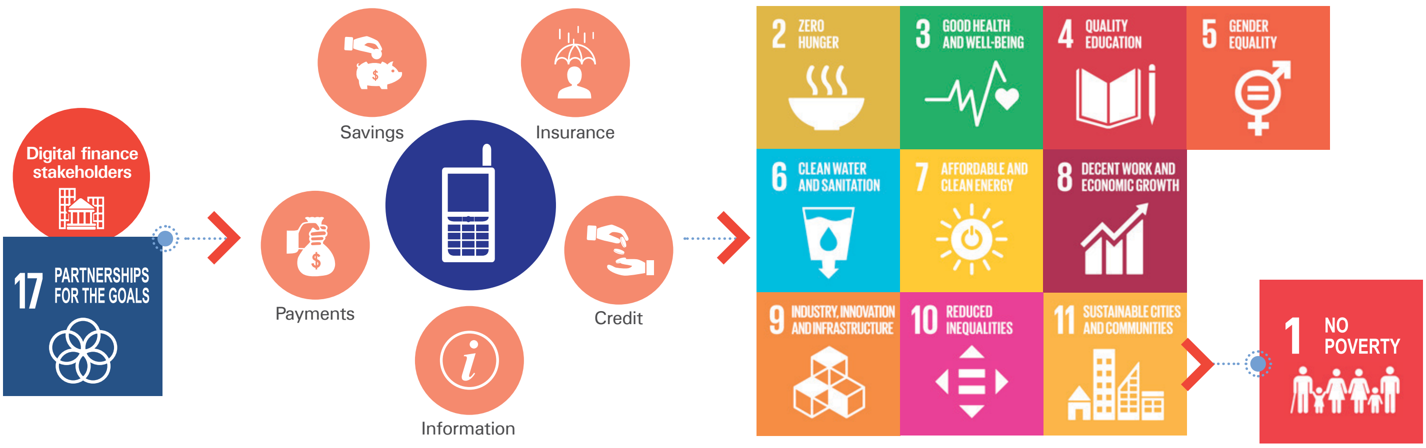
Providing access to digital finance and solutions to achieve the Sustainable Development Goals

UN CDF | MM4P

The **UN Capital Development Fund (UNCDF)** developed the **MM4P programme** to ensure that the opportunities and benefits of digital finance would reach low-income people in difficult markets. Since its inception in 2012, the programme has contributed to an increase of over 8 million new active users of digital finance. UNCDF provides a mix of technical, financial and policy support to policymakers, regulators, providers, distributors and users of digital finance in order to expand access to and usage of services that contribute to achieving the Sustainable Development Goals.



UNCDF uses a **market development approach** to identify gaps and failures in the digital finance ecosystem. In the least developed markets, the goal of UNCDF is to assist them to move into the Expansion Phase, which requires certain enabling policies, infrastructure and services to be in place and approximately 15% of adults to be using digital finance. In these markets, UNCDF focuses its support on reaching underserved populations, including youth, women and smallholder farmers, as well as on helping to develop products that provide greater benefits to customers. UNCDF has also begun work in developed markets to test innovative approaches to attain the Sustainable Development Goals using digital finance.

Market development stages

Inception

The market has no or few active digital finance providers, which achieve limited outreach and work without clear policies or supportive infrastructure.

Start-Up

One or a few digital finance providers offer basic 'first generation' products (payments, airtime top-ups), available through proprietary agent networks. Providers attain a moderate number of customer registrations but see low customer activity rates other than for airtime top-ups. Regulatory issues begin to be resolved, and 'second generation' services start to emerge.

Expansion

Digital finance providers start massive expansion. More advanced services (savings, credit, insurance) are offered, while high-volume payments by governments and companies are increasingly used. Agents begin to expand through partnership models and specialized companies. The regulator offers clear legal guidance on key issues.

Consolidation

The market has a range of competitive actors and services that are clearly regulated and interconnected. More than 35% of the adult population is actively using digital finance as well as e-commerce.

For more information, please contact MM4P:

UNCDF, UN House, Rue Montoyer 14, 1000 Brussels BELGIUM | **Tel:** +32 2 274 10 21 39 | mm4p.uncdf.org | @UNCDFMM4P | UNCDF MM4P

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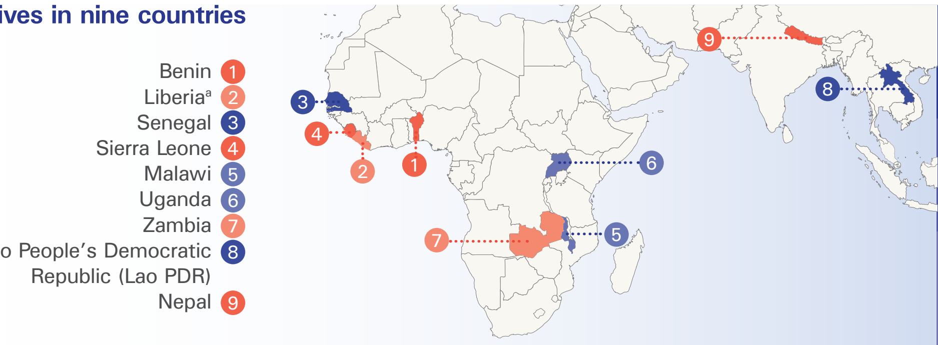
Australian Aid | Bill & Melinda Gates foundation | Enabel | mastercard foundation | MetLife Foundation Ensuring Access. Empowering Communities. | Sida | USAID FROM THE AMERICAN PEOPLE

Initiatives in nine countries

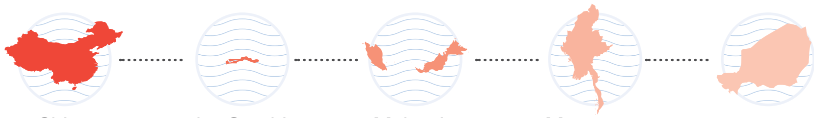
- Benin 1
- Liberia[a] 2
- Senegal 3
- Sierra Leone 4
- Malawi 5
- Uganda 6
- Zambia 7
- Lao People's Democratic Republic (Lao PDR) 8
- Nepal 9



40+ professionals in a global team

110+ projects with partner institutions

70+ partner institutions since 2012

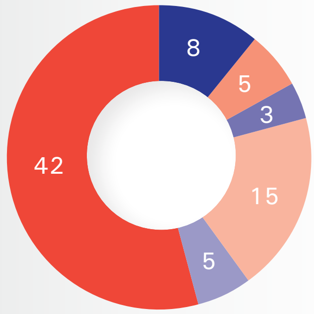


New countries planned for 2018

Over 8 million new active digital finance accountholders

50% technical assistance — **US$18 million** total budget for implementation — **50%** grants

Partners[b]



- Public/Other public
- Public/Regulator
- Public/Government
- Private/Other private
- Private/High-volume user
- Private/Digital finance provider

Percentage of adult population with an active registered digital finance account

	Baseline[c]		Current (2017)		Target (2019)	
Benin	134,760	2%	974,293	15%	2,135,000	30%
Liberia[a]	15,000	<1%	300,000	11%		
Senegal	1,087,787	13%	1,968,116	21%	2,900,000	30%
Sierra Leone	242,926	6%	384,534	9%	826,400	20%
Malawi	1,200	<1%	2,124,710	21%	3,031,500	28%
Uganda	5,300,000	26%	7,000,000	33%	12,000,000	50%
Zambia	184,000	2%	1,690,075	18%	3,500,000	36%
Lao PDR	0	0%	11,300	<1%	200,000	4%
Nepal	25,0000	<1%	715,800	5%	2,100,000	10%

[a] Until June 2017
[b] Partner institutions that have benefitted from direct technical assistance or grants by signing a technical assistance agreement, performance based agreement or memorandum of understanding
[c] Baseline: Liberia and Malawi (2012); Lao PDR and Nepal (2013); Benin, Senegal, Uganda and Zambia (2014); Sierra Leone (2016).