mSTAR: Mobile Solutions Technical Assistance and Research Activity Profile - Bangladesh

Nepal
Bhutan
India
China
BANGLADESH
Myanmar
Vietn
Laos
Thailand
Cambod

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. Implementation of this activity began in September 2013 and it is anticipated to run for two years.

Background and Goals

Mobile technologies are accelerating economic and social development around the globe by reducing the costs of accessing goods, services, and information, and building transparency and accountability. However, despite the speed of adoption, millions remain excluded or underserved, and innovations fail to reach impactful scale, whether due to lack of access, financial means, or knowledge. As a result, the development potential of mobile solutions has not yet been fully realized.

Within Bangladesh, mobile networks already cover 99% of the country, and mobile phone ownership is as high as 83% in urban areas and 60% in rural communities. The past couple of years have also seen rapid expansion in the mobile money market with eight-fold growth in mobile money accounts

Assessing the Landscape

In July 2013, mSTAR consortium partner ShoreBank International (now Enclude) conducted a portfolio assessment of USAID/Bangladesh's portfolio of projects to identify implementing partners that are interested in committing to integrating mobile money or electronic payments into their operations. They also helped to define preliminary metrics specific to using mobile money in development projects that were consistent with the USAID/Bangladesh country-level results framework and other global-level indicators, such as Feed the Future and the Global Health Initiative. The assessment included consultation with mobile network operators, banks, other private sector actors, USAID/Bangladesh, and implementing partners. Along with this assessment, ShoreBank also developed a proposed activity plan that forms the foundation of the activity currently being implemented by FHI 360.

and agents from 2012 to 2013—although the number of mobile money users still represents only a fraction of all adults (at less than 5%). Given Bangladesh's high population density, mobile coverage, demographics, low levels of financial inclusion, and permissive regulatory environment, it is in many ways an ideal market for the scaling of mobile financial services.

In light of this potential for scale, mSTAR is helping USAID implementing partners engaged in agriculture, health, education, and gender programs to integrate mobile money and electronic payments into their programs and operations. In addition, mSTAR also works with USAID/Bangladesh, implementing partners, and other relevant parties to define and capture mobile money metrics consistent with USAID's country-level results framework. Local capacity building, ownership, and sustainability are key principles to be supported through this activity.

The objectives of this program are to:

▶ Facilitate implementing partners' use of mobile money and electronic payments, resulting in productivity gains across USAID/Bangladesh's agriculture, health, education, and gender portfolios, and

▶ Improve active adoption of mobile money end-users.

Mobile Solutions at Work:

mSTAR in Bangladesh focuses on three major action areas to facilitate this transition to mobile money by implementing partners.

Awareness Raising:
mSTAR recognizes that one of the greatest challenges towards a transition to mobile money is a lack of awareness by potential users. To address those challenges, mSTAR:

- Facilitates education and awareness workshops aimed at USAID implementing partners and vendors

- Develops and shares learning documents to increase awareness of mobile money products, as well as promote effective and innovative uses of mobile money

- Facilitates sharing and learning between mobile financial service providers, USAID implementing partners, and other parties through coordinated meetings

Technical Support:
Complementary to awareness raising activities, mSTAR offers on-demand technical assistance to implementing partners, with a particular focus on:

- Assisting with negotiations with mobile money service providers

- Developing business requirements for mobile based tracking/auditing

- Assisting with the design of mobile money usage within projects

Financial Grants:
mSTAR also offers targeted grants to encourage implementing partners to pilot the shift to mobile money. These short-term grants aim to help partners overcome initial cost barriers that may exist with shifting from cash to mobile payments, as well as document their experiences for others to learn from.

Measuring Success:

mSTAR supports the development of metrics and reporting of data to monitor the effects of increased access of mobile devices and transaction services on:

- Financial efficiency, through programmatic cost savings

- Return on investment, through greater outreach or increased service

- Programmatic impacts, by assessing the causal relationship on primary project indicators

mSTAR is an Associate Award under the FIELD-Support LWA, a cooperative agreement between USAID's Microenterprise and Private Enterprise Promotion Office and FHI 360 and its consortium of 24 development partners.

Learn more at: **http://kdid.org/projects/field-support/mstar**

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