THE VILLAGE PHONE PROGRAM

Connecting Communities, Creating Opportunities, Improving Lives
Village Phone extends the reach of mobile service into rural communities, by partnering local microentrepreneurs with major mobile carriers.

**Basic Concept**

- Identify communities with little access to telephony.
- Target local business owners with successful micro-enterprises.
- Extend micro-loan for the purchase of a Village Phone Operator (VPO) start-up kit...
  - ...which includes a handset, antenna, solar charger, shared phone software, and airtime.
- Provide marketing materials to promote Village Phone businesses.
- Conduct technical and management training.
- ‘Phone ladies’ earn income selling airtime on a per-call basis.
The Village Phone model relies on the cooperation of commercial and not-for profit organizations.

**Operating Model**

**International Finance Corporation**

**Mobile Phone Companies**
- MTN
- Celtel
- Vodacom

**Implementing Partners**
- Growing Foundation
- GSM Association

**Micro-Finance Institutions**
- Credit
- Training
- Equipment
- Tech Support
- Data Mgmt

**Village Phone Operators**
- Voice
- Banking
- Data

**Customers**

- Best Practices
- Expansion & Replication
- Coordination
- Monitoring and Evaluation
The model creates mutually beneficial partnerships between formal and informal sector parties.

Win-Win-Win Situation

- Profitable
- Scalable
- Sustainable

- Increased market penetration and revenue
- Improved public and government relations
- Heightened brand awareness

- Income from business profits
- Handset ownership
- Cross-selling opportunities
- Improved standing in community

- Convenience of mobile telephony
- No upfront investment
- Social and economic benefits of connectivity

Adapted from GSM Association
The program has a collection of success stories from countries including Bangladesh and Rwanda.

Success Stories

Bangladesh in facts and figures

- There are currently more than 220,000 Village Phone Operators nationwide.

- On average, income from Village Phone makes up approximately 24% of household income.

- While per capita annual income is $284, income from Village Phone business averaged $300.

- In general, the substantial contribution to household income was found to elevate the woman’s position in the home.

Rwanda: One woman’s story

One of the pilot program participants, Marie Claire, who runs her Village Phone from a private room in her restaurant, uses income from her phone business to improve the life of her family.

- She pays school fees for her children

- Bought land and laid a foundation for a house

- Plans to start a second Village Phone business

- Aspires to buy a truck and sell local produce in Kigali

Sources: Grameen Foundation; Telecommons for Canadian International Development Agency
IFC is working with partners in Nigeria to support entrepreneurs like Edith and Gloria.

Success Stories: Nigeria

The success of Edith’s phone business has enabled her to improve the life of her family and create jobs in her community.

- She pays school fees for her children
- Employs two sales girls to run ‘branch offices’
- Purchased a container, computer and printer to set up a small business center
- Aspires to buy additional phones and more office equipment to set up a larger, more formal business center

Gloria’s phone business has been a critical part of her economic survival and social re-integration into her community since her husband died from AIDS.

- She pays school fees for her children
- Is able to afford the HIV treatment and nutritious diet which keep her healthy
- Is an accepted and even admired member of her community for bringing access to telephony into an area that is on the fringe of network coverage
ICT has special advantages in driving the empowerment of women, however the associated challenges must be addressed.

**ICT and a Gender Agenda**

**Opportunities**

- The power of Information and Communication Technologies to make connections can mitigate against the social isolation of women in traditional societies
- ICTs can provide access to information, services, and economic opportunities
- Mastery of technology may improve self-confidence and enhance social standing
- The demonstrated value of ICTs often provide yet another incentive for literacy and education

**Challenges**

- Because of their connective power, ICTs may be regarded with special suspicion in traditional societies
- Most ICT interfaces require literacy in a major language as the point of entry
- People who do not have access to ICTs may find themselves on the wrong side of a widening ‘opportunity gap’