

Content of the Presentation

- 1) What is the Village Phone Initiative
- 2) Why is it innovative ?
- 3) What has been achieved so far ?
- 4) What makes it sustainable ?

What is the Village Phone Initiative ?

- Mobile phones lately became a new opportunity to start a small, profitable business for women in rural Cambodia,
- The business idea is to operate a public call booth and sell phone calls,
- This phone service benefits the rural population by opening access to far-reaching communication,

- The “**Village Phone Initiative**” is about introducing an advanced version of the original, basic public call booth,
- This includes the use of business directories, agricultural product and price information via SMS, village courier, mobile banking services, etc.
- Together with UNDP, NOKIA, a local Telecom Company, Microfinance Organizations (MFIs), GTZ aims at establishing a network of at least 1000 such Village Information Service Booth until 2011.

The Village Phone Business Model



Information



Supply



Demand



Service



IT-enabled Services



NOKIA-KTH



Why is the Village Phone Initiative innovative ?

- Latest ICT is gainfully used by women in rural areas with little formal education,
- Information, e.g. business contacts is accessible at real-time speed,
- Distant market participants can easily communicate with each-other,
- Information is developed as an imbedded, demand driven service,
- Information services are part of a “value chain based” viable business model,
- The Public Private Partnership (PPP) concept with local private companies is promoted.

What has been achieved so far ?

- A special airtime discount for a total of 1,600 village phone operators,
- With an initial investment of 150,-US\$, the average monthly net income of each operator from the phone service ranges between 140,- and 300,- US\$
(*A female garment factory worker earns between 50,-- and 100 US\$*),
- The number of village phone operators is increasing at the rate of 10% per month based on a self-sustaining, subsidy-free business model,
- Demand for the village phone service comes from 30% farmers, 30% small business owners and 40% passing-by individuals. 55% of all clients use the phone service for business purposes,
- At an average of 10 phone calls per day, there are approx. 165000 calls per month calls within the I-Booth network, of which 55% is business related,
- There is numerous anecdotal evidence for indirect impacts on agriculture or small business by providing distinct relevant information services.

What makes the Initiative sustainable ?

- The Village Phone Initiative is a self-sustaining business model based on the "ICT-value chain" regulated by demand and supply,
- Mobile phone technology is linked to commercial information services, such as Cambodia Yellow Pages, call centers (everyday.com) or M-banking,
- Around the village phone booth, there is plenty demand for more add-on services for example, village courier, bus ticketing, coffee shop, etc.,
- MFIs provide a financial service package for a "Mobile Starter Kit" and consider the village phone network as money transfer agents in the future,
- From the beginning, neither GTZ nor UNDP engaged any subsidies and ensured economic viability of all services provided,
- Results, methodologies and lessons learnt are documented and communicated to other international development agencies, such as the Grameen Foundation, UNDP, The Asia Foundation or CIDA.

Thank You....!

