



VILLAGE PHONE UGANDA

CONNECTING TECHNOLOGY AND INNOVATION

THE CHALLENGE

97 percent of the population in Uganda lives on less than \$2 per day. For people living in rural areas, access to affordable telecommunications simply does not exist. Placing a phone call frequently requires traveling many miles from home. This means leaving work and losing out on desperately needed income. Without easy access to communications, these communities are at both an enormous economic and social disadvantage.

THE APPROACH

The MTN VillagePhone alliance in Uganda, spearheaded by the Grameen Foundation USA and supported by USAID's dot-ORG Information and Communications Technology Initiative, set out to help establish 5,000 new communications microbusinesses across the country, which would serve over 5 million rural Ugandans. This program allows micro-credit borrowers to obtain loans to purchase cellular phone kits and then operate pay phone businesses. Grassroots entrepreneurs, or Village Phone Operators, operate their businesses in rural villages where no telecommunications services previously existed and where the MTN network can only be accessed with a booster antenna; they rent the use of the phone to their community on a per-call basis. The Village Phone Operators provide affordable rates to their patrons while earning enough to repay their loans and earn profits that allow them to make investments in their children's health, nutrition and education, and in other business ventures.

PARTNERS

MTN Uganda, Radio Works, WorldSpace, FINCA Uganda, Hofokam, MED-Net, Pearl, Uganda Microfinance Limited, U-Trust



RESULTS

- Surpassed five-year goal of 5,000 new cell phone businesses, establishing 6,700 new business in Uganda in just three years.
- Growing at a rate of 150 new businesses per month.
- On average, Village Phone Operators sell five times more airtime than that used by a typical urban customer using a personal mobile phone.
- Village Phone Operators have been able to educate their children, access private healthcare, and grow their businesses. Some have expanded into other businesses which help to create more jobs in their communities.
- Farmers use the village phone to receive market information to better negotiate prices for the goods they produce.

