A More Mobile ICT Landscape
(ict penetration, by technology, 2005-2013)

Source: ITU.
The Mobile Revolution
(Mobile subscriptions per 100 people, by region, 2005-2013)

Source: ITU.

Mobile Money Deployment Expansion
(Number of deployments, 2002-2014)

Source: GSMA, MMMU Deployment Tracker, 19 November 2014
Mobile Money Penetration Highest in Africa
(Registered MM accounts per 100,000 adults, June 2013)

- 61 million active mobile money accounts, June 2013
- 13 services had more than 1 million active users

Source: GSMA
The Scope for Greater Financial Inclusion
The case of Kenya, 2014

- Number of mobile money agents: 85,000
- Equity Bank: no of branch offices: <150
- Kenya Commercial Bank: no of branch offices: ~175

Source: Company websites, November 2014
Types of Transactions

- **M-transfers**
  - Person-to-Person (P2P) domestic
  - P2P international (remittances)
- **M-payments (bill payment/merchant payment)**
  - Money is exchanged between two users with an accompanying exchange of goods or services
- **M-financial services**
  - Link to bank account, savings
  - Micro-insurance
  - Micro-finance

Global Product Mix By Value (June 2013)

- P2P transfer: 68.3%
- Bill payment: 10.8%
- Bulk payment: 6.7%
- International remittance: 0.8%
- Merchant payment: 4.0%
- Airtime top-up: 9.4%

Source: GSMA
Mobile Money and Micro-enterprises
Evidence from Tanzania

- Saves time
- More efficient logistics
  - Order-delivery time from 4 to 2 days
  - Less strain on liquidity
- Better payment records
- Safety gains—less need to carry cash
- Tool to store money

Source: Bangera and Soderberg, 2011.

Mobile Money and Remittances
Implications for micro and small businesses

- Mobile solutions could help to reduce cost of remittances
- Remittances source of finance for micro and small businesses
  - Mexico: 6,000 micro-enterprises financed 20% of investment with remittances
  - Philippines: people receiving remittances more likely to start capital-intensive entrepreneurial activities
- Growth impact of remittances greater when level of financial development is weak

Source: UNCTAD.
Typical Players in MM Ecosystem

- MNO (infrastructure, brand, customers)
- Bank (Risk management, )
- Agent network (people, ATMs, etc.)
- Businesses, retailers, etc.
- Regulators (financial, telecoms, etc.)
- Equipment manufacturers
- Mobile phone users
- Mobile money subscribers
Regulation and Policy

Key Regulatory Issues
- Exchange of money
- Storage of money
- Transfer of money
- Investment of balance

Legal Areas
- E-transaction laws
- Consumer protection
- Privacy and data protection
- Telecom regulations
- Financial regulations

Recommendations
Consumer Support and Protection

- Define quality of service metrics that are regularly tracked and disseminated
- Consider MM data within general framework of privacy and data retention laws
- Strengthen consumer support structures and systems
Recommendations

Agent Networks

- Interface for cash-in and cash-out
- Potential for small businesses, Challenges of liquidity
- Need to monitor recruitment, training and performance
- Exclusivity?
- Agent dispersion as part of financial inclusion goals of the country

Interoperability

- Challenging for small enterprises to support multiple MM platforms for payment
- Interconnection fee: voice vs. MM
- MM ecosystem integration into the national payments system
- National MM ecosystem integration into the EAC
UNCTAD Studies for More Reading

UNCTAD event on Cutting the Cost of Remittances: The Role of Mobile Money
Broadcast on UN Web TV, and the video is available at http://ow.ly/ypmR

UNCTAD Expert Meeting on Cyberlaws: 25-27 March 2015

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