

## SmartMoney – Uganda

Driving on the pot-holed, main Kasese-Kampala highway requires travel through densely populated corridors with numerous speed bumps and thriving economic activity. Cars share the road with pedestrians, motorcycles and occasionally goats, cattle, oxen and baboons, as well as ubiquitous and brightly colored MTN and Airtel agent shops. When turning off the main highway onto the rugged and muddy roads that primarily serve as walkways for pedestrians towards the many remote agricultural villages, pedestrians share the road with motorcycles, animals and the very occasional car and notably fewer, if non-existent, MTN and Airtel agents. These village based cotton and coffee communities are the target markets pursued by SmartMoney.

SmartMoney is a third party, savings and payment system, currently in Tanzania as well as Uganda. SmartMoney partners with large coffee and cotton buyers to introduce mobile payments to various actors along the value chain. It replaces cash with SmartMoney in the entire value chain and uses the disbursements of large coffee and cotton buyers to jumpstart the village economy with digital currency. Large agribusinesses can use the SmartMoney platform to transfer electronic crop payments into the SmartMoney wallets of intermediary buyers. The intermediary buyer, in turn, then purchases crops by transferring electronic crop income payments into the SmartMoney wallet of the farmer who, in turn, can spend this digital currency in the numerous SmartMoney shops and with other SmartMoney users in the village. A unique characteristic of the service is that the farmer incurs no deposit, withdrawal or transfer fees to move into or out of another SmartMoney account.