

Gates Foundation and U.S. Government Give \$2.5 Million Prize for Transforming Banking Sector in Haiti

Mobile operator Digicel becomes first recipient of mobile money fund in Haiti

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Seattle/Port-au-Prince, Haiti - The Bill & Melinda Gates Foundation and the U.S. government, through the U.S. Agency for International Development (USAID), announced today that Haitian mobile operator Digicel won a \$2.5 million award from the Haiti Mobile Money Initiative (HMMI). Digicel was recognized for being the first to launch a mobile money service in Haiti, Tcho Tcho Mobile, that meets the competition's stringent criteria. This award, presented to Digicel and its partner Scotia Bank at a U.S. Embassy event in Port-au-Prince, Haiti, is the first from HMMI, a \$10 million incentive fund to jumpstart the introduction of mobile money for the Haitian people.

The devastating earthquake in January 2010 destroyed one-third of Haiti's bank branches, further limiting access to financial systems that served only 10 percent of Haiti's population before the earthquake. The HMMI, a partnership between the Bill & Melinda Gates Foundation and USAID, was established to help launch mobile money services in Haiti and enable Haitians to send, receive and store money using their mobile phones. It also lays the foundation for advanced banking services that could help millions of Haitians lift themselves out of extreme poverty.

Digicel's mobile money service enables customers to use their mobile phones to make deposits and withdrawals at retail outlets, and transfer money between Tcho Tcho accounts. In addition to its current services, other mobile banking services will eventually include bill payments, payment for government services and international remittance transfers.

"The U.S. government made significant achievements in the immediate aftermath of the earthquake, and continues to implement its long-term assistance to help the Haitian people build back better," said U.S. Ambassador to Haiti Kenneth H. Merten. "The role of innovative companies like Digicel will be critical to ensuring the sustainability of our investments here."

The effectiveness of mobile money offerings like Tcho Tcho Mobile has been demonstrated by a similar service, M-PESA, in Kenya. Just three years after its launch, M-PESA has more than 13 million customers, is used by more than 70 percent of Kenya's households, and does more transfers per year domestically than the money transfer company Western Union does globally. Research shows that Kenyan households who have access to M-PESA are better able to manage negative income shocks such as job loss, harvest or business.

"As we have seen in other places around the world, mobile money can unlock the economic potential for millions of people," said Sylvia Mathews Burwell, president of the Global Development Program at the Bill & Melinda Gates Foundation. "Making mobile money services available to the poorest families in the developing world can be a first step to introducing a broader range of financial services, including savings accounts, helping people build financial security and productive lives."

This is the first award given by HMMI. The second operator to launch a mobile money service within 12 months will receive \$1.5 million. Another \$6 million will be awarded as the first 5 million transactions take place, divided accordingly among those that contributed to the total number of transactions.

"The launch of mobile money is an encouraging achievement," said USAID Haiti Mission Director Carleene Dei. "The additional \$6 million in scaling awards will help mobile money become sustainable in Haiti."

HMMI is funded by \$10 million in awards plus additional funds for related activities from the Bill & Melinda Gates Foundation and \$5 million in technical and management assistance from USAID. The Haiti Integrated Finance for Value Chains and Enterprise (HIFIVE), a USAID-funded project, manages HMMI. HIFIVE also offers technical and management assistance to improve financial access for the underserved.