



Financial inclusion requires involving the entire financial sector to serve **low-income** and **rural households**. The most promising development in decades is the innovative **use of mobile phones** and digital finance as a means to advance financial inclusion. Unfortunately, the benefits of this technology are not reaching the poor in most **least developed countries (LDCs)**.

Most people and small businesses in LDCs today do not fully participate in the formal financial system. They transact exclusively in cash, have no safe way to save or invest money, and do not have access to credit beyond informal lenders and personal networks.

While mobile phone usage and internet access have increased rapidly over the last decade, the potential to adopt digital financial services (DFS) remains largely unexploited.

Mobile Money for the Poor (MM4P) is a programme launched by United Nations Capital Development Fund (UNCDF) in partnership with the Swedish International Development Agency (Sida), the Australian Department of Foreign Affairs and Trade (DFAT), the Bill & Melinda Gates Foundation and The MasterCard Foundation. MM4P provides support to DFS in a selected group of LDCs to demonstrate how the correct mix of financial, technical and policy support can build a robust DFS ecosystem that reaches low-income people in LDCs.

MM4P is working intently with banks, mobile network operators, regulators and users of DFS in challenging markets to help reach millions of additional customers who are currently financially excluded. In doing so, MM4P hopes to prove that these services can be provided responsibly, at a reasonable cost, by sustainable institutions in a well-regulated environment.



The ultimate beneficiaries are low-income customers in LDCs, including women and rural customers.

MM4P is currently engaged in eight LDCs: Benin, Lao People's Democratic Republic (Lao PDR), Liberia, Malawi, Nepal, Senegal, Uganda and Zambia. A team of locally based technical experts works closely with programmes by UNCDF and United Nations Development Programme (UNDP) in each country to advance financial inclusion through DFS.

<http://mm4p.uncdf.org>

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Mobile Money for the Poor

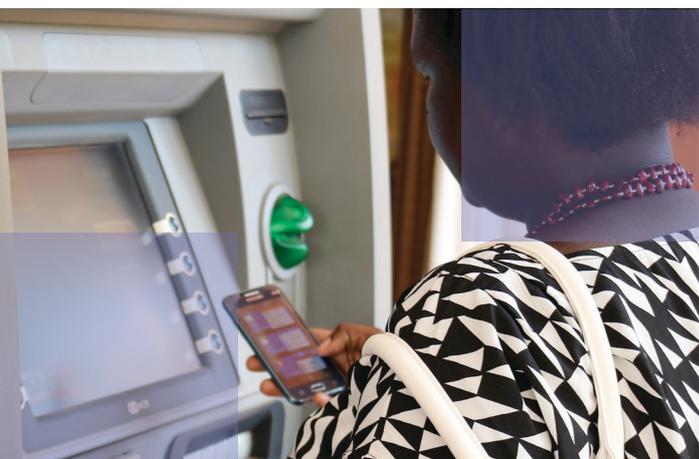
Mobile Money for the Poor ecosystem approach to digital financial services



The MM4P approach starts with (1) a **DFS Market Analysis Framework**, which defines the range of interventions needed at different levels of a country's DFS ecosystem (i.e., macro, meso, micro, client) and then invests in (2) **interventions in key work streams**: Ecosystem Development, Policy & Regulation, Infrastructure, Providers, Distribution, High Volume and Customers.

For more information, please contact MM4P:

- e** mm4p@uncdf.org
- a** UNCDF, UN House, Rue Montoyer 14, 1000 Brussels Belgium
- t** +32 2 274 102 139



What Mobile Money for the Poor has done so far

- ECOSYSTEM DEVELOPMENT**
 - Facilitated DFS Working Groups in all countries, including Liberia after Ebola brought MM4P activities to a standstill
 - Launched geographic information system (GIS) mapping in Benin, Senegal and Zambia
 - Facilitated *Helix* Institute of Digital Finance training on agent network management in Benin, Malawi, Senegal and Zambia
- POLICY & REGULATION**
 - Reinforced its relationship with regulatory bodies in all countries
 - Provided technical assistance to the central banks of Lao PDR, Malawi, Nepal, Uganda and Zambia
- INFRASTRUCTURE**
 - Facilitated the participation of government and private sector representatives to conferences and exposure visits in Cambodia, Philippines, South Africa and United Republic of Tanzania
- PROVIDERS**
 - Supported providers in designing and delivering digital finance products in all countries
 - Conducted, with PHB Development, research on needs of the microfinance sector regarding DFS in Benin and Senegal
 - Identified investment opportunities with microfinance, savings and credit cooperatives, and village savings and loans associations in Benin, Senegal and Uganda
- DISTRIBUTION**
 - Completed *Helix* Institute Agent Network Accelerator courses in Benin, Malawi, Senegal, Uganda and Zambia
 - Conducted agent network research in Nepal
 - Presented results from GIS service point mapping in Benin, Senegal and Zambia
- HIGH VOLUME**
 - Identified investment opportunities in agro and tourism value chains as well as government-to-person and business-to-person payments in Uganda and Zambia
 - Completed study of opportunities for DFS in Meheba Refugee Camp in United Republic of Tanzania
- CUSTOMERS**
 - Finalized InterMedia analysis of clients' needs, wants and aspirations in Zambia
 - Finalized InterMedia research on client adoption of DFS in Benin and Senegal
 - Supported and disseminated research on clients' needs in Lao PDR, Malawi and Nepal

UNCDF is the UN's capital investment agency for the world's 48 least developed countries (LDCs). With its capital mandate and instruments, UNCDF offers 'last mile' finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. This last mile is where available resources for development are scarcest; where market failures are most pronounced; and where benefits from national growth tend to leave people excluded.

MM4P is a programme funded by UNCDF in partnership with the following partners:

