



GEST-Y-002

Module “Digital finance”

Course: Digital finance for financial inclusion

2nd semester EMP 2025-26

Module manager: Prof. Baptiste VENET

Planning

Date	Time	Lecturer	Guest speaker	Place
23/02/2026	6 pm to 9 pm	Prof. B. Venet		A.0.005
24/02/2026	6 pm to 9 pm	Prof. B. Venet		A.0.005
25/02/2026	6 pm to 9 pm	Prof. B. Venet		A.0.005
26/02/2026	6 pm to 9 pm	Prof. B. Venet		A.0.005
02/03/2026	6 pm to 9 pm		L. De Diesbach	A.0.005
16/03/2026	6 pm to 9 pm		S. Brawerman	Online

Objectives of the course

LO 2.2

- Address key issues in digital finance.

LO 3.1

- Understand the business models, role and responsibilities, risks and benefits behind mobile money, agency banking and digital credit.

LO 1.2

- Address the motivations of MFIs to launch mobile money and agency banking services.

LO 1.1

- Present an overview of social grants (government to people-G2Ps), their evolution and their use to foster financial inclusion.

Topics covered and recommended readings

The share of adults owning a banking account is now 69 percent worldwide. However, about 1.7 billion adults remain unbanked, most of them living in the developing world (Demirguc-Kunt et al., 2017, pp. 2 and 4). The World Bank Group has therefore launched in 2017 the World Bank Universal Financial Access (UFA2020) initiative. According to this initiative, by 2020 the adults who are excluded from the formal financial system will be able to manage their financial lives by having access to a transaction account allowing them to store money and send and receive payments.

What are the consequences of digitizing finance in emerging and developing economies? What do we know about the behavioral changes in DFS users (impacts on savings, remittances, etc.) and about the changes in users' welfare and economic activity?

Digital Finance Services (DFS) and financial inclusion

- Mobile microfinance is a possible way to improve the access of poor people to financial services.
- What are the main advantages and drawbacks of digital finance?
- M-Pesa and M-Shwari in Kenya
- What do we know about the behavioural changes in DFS users (impacts on savings, remittances, etc.) and about the changes in users' welfare and economic activity?

References:

- Kapoor, M., J. Morduch and S. Ravi (2007), "From Microfinance to m-Finance," *Innovations*, winter/spring, Microcredit Summit Annual Report: 82-90.

- Venet, B. (2019), “FinTech and Financial Inclusion,” in Hudon, M., M. Labie and A. Szafarz (eds.) *A research Agenda for Financial Inclusion and Microfinance*, Cheltenham: Edward Elgar Publishing, 162-173.

Mobile banking

Mobile banking: the impact of Orange Money use on clients’ behavior.
The Digital finance banana skins: Main concerns about the use of DFS

Digital finance business models for MFIs

Guest Speaker: Samuel Brawerman, Digital Finance Expert

It has become almost evidence that digital finance, under some conditions, can lead to greater financial inclusion (Ozili, 2018, p. 330). While Microfinance Institutions (MFIs) are increasingly facing pressure to develop digital finance, finding a suitable business model, which matches with the MFI’s objectives, capacities and capabilities, is often complex and challenging for them.

In the light of the above consideration, the main objective of this course is to understand the different business models, role and responsibilities, risks and benefits behind Mobile Money, Agency Banking and Digital Credit for each of the different stakeholders (i.e. Banks, MFIs, Mobile Money Operator, Agent Network Operators, etc.)

Topics covered and recommended readings

1) and 2) Digital finance business models for MFIs

Digital Finance: The Distribution Channel

- Understanding the different business model between MFI’s core business, Mobile Money and Agency Banking. How are they different? How can they be complementary? What are the opportunities and risks?
- Understanding the different reasons why Mobile Network Operator launch Mobile Money services. Is it only for profits or are there other benefits?
- Detailing the different reasons why MFI might want to launch Mobile Money and Agency Banking services. Risks for MFIs when providing Mobile Money or Agency Banking for the wrong reasons.

- Detailing the Profit and Loss statement of Mobile Money services. Describing the major costs items and provide some key ratios.
- Describing the different roles an MFI can play in the Mobile Money world and their high level business model – Agent; Super-Agent; Aggregator; Loans to end customer; Loans to agents; Loans to merchants; Trust accounts

Digital Finance: The Digital Products

- Exploring the traditional financial product delivered via Agent networks (Bank-to-Wallet, Wallet-to-bank) and pur digital product
- Detailing the role of the of financial institutions in a digital credit product.
- Exploring the risks of digital credit
- Understating the digital nano-credit offers provided by mobile money operator.

References:

- Kaffenberger, M. (2018) Helping or Hurting? 10 facts about Digital Credit in Tanzania” Blog Series Digital Credit: Borrower Experiences and Emerging Risks <https://www.cgap.org/blog/helping-or-hurting-10-facts-about-digital-credit-tanzania>
- Rafe Mazer, R. et K., McKee (2018) “Digital Consumer Credit: Four Ways Providers can Improve Customer Experience”, CGAP (<https://www.cgap.org/research/slide-deck/digital-consumer-credit-four-ways-providers-can-improve-customer-experience>)
- GSM Association (2019), “GSMA State of the Industry Report on Mobile Money 2019 Summary”, Yearly SORTIR report series (<https://www.gsma.com/sotir/>)
- Goyal, S. et al., (2017), “Understanding business model – literature review of concept and trends”, *Int. J. Competitiveness*, Vol. 1, No. 2, 2017
- Mader, P. (2016), Microfinance and Financial Inclusion, *The Oxford Handbook on the Social Science of Poverty*, Oxford: Oxford University Press
- Manyika, J. et al., (2016), “Digital Finance for all: powering inclusive growth in emerging economies” Mckinsey Global Institute
- Ozili, P. O. (2018), “Impact of digital finance on financial inclusion and stability”, *Borsa Istanbul Review* 18-4 (2018) 329-340
- Alliance for Financial Inclusion (AFI) (2016), “Digital financial services: basic terminology,” *Guideline Note No.19*, Alliance for Financial Inclusion (AFI)
- “MicroLead's DFS Toolkits: How to Succeed in your digital journey,” A series of practical guides and case studies from UNCDF MicroLead, Mastercard Foundation and PHB Academy <http://www.uncdf.org/microlead/download-the-dfs-toolkits-from-microlead>

Evaluation (all parts)

Oral presentations in class (last session)