



Mobiles for Development: Summary Report

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a global research study commissioned by UNICEF.*

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This report presents the findings of Mobiles for Development, a research study commissioned by UNICEF in order to help the organisation understand the global mobile telephony landscape and recommends approaches for strategic, long-term collaborations with mobile service providers to advance UNICEF's goals. Evidence for the report was gained through:

- A review of mobile sector trends,
- Internal mapping of UNICEF Mobiles for Development (M4D) initiatives
- Consultations with UNICEF staff in 11 country offices (across all regions), and staff in PD, SD, DOC, and PFP
- Consultations with representatives of 17 mobile operators in [14 Case Study Countries](#)
- Interviews with thought leaders in the Mobiles for Development space
(Further explored in section 2: *Study Objectives, Tasks and Methodologies*, p. 15-17)

Phenomenal Growth of Mobile Telephony

Today, there are more than 5 billion mobile subscriptions – up from 720,000 in 2000 - and the mobile industry believes this number will exceed 6.2 billion by 2013. In order to maintain and increase this growth, mobile operators increasingly focus on network extension into rural and underserved areas, network upgrading (focused largely on urban areas), innovative applications, content, and services. [M-PESA](#), a cash-transfer-via-mobile service launched by [Safaricom](#) in 2007, is a good example of an innovative service arising from the need to maintain market-share. - by 2009, it had given 6.5 million Kenyans, most of whom were unbanked, access to financial services for the first time. (Further explored in section 4.1 - 4.26: *Overview of Regional Trends in the Mobile Sector*, p.18 - 40)

Mobile Service Providers (Operators): Key Business Strategies

Discussions with the 17 regional operators and their latest annual reports indicate a number of common themes in their business strategies:

- *Consolidation* - Regional operators are seeking strategic alliances that help them develop new services, make efficiency savings, and roll-out new infrastructures. They are also quick to dispose of undesirable assets.
- *Acquisition* - Despite the credit crunch and the ongoing economic crisis, operators continue to purchase other operators and operating licenses. Operators seek markets with low penetration levels and large populations
- *Increased network coverage and capacity* - Many operators seek to increase network coverage in order to achieve Universal Access and meet the needs in rural areas where access remains low compared to urban areas.
- *Branding* - A key part of all operators' business strategy. Some have gone to great expense to rebrand entire operations
- *Innovative applications, content and services* - Falling average revenue per user, increased competition, and the increasing functionality of mobile technologies drive this trend. All operators are focused on increasing their service offerings in order to gain a foothold in other lucrative sectors, including agriculture, commerce, health and banking. Mobile banking and payments are critically important to all regional operators' business strategy.
(Further explored in section 4.3: *Common Themes & Trends in Regional Operators' Business Strategy*, p. 41 - 51)

Mobile Service Providers: Corporate Social Responsibility Groups

Up to this point, mobile operators have tended to support M4D through concessions such as free or subsidized shortcodes and SMS tariffs, which have been negotiated as part of Corporate Social Responsibility (CSR) programmes. However, CSR departments rarely exploit core technical resources held by the company, tend to be poorly integrated with the core business, and have small budgets and limited decision-making power making them largely ineffective partners in large scale M4D initiatives. *(Further explored in section 4.4: Trends and Common Themes in Corporate Social Responsibility, p. 52 - 57)*

Core Business Units: Attitudes Toward M4D and UNICEF

Operators' attitude towards M4D initiatives and services are positive. Most are keen to explore the commercial potential as while they do subsidise programs, not all are keen to do so for large-scale initiatives in the future. Some wish to share costs or to profit by providing relevant services.

Due to its history and global reach, some operators believe UNICEF has a wealth of knowledge that they can use to develop services for certain market segments, especially in low-income rural areas. Operators see benefits of associating with the UNICEF brand. Amongst other things, it stands for trust, reliability and fairness - all important, in operators' eyes, to mobile users.

(Further explored in section 5.5 - 5.10: Operators' Attitudes Towards M4D Services, p. 70 - 77)

Use of Mobiles within UNICEF: Growing Demand

Interviews with staff in 11 country offices highlighted [41 examples of the use of mobiles in programming](#). The projects reflect a growing awareness of [RapidSMS](#), mostly used for health-related applications involving the exchange of data via SMS and a growing demand of M4D expertise. UNICEF staff in country offices identified the time taken to communicate to the field as critical; using mobiles to replace travel and paper based systems could transform processes. They also identified the value of data as highest where data is scarce e.g. remote or insecure areas. Other innovative ideas included the integration of mobiles with social media, and the use of mobile payments platforms as part of social protection programmes.

(Further explored in section 6: Internal Mapping: UNICEF's M4D Initiatives, p 78 - 86)

UNICEF's Role in M4D (business development)

The M4D community needs to attract greater commercial interests. These interests can only be attracted through traditional business development instruments, particularly evidence of impact and development of business strategies. UNICEF is well-placed to collaborate on evidence on the impact of M4D based on critical assessments and evaluations. UNICEF can aggregate demand from its operations across countries, it has a broad understanding of national systems, and it has longstanding and robust relationships with national governments.

In order to more actively engage operators, UNICEF (and others) need to move their sphere of interest away from CSR and into areas of business strategy i.e. working with operators core rather than "charitable" units. UNICEF can engage with operators in order to make investment in M4D more attractive by reducing perceived risk (e.g. through evaluations, brokering donor support), and increasing return on investment (e.g. through economies of scale and new markets).

The UNICEF brand has the power to bring operators to the table - the report also addresses what to do once that convening occurs. Staff have encountered difficulties and delays in negotiating with national operators, and emphasised the importance of identifying the correct counterparts.

Mobile tools can identify the most deprived children and communities, provide cost effective interventions, overcome bottlenecks to services, and enable communities to maximise the impact of available resources. (Further explored in section 7: Strategic Positioning of UNICEF, p. 88 - 89; section 8: Technology for Development Support within UNICEF, p. 91 - 94; section 9: Framework for Engaging with Mobile Operators, p 95 - 102)

Recommendations

Six key recommendations came out of this report.

External

Engage with Mobile Operators' Core Business Units

UNICEF should seek to create long-term engagements with regional and global mobile operators. To do this, it will need to create robust regional and global strategies and business cases. UNICEF should work more closely with operators' core business units, rather than CSR departments, in order to implement large-scale, sustainable initiatives. UNICEF should seek to engage with operators with regional presence that show a desire to develop development-focused value-added services.

Create an Enabling Environment for M4D

UNICEF can attract additional commercial interest to M4D by:

- Playing a role in critical assessment of M4D initiatives, convening stakeholder discussions – public and private sector, fostering local information technology (IT) capacity.
- Aggregating demand from its operations across countries - larger economies of scale can attract commercial interest to develop solutions.
- Working with partners to train local programmers, and seek to attract additional commercial interests to RapidSMS; foster local IT small and medium enterprises.

UNICEF can also play a role in developing policy and standardisation by working with private sector and government. Country offices that cannot offer guidance directly should be able to call upon the expertise and experience of the Innovation Unit or similar group with global and/or regional mandate.

UNICEF has an opportunity to guide and support governments who are beginning to recognise the role of information and communication technologies (ICT) and the potential benefits of M4D and supporting integration and standardization of M4D into government systems.

Strengthen Monitoring and Evaluation Efforts in M4D

UNICEF must ensure effective monitoring and evaluation mechanisms are developed alongside new mobile solutions and programmes. As UNICEF is well positioned to bridge groups of stakeholders, it is important that the evaluation methodology engages these groups in the design process.

UNICEF should deepen its existing relationships with academia and leverage their expertise, and expressed interest and willingness, to support M&E efforts in the M4D space.

Work with Multi-Stakeholder Partnerships

Stakeholders UNICEF should prioritise include:

- [The GSMA Development Fund](#), which represents the interests of the worldwide mobile communications industry, has the ability to leverage vast resources from across its membership. Note, however, it exists to represent the interests of its private-sector members.
- [International Telecommunications Union](#) (ITU) is part of the UN family and at the heart of policy and regulatory development, as well as an important player in ICT4D through its [ITU-D](#) (Telecommunications Development Bureau) division.

Internal

Increase Organizational Capacity in M4D

UNICEF needs investment within the organization in order to:

- Advise a range of stakeholders on mobile solutions for women and children as demand takes off, and assist Country Offices with specifications, project design, commissioning resources, and implementation
- Take a strategic view of demand (common needs) and of solutions (whether local/regional/ global solutions are appropriate)
- Collaborate with software developers to ensure mobile tools developed meet needs and benefit from experience and lessons learned
- Coordinate and disseminate learning and keep up to date with emerging and evolving solutions

Explore Integrating M-Finance into Programmes

The [m-finance space](#) offers huge potential. In addition to opportunities to streamline procurement and payment activities, UNICEF should consider how it could use m-finance as part of social protection and emergency response (i.e. cash transfers) programmes.

UNICEF should engage with the M4D community and the private sector to understand – and to influence discussions around – the opportunities and how best to use m-finance.

(Further explored in section 10: UNICEF's Long-Term Strategy - Specific Recommendations, p. 98 - 103)

All public outputs are available on the study's website: www.Mobiles4Dev.com.

[Full report available for download](#)