

Financial inclusion requires bringing 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 other branchless banking technology as a means to do so. Unfortunately, the benefits of this technology are not reaching the poor in most of the least developed countries.



UNCDF estimates that 40% of adults in least developed countries (LDCs) have access to mobile telephony, growing at a rate of 20% per year. In contrast, access to financial services by those same adults is approximately 14% and stagnant. The success of mobile money in a few countries such as Kenya, Pakistan and the Philippines is undeniable, reaching millions in just a few years and changing the way low income people move and save money. Also irrefutable is that the list of mobile money success stories is not growing as expected, particularly in smaller and poorer LDCs.

**Mobile Money for the Poor (MM4P)** is a programme launched by the UN Capital Development Fund in partnership with the Swedish International Development Agency (Sida), the Australian Agency for International Development (AusAID), the Bill & Melinda Gates Foundation and The MasterCard Foundation. MM4P is designed to focus intently on some of the poorer countries where the commercial business case for branchless banking and mobile money is marginal, but the needs of the population are great.

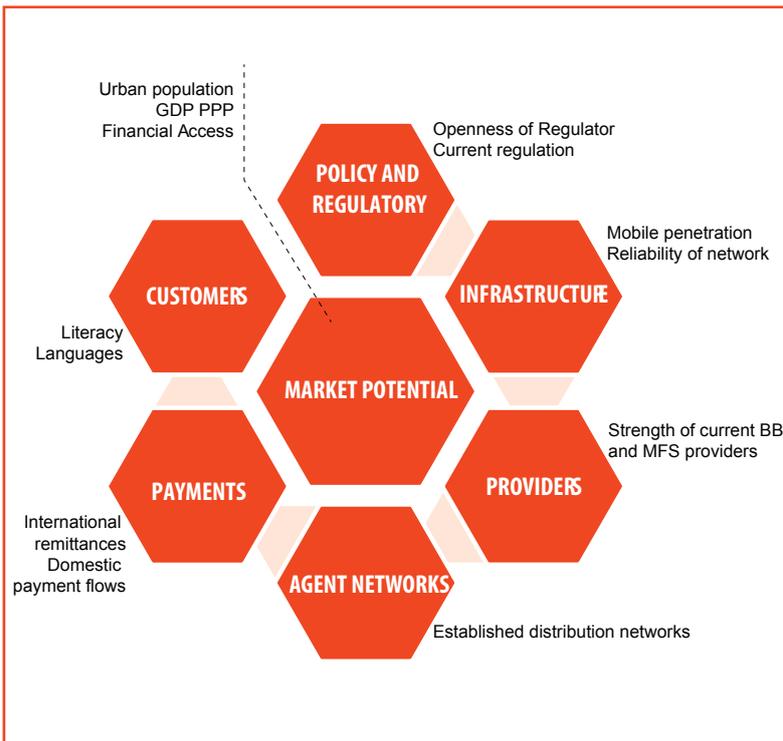


With lower incomes, economic activity levels and poorer infrastructure and regulatory environments, banks and mobile network operators have been hesitant to invest in these new services in LDCs. MM4P is working intently with banks, mobile network operators, regulators and users of these services in challenging markets to help them reach to millions of additional customers who are currently unbanked. In doing so, **UNCDF hopes to prove that these services can be offered sustainably by the private sector in LDCs.**

MM4P is currently engaged in eight LDCs: Benin, Laos, Liberia, Malawi, Nepal, Senegal, Uganda and Zambia each of which offers unique opportunities and challenges.

In each of these countries, MM4P has identified the main impediments to expanding branchless banking and mobile money services. With the national central banks, designs a project with the range of activities to move the market forward, using a mix of research, training, technical assistance and performance-based grants to do so.

## MM4P DIGITAL FINANCIAL SERVICES ECOSYSTEM APPROACH



MM4P is managed by a small team of technical experts based in Brussels, Belgium and in Kampala, Uganda, working closely with UNCDF and UNDP financial inclusion programmes in each country.

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*UNCDF is the UN capital investment agency for the world's 48 least developed countries. It creates new opportunities for poor people and their small businesses by increasing access to microfinance and investment capital. UNCDF programmes help to empower women, and are designed to catalyze larger capital flows from the private sector, national governments and development partners, for maximum impact toward the MDGs.*



Lao PDR study tour visit to Cambodia Agents September 2013  
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## What we've done so far:

-  Developed country strategies with central banks in Laos, Liberia, Malawi and Nepal
-  Trained stakeholders on best practices in strategy, product development and agent
-  Brought regulators, banks and MNOs to successful mobile money markets (Cambodia and Tanzania) and to training in Kenya
-  Helped twelve partners, including banks, MNOs and microfinance institutions, to develop realistic business plans
-  Provided technical support to over a dozen partners to accelerate the growth
-  Worked with two regulators to develop a set of indicators to track the growth on BB and MFS
-  Supported a Nepali bank to disburse government payments to rural households using agents
-  Assisted Central Bank of Liberia to revise its restrictive policies and Bank of Lao PDR to develop guidelines
-  Conducted market studies in all countries to identify new product development opportunities
-  Held a national forum on branchless and mobile banking in Nepal and Laos with over 100 stakeholders