

## MOBILE MONEY & THE UNITED NATIONS

In September 2015, the 17 Sustainable Development Goals (SDGs) were adopted by the 193 member states of the United Nations.

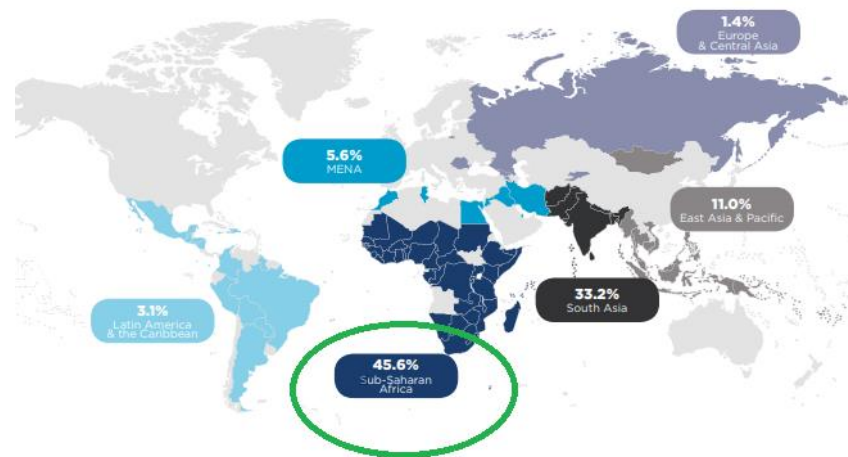


For the Capstone project, I wanted to investigate the impact of mobile money on achieving these goals. During the course of that research, I took a deeper looking into the history of mobile money, how it facilitates financial inclusion, and how it is been utilized by some UN organization to achieve their mandate.

Many believe that the biggest potential contributor to achieving the SDGs is the mobile industry, specifically the power of mobile money to facilitate digital financial inclusion. In 2016, the mobile money industry was the first industry to commit to achieving the SDGs set forth by the General Assembly of the United Nations and the industry have since had a positive impact on all the SDGs specifically on industry, innovation and infrastructure with significant improvement on quality education and clean water and sanitation.

Mobile money, as a viable business sector is a disruptor to traditional financial institutions. With its ability to provide access to banking services previously only available through traditional banking services, it has made headways in other “life-enhancing services, such as healthcare, education, financial services, employment and social protections, which are reaching customers who have traditionally been underserved by the financial system (GSMA, 2018). For many, the story of mobile money began in 2007 with M-Pesa in Kenya, which was first launched as an experiment to facilitate loan payments via a mobile app, it was then later collaboratively launched as a commercial payment service between telecommunication giant Vodafone and a local network provider Safaricom. M-Pesa, the commercial payment service with the slogan of “send money home”, has become the biggest mobile money success story with 17b users across Africa. It has become the global model for the successful implementation of mobile money in improving the financial stability of millions worldwide. Furthermore, it is touted for promoting sustainable economic growth in developing economies that is inclusive.

## Global spread of registered mobile money customers, December 2018



## Financial Inclusion

Mobile money is a service that allows individuals to store money and make payments directly from their mobile phones. It is a cost effective mechanism, which provide banking services to millions who would otherwise not have access to conventional banking services. Since its introduction as a banking tool, it has proven its ability to unlock public and private resources and to substantially reduce poverty and its use continues to further support-developing communities. Furthermore, the ability to use one's phone to conduct financial transactions that were previously tied to traditional financial institutions have been realized in the form of approximately \$1.3 billion in transactions per day and a potential customer base of 866 million registered mobile money accounts of 2018. According to GSMA, 2018, "Mobile money is one of the most exciting innovations operating at scale. With more than 143 million registered user accounts registered just in 2018, mobile money has done more to extend the reach of financial services in the last decade than traditional "bricks and mortar" banking has in the last century". This extended reach is what many believe to be the biggest indicator of the potential of mobile money on financial inclusion. Currently it is estimated that 1.7 billion people worldwide still do not have the ability to access reliable, safe and convenient financial services, however there have been tremendous growth in financial inclusion rates, specifically in approximately 31 emerging markets in 2018, and it is all attributed to uptake of mobile money as a viable financial tool. Financial inclusion has become an urgent priority.

## Case Study: FAO & Mobile Money

The Food and Agriculture Organization (FAO), is a specialized agency of the United Nations with its headquarters located in Rome, Italy. FAO specializes in food, nutrition, agriculture, fisheries and forestry and its global vision is to eliminate food insecurities around the world and to eliminate hunger and malnutrition. FAO strategic objectives are:

- 1. Help eliminate hunger, food insecurity and malnutrition**

- 2. Make agriculture, forestry and fisheries more productive and sustainable**
- 3. Reduce rural poverty**
- 4. Enable inclusive and efficient agricultural and food systems**
- 5. Increase the resilience of livelihoods to threats and crises**

In 2019, FAO conducted a successful pilot on the use of mobile money as a payment method within its Enterprise Resource Program (ERP). This was the Organization's first automated Mobile Wallet Payment (MWP) Program. In the past, FAO has implemented mobile money payments in a number of countries in their efforts to eliminate poverty, but this pilot was the first time the payments were directly link to all payment and reconciliation processes within their ERP.

## Conclusion

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Mobile-money is without a question a revolutionary public good. As demonstrated throughout the paper, the mobile money industry can have a positively contribute to all 17 sustainable development goals on the United Nations, and the level of impact continues to grow each year. In the case study presented with FAO, we can see that it is having a measurable positive impact on the daily life of many individuals worldwide and that Organizations are utilizing mobile money throughout their corporate systems in order to achieve their mandates.















