


Mobile microfinance for social development

Workshop on the Role of Mobile Technologies
in Fostering Social Development

Organized by the: 

June 2-3 2008, Sao Paulo, Brazil

Raphaël Dard, ICT for Trade Development

Mobile phones for business

An International Trade Centre service:

tradeathand



France, Paris Rungis
Market, 21.05.07 21.05.07

DE: TRADE AT HAND
MARCHÉ DE RUNGIS
LE 21.05.2007
MANGUE KENT MALI
AVION CARTON
EUROS / KG
MOY: 3.00
MINI: 2.80
MAXI:0.50

(SOURCE SNM)

SMS message on
mobile screen



Selengue, Mali. Mango
price is at hand.

marketPrices



Mobile phones for business

An International Trade Centre service:

tradeathand



A Burkina Faso Chamber of Commerce employee sending an SMS alert from the tool

FROM: CHAMBER OF COMMERCE
SPICES SUPPLIERS:
YOU ARE WELCOME
TO MEET BUYERS
FROM CHINA AT THE
CHAMBER, ON
10.01.08, 9H00, ROOM
42. FOR DETAILS PLS
CALL 922 11 12

SMS message on mobile screen

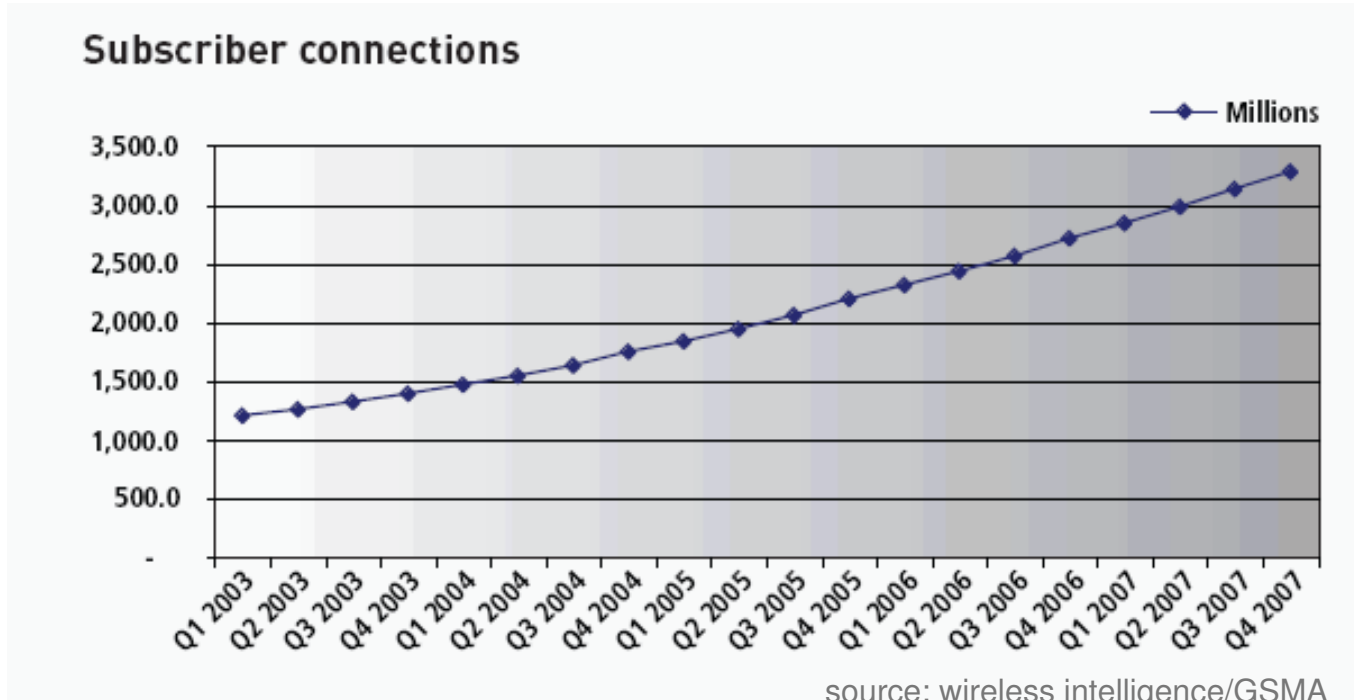


Better informed businesses

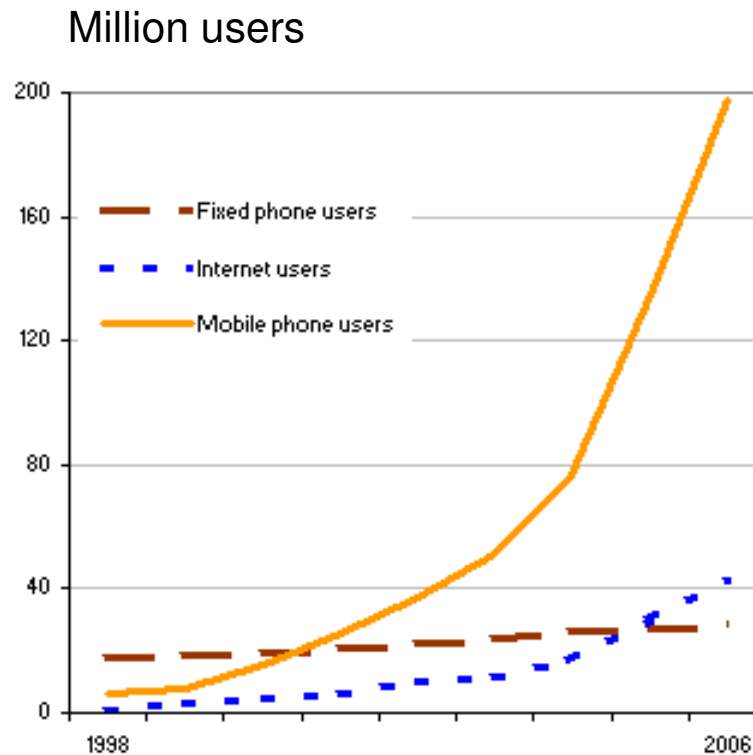
marketAlerts



World penetration growth of mobile phones...



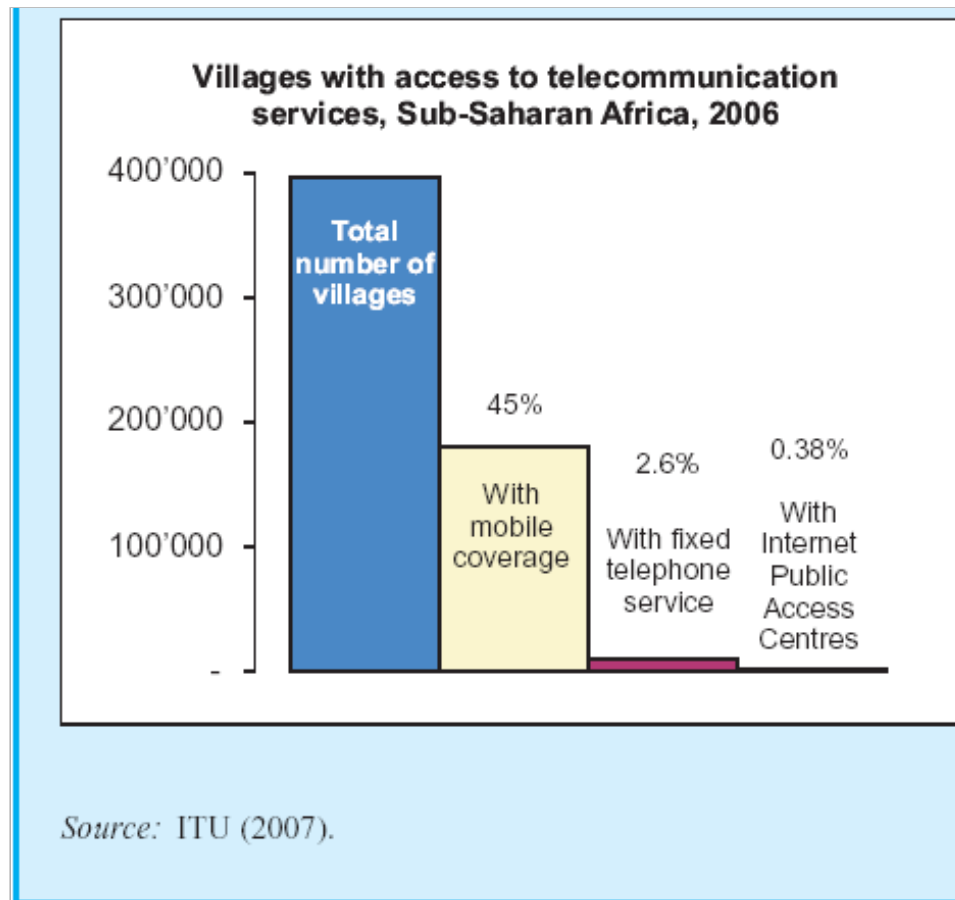
User number evolution, in Africa 1998 - 2006



Data Source: ITU, 2007



Linking urban and rural areas



Microfinance and its strengths

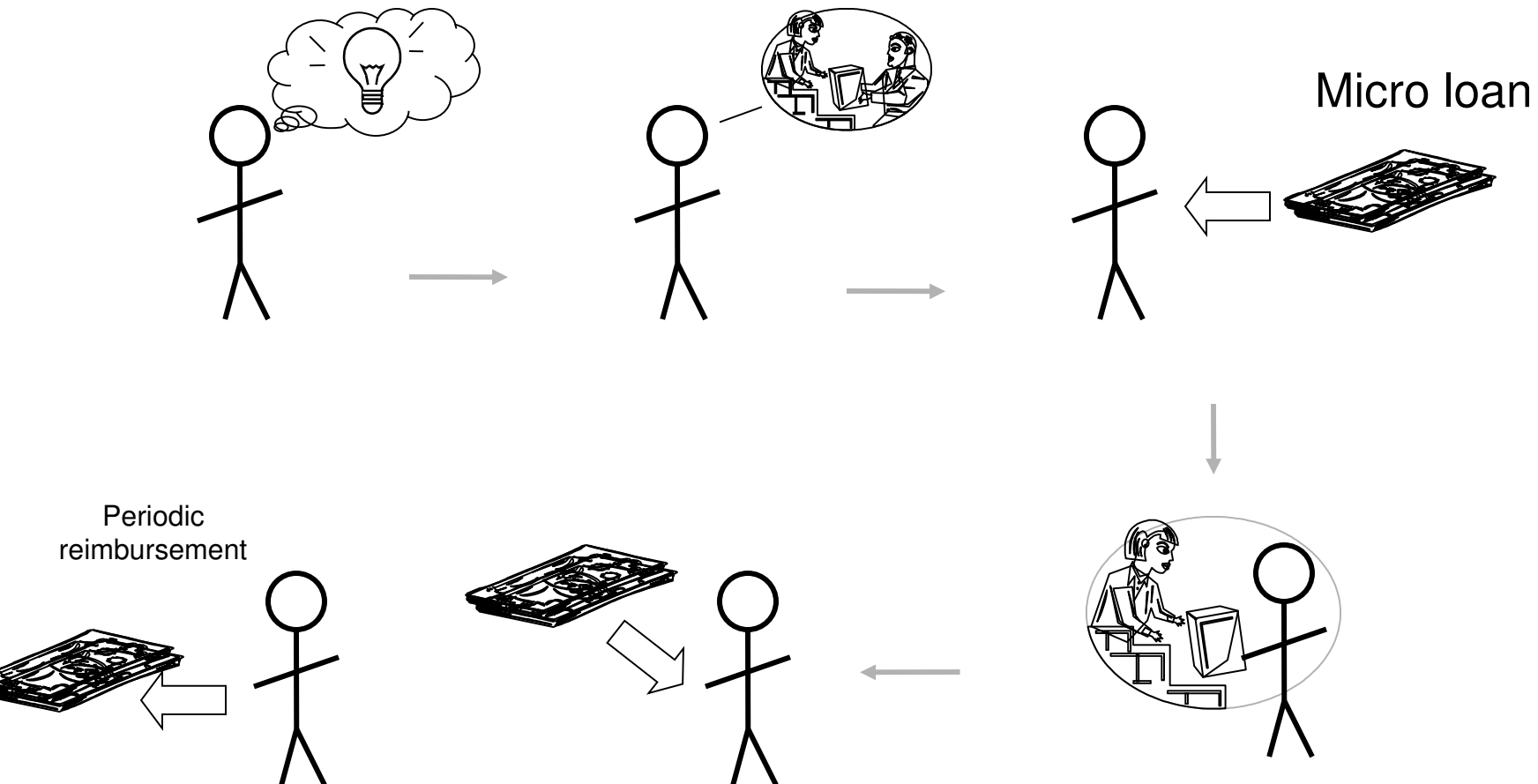


- Financial services for people who could not afford any other
- Give access to credit, savings, funds transfer, etc.
- Loans are a critical entrepreneurship-enabling factor
- Microfinance is a key poverty reduction tool
- Reimbursement rate is strong. It is sustainable

*It is business,
not philanthropy*



Why an entrepreneurship-enabler?



M-banking pioneers

Country	Provider	Model
Afghanistan	Roshan (mobile operator)	M-banking
DR Congo	Celpay (bank)	M-banking
India	SKS Microfinance (MFI) State Bank of India (bank)	M-banking M-banking
Kenya	Safaricom (mobile operator) Equity Bank (bank)	M-banking M-banking
Mongolia	XacBank (bank)	M-banking
Pakistan	Tameer Bank (bank)	M-banking
Philippines	SMART (mobile operator) GXI (mobile operator)	M-banking M-banking
Russia	Tavrishesky Bank (bank)	M-Banking
South Africa	MTN Banking (bank-mobile operator joint venture) WIZZIT (third-party)	M-banking M-banking
Tanzania	Vodacom (mobile operator)	M-banking

Source: CGAP 2008



Why should microfinance go mobile?

- Use the huge mobile phone user base to
spread widely the benefits
of microfinance



- South America alone has **175 million**
“unbanked” mobile users

- Mobiles allow substantial financial
transaction cost reduction
(5 times cheaper than with traditional bank branches)



Mobile microfinance can boost social development by...

- **Boosting entrepreneurship**
“People need money for business”
- Allowing communities to translate **their development ideas** into actions and solutions
- Creating an **enabling environment** for initiatives, therefore social development



Where there is motivation,
there is creativity, and solutions...



Street Charging Services Kampala

Source: Jan Chipchase, NOKIA - www.janchipchase.com



Challenges ahead



The need to:

- Raise **awareness** on the potential, at government level
- Collect/disseminate **best practices** and models
- Propose facilitating measures and **regulations**
- Provide **revenue-sharing** schemes that benefit All
- Ensure a gradual and constant **progress** towards a global mobile-based financial network **for developing economies**

The need for a dedicated and concerned group



Ready to address collectively the challenges, and:

- A forum where all stakeholders are **represented**
- A body that **voices concerns** and **recommendations**
- A body that has **influence at a high level**
- A body that can **act** according to recommendations

A consortium?



"After 30 years, there are only 90 million microfinance customers. I'm predicting that mobile-phone banking will add a billion banking customers to the system in five years. That's how big it is."

Dr. Allen L. Hammond, *World Resource Institute*
Source: The New York Times Magazine, 14 April 2008.



Thank you for your
attention!

Raphaël Dard

dard@intracen.org

