Person
GDA	Global Development Alliance
GPH	Government of the Philippines
GPPB	Government Procurement and Policy Board
GSIS	Government Security and Insurance System
LGU	Local Government Unit
M&E	Monitoring and Evaluation
MABS	Microenterprise Access to Banking Services
MFI	Microfinance Institutions
MSME	Micro, Small, and Medium Enterprises
NATCCO	National Confederation of Cooperatives
NFC	Near Field Communications
NRPS	National Retail Payment System
OTC	Over the Counter

P2G	Person to Government
PCHC	Philippine Clearing House Corporation
PFG	Partnership for Growth
POS	Point of Sale
PPP	Public Private Partnerships
RBAP	Rural Bankers Association of the Philippines
SIMM	Scaling Innovations in Mobile Money
SME	Small and Medium Enterprises
SSS	Social Security System
USAID	United States Agency for International Development
USG	United States Government

EXECUTIVE SUMMARY

The USAID E-PESO Activity is a USAID/Philippines program supporting the objectives of the U.S.-Philippines Partnership for Growth, which focuses on addressing binding constraints to achieve sustained, more inclusive economic growth. With 99% of payment transactions in the Philippines taking place through cash, promoting a shift to electronic payments (e-Payments) represents unrealized potential to promote inclusive economic growth. Harnessing science, technologies, and partnerships with the private sector and government, E-PESO will partner with the Government of the Philippines (GPH) and private sector to achieve rapid, wide-spread increase in electronic payment (e-Payment) adoption and usage. Through E-PESO support, e-Payments will account for 20% of retail transactions in five years' time.

To shift from a cash-based economy to electronic, E-PESO will support the development of a lasting, inclusive economic infrastructure that sets the stage to explicitly meet the needs of Filipinos, including, but not limited to, those struggling to escape poverty. E-Payment offers secure, cost-effective means to enable Filipinos to gain access to electronic transaction accounts. It provides a platform for accessing a broader range of financial services that can help them build assets, better withstand shocks, and participate more broadly in the formal economy. E-Payment services also offer greater ability to track financial flows in line with GPH's thrust towards greater transparency and accountability in financial transactions.

E-PESO will build on the GPH leadership in promoting e-Payments as a vehicle for expanding financial inclusion. Recognized in 2014 by the Economist Intelligence Unit as one of the top global leaders in promoting financial inclusion, the Philippines's successful track record in deepening financial inclusion mirror worldwide trends: Countries that institute national financial inclusion strategies tackle poverty at a higher rate than those that don't. Leading the charge, the *Bangko Sentral ng Pilipinas* (BSP)'s National Strategy for Financial Inclusion capitalizes on global trends and will focus heavily on ensuring that the majority of Filipinos have access to an electronic transaction account.

Over the next five years, Filipinos will benefit from new and innovative electronic payment products, increased number of outlets to spend electronic money, improved transparency and accountability in their transactions with government, and strong regulatory environment that protects consumers. Stimulating private sector investment, the exponential growth in electronic payments will set the stage for a more inclusive society where all adult Filipinos have access to critical financial services.

To fulfill PFG goals and E-PESO objectives, the activity focuses on four sub-purposes:

- **Sub-Purpose 1: Rapid Adoption of e-Payments in Financial System** Incentivizing adoption of e-Payments, the activity will support digitization of large-scale payment streams in both the private and public sectors. E-PESO will provide technical assistance to GPH agencies in improving their services by expanding the use of e-money in government-to-person (G2P) and person-to-government (P2G) payments. E-PESO will also work to bring the benefits of digital payments to targeted businesses, including businesses such as those from the fast-moving consumer goods industry that have large retail payment flows.
- **Sub-Purpose 2: Infrastructure for e-Payments Expanded** To increase the value proposition to customers using e-Payment instruments, E-PESO will promote interoperability

among the various digital finance (e.g. ATMs, debit/credit and stored value cards, electronic fund transfers, and third-party aggregators) by helping promote the establishment of a National Retail Payment System (NRPS). E-PESO will conduct a comprehensive mapping assessment of the complex array of front-end and back-end components backstopping these instruments to connect and reduce transaction and search costs.

- **Sub-Purpose 3: Enabling Environment for e-Payments Improved** Building trust, convenience, and security in e-Payments, E-PESO will support the BSP as it oversees the establishment and implementation of an interoperable NRPS. The activity will provide technical assistance and training to support BSP in promoting digital security, consumer protection and confidence, financial inclusion, and e-Payment stability within the broader payment system.
- **Sub-Purpose 4 (cross-cutting): e-Payment ecosystem developed in key cities identified under USAID's Cities Development Initiative.** Promoting global knowledge sharing of emerging trends, E-PESO will also identify and address supply and demand constraints inhibiting broader e-Payment usage. E-PESO will build electronic payment ecosystems with particular focus on key cities identified under USAID's Cities Development Initiative.

Year I Targets

Pending completion of the baseline study, E-PESO's provisional Year I target is to initiate work to increase e-Payment services and client access. E-PESO will achieve this by supporting BSP to advance progress of the NRPS and to address systemic barriers to e-Payment adoption. Planned activities focus on strengthening the overall ecosystem for e-Payments and supporting key e-Payment champions to promote awareness, adoption, and increased usage. E-PESO will cultivate partnerships with the private sector, national government agencies, and the identified local government units (LGUs) of USAID's Cities Development Initiative. E-PESO anticipates work with 10 private sector alliance partners, 1 national government agency, and 7 LGUs.

Workplan Format

The workplan covers the period March 18, 2015 through September 30, 2015 and indicates the major tasks E-PESO intends to carry out during Year I. The E-PESO Quarterly Performance Reports will compare actual results against planned targets and activities and provide explanations of the results and progress toward obtaining these goals.

This workplan is organized according to the following sub-purposes

- **Sub-Purpose 1:** Rapid Adoption of e-Payments in Financial System
- **Sub-Purpose 2:** Infrastructure for e-Payments Expanded
- **Sub-Purpose 3:** Enabling Environment for e-Payments Improved
- **Sub-Purpose 4 (cross-cutting):** e-Payment ecosystem developed in key cities identified under USAID's Cities Development Initiative

SUB-PURPOSE I: RAPID ADOPTION OF E-PAYMENTS IN FINANCIAL SYSTEM

OVERVIEW AND TARGETS

To drive demand for e-Payments, E-PESO will promote interest in the private sector and government and develop partnerships with private sector alliance partners and at least one national government agency. Supporting these partners to adopt e-Payment and increase usage, E-PESO will identify and implement the technological, procedural changes, outreach, consumer education and financial literacy campaigns needed in order for sustainable e-Payment adoption to take root. We will prioritize institution actors with large user bases and transaction volumes, the ability to invest in back- and front-end infrastructure growth, existing over-the-counter (OTC) or agent networks, and robust linkages to micro, small, and medium enterprises (MSMEs). In tandem with direct support to businesses and government, E-PESO will also build awareness of e-Payments to the broader public. Working through industry associations, E-PESO will deliver “innovation presentations”. E-PESO will work through entrepreneurial and business associations, small and medium enterprises (SMEs), interested rural, thrift, and commercial banks, and credit cooperatives or microfinance institutions (MFIs) to deliver workshops that build awareness of use of e-Payment solutions.

Year 1 Quarterly Targets

Indicators	Quarter 3 (April 1- June 30, 2015)	Quarter 4 (July 1-September 30, 2015)
Indicator 4: Adoption of new e-Payment services as collection/ disbursement option in five (5) national GPH agencies, cumulative	I	N/A
Indicator 5: No. of LGUs adopting new e-Payment services as collection/ disbursement option in no. of LGUs, cumulative	N/A	3
Indicator 6: New e-Payment implementation and adoption by 500 (small, medium, and large) businesses, no. of businesses adopting e-Payment through E-PESO, cumulative	I	10
Indicator 7: Over 25,000 people trained (via consumer education) on the uses of e-Payments services. cumulative	20	2,400

ACTIVITIES

Task # 1.1: Facilitate Adoption of e-Payment Services in Government Agencies

- **Establish relationships with the leadership of key agencies and institutions.** E-PESO is liaising with potential government partners such as the Department of Science and Technology (DOST), Department of Budget and Management (DBM), Government Service Insurance System (GSIS), Department of Social Welfare and Development (DSWD), and Government Procurement and Policy Board (GPPB). E-PESO will support at least one national government agency outlining E-PESO support to the agency in adopting a new e-Payment mechanism and/or increase use of current e-Payment platforms. **[May 2015]**
 - **Needs assessment and implementation plan development** E-PESO will conduct a needs assessment that identifies priority government payment streams to provide support (with a focus on institutions with large volume and the commitment to shift to e-Payments). Building on findings, E-PESO will engage the senior leadership and appropriate departments within each agency and work with them to develop an e-Payment strategy and implementation plan. E-PESO will help government partners identify the technological, procedural changes, outreach, consumer education and financial literacy campaigns, and/or operational assistance necessary to implement e-Payments. E-PESO will provide technical assistance in these areas and work hand in hand with agency staff to promote behavior change and build capacity as needed. **[July 2015]**
- **Comparative study of existing governmental e-Payment programs.** As a next step, E-PESO will study select government institutions' e-Payment systems and processes to document lessons learned and steps for others to follow. E-PESO will carry out a comparative study of programs like PhilGEPS, GSIS eCard Plus, DSWD CCT Landbank/Omnipay debit cards, eBayad to identify what worked and what did. **[August-September 2015]**
 - **Host roundtable to highlight study findings.** After completing the research, E-PESO will host a roundtable discussion to present the findings to representatives and payments officials from other government departments. We will then gauge interest in obtaining E-PESO assistance to adapt GPH e-Payment institutions, such as PhPay, PhilGEPS, DSWD CCT Landbank/Omnipay debit cards, or GSIS eCard Plus solutions to their own needs. **[September 2015]**

Task #1.2: Increase Private Sector Adoption of e-Payments

- **Provide E-PESO presentations.** E-PESO will deliver “innovation presentations” at industry association conferences (RBAP and NATCCO will occur in May 2015) and meetings held by other targeted groups. Other target industry associations include: the Banker's Association of the Philippines, Credit Card Association of the Philippines, Chamber of Thrift Banks, First Community Cooperative, and Bank Marketing Association of the Philippines.
- **Sign agreements with private sector alliance partners.** Our provisional criteria for partner institutions include: actors with large user bases and transaction volumes, the ability

to invest in back- and front-end infrastructure growth, existing OTC or agent networks, and robust linkages MSMEs. E-PESO will provide technical assistance to private sector alliance partners in implementation, prompting a shift from cash to e-Payment transactions among their customer/user base and smaller businesses that they do business with. E-PESO will enter agreements with at least three private sector alliance partners.

- **Support workshops/presentations that build awareness of e-Payment use cases.** E-PESO will work through entrepreneurial and business associations, SMEs, interested rural, thrift, and commercial banks, and credit cooperatives or microfinance institutions (MFIs) to deliver workshops or support presentations that build awareness of use of e-Payment solutions. E-PESO will consciously target business operators who are talented networkers and can serve as champions; and influencers working with key SMEs, such as those previously recognized by the Microentrepreneur of the Year (MOTY) awards or Go Negosyo.
- **Sign agreements for public private partnerships (PPPs) or Global Development Alliance (GDAs).** E-PESO is currently hosting one-on-one consultations with GDA partners. In Year 1, we will explore the partnerships with Better than Cash Alliance (BTCA) members and Mondato. As a “pay it forward” requirement of partnerships, E-PESO will also work through partners to offer support to the smaller businesses they interact with. Our GDA/PPP target for Year 1 is to enter agreements with two partners.

SUB-PURPOSE 2: INFRASTRUCTURE FOR E-PAYMENTS EXPANDED

OVERVIEW AND TARGETS

E-PESO will support institutions to increase in the number of e-Payment access points (front-end infrastructure) and improve back-end systems (back-end infrastructure). E-PESO will also provide technical assistance to BSP in moving forward the National Retail Payment Strategy (NRPS), which will serve as the cornerstone in promoting interoperability of the e-Payment infrastructure and lowering barriers to entry for new actors to participate in the system. E-PESO will support BSP and working groups to track and monitor progress toward agreed upon milestones.

Year 1 Quarterly Targets

Indicators	Quarter 3 (April 1- June 30, 2015)	Quarter 4 (July 1-September 30, 2015)
Indicator 8: Growth of front-end e-Payment infrastructure expanded		
No. of institutions supported by E-PESO on improving and/or expanding their front-end infrastructure, cumulative	N/A	10
Indicator 9: Back-end e-Payment infrastructure strengthened		
No. of institutions supported by E-PESO on improving and/or expanding their back-end infrastructure, cumulative	N/A	10

ACTIVITIES

Task # 2.1: Promote Expansion of Front-End e-Payment Infrastructure

To support an increase in the number of e-Payment access points, E-PESO will:

- **Conduct a mapping assessment of e-Payments landscape** (players, use cases, access technologies), including:
 - One-on-one consultation meetings with BSP and other government agencies (DBM, DOST, DSWD), industry associations **[June 2015]**
 - Map existing and up-coming front-end infrastructure platforms and e-Payment use cases (i.e., debit/cash/stored value card purchase at POS, RTC account-to-account

transfer, agent cash-in/cash-out, ATM cash withdrawal, EFT batch, etc.) **[August 2015]**

- One-on-one consultation meetings with, banks (issuers and acquirers), non-bank EMLs, payment aggregators, agent networks, service providers (payment gateways, card processors), card networks, merchants and vendors (POS/mPOS, ATM, card manufacturers, etc.). The mapping assessment will inform further activity development by providing a foundation for understanding the industry landscape, the existing and planned use cases, and the general direction of the industry. **[June-September 2015]**

— **Deliver market innovation workshop**

- Develop and design workshop program—objectives, format, content, target participants, desired results, etc. Templates will be E-PESO will build on existing workshops developed for SIMM. **[September 2015, upon completion of the above consultation meetings]**
- E-PESO will map existing and up-coming e-Payment use cases, prioritize the use cases that will promote financial inclusion as well as greater efficiency in the payment system, conduct a gap analysis (present vs. target or desired set-up) and develop a roadmap to reach the target, link the front-end infrastructure roadmap with the back-end infrastructure roadmap, and facilitate market linkages between e-Payment providers, business and government to promote priority use cases. **[September 2015]**

- **Assess front- and back- end infrastructure to strategic or large payment streams identified under Sub-Purpose #1 for E-PESO support.** Payment streams will include both government (i.e., DSWD's CCT/MCCT program, DBM's national payroll system, etc.) and the private sector (i.e., AFCS, tollway operators, NGOs/MFIs, etc.) aligned with the priority use cases, which can drive e-Payment adoption. **[June-September 2015]**

Task # 2.2: Strengthen Back-End e-Payment Infrastructure

Through technical assistance, E-PESO will support the BSP's efforts to strengthen the institutional and regulatory environment underpinning back-end e-Payment infrastructure. In consultation with BSP in May 2015, In Year 1, E-PESO will engage a national retail payments advisor, as well as a team from McKinsey & Company. With the guidance of BSP, E-PESO has developed a scope of work highlighting technical assistance priorities, including:

- **Conduct a situational assessment of NRPS** that will include the following steps:
 - **Obtain an individual update from the BSP and each of the main retail payment industry participants (banks and MNOs), the PCHC and the switching companies** as to what has been planned since July 2014, been completed, and is in progress – and then develop a situational assessment examining achievements since July 2014 and current plans in place at all of the involved parties. **[May-June 2015]**

- **Provide a review for the BSP of the progress made in the glide path and the subsequent plans made and committed to by the industry** based on the situational assessment from a policy and regulatory perspective and relative to the role of government and the financial sector. The glide path previously developed with support from Bankable Frontiers Associates and the SIMM project. The review will include a gap analysis against the SIMM project recommendations (Overarching principles and the Governance and Risk, National Utility Clearing Operator concept and Interchange) and the E-PESO project scope. **[June 2015]**
- **Prepare report highlighting current status of back-end infrastructure providers**, namely: switches/clearing operators (Bancnet/Megalink), settlement facility (RTGS), payment gateways, card processors, etc. to understand their roles, their technology, standards, security, etc. **[May-June 2015]**
- **Support BSP to identify the initial road map of activities for the NRPS.** E-PESO will provide recommendations to the BSP on an initial road map of activities for the NRPS including all regulatory work and roles and responsibilities of the NRPS Working Group. E-PESO will engage a technical expert on e-Payment infrastructure to support BSP in developing the work plan / roadmap. The expert will review the interoperability glide path developed by Bankable Frontiers Associates and develop recommendations for the target infrastructure set-up (the architecture and the different components that will support interoperability amongst payment instruments and/or use cases). The expert will support BSP to develop a work plan / roadmap to reach the target infrastructure set-up. **[June-July 2015]**
- **Provide technical assistance to BSP and private sector in implementing the NRPS infrastructure roadmap / glide path.** Based on the NRPS program status within the BSP, provide support to the BSP in accelerating the NRPS overall program and high level project plans, and identify further opportunities for E-PESO to support BSP's plans.
 - **Provide technical expert on e-Payment infrastructure** to advise BSP and private sector to facilitate setting of standards (i.e., interfaces, security, messaging, etc.) and provide implementation oversight. **[May-September 2015]**
 - When possible, provide technical assistance training to both BSP and private sector
- **Conduct study tour to Malaysia, Thailand or Vietnam.** E-PESO will support the BSP to explore a potential study tour after the AFI Digital Financial Services Working Group Meeting in Kuala Lumpur, which will focus on sharing experience in accelerating e-Payments. E-PESO will support BSP to organize a study tour for government (e.g., BSP, DBM, DOST, etc.) and private sector (e.g., switch/clearing operator, card processors, etc.) to either Malaysia, Thailand, Vietnam, Sri Lanka or another country with a suitable but robust e-Payment ecosystem. **[August 2015]**

SUB-PURPOSE 3: ENABLING ENVIRONMENT FOR E-PAYMENTS IMPROVED

OVERVIEW AND TARGETS

E-PESO will support BSP to form a NRPS Working Group that will serve as a platform for BSP to encourage private sector participation and dialogues on NRPS implementation. Concurrently, E-PESO will provide on-going technical assistance to the BSP and other government agencies (including LGUs) to help them to develop or clarify ordinances and regulations as well as ensuring appropriate focus on consumer protection and digital security. E-PESO will also support the BSP to promote awareness of best practices or guidance supporting financial inclusive national retail payment options. Supporting consumer education, E-PESO will develop training materials and modules that can be launched in tandem with C1 and C4 activities. As needed, E-PESO will develop annual guidelines on digital security. Assisting the BSP to improve its ability to analyze and oversee e-Payment growth, E-PESO will support BSP to develop a framework for monitoring e-Payment growth.

Year I Quarterly Targets

Indicators	Quarter 3 (April 1- June 30, 2015)	Quarter 4 (July 1-September 30, 2015)
Indicator 10: Financial regulation refined to manage growth of e-Payments		
a. No. of circulars, regulations, and local ordinances refined or clarified that support e-Payments growth, cumulative	N/A	3
b. No. of public-private dialogues to support strengthening e-Payment environment, cumulative		1
Indicator 11: Increased consumer awareness and trust in e-Payments,		
a. % change in no. of consumers aware of e-Payments	N/A	TBD*
b. % change in no. of consumers that trust the e-Payment system	N/A	TBD*
Indicator 12: Security measures in e-Payments strengthened		
No. of guidelines developed and forums held that promote awareness on digital security best practices, cumulative	N/A	2

* Targets will be set upon the completion of a baseline study.

ACTIVITIES

Task # 3.1: Ease Constraints to Broad e-Payment Adoption and Usage

E-PESO will support BSP to form an NRPS Working Group and three sub-working groups focused on: 1) Governance, 2) National Retail Clearing Infrastructure, and 3) Economics of Interchange Fees. Based on initial consultations with BSP, we anticipate formation of this group after June 2015 and the introduction of the roadmap for the NRPS. This group will enable BSP to bring together government and private sector parties and serve as a platform for supporting BSP to advance progress toward a unified national payments strategy and glide path for NRPS implementation. Specific areas of E-PESO include:

- **e-Payment ecosystem mapping assessment.** This survey will be done in close coordination with Component 2 and will focus on gathering information on the current state of use of e-Payments platforms/channels and products, with appropriate level of disaggregation. The findings will be used to inform stakeholder outreach in support of the formation of a NRPS Working Group. An assessment report will be submitted to USAID in July. **[May-July 2015]**
- **Support BSP to finalize and present their NRPS strategy to the Monetary Board for approval.** E-PESO will engage National Retail Payments Technical Advisor and Subcontractor McKinsey & Company to assist the BSP to develop a national payments strategy and vision, as well as support the working group road map. This anticipated scope of work discussed with BSP is previously described under Component 2. We anticipate supporting BSP to develop a draft NRPS strategy by July 2015 and will support BSP to present their strategy to the Monetary Board by July 2015. **[June-July 2015]**
- **Support BSP to identify members & arrange composition of the NRPS Working Group.** Upon formation of the group, E-PESO will support the BSP to convene a stakeholder forum. We are exploring the possibility of holding this meeting to coincide with the launching of the financial inclusion strategy. **[Late June 2015]**
- **Align existing and planned programs of both government and private sector parties.** E-PESO will support BSP to facilitate consultations with NRPS stakeholders to encourage cooperation and coordination **[On-going]**

Task # 3.2: Assist Financial Regulators in Overseeing e-Payment Growth

E-PESO will support BSP to develop and solicit input on a framework that they can use to analyze and track e-Payment growth. Specific areas of support include:

- **Support to the BSP to convene technical working groups.** Pending consultations with the BSP, we will support BSP to convene a technical working group tasked with developing a framework to measure e-Payment growth. **[July-August 2015]**
 - **Engage e-Payments advisor.** E-PESO will provide technical assistance support to the BSP technical working group. Pending further consultations, the scope of work will be presented to the BSP in June/July for approval. **[July-September 2015]**

- **Present finalized model to NRPS Working Group.** E-PESO will also support the technical working group to present the finalized model to the NRPS Working Group and respond to inquiries or requests for information. **[September-October 2015]**
- **Support BSP Statistics Group to implement the statistical model.** Pending BSP acceptance of the framework, E-PESO will support the Department of Economics and Statistics to develop an implementation plan for Year 2 and develop initial data collection templates. **[September 2015]**

Task # 3.3: Promote Standards of Good Practices in Financial Services for Consumers

E-PESO's Year 1 focus on developing consumer education training materials that can be deployed in tandem with Component 1 activities. As part of Component 4 knowledge sharing activities, E-PESO will support BSP to build awareness of the benefits of e-Payments to promote financial inclusion as well as the business value propositions for the industry.

- **Consumer education training materials.** We will work in partnership with BSP, government agencies, and the private sector to develop e-Payment consumer education materials that promote awareness of products and also highlight digital security issues.
 - **Conduct needs assessment and design curricula.** E-PESO will develop consumer education materials and trainer-of-trainer (TOT) guides. **[August 2015]**
 - **Deliver Training-of-Trainers.** In coordination with Component 4, E-PESO will deliver master trainings for supported institutions and local NGOs. **[September 2015]**
- **Support launch of National Financial Inclusion Strategy.** Pending further conversations with BSP, E-PESO will provide support to the BSP as it launches the National Financial Inclusion Strategy and promote awareness of best practices developed by BSP. **[June-July 2015]**
- **Solicit and share feedback from supported E-PESO institutions.** In coordination with Components 1, 2, and 4, we will solicit feedback from E-PESO supported institutions on pain-points in E-PESO adoption – particularly among the base of pyramid users. Case studies will be shared with BSP, government agencies, and the private sector on an on-going basis and as well as the NRPS Working Group. **[On-going]**

Task # 3.4: Assist Financial Regulators and E-Payment Service Providers to Improve Digital Security Measures

As part of support to the BSP in implementing the NRPS, E-PESO will provide on-going technical assistance on digital security matters. Specific activities include:

- **Develop guidelines on digital security best practices.** E-PESO will work to develop a comprehensive report that highlights guidelines on digital security concerns and best practices to mitigate risks. **[August-September 2015]**
- **Deliver workshop on digital security.** To promote awareness of the guidelines, E-PESO will deliver a workshop on digital security that summarizes findings and includes presentations from industry experts. **[September 2015]**

SUB-PURPOSE 4: GAPS IN BROADER E-PAYMENT ECOSYSTEM ADDRESSED

OVERVIEW AND TARGETS

E-PESO will build upon the successes of the USAID-supported SIMM cities by collaborating with an additional Cities Development Initiative city. E-PESO will proceed by conducting visits to selected SIMM cities to document the status of mobile enabled e-money payment services, identify good practices in e-Payments, identify outstanding issues and specific concerns, and formulate recommendations and strategies to address issues and concerns. Drawing on the assessment findings, E-PESO will support the counterpart project teams of the LGU to enhance and/or add additional e-Payments services. In Year 1, E-PESO will support seven CDIs, including the six SIMM cities and an additional LGU to be selected in coordination with USAID.

Year 1 Quarterly Targets

Indicators	Quarter 3 (April 1- June 30, 2015)	Quarter 4 (July 1-September 30, 2015)
Indicator 13: No. of SIMM Cities and CDIs that introduced or enhanced e-Payment channels, cumulative	6	7
Indicator 14: Global knowledge-sharing on e-Payments promoted		
a. No. of knowledge sharing articles developed by E-PESO and shared publicly, cumulative	2	12
b. No. of local organizations participating in global knowledge-sharing activities with E-PESO support, cumulative	0	1

ACTIVITIES

Task # 4.1: Build e-Payment Ecosystem, Including M-Money Ecosystems, by Expanding and Aligning SIMM City Implementation to All Regions of the CDI

E-PESO support to the six existing SIMM Cities in expanding their existing e-Payment services and to help them to adopt new e-Payment channels include:

- **Prepare SIMM City case studies and best practices.** E-PESO will conduct SIMM City interviews, walkthrough/observations on various e-Payment processes and documentation. [June 2015]

- **Share SIMM cities case studies.** E-PESO will share updates from the SIMM Cities on a monthly basis as part of the program's knowledge sharing activities. E-PESO will also support LGUs to present at workshops and conferences **[On-going]**
- **Conduct alignment workshop with interested SIMM Cities.** With interested SIMM Cities, support workshop(s) to update their implementation plans, including identifying P2G and G2P services that will be shifted to e-Payment services, outlining roles, responsibilities, and scopes of work, and implementation plan (including change management, marketing, and roll out strategy). **[July 2015]**
- **Support LGUs to develop and implement communications outreach strategy to increase usage of existing e-Payment options.** Upon request, E-PESO will support LGUs to develop a communications outreach strategy to increase usage of current e-Payment platforms. As part of the strategy development, E-PESO will conduct a knowledge, attitudes, and perception study to identify barriers to inform the communications outreach strategy. **[On-going]**
- **Support LGU adoption of new e-Payment channel.** Pending agreement with the LGU, E-PESO areas of support will include:
 - Support LGU to develop terms of reference for technology and/or e-money providers and advise LGU in selection
 - Support technical set-up of e-Payment systems, test user training, and verification and user acceptance test.
 - Support development of public education campaign and informational resources.

Task # 4.2: Promote Global Knowledge Sharing of e-Payments

- **Develop one-stop shop capabilities for implementing e-Payments.** A main element of our approach is to work with e-Payment players to develop a one-stop shop national e-Payments website that provides details on e-Payment implementation, including process maps, use scenarios, transition schemes, and video interviews with businesses, LGUs, utility companies and consumers who have successfully implemented or benefited from e-Payment solutions. We will use this website to link to all e-Payment providers, showcasing Philippine and international case studies. We will set up blogs targeting business, government, and other groups and produce a monthly newsletter containing industry news, consumer protection tips, and e-Payment success stories. Our team will also develop an industry-only newsletter to address industry-specific topics and sensitive security concerns such as fraud examples, risks, and mitigation strategies. The newsletter will be distributed to all e-Payment providers, as well as banks and other financial institutions, BSP, other relevant stakeholders, as well as the media. **[July 2015]**
- **Global knowledge sharing of e-Payments via website, newspapers, and conferences.** E-PESO will produce articles and op-eds that highlight use of e-Payments and the transition to a "cash-light" society. E-PESO will work with USAID to distribute these materials to the local media and targeted e-Payments practitioner audiences globally. We will also support private

sector alliance partners to participate in international e-Payment workshops to highlight the Philippine's role as an innovator. **[On-going]**

- **Explore development of annual awards program.** E-PESO will explore the creation of an awards program that recognizes cities that have made the most significant advances in implementing e-Payments or generated the largest number of transactions. **[September 2015]**

ENVIRONMENTAL COMPLIANCE WITH REGULATION 216

Year 1 E-PESO activities fall within the scope of the categorical exclusion and approved Regulation 216 documentation. As such, no further reviews or approvals are anticipated.

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