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Obopay and Grameen team on mobile banking initiative

California-based Obopay has teamed with microfinance pioneer Grameen to launch an initiative that aims to use mobile technology to deliver banking services to a billion of the world's poorest people by 2018.

Obopay and Grameen Solutions - the tech unit of the microfinance organisation - say the Bank A Billion initiative will provide access to financial services, including cross-border remittances, money transfer, payments, savings and credit accounts.

The initiative will initially begin delivering services in Mumbai, India and Bangladesh from October.

Obopay already has a presence in India and in March teamed with Yes Bank to launch its person-to-person money transfer service in the country.

The partners cite figures from mobile phone operator trade group GSMA, claiming there are three billion connections to GSM mobile networks currently active around the world. The biggest growth in mobile phone take up is in the developing world, which accounts for 85% of new connections.

Obopay says the prevalence of mobile phones among the world's poor provides a way to deliver financial services to people who would not otherwise get them.

Kazi Islam, CEO, Grameen Solutions, says: "By using a technology that is already pervasive - the mobile phone - we will clearly be able to have a dramatic impact on global poverty."

Grameen was founded by Professor Muhammad Yunus who won the 2006 Nobel Peace Prize for his microcredit project in Bangladesh.

A report from microfinance body the Consultative Group to Assist the Poor (CAGP) released in May said mobile banking has the potential to reach large numbers of poor people who are outside the formal financial system.

A number of firms have moved to tap into the unbanked markets, including Vodafone which last month agreed to acquire a 70% stake in publicly-owned Ghana Telecom for \$900 million in cash, opening up a potentially rich new market for its M-Pesa mobile money transfer system.

Vodafone said its presence in Ghana will expand the footprint of M-Pesa, its mobile money transfer system which is currently targeting the unbanked population in Kenya.

In May MoneyBoxAfrica - an initiative promoted by Nigeria's Integrated Capital Service - teamed with German vendor paybox to create a pan-African mobile banking and payments system.

Paybox said its Mobiliser platform and Money Mobiliser product will enable customers to remotely save money into their accounts, top up phones, pay utility bills and tithes, buy insurance, send money to friends and relatives, withdraw cash at agents' locations or ATMs, get access to credit and make investments.

In the same month UK m-banking outfit Monitise launched its mobile banking and payments platform in East Africa through a joint venture with Made In Africa, an organisation that aims to introduce capital and sustainable technologies to the region.