



Advancing financial access for the world's poor

Mobile Money in Mobile Health

mHealth Working Group, 15 Feb. 2010

GSM World Congress

Mark Pickens

CGAP: Who we are

“Advancing financial access for the world’s poor”

BILL & MELINDA
GATES *foundation*

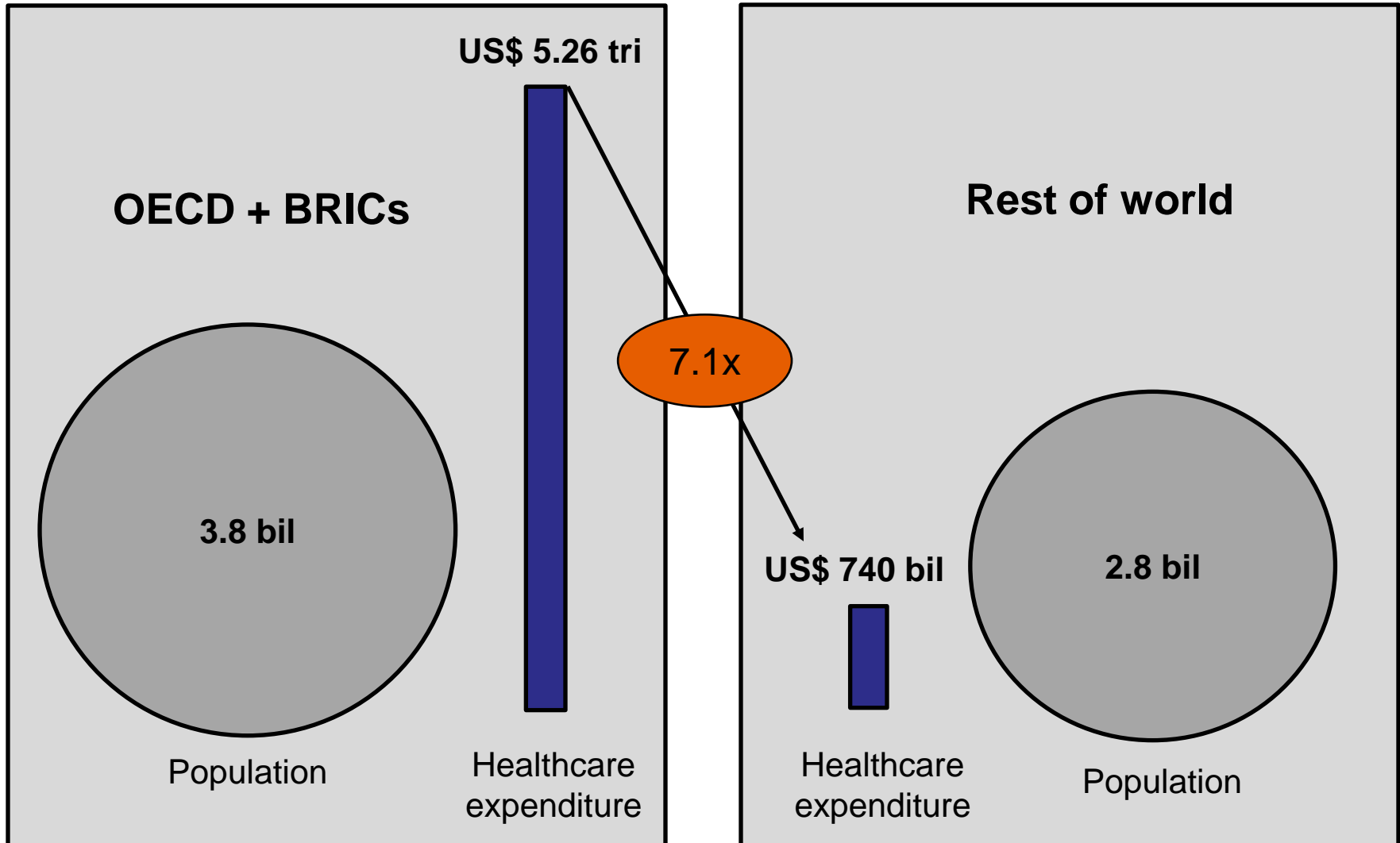
 CGAP

DFID Department for
International
Development

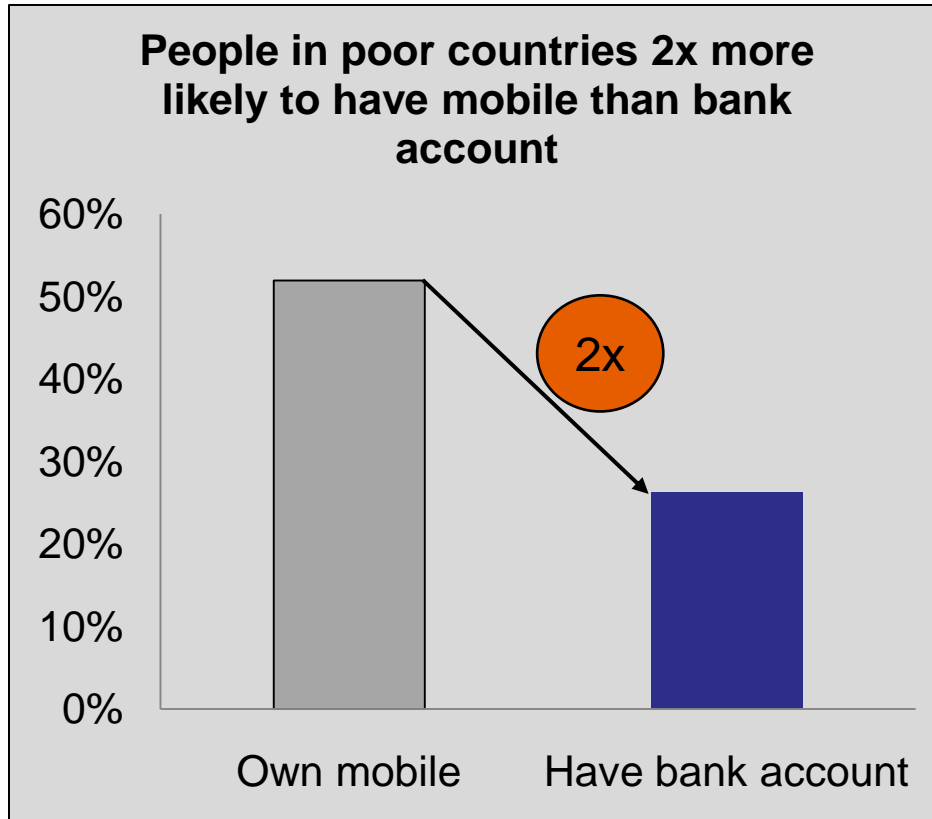
www.cgap.org/technology

 CGAP

Healthcare in emerging markets is comparatively small, but opportunities abound



Many healthcare opportunities face a financial services “hurdle” and mMoney is well-placed to address these



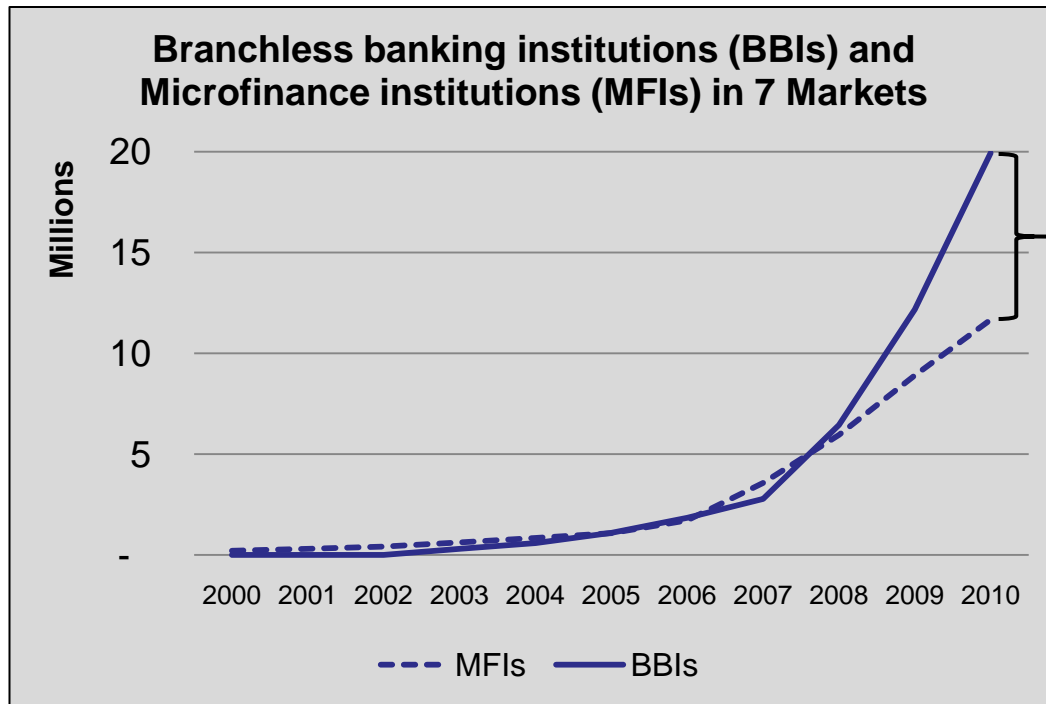
Source: CGAP analysis



Handled 20% of Kenyan GDP in FY 2010

Source: CGAP analysis

Although nascent, mMoney can reach the mass market



BBIs 1.9x
more active,
unbanked
clients

Source: CGAP (2010) "Branchless Banking 2010" Analysis includes largest BBI and largest MFI in Brazil, Cambodia, India, Kenya, Philippines, S. Africa, Tanzania

mMoney can fulfill basic payment needs in healthcare value chain

Reduce absenteeism



Nurses in Papua New Guinea miss 20,000 work days/month collecting pay

Source: Bruett and Firpo (2009) for IFC

Enable performance-based pay



300,000 additional Tanzanians received anti-malarial treatment via “SMS for Life”

Source: Gencer (2011) for World Economic Forum

Cut cost of cash management



Reduce robbery risk in high-crime societies, leakage in all situations

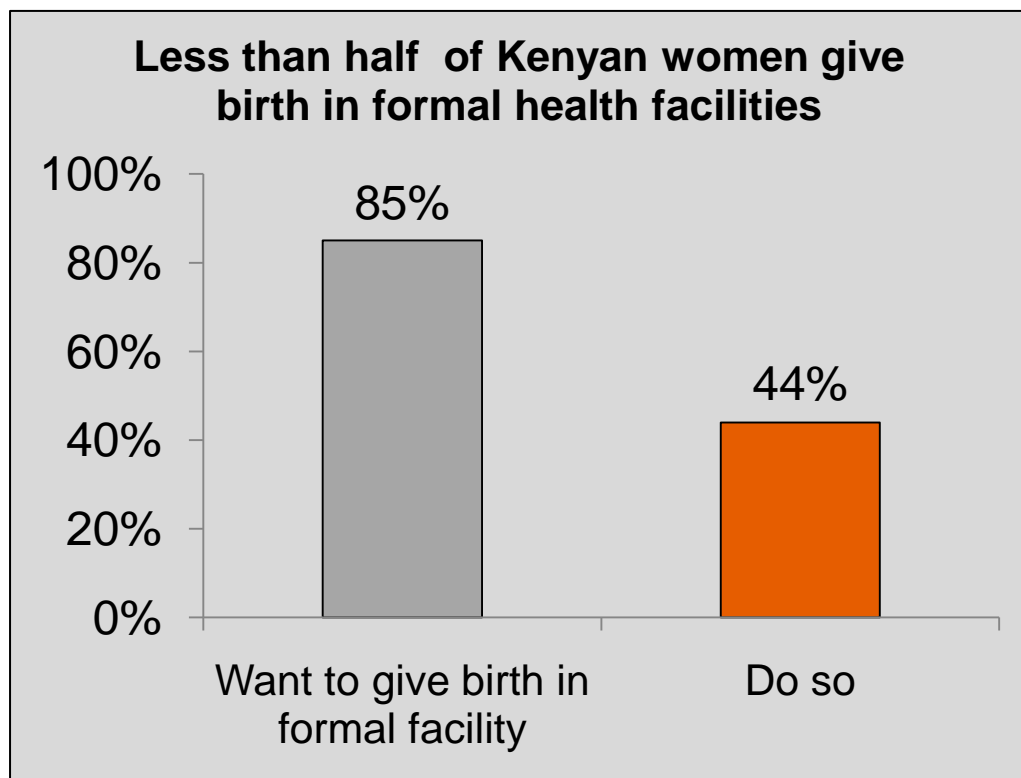
Create remote payment for remote service



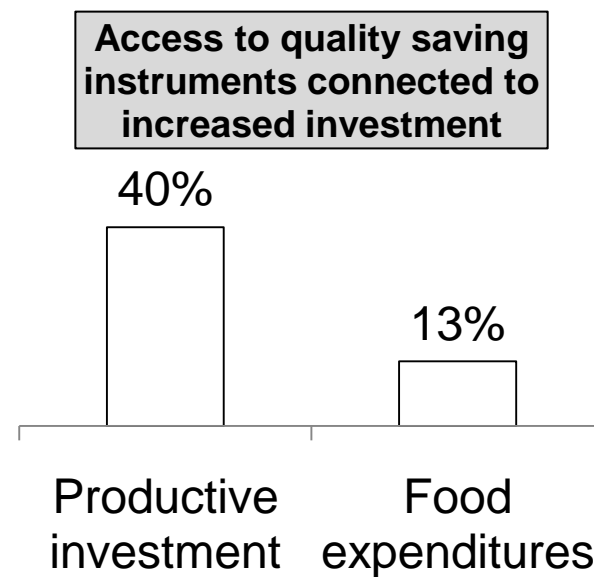
More than 500 telemedecine services in India, all count payment as a hurdle

Source: Vital Wave (2008) for Vodafone Foundation and UN Foudnation

Improved financial instruments can grow the size of the pie itself



Source: Anyangu-Amu (2010)



Source: Dupas and Robinson (2008), randomized control trial

mMoney innovations are tackling saving and insurance products

Changamka (Kenya)

- Prepaid health savings via wellness card sold OTC
- Reloadable via M-PESA
- Negotiates fixed health pricing for users



Source: Changamka interview Feb. 2011

Fractional insurance premiums (Philippines)

- A national insurer enables clients to use mobile money to pay premiums on weekly or monthly basis
- Number of lapsed policies slashed

Source: Gencer (2011) for World Economic Forum

Mamakiba (Kenya)

- US State Department Apps for Africa winner
- Partnership of Jacaranda Health and Kenyan mobile developers to boost % of women giving birth in formal facilities
- Combines (1) financial literacy, (2) saving via M-PESA, (3) SMS reminders

Source: Mamakiba interview Nov. 2010



Pesinet (Mali)

- Mobile-equipped field staff doing doorstep health checks for children
- Insurance costs <US\$ 0.05/day and covers doorstep service, a doctor visit, ½ cost of medicine
- Payable via mMoney

Source: MobileActive (2010)

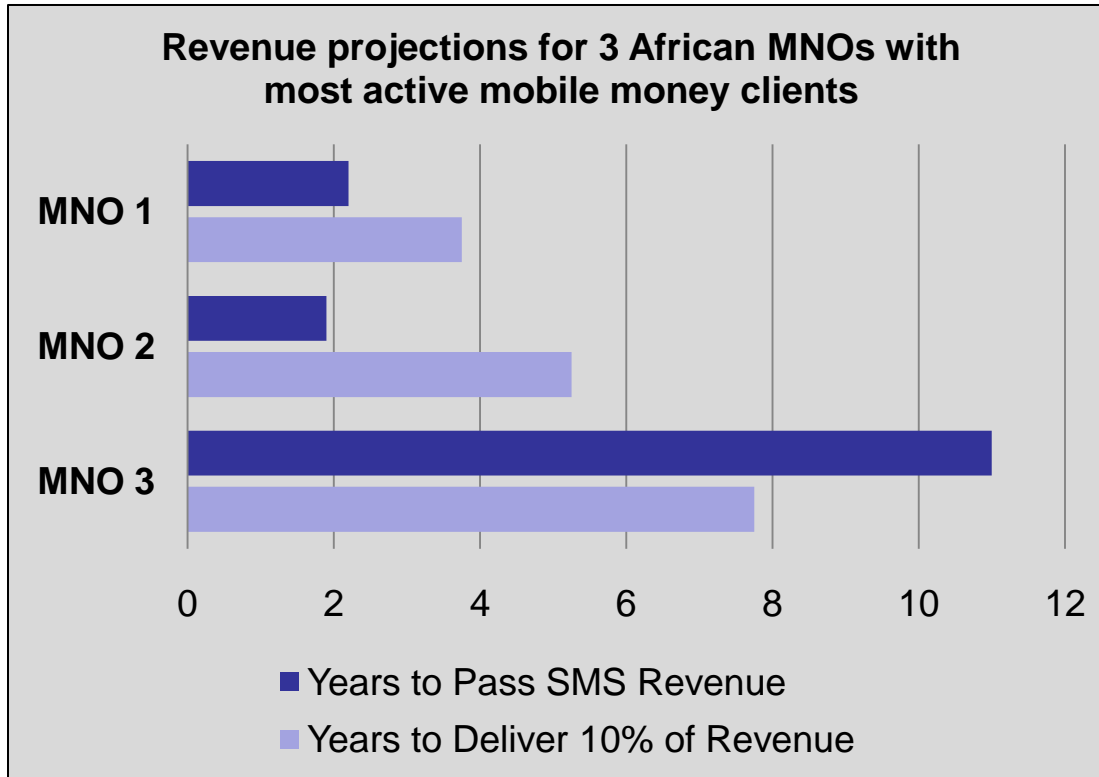
MNOs can support mMoney in mHealth in 3 ways

Tiered pricing for mMoney

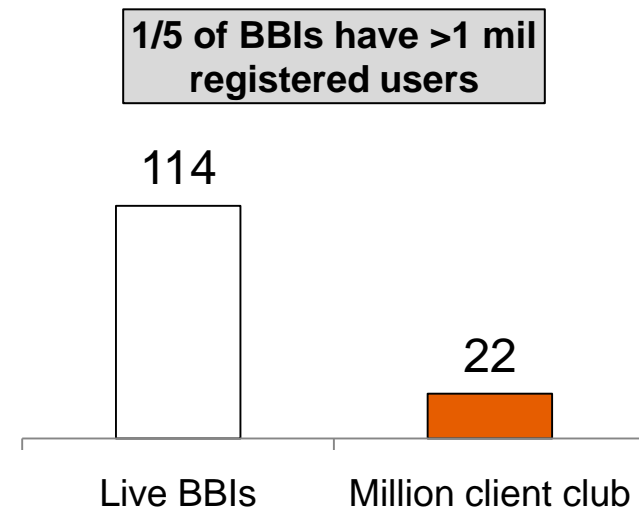
Treat mMoney as a multi-product platform

Finance innovation (VC, incubator)

mHealth can help make the business case for mMoney by delivering volume needed to hit revenue targets



Source: CGAP analysis, company financial statements 2009 & 2010



Source: CGAP and Coffee International analysis

mHealth products could also bolster the agent business case



Source: FINO

Md. Saleem: FINO Uttar Pradesh		USD
REVENUE		
Transaction commissions		0.26
transactions/day	24	
commission/transaction	0.011	
Insurance commissions		1.21
Remittance commissions		0.04
Wage		0.55
Total Revenue		<u>2.06</u>
EXPENSE		
Transportation		0.07
Space(rent,utilities)		0
Cost of capital		0
Insurance		0
Communication charges		0.15
Total Expenses		<u>0.22</u>
DAILY PROFIT		<u>1.84</u>

Insurance commissions provide 59% of Saleem's revenue/day

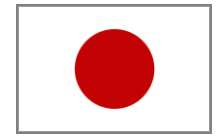
CGAP Technology Program



- Research, policy advice and grant funding to spark innovative delivery of financial services to the poor
- Co-financing 16 projects with mobile network operators, banks, microfinance institutions and tech firms in 11 countries
- Co-funded by the Bill & Melinda Gates Foundation, CGAP and the UK Department for International Development
- Find us online at <http://www.cgap.org/technology>

What we do

- Demonstrate innovation and scale in branchless banking projects resulting from CGAP's technical assistance and/or grant funding.
- Improve broad industry knowledge and practice in the areas of customers, agents, business models and regulatory frameworks.
- Harness existing government payments and remittance flows to provide banking services to large numbers of unbanked people.
- Help policymakers develop regulations that support use of mobile technologies for financial inclusion.



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www.cgap.org

www.microfinancegateway.org



MINISTRY FOR FOREIGN AFFAIRS OF FINLAND



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