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MOBILE SOLUTIONS TECHNICAL ASSISTANCE & RESEARCH PROGRAM (mSTAR), BANGLADESH

**BASELINE SURVEY ON STATUS OF MOBILE MONEY USAGE BY USAID/B HEALTH AND
AGRICULTURE IMPLEMENTING PARTNERS**

BASELINE SURVEY REPORT
JUNE 2014

LIST OF ACRONYMS

AIN	Aquaculture for Income and Nutrition
AIP	Agro Input Program
BB	Bangladesh Bank
DO	Development Objective
ECHA	European Commission Humanitarian Aid
FTF	Feed the Future
GHI	Global Health Indicators
GOB	Government of Bangladesh
IP	Implementing Partner
IR	Intermediate Result
MAMA	Mobile Alliance for Maternal Action
MFS	Mobile Financial Services
M&E	Monitoring and Evaluation
MM	Mobile Money
mSTAR	Mobile Solutions Technical Assistance and Research Program
NGO	Non-Governmental Organization
PROSHAR	Program for Strengthening Household Access to Resources
USAID	U.S. Agency for International Development
USAID/B	USAID/Bangladesh
USG	United States Government

TABLE OF CONTENTS

List of Acronyms	2
1 Introduction	4
2 Background of mSTAR	4
3 Objectives of the Survey	4
4 mSTAR IP Baseline Survey Methodology & Data Collection.....	5
4.1 Develop Online Survey Questionnaire.....	5
4.2 Contact with IPs and Introduce the Survey.....	5
4.3 Data Processing and Analysis	5
5 Major Findings	5
5.1 Overview of surveyed IPs and Projects.....	5
5.2 Status of MM usage by USAID/B IPs and projects.....	7
5.2.1 MM Usage by USAID/B IPs.....	7
5.2.2 MM Usage by USAID/B Projects	8
5.3 Areas where non-MM user IPs are using cash	9
5.4 Reason/s for not adopting MM payments by IPs.....	10
5.5 Respondents' familiarity with mSTAR provided documents or workshopsError! Bookmark not defined.	
6 Key challenges in IP Baseline survey	12
7 Recommendations for further utilization of baseline survey findings.....	12

LIST OF TABLES

Table 1: Overview of surveyed IPs and projects	5
Table 2: Overview of USAID/B IP MM usage	7
Table 3: USAID/B project MM usage: last quarter summary.....	9
Table 4: Overview of non-MM user IPs' areas of cash payment practices.....	9
Table 5: Survey response overview of non-MM user IPs reasons for not adopting MM payment.....	10

LIST OF FIGURES

Figure 1: Overview MM Usage by USAID/B IPs.....	8
Figure 2: Overview of MM Usage by USAID/B projects.....	8
Figure 3: Percentages of IPs using cash payments (area of use)	10
Figure 4: Reasons for not adopting MM payments by non-MM user IPs.....	11
Figure 5: % of respondents aware of mSTAR.....	11

1 | INTRODUCTION

This report presents the key findings from the baseline survey undertaken by the USAID-funded Mobile Solutions Technical Assistance and Research (mSTAR) project in order to assess the current state of mobile money (MM) usage by USAID/B Implementing Partners (IPs) in Bangladesh. The baseline survey was sent to 47 contacts at 43 USAID/B IPs that were implementing health (n = 31) and agriculture (n =12) projects from April to June 2014. Responses were received from 33 contacts, representing 28 USAID/B IPs (65% of total) and a 36 USAID-funded projects (76% of total), of which 18 are health and 18 are agriculture projects.

This report is organized as follows: after providing an overview of the project background, the methodology for the baseline survey is described. This is followed by an analysis of the current state of IPs' usage of mobile money within their operations, the different areas in which the IPs are using cash payments, and the reasons for not adopting mobile money payments for those who have not yet done so. This section also includes whether the respondents were aware of mSTAR or not. The report also includes the key challenges that were faced during the baseline survey and recommendations for further utilization of the information collected through the USAID/B IP MM baseline survey.

2 | BACKGROUND OF MSTAR

mSTAR is a broad, flexible, and responsive technical assistance and action learning program that fosters the rapid adoption and scale-up of mobile money, mobile technologies, and mobile data solutions in developing countries. Ultimately, mSTAR seeks to increase access and use of mobile technologies by the poor, civil society, local government institutions and private sector stakeholders. The USAID/Bangladesh mSTAR activity supports the acceleration and adoption of mobile money and electronic payments (e-payments) within the USAID Mission's programs, with a specific emphasis on health and agriculture, and inclusive gender aspects as a cross cutting theme. Implementation of this activity began in September 2013 and it is anticipated to run for two years.

mSTAR will also work with USAID/Bangladesh, implementing partners, and other relevant parties to define and capture mobile money metrics consistent with USAID's country-level results framework. Local capacity building, awareness raising, technical assistance and sustainability are key principles to be supported through this activity.

3 | OBJECTIVES OF THE SURVEY

The specific objectives of the Baseline Survey are:

- To assess the current state of mobile money (MM) usage by USAID/B IPs that are implementing health and agriculture projects;
- To understand the areas where the IPs are practicing cash payments and the reasons that are holding them back from introducing and adopting MM payments; and
- To understand the extent of the impact of mSTAR activities so far.

4 | BASELINE SURVEY REPORT

4 | mSTAR IP Baseline Survey Methodology & Data Collection

4.1 Develop Online Survey Questionnaire

The baseline survey was conducted through an online questionnaire. A semi-structured questionnaire, incorporating both open and closed-ended questions with check boxes and choice options, was initially developed by mSTAR/B using google forms. Questions were derived from a review of the project results framework and the mSTAR/B M&E plan. The questions were reviewed by mSTAR's Technical Manager and mSTAR/B's Team Lead to ensure that it sufficiently captured all relevant information. In order to make the questions user friendly, question gates were used to direct respondents to the appropriate content depending on previous answers. The questionnaire was carefully tested in-house and improved accordingly.

4.2 Contact IPs and Introduce the Survey

The mSTAR/B team collected the lists of contacts for FTF and OPHNE partners of USAID/B and an e-mail was sent to the COP and other focal points of the projects. The e-mail provided a web link to the survey as well as an overview of mSTAR, objectives of the survey, and other guidelines and referral links. mSTAR/B followed up periodically through e-mails and phone calls during the process of data collection to ensure maximum participation.

4.3 Process and Analyze Data

All the responses were imported into an Excel document for back-up and further analysis. For analysis and data digitization, pivot tables as well as pie and bar diagrams were prepared to illustrate the results.

5 | MAJOR FINDINGS

5.1 Overview of surveyed IPs and Projects

33 respondents from 28 IPs that are implementing 36 USAID health and agricultural projects (Health: 18; Agriculture: 18) participated in the survey. The overview is provided below:

Table 1: Overview of surveyed IPs and projects

Sl.#	USAID/B IP Name	Project/s Name (USAID funded)	No. of USAID/B Health Projects	No. of USAID/B Agriculture Projects
1	ACDI/VOCA, Bangladesh	PROSHAR	0	1
2	Bangladesh Center for Communication Programs (BCCP)	NGO Health Service Delivery Program (NHSDP), Bangladesh Knowledge Management Initiative-II (BKMI-II)	2	0
3	BRAC	SHIKHA	1	0

4	CARE Bangladesh	IAHBI, USAID Agricultural Extension Support Activity Project	1	2
5	CIMMYT Bangladesh	CSISA MI	0	1
6	CIP	USAID Horticulture Project	0	1
7	CNFA	USAID Agro Inputs Project in Bangladesh	0	1
8	DAI	USAID AVC Project	0	1
9	Dnet	MAMA Bangladesh - Aponjon Program	1	0
10	EngenderHealth	Mayer Hashi II	1	0
11	FAO	Strengthening National Capacity to Respond to Emerging and Re-Emerging Pandemic Threats Including Highly Pathogenic Avian Influenza	1	0
12	FHI 360	USAID SHIKHA Project	1	0
13	IBI International	Bangladesh Trade Facilitation Activity	0	1
14	IFDC	AAPI	0	1
15	IRRI	CSISA-BD	0	1
16	Measure Evaluation	Impact Evaluation of BSSFP, NHSDP & Mayer Hasi	1	0
17	mPower Social Enterprises Ltd.	USAID Ag Extension Project	0	1
18	MSH	SIAPS: Systems for improved Access to pharmaceuticals and Services Program	1	0
19	Path	Public Private Mix Support for TB control in Bangladesh project	1	0
20	Pathfinder Int.	USAID/DFID NHSDP	1	0
21	Save the Children	Helping Babies Breathe (HBB), MaMoni HSS, NOBOJIBON, PROTEEVA	3	1

22	Sesame Workshop Bangladesh	Sisimpur	1	0
23	Social Marketing Company (SMC)	Marketing Innovation for Health (MIH) Program	1	0
24	SPRING	SPRING	0	1
25	The World Vegetable Center	USAID Horticulture project	0	1
26	University Research Co., LLC	TB CARE II Project	1	1
27	Winrock International	Asia Farmer-to-Farmer Program, The Cold Chain Bangladesh (CCB) Alliance project	0	2
28	WorldFish	AIN	0	1
Total Projects			18	18
Grand Total-projects			36	

5.2 Status of MM usage by USAID/B IPs and projects

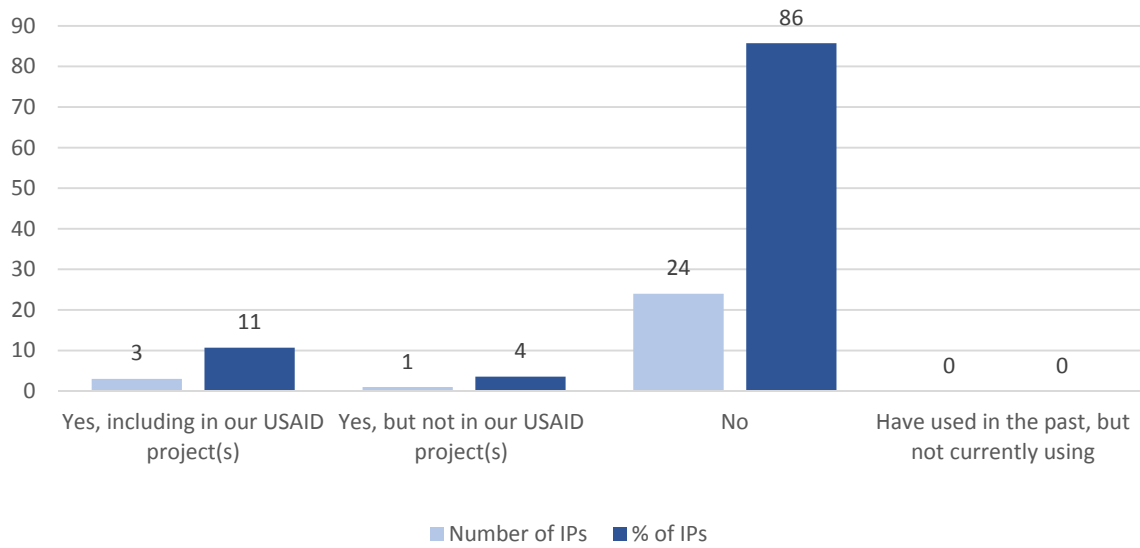
5.2.1 MM Usage by USAID/B IPs

Table 2: Overview of USAID/B IP MM usage

MM Usage Status	Number of IPs	% of IPs using MM
Yes, including in our USAID project(s)	3	11
Yes, but not in our USAID project(s)	1	4
No	24	86
Have used in the past, but not currently using	0	0

A total of 86% of the surveyed USAID/B IPs, representing 24 organizations that are implementing USAID/B funded health and agriculture projects, are not using MM payments in their projects. Only three USAID/B IPs (11% of the total surveyed IPs) are using MM payments in their USAID funded projects; these are Dnet’s MAMA, URC’s TB Care II and ACDI/VOCA’s and PROSHAR. Dnet is also using MM payments in one of their non-USAID funded projects—DEAR Infolady—for disbursing incentives. Another USAID/B IP, Save the Children, has experience using MM payments in an ECHA-funded project titled Rehabilitation and Early Recovery Support to *Mahasen* Affected Families in Barisal Division.

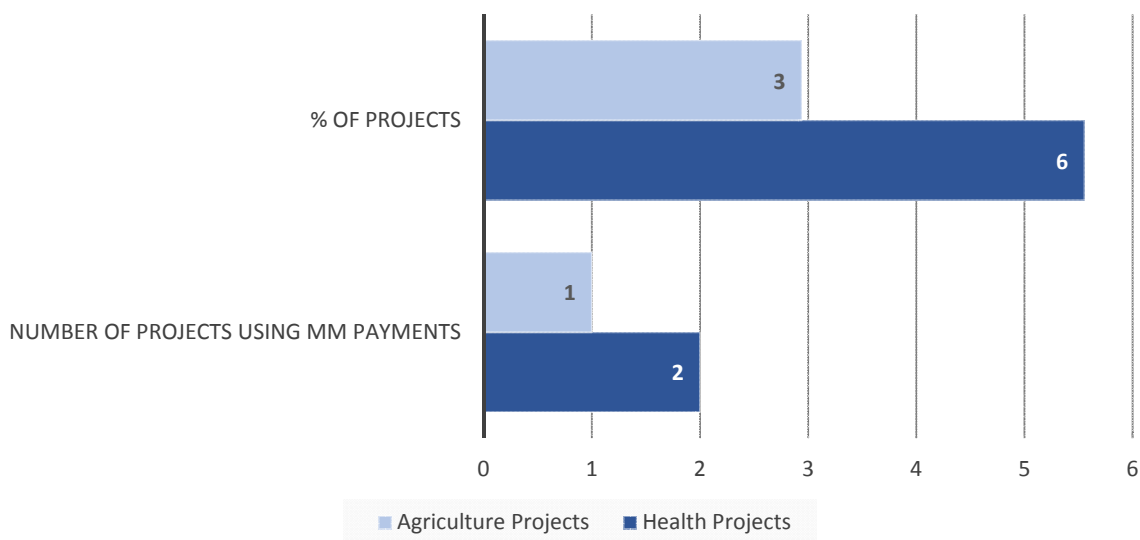
Figure 1: Overview MM Usage by USAID/B IPs



5.2.2 MM Usage by USAID/B Projects

Only two USAID-funded health projects, Mobile Alliance for Maternal Action (MAMA) and TB CARE II, are currently using MM payments. Dnet introduced MM payments in the MAMA project in October 2012 and URC began using MM payments in October 2013 in its TB Care II project. One USAID-funded agriculture project, ACDI/VOCA’s PROSHAR, started to disburse labor payments using MM in April 2013.

Figure 2: Overview of MM Usage by USAID/B projects



All the three MM user projects used MM payments in the last fiscal quarter (January-March, 2014) to disburse incentives, travel allowances, labor payments and daily allowances under project activities. The disbursement details are provided below:

Table 3: USAID/B project MM usage: last quarter summary

Name of USAID funded project	MAMA Bangladesh	TB Care II	PROSHAR
Details of MM Transaction	Period: January-March, 2014 Total volume of transactions: BDT 1,000,000 Total number of transactions: 1,150	Period: January-March, 2014 Total volume of transactions: BDT 3,540,708 Total number of transactions: 1,904	Period: January-March, 2014 Total volume of transactions: BDT 24,927,379 Total number of transactions: 14,430
Purpose of MM use	Incentives and travel and daily allowance disbursements to community health workers	Incentive disbursement	Labor Payments

TB CARE II noted that their participation at the first mSTAR workshop motivated them to adopt MM payments in their project.

5.3 Areas where non-MM user IPs are using cash

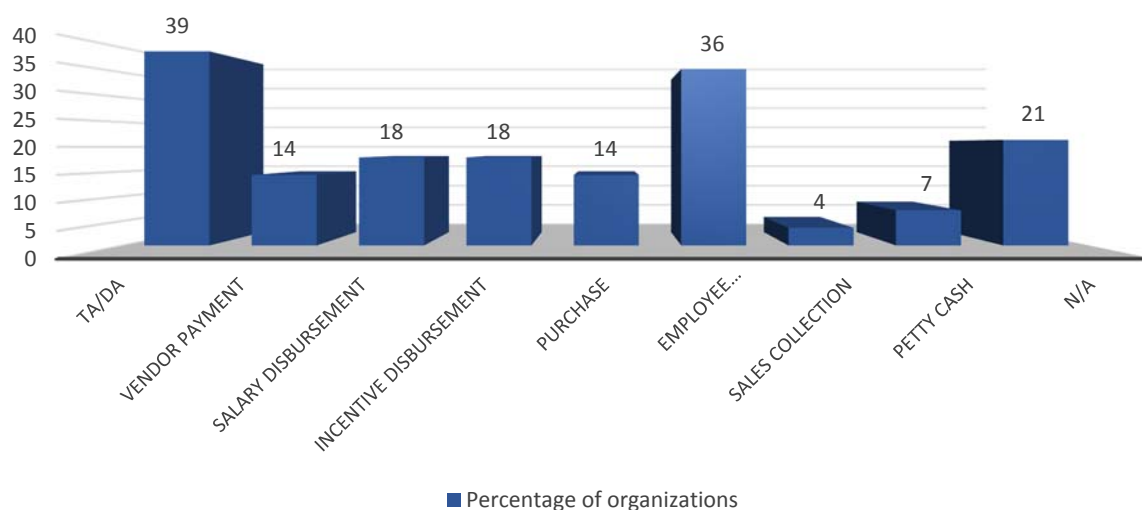
A total of 39% of the IPs (11 organizations) are disbursing travel and daily allowances through cash; whereas 36% of the IPs (10 organizations) are paying employee phone/internet bills using the same mode. Significantly, 21% of IPs mentioned that they do not use cash as a disbursement method, with some respondents indicating that they send money to their grantees through electronic bank transfers instead. A fair percentage of IPs (18%) are still using cash for salary and incentive disbursements, whereas 14% of IPs are paying their vendors with cash. Only one IP, Social Marketing Company (SMC), is collecting sales in cash, even though they have to travel long distances throughout the country for collection purposes. An additional 7% of IPs are using petty cash for small value payments like workshop labor and transportation costs.

Table 4: Overview of non-MM user IPs' areas of cash payment practices

Areas of Cash Payment	Number of responses	Percentage of organizations
Travel and daily allowances	11	39
Vendor payment	4	14
Salary disbursement	5	18
Incentive disbursement	5	18

Purchase	4	14
Employee phone/internet bill	10	36
Sales collection	1	4
Petty cash	2	7
N/A	6	21

Figure 3: Percentages of IPs using cash payments (area of use)



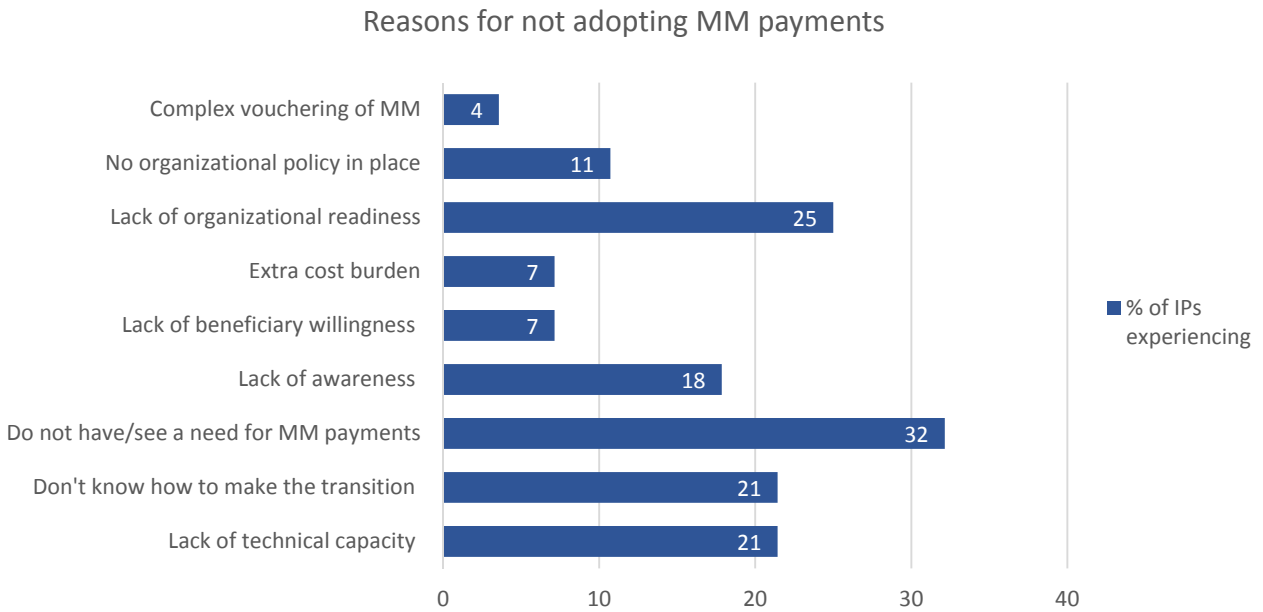
5.4 Reason/s for not adopting MM payments by IPs

About one-third of IPs (32%) noted that they do not have any need for using mobile money in their projects. Remarkably, 25% of IPs mentioned that they have a lack of organizational readiness to incorporate MM payments in their projects, but they have already started to plan to transition to using mobile money and are making the necessary preparations. Also, a significant number of organizations (21%) do not know how to make the transition to mobile money, while another 21% of organizations revealed their lack of technical capacity to use mobile money.

Table 5: Survey response overview of non-MM user IPs' reasons for not adopting MM payment

Reasons for not adopting MM payments	Number of responses	% of IPs experiencing
Lack of technical capacity	6	21
Don't know how to make the transition	6	21
Do not have/see a need for MM payments	9	32
Lack of awareness	5	18
Lack of beneficiary willingness	2	7
Extra cost burden	2	7
Lack of organizational readiness	7	25
No organizational policy in place	3	11
Complex vouchering of MM	1	4

Figure 4: Reasons for not adopting MM payments by non-MM user IPs



It is important to mention that 11% of IPs do not have a policy that is amenable to incorporating MM payments into their projects. They have mentioned that their policy only allows them to make electronic bank transfers.

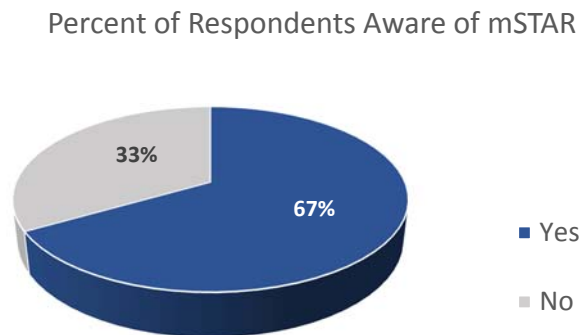
5.5 Respondents' familiarity with mSTAR-provided documents or workshops

Of those surveyed, 67% of respondents (22 in number) were aware of mSTAR through exposure to its document/s and/or workshop/s.

Figure 5: % of respondents aware of mSTAR

Question to respondents:

Have you seen any of the documents or participated in any of the workshops provided by mSTAR?



6 | Key Challenge in IP Baseline Survey

The major challenge associated with the IP baseline survey was ensuring maximum participation from the targeted IPs. Most of the contacts provided by USAID/B are the Chiefs of Party (COPs) who are difficult to reach, even over phone and e-mails, due to their tight schedules. As a result, the response window was extended several times in order to maximize the number of responses. Despite this, a few IPs could not be contacted due to changes in their COP or for other reasons.

7 | Recommendations for Further Utilization of Baseline Survey Findings

The baseline information will be used to benchmark the impacts of MM payments by IPs in the future. Further, this primary IP information will provide helpful background information for conducting a detailed cost-benefit analysis to assess the feasibility of transitioning targeted IPs to using mobile money in the future.