
একটি লক্ষ্যে পুরো বাংলাদেশ

এখানে ব্যাঙ্কের সদস্যরা
সকাল সাড়ে ৮টা থেকে সকাল ১১টা
বিকাশ একাউন্ট খুলতে পারবেন

বিকাশ একাউন্ট খুলতে সঙ্গে আ

- ১) মোবাইল ফোন
- ২) কপি পাসপোর্ট সাইজ ছবি

পরিচয় পত্রের ফটোকপি
জাতীয় পরিচয় পত্র/পাসপোর্ট
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Mobile Money Towards a cashless future

“

I have a simple benchmark for innovation and usefulness of technology.

Does it make life easier?

Does it make your service faster?

Does it reduce costs for the poor?

bKash does. And that is a good starting point.”

Sir Fazle Hasan Abed KCMG
Founder and Chairperson, BRAC



From ripple to wave

BRAC has grown to become the world's largest NGO serving over 110 million people across the globe from humble beginnings about 46 years ago. It opened its doors to help rural Bangladeshis with resettlement and rehabilitation in a new country ravaged by war.

BRAC's principles have been simple since the first day. That was to bring services to the doorsteps of those in need while it sought to empower women.

Education or health, life skills or micro-finance, BRAC has always kept up its quest for effectiveness and efficiency. We have been relentless in our effort to better ourselves. The obvious outcome has been innovation. Besides infusing development with our own brand of innovation, BRAC has never shirked away from leveraging the

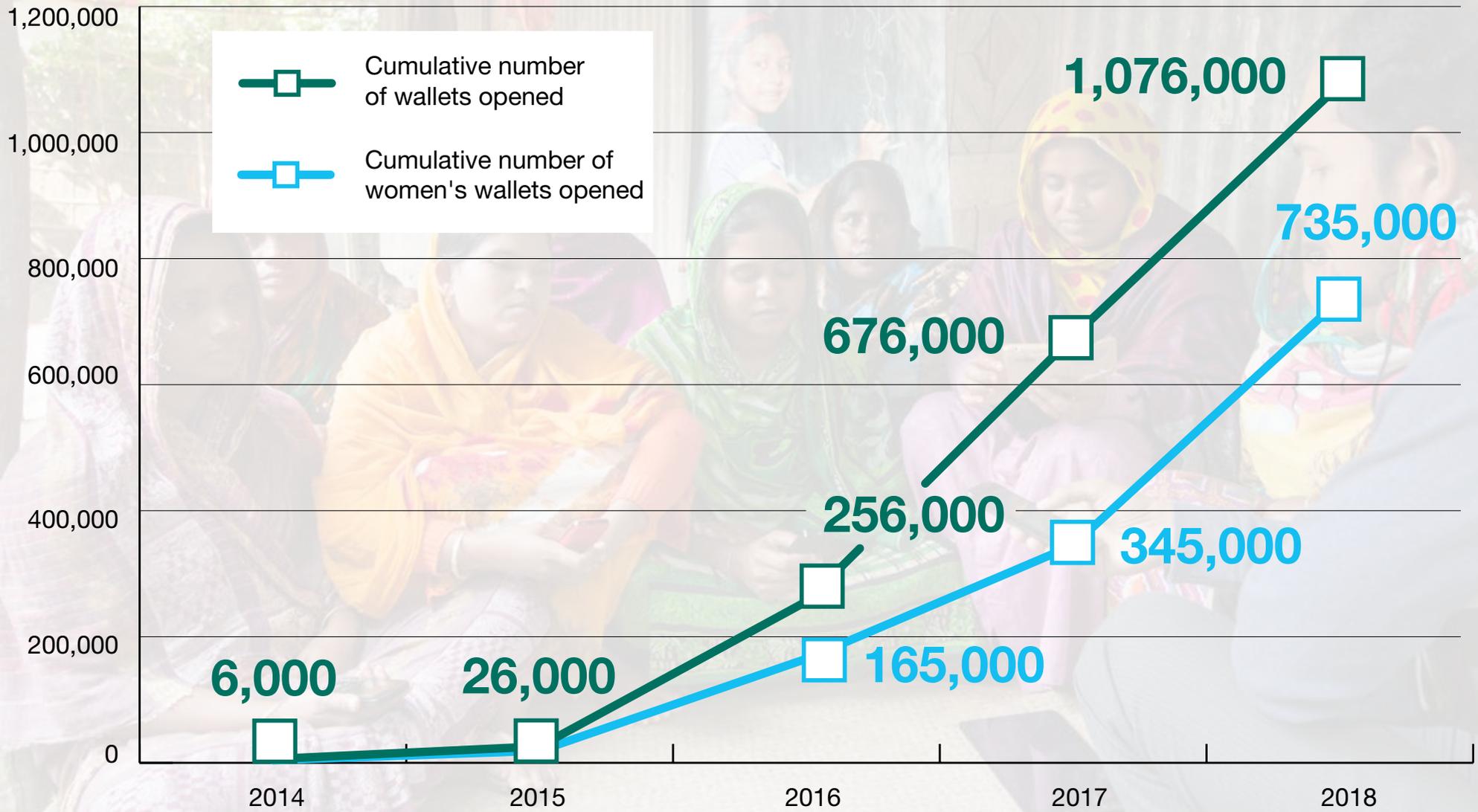
potential of technology.

Mobile money, in the form of bKash, provided exactly such an opportunity. With this new product digital financial services could reach wherever there was mobile phone network. All of a sudden no place was 'hard to reach' anymore.

One of our goals when the Innovation Fund for Mobile Money project began was to experiment. And experiment we did. In the process we improved lives, increased efficiency, became more effective and eliminated risk all the while reducing time and money spent.

We are confident the ripple that this project has created will only gather force and snowball into giant waves one day in the cashless future.

Journey towards 1 million clients



নিজের বিকাশ একাউন্ট থেকে
শিশু নিকতনের বেতন
বিকাশ করলেই



Money goes mobile

There was no doubt about how challenging the Innovation Fund for Mobile Money project would be when we started in September 2013. In early 2014 we launched our first challenge for ideas that used mobile money to solve a problem, improve existing services, or enable a new service.

There were over 100 ideas within a month. We chose seven for piloting. The next year, there were 400 ideas out of which seven were selected. In light of our experience of these 14 pilots, we settled on three programmes for scaling up.

Microfinance, being the largest

mover of cash within BRAC, was an obvious candidate. Then there was the education programme with thousands of students paying their modest monthly fees in cash which had to be collected and moved physically, not to mention the effort and time spent on book-keeping. The third was remote areas under BRAC's Integrated Development Programme. With the first pilot rolling out some four years ago, we got encouraging results but also had hiccups that kept us firmly grounded.

It was not simply a matter of making bKash transactions obligatory for students and BRAC's financial scheme

members. Users had to be taught and trained. There had to be orientation sessions. There were cultural issues and taboos to break down. Mistrust and fear had to be allayed before mobile money could take off anywhere.

Such handholding was not possible through the regular bKash network of agents. BRAC got its special customer service assistants to act as trainers, teachers and counsellors of the members. This was the groundwork in the field that eventually began to pay off. But despite the effort, using bKash beyond very basic functions still remains a challenge because the market in general is still not ready for mobile money.

Given our positive experience so far, BRAC has decided to scale up digital payment to 9,500 schools for students' fees as well as teachers' salaries. Already we have over 50,000 new wallets accounting for transactions worth about BDT 60 million (USD 0.72 million).

BRAC's benefit from mobile money will increase manifold once the microfinance programme begins to implement it aggressively. With a robust database and a seamless interface in place, scaling up bKash payments in microfinance would reap rich dividends since it will raise efficiency and lower risk and cost associated with physical money and the resultant cumbersome accounting.

Women of remote areas show that as in their lives, they can be enterprising with mobile money too. But first the community must be brought to trust the system and taught to use it right.



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BRAC schools go cashless

A widowed mother of two, Hameda Begum's life has been an uphill battle since her husband's road crash about a year ago. Despite the hardship, she has been resolute about the children's schooling. "Thankfully my brother offered to help, but I was still wary. How would I collect the money?"

With a toddler in tow and a daughter in BRAC's primary school, Hameda said bKash had made her life much easier. She receives money from her brother through mobile and pays her daughter's school fees with it too. "I would have been at a loss otherwise."

Mobile money was challenging for Hameda who has had little education in a village about two hours away from Dhaka. A BRAC field worker explained how to use bKash. But he is not available every time she gets stuck, she says. That is when her tech-savvy daughter Mousumi helps her with the menus and options.

BRAC's Rajibpur Shishu Niketon School in Krishnapur has introduced digital fee payment. Gone are the days when teachers had to keep track of every student's payment or when parents had to come to school physically to pay the fees.

bKash has saved hundreds of man hours at every school from parents' commute to the manual book-keeping. What used to

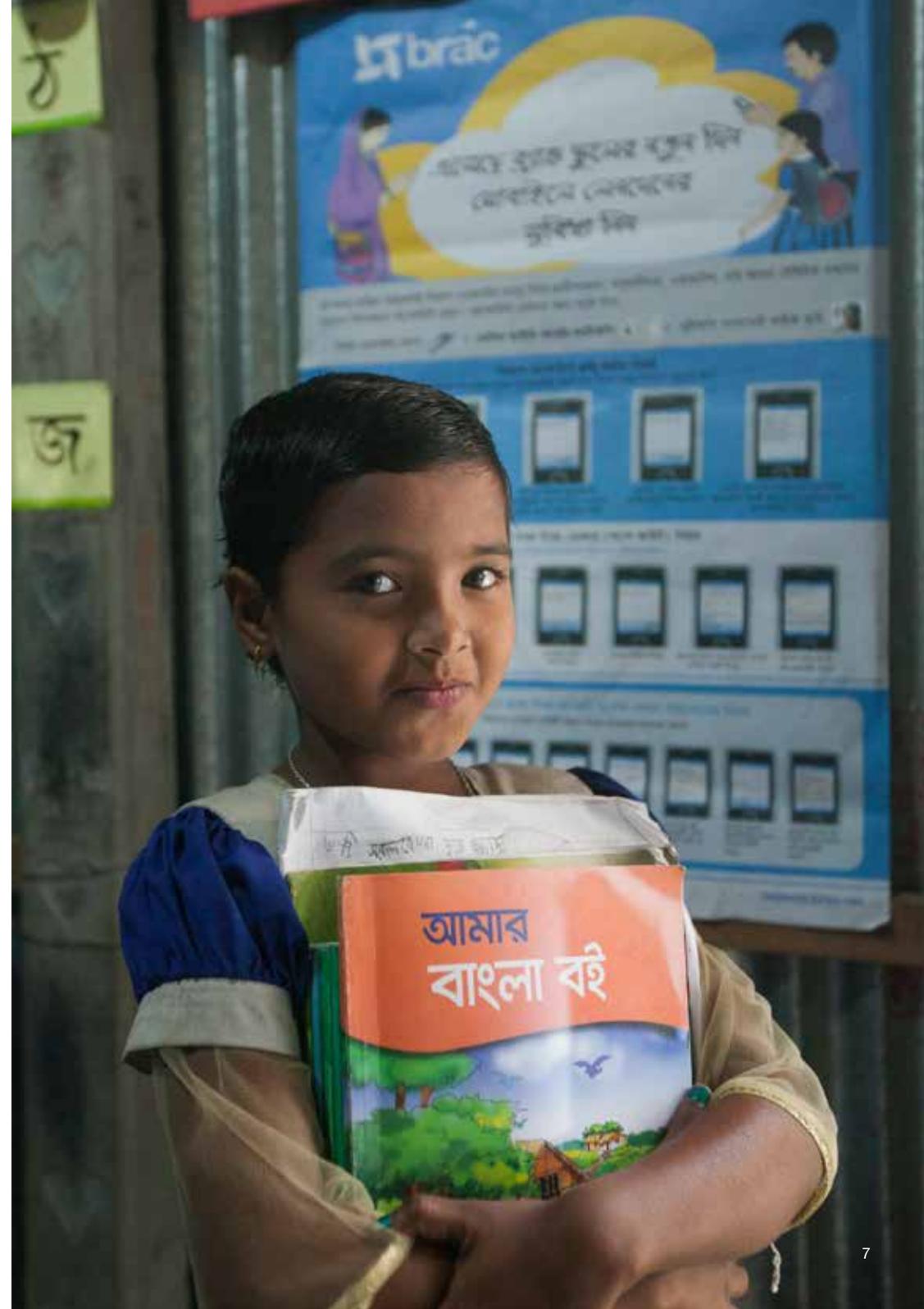
be a few hours' chore for some now takes about three minutes, including the backend database update.

Hameda's neighbour Shiuli is among the parents whose children go to the same school. With her husband in Dhaka, Shiuli takes care of the household by herself. Thus, Shiuli has learned to appreciate the convenience of mobile money with which she pays school fees and receives almost daily payments from her husband in Dhaka.

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She even bought a table for her little son, Obayed, which is quite an achievement since she still needs help. "My husband had sent money just the day before and there I was gone to the store without any cash and they said mobile payment would be fine."

She says the transaction was decidedly much easier. Shiuli has also got her sister using bKash now. "It is easy and we can get money from our husbands in an instant."



Galvanising the ‘deep south’

Learning the numbers and how to use a smart phone was not the greatest challenge for the semi literate housewives of Hatia when BRAC piloted its cashless branch project at Saddam Bazaar. It was breaking down the social barriers and taboos in Bangladesh’s deep south wedged at the mouth of the mighty Meghna that proved far more daunting.

Yasmin Akhter’s husband smashed her SIM card the first time he had heard about mobile money. The poor farmer from south Hatia, which separates Noakhali from the Bay of Bengal, would not tolerate it. “Bit by bit, he warmed to BRAC, though,” says Yasmin about her adamant husband. It was BRAC’s development programme that helped break through the social taboo within this staunchly conservative community in south Noakhali. That was almost four years ago.

Today, the 30-year old housewife not only rears poultry and cattle but also treats them around the neighbourhood. Thanks to BRAC, she has also learned vegetable gardening. “He realised BRAC was not all that bad. And perhaps thought mobile money might not be that bad either.”

The fact that the local credit officer was the wife of a local imam must have helped convince him too. “You see us

today talking to men and going around the neighbourhood on our own. Even four years ago, [the men] would not let us out by ourselves, let alone talk to strangers,” says Taslima.

Another member, Hazera Khatun, said she could hardly remember a single phone number before starting to use

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bKash about three years ago. Today, Hazera often has her groceries delivered at home and pays via bKash. A mother of 8, Hazera spends up BDT 5,000 (USD 60) via mobile money every month besides BRAC payments.

The Saddam Bazaar branch with about 2,100 members, which was the pilot case for a cashless branch, has turned a fourth of all its transactions digital amounting to about BDT 10 million (USD 0.12 million). Thus far almost three-quarters of the members have at one time or another used mobile money.



Cashless instalments reveal microfinance potential

Almost 60% of the DPS holders at the Shibaloy branch just 15km outside Manikganj have started cashless transactions for their savings. But that has been an uphill task for people like Halima Akhter who works as a customer service assistant. Besides her obvious responsibility, Halima also monitors training and orientation programmes of bKash and microfinance. “We teach everything they need to know, from opening an account to using bKash for the savings payments.”

This microfinance branch also doubles as a bKash service centre, which boasts female agents. In fact this is the first place to have female bKash agents in the area. They have monthly training sessions on bKash and serve about 400 women.

Project officers, Nilufa Akhter and Minoti Roy say up to a dozen women drop by every day for mobile money services. They both agree that women are more prone to drop by because the project officers are women themselves. “Otherwise it would be awkward for a man to sit beside a woman and show her the menus and options. And you do have to sit quite close.”

Minoti says there are other challenges like the women are not tech savvy enough to adopt mobile money. “Many

have trust issues and express their doubt about where the money is really going.” She says even the quarterly statement is not enough to allay their fears. “Most of them are very cash centric,” she says.

Training officer, Sumon Chandra Deb-nath, says they regularly conduct training and orientation about the benefits of

DESPITE THE DIFFICULTIES, THE NUMBER OF CLIENTS INTERESTED IN MOBILE MONEY IS ON A STEADY RISE AND THE POPULARITY OF BKASH HAS MUCH POTENTIAL.

mobile money transactions and encourages them to do so. “However, there is an initial set up cost. Two copies of passport photos, and a photocopy of the national ID together constitute a substantial hurdle to register with bKash.”

Halima goes on to say in many ways these women are ahead of their times. Although they have adopted a new means of efficient financial transaction, they cannot use it in their lives. Despite the difficulties, Halima is hopeful. “The number of clients interested in mobile money is on a steady rise and the popularity of bKash has much potential.”



Many ideas looked great on paper but brought about challenges in the field. With scale came unforeseen challenges that ranged from reviewing the incentive structure and to losing experienced field staff through promotions.

Challenges	Lessons
<p>Consistency at scale</p> <p>Field staff struggled to demonstrate the futuristic appeal of mobile money to potential clients effectively.</p> <p>Although managing a few hundred programme organisers (PO) was easy, ensuring 15,000 POs across the country were in sync proved that much difficult.</p>	<p>Complex messages get misinterpreted easily, even lost, while travelling down the management line. So we ensured that all communication materials were simple, consistent and easily relatable in the context of the target locality. Sometimes it was done with pictures, sometimes with anecdotes from clients and staff.</p>
<p>High employee turnover</p> <p>Many of our high performing CSAs went on to become programme organisers for better remuneration. While the promoted CSAs were happy, the new recruits took the KYC (Know Your Customer) rejection rate to as high as 28% (July 2017). Dissatisfied clients became a big risk for the project's reputation.</p>	<p>We held training sessions, refreshers and made follow-up calls to prepare the new CSAs quickly and bring down the rejection rate. None of these were in our original plan. That scale never comes without surprises was an abject lesson.</p>
<p>Quantity vs Quality</p> <p>Although many accounts went inactive within a few months, programme organisers and CSAs seemed keener to open new accounts rather than follow upon the old ones. They seemed to be concerned about raising their number of new wallets.</p>	<p>Inactivity still remains a challenge with only 51% active clients (at least one transaction in 90 days) as of December 2017. We are remodelling the incentive structure based on our experience to ensure that keeping accounts active becomes a priority besides opening new ones.</p>



We found that higher numbers by themselves were not enough to either spread the use of mobile money or ensure inclusion of the hardcore poor who stood to benefit the most.

Challenges	Lessons
<p>Reaching out</p> <p>The marginalised and poorer women complain that bKash wallets are not actually free as advertised. A colour photocopy of the NID and a coloured photo cost BDT 20 (USD 0.24) each. Together, this becomes a serious burden for the very clients who would benefit the most from financial inclusion.</p>	<p>Introducing e-KYC can eliminate the need for physical documents. bKash and BRAC are advocating for the introduction of e-KYC with the regulatory bodies. Such adaptation is imperative for effective financial inclusion.</p>
<p>Ecosystem</p> <p>It takes a huge behavioral shift to switch from hard cash to mobile money. This not only needs a change of habit, but also trust in the new system. As rural vendors rarely accept mobile money, clients are reduced to using it only for paying loan installments, tuition at BRAC schools and their mobile phone bills. This discourages people to adopt mobile money.</p>	<p>Financial transaction ecosystem in the rural areas needs to accommodate mobile money. Once clients find more use for their mobile money, only then will they trust the system and move towards adopting it on their own. Together with bKash, we are exploring more options how mobile money could be introduced to our clients' lives.</p>





Embracing digital finance

With hindsight, BRAC Innovation Fund for Mobile Money had set itself lofty targets. What looked good on paper soon proved to be challenging in the field especially without a vibrant ecosystem that accommodated and encouraged mobile money transactions.

The project set out with two overarching goals in 2013 - lessen the volume of BRAC's internal cash transactions and add 1 million new and active bKash wallets. The groundwork involved testing the willingness to go cashless within BRAC and building an appropriate software for smooth integration of bKash and BRAC systems.

BRAC settled on three pilot schemes which included the largest and most cash intensive microfinance besides education and a remote pocket under the Integrated Development Programme.

Each programme has had its share of hurdles and setbacks, many of them beyond BRAC's control. Yet there is reason for cautious optimism from the experience.

Mobile money made quick inroads for payment of teachers' salary and student fees. This will soon be implemented at 9,000 schools since the benefits are evident.

One of the hurdles in the remote areas has been that people did not even have their national IDs. What was more bKash registration was not completely free. A photocopy and two copies of photo can become significant deterrents.

But all is not lost. Urged by private players, the government is gradually moving to an electronic verification system and it is only a few years hence that swiping the national ID will suffice.

As for microfinance, which moves most of the cash within BRAC, there is little doubt about the benefits of mobile money although it has had measured success. We are already moving towards mobile money in a big way within this cash intensive programme.

All set to meet the target of opening 1 million wallets within 2018, BRAC's momentum will continue converting more clients from cash into mobile money. Together, we shall reap the rich dividends of digital finance and keep changing the future.



Robust use of mobile money does not depend on one or two isolated factors but rather on a hospitable ecosystem that will help it grow.”

Rakib Avi

Programme Manager
BRAC Social Innovation Lab

110 Million People reached

Ranked top global NGO of 2018



BRAC

BRAC Centre T : +88 02 9881265
75 Mohakhali F : +88 02 8823542
Dhaka 1212 E : info@brac.net
Bangladesh W : www.brac.net

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