



How the Mpola Mpola device financing scheme supports MTN Uganda's digital inclusion strategy



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EXECUTIVE SUMMARY

Around the world, access to mobile internet is empowering individuals with unprecedented opportunities to participate in the digital economy, enabling access to information, financial services and other life-enhancing services. Yet, millions of people in low- and middle-income countries (LMICs) remain excluded from these benefits.

In Uganda, just 11 million people (22% of the population) were using mobile internet on their own device as of the end of 2024. Another 37 million people remained offline despite living within mobile broadband coverage. Although connectivity infrastructure is widely available in Uganda, lack of access to affordable internet-enabled devices is one of the top barriers preventing adoption of mobile internet among those already aware of it.

For millions in Uganda, smartphones remain unaffordable, with only 17%¹ of the population owning one. GSMA analysis² shows that an entry-level handset in Uganda cost around \$23 USD in 2024, a notable improvement from \$39 in 2023. However, even with this price drop, mobile devices remain out of reach for many in Uganda. The cost of an entry-level handset is equivalent to 23% of average monthly income, and 75% of average monthly income for the poorest 20% of the population, including rural communities, women, persons with disabilities and low-income households. For instance, women in Uganda would have to pay 27% of their average monthly income for an entry-level internet-enabled handset, while men would pay 19%.

To make 4G smartphones more affordable, MTN Uganda has introduced Mpola Mpola Kabode, a device financing offering that allows customers to pay over time through instalment payments. Despite challenges in providing device financing for underserved customer segments, such as irregular income, low digital literacy and a lack of formal identification, MTN Uganda's targeted outreach, repayment terms and customer education and engagement efforts have been extremely effective. By leveraging its extensive distribution network and mobile money ecosystem, MTN Uganda has enabled more than 360,000 individuals (31% female, 69% male)³ to purchase a Kabode mobile device through Mpola Mpola since 2020. Another 95,000 customers have acquired the device through direct cash purchases, expanding access to smartphones and supporting broader participation in the digital economy.

This case study explores the challenges and successes of the Mpola Mpola Kabode offering, from implementation to impact. It examines MTN Uganda's strategies for raising awareness, customer qualification and selection, onboarding and risk mitigation. It also highlights the critical role of digital skills training in device financing initiatives, both in demonstrating the value of mobile internet for underserved customers and addressing misconceptions or skills gaps that may prevent customers from using their smartphone effectively. Finally, this case study offers insights and recommendations for handset providers seeking to make internet-enabled devices more affordable and accessible to underserved populations through device financing.

1 This refers specifically to the share of the population who own a smartphone. Recognising that some people would own multiple devices, the total number of active smartphones in Uganda would be higher.

2 The GSMA collects pricing data for entry-level internet-enabled handsets from various sources and expresses these prices as a share of monthly GDP per capita or household income to show how affordable (or unaffordable) a device is for an average person or specific income groups.

3 The overall percentage of female beneficiaries may be higher than 31%, as the 69% male Kabode customers likely includes men who have purchased devices on behalf of their female relatives or friends.

1. INTRODUCTION

Mobile internet can transform lives by offering access to connectivity, information, services and economic opportunities. In Uganda, internet adoption rates are low, but mobile remains the primary way people access the internet. In 2024, mobile internet penetration in Uganda stood at 28%, with about 14 million people using mobile internet. However, only 22%⁴ (10.9 million) of the population used mobile internet on their own device while an additional 6% (3 million) relied on shared devices.



⁴ GSMA. (2025). [The State of Mobile internet Connectivity 2025](#).

The vast majority of those not using mobile internet – 73% of the population – live in areas covered by mobile broadband but face barriers to using it (the usage gap). Of these 37 million people, 69% (25.5 million) do not yet own a mobile phone. Of the 22% of Ugandans who are using mobile internet on their own device, 65% have either a feature phone or 3G smartphone, limiting their internet experience.

Across Sub-Saharan Africa, the high cost of internet-enabled handsets, especially smartphones, is a major barrier to adopting mobile internet. In Uganda, where less than a fifth^{5,6} of the population own a smartphone and an entry-level handset costs around \$23 – equivalent to 75% of average monthly income for the poorest 20% – affordability⁷ is the top-reported barrier to mobile internet adoption among those already aware of it. This is particularly true among women, for whom the cost of an entry-level, internet-enabled handset represents 27% of average monthly income, compared to 19% for men.

To address the handset affordability challenge, handset providers need to improve both a customer's ability and willingness to pay for an internet-enabled device. This means developing solutions that not only tackle financial barriers, but also address the perceptions, digital skills and lack of trust and confidence that influence the perceived relevance of a device and a customer's willingness to pay.

Some key approaches to improve ability to pay include reducing the upfront cost of devices, expanding access to financing schemes and addressing usage costs such as airtime and repairs. On the other hand, improving willingness to pay requires addressing customer concerns, misconceptions and negative social norms around mobile internet use. This involves promoting the value and relevance of mobile internet through compelling and practical use cases while tackling barriers related to digital skills and confidence.

Focusing specifically on device affordability as a key lever to improve ability to pay, GSMA analysis shows that lowering the cost of a device to \$10 in Uganda could improve affordability for an additional 38% of the population, or 19 million additional people.⁸ However, even at a \$10 price point, an internet-enabled device would still be unaffordable for 35%, or 17.7 million Ugandans – approximately half the usage gap population. This highlights the urgent need for efforts to make handsets more affordable.

This case study of MTN Uganda's device financing scheme illustrates how such initiatives can be designed and implemented to address handset affordability challenges. It examines the design, execution and impact of the scheme, drawing on these insights to offer recommendations for effective financing models.



5 GSMA. (2025). [The State of Mobile internet Connectivity 2025](#).

6 This refers specifically to the share of the population that owns a smartphone. Some individuals would own multiple devices, raising the total number of active smartphones in Uganda.

7 In Uganda, 59% of adults who are aware of mobile internet but are not using it identified lack of affordability, especially of internet-enabled handsets, as the top barrier to adopting mobile internet (GSMA Consumer Survey, 2024).

8 Based on an affordability threshold of 20% of monthly income.

73%

of Uganda's population live within mobile broadband coverage but are not using it



69%

of these people do not yet own a mobile phone

Less than

1/5



of the Ugandan population own a smartphone

An entry-level handset costs around

\$23



equivalent to

75%

of average monthly income for the poorest 20%

Lowering the cost of a device to



\$10

could improve affordability for an additional 38% of the population

(19 MILLION PEOPLE)

But this would still be unaffordable for

35%



of the population

(17.7 MILLION PEOPLE)

2. OVERVIEW OF MTN UGANDA'S DEVICE FINANCING SCHEME

In December 2019, MTN Uganda launched Mpola Mpola (meaning “slowly, slowly”), a device financing offer that aimed to make its 4G-enabled Kabode smartphone more affordable for the underserved through instalment payments. The scheme specifically targets low-income individuals in rural and urban areas who would struggle to purchase a 4G-enabled smartphone outright.

MTN identified a significant market gap: most devices offered by original equipment manufacturers (OEMs) were priced around \$100, making them unaffordable for many customers. Mpola Mpola was introduced to bridge this gap and accelerate the migration of subscribers from 2G/3G handsets to 4G technology, an effort that aligns with broader efforts by mobile network operators (MNOs) in Sub-Saharan Africa to phase out legacy 3G networks and focus on expanding 4G and 5G capacity.



Box 1

MTN Uganda's broader device financing strategy

While this case study focuses on MTN Uganda's financing strategy for its flagship device Kabode – the lowest cost device available through financing – the MNO offers several other ways for customers to pay for a smartphone via instalments. It does this through strategic partnerships aimed at improving smartphone accessibility for underserved populations via the Mpola Mpola device financing scheme.

MTN and M-KOPA launched a partnership in 2022, offering customers access to a range of up to 11 Samsung and Nokia devices with flexible repayment options of daily, weekly or monthly terms. Customers also get 50 MB of free daily data from MTN during the 12-month repayment period. M-KOPA brings its own sales and distribution network, device locking platform, experience with credit scoring and customer support to onboard new customers to the MTN network, offering competitively priced packages and ensuring customers

remain locked in. MTN Uganda provides the payment platform through which M-KOPA collects customer payments

In 2023, MTN Uganda launched a partnership with TakeNow to offer even more device choice, including smartphones from Tecno, ITEL and Infinix, priced between 383,000 and 538,000 Ugandan shillings (UGX) (approximately \$110–\$154) through the Mpola Mpola scheme. Under this arrangement, customers make an initial deposit of around 40% of the device cost (UGX 153,200–215,200), with the remaining balance payable in monthly instalments over six months. Each device comes with 1 GB of free monthly data for the duration of the repayment period. MTN Uganda provides a subsidy to TakeNow to reduce the effective cost to customers even more.



The Mpola Mpola Kabode offering

The flagship device offered under the Mpola Mpola scheme is the MTN-branded smartphone, Kabode. Since its launch in late 2019,⁹ the scheme has operated simultaneously, but the original Kabode smartphone was replaced in April 2025 with the Kabode Supa, a 4G-enabled smartphone with a 5-inch display, 3 GB RAM, a 2MP front camera and an 8MP rear camera. The Kabode has continued to evolve, with a new 6-inch model released since April 2025.¹⁰

Mpola Mpola improves customers' ability to pay in three ways:

- **Reduces the upfront cost burden** by offering low initial payments coupled with various repayment options.
- **Lowers the overall cost to customers** through subsidisation, leveraging partnerships with original equipment manufacturers (OEMs).
- **Reduces ongoing costs of device usage** (e.g. data purchase and repairs) by providing bundled value-added offers (some of which are provided free of charge) for customers.

Together, these complementary strategies are aimed at making the Mpola Mpola Kabode proposition attractive to low-income customers and those interested in transitioning from a 2G/3G device to a 4G smartphone.

Accessible upfront cost and various payment options

Customers who have been on the MTN network for at least six months are eligible to purchase the Kabode device, priced at UGX 225,000 (~\$64), by making a 20% deposit (UGX 45,000, ~\$13) upfront. The balance of UGX 180,000 (\$51) is then repaid over eight months, with customers choosing their preferred repayment frequency: daily (UGX 900, ~\$0.26), weekly (UGX 6,250, ~\$1.78) or monthly (UGX 25,000, ~\$7.15).¹¹ These repayment options are designed to accommodate various income patterns, particularly for low-income and informal sector workers, ensuring that repayments align with their income flow.

Additionally, customers may make extra payments or repay the full outstanding balance at any time without incurring penalties, offering greater flexibility compared to many loan or financing arrangements that charge fees for early repayment. If customers default on payments, the device is partially locked until outstanding repayments are cleared, with surcharges applied for prolonged defaults. Without financing, customers can purchase the Kabode device directly for UGX 245,000 (~\$70).

⁹ See Table 2 for key differences between the 2019 launch and the April 2025 upgrade.

¹⁰ As of October 2025, MTN Uganda had soft-launched a new model in its Kabode series, the Kabode Max, a 3G/4G-enabled device featuring a larger 6-inch screen and enhanced battery life compared to the Kabode Supa. However, the marketing campaign for the Kabode Max had not yet commenced at the time of writing. This move signals MTN's continued commitment to evolving the Mpola Mpola scheme by aligning device specifications with user needs and aspirations, while maintaining affordability for customers.

¹¹ As of October 2025, MTN Uganda was in the process of phasing out the monthly repayment option, as it had not performed well, particularly among low-income customers and women, who often find it difficult to make larger, less frequent payments compared to daily or weekly instalments.

Table 1:

Mpola Mpola payment options for the Kabode device

Item	Price
Deposit	UGX 45,000 (\$13)
Total cost at end of term	UGX 225,000 (\$64)
Instalments	Daily: UGX 900 (\$0.26) Weekly: UGX 6,250 (\$1.78) Monthly: UGX 25,000 (\$7.15)
Straight sale (without financing)	UGX 245,000 (\$70)

Note: Prices in this table are based on the April 2025 launch.

USD conversions are based on Oanda.com's exchange rate estimate of UGX 1 = USD 0.00029, as of 30 October 2025.

Lowering costs for customers

The cost of the Kabode device for customers has also been lowered through:

- **Subsidisation:** The cost of the Kabode device is partially subsidised by MTN –approximately \$5 (8% of the total cost) – to help reduce the impact of import duties and VAT, which together account for about 33% of the total handset cost in Uganda.
- **Customising the handset:** MTN Group has taken a design-to-spec and cost approach, defining the requirements and working with an OEM to produce a phone model that meets those specifications at a target cost.
- **Bulk purchasing:** By purchasing devices in bulk at the Group level, MTN achieves better unit economics and can procure the phones from Mobiwire at a lower cost. These cost efficiencies are passed down to MTN Uganda, enabling them to access more affordable smartphones through the Group.
- **Partnerships with OEMs:** MTN's partnerships with OEMs have evolved. As the scheme gained traction and more OEMs showed interest, MTN could select suppliers that offer better value and more competitive pricing, leading to a wider choice of lower-cost devices.

Value-added offers and services

Customers who join the scheme benefit from:

- **Free data:** 2 GB of free MTN data is provided monthly during the repayment period, more than the 1 GB typically included in partner device financing offerings. This incentive helps reduce the cost associated with using internet-enabled services and encourages greater adoption and usage among new device owners.
- **Warranty:** A one-year manufacturer's warranty provides peace of mind, particularly for low-income customers who might otherwise struggle to cover repair or replacement costs. This helps reduce the perceived financial risk of investing in a device.
- **First-time repairs:** Customers are entitled to one free repair for issues not related to manufacturer defects, offering additional cost relief.

Box 2

The evolution of the Mpola Mpola Kabode offering

In April 2025, MTN Uganda relaunched the Mpola Mpola scheme, revising its device financing offerings. Since the initial launch in 2019, the scheme has undergone three major changes: partnerships; extended loan duration and reduced upfront payments; and a shift to automated repayments.

Partnerships: One of the most significant changes MTN made has been the evolution of its partnerships with device manufacturers. In 2019, the scheme was launched with a single OEM partner for the Kabode device, Rio Cola. This was then followed by a collaboration with Itel to offer the AC50 Kabode device. The most recent relaunch involved a new partnership with MobiWire, a leading mobile phone manufacturer, enabling MTN to offer higher-quality Kabode devices at comparable or lower price points.

The Kabode Supa device comes with an improved rear camera, larger RAM capacity and enhanced battery life compared to its predecessors. Evidence¹² suggests that for underserved customers, some of the most valued features of an internet-enabled phone, apart from price, are battery life, functionality and durability rather than aesthetics or brand appeal. A smartphone offering by MTN is widely trusted, as customers believe MTN has stress-tested the device and ensured it is of commercial quality.

MTN's decision to focus on these features, particularly longer battery life, responds to the needs of rural and low-income users who often face unreliable access to electricity. To achieve these improvements while keeping costs low, MTN leverages a Group-level bulk procurement strategy with Mobiwire, enabling lower unit costs for devices distributed and sold across its Sub-Saharan African markets, including Uganda.

Extended loan duration and reduced upfront costs: The 2025 relaunch of the Mpola Mpola Kabode scheme also introduced changes aimed at easing the financial burden on customers. Notably, the upfront deposit to acquire a Kabode device was reduced slightly from UGX 49,000 (approximately \$14.10) to UGX 45,000 (\$12.89). In addition, the repayment period was extended from six to eight months, allowing customers more flexibility to manage their payments over time. These adjustments were informed by MTN's understanding of the income patterns of its target demographic – largely low-income earners who often prefer smaller payments spread over a longer period. These changes could help reduce the entry barrier for first-time smartphone users.

Shift to automated payments: Another significant change introduced since the 2019 roll-out was the streamlining of the repayment process. Previously, customers had to initiate repayments manually via MTN Mobile Money by dialling 165*5*2# or through the MyMTN App. An automated mechanism known as “auto sweeping” is now in place, ensuring that once a customer's mobile money wallet is recharged, the instalment is automatically deducted or “swept” from their account. The shift to automation was designed not only to improve customer convenience and ensure smoother repayment collection for MTN, but also to reduce payment defaults and help support the long-term sustainability of the scheme.

¹² GSMA. (2025). [The Mobile Disability Gap Report 2025](#).

Table 2:

Comparison of Kabode offering and payment options in the 2019 and 2025 launches

	2019 launch	April 2025 launch
Smartphone specifications	5MP rear and 2MP front camera, 5-inch screen, 1 GB RAM	8MP rear and 2MP front camera, 5-inch screen, 3GB RAM, Extended battery life
Total cost (Mpola Mpola)	UGX 199,000 (\$57)	UGX 225,000 (\$64) ¹³
Deposit	UGX 49,000 (\$14.10)	UGX 45,000 (\$12.89)
Instalments	Daily: UGX 833 (\$0.23) Weekly: UGX 6,250 (\$1.77) Monthly: UGX 25,000 (\$7.09)	Daily: UGX 900 (\$0.26) Weekly: UGX 6,250 (\$1.78) Monthly: UGX 25,000 (\$7.15)
Loan duration	Up to six months	Up to eight months

Note: USD conversions are based on Oanda.com's exchange rate estimate of UGX 1 = USD 0.00029, as of 30 October 2025.

¹³ The increase in the total price payable since the scheme's initial launch is largely due to rising unit costs from smartphone manufacturers. Component prices, particularly for chips, rose significantly following the global COVID-19 pandemic, driving up overall production costs.



3. DESIGN AND IMPLEMENTATION OF THE MPOLA MPOLA KABODE FINANCING SCHEME

In addition to addressing a customer's ability to pay through subsidisation and flexible payment options, MTN Uganda has built a broad set of strategies into the Mpola Mpola customer journey to help drive adoption, encourage active and sustained device use and support timely repayments.



3.1

Awareness and marketing strategy

MTN Uganda uses a multi-channel awareness raising and marketing strategy to promote Mpola Mpola Kabode financing, combining broad-based mass media with targeted outreach. Above-the-line (ATL) channels, including radio, television, billboards and banners, create nationwide visibility and reach high-traffic public spaces.

This is complemented by direct communication methods, such as SMS notifications and targeted outreach campaigns, delivering personalised information on the benefits of the scheme and application procedures. One-on-one engagement with MTN agents has proven particularly effective in driving adoption,¹⁴ as it allows potential customers to receive tailored guidance on the relevance of the device and address specific

concerns and questions. Additionally, targeted outreach such as activation events in rural and semi-urban areas ensures that underserved segments are informed and included. These events provide direct, often face-to-face engagement and relationship building, which can be key to overcoming barriers for first time internet-enabled handset owners.

MTN Uganda has recognised the need to offer digital skills training alongside its marketing and awareness drive to educate customers on the value of mobile internet and equip them with the basic skills to use mobile internet confidently and safely. (Learn more about MTN's approach to digital skills training on p.18).

3.2

Customer eligibility

Existing MTN customers who are interested in the Mpola Mpola Kabode offer can quickly check their eligibility by dialling a short code (*165*5*2#). Instead of relying on traditional credit scoring, MTN applies internal assessment criteria that evaluate: (1) usage patterns and transaction volumes across mobile money and other MTN services, including maintaining an active line for at least 10 days per month and receiving a minimum of two incoming calls per month; and (2) length of time on the MTN network (minimum six months).¹⁵ This approach ensures that qualifying customers have a trustworthy track record with the network, reducing the risk of default. After qualification, customers are instructed to visit a service centre to complete the registration and obtain their device.

While this approach reduces the risk of default, SIM-linked eligibility rules can create access barriers, particularly for users who may not have the proper ID. In Uganda, SIM card ownership requires a national ID, which many women lack due to socio-economic barriers and, in some cases, restrictive social norms. Women often rely on male relatives for SIM registration, but since the Mpola Mpola scheme allows only one Kabode device per registered user, they are excluded if the male relative already owns a device. This creates a structural barrier to women owning a smartphone of their own through the Mpola Mpola scheme.

¹⁴ Agents are also motivated through high commissions, earning up to \$10 for each Kabode device sold.

¹⁵ Customers must generally be an existing customer and have actively used MTN and MTN MoMo services for at least six months to qualify.

3.3

Distribution and point of sale

Making phones readily available to target customers is key to the uptake of any device offering. MTN ensures its Kabode device is available in both urban and rural areas, including the last mile through its nationwide network of MTN Service Centres, which are located across both urban and rural areas. MTN's commitment to delivering services close to where customers live helps ensure that low-income users do not have to spend scarce resources on transportation to access financed smartphones.

Having points of sale (POS) close to consumers is critical because once a customer's eligibility is confirmed, they must visit an MTN Service Centre or speak to an MTN agent with their national ID and a make a deposit of UGX 45,000 (approx. \$13) to acquire their device. They then review and accept the financing terms and conditions and complete the transaction by entering their mobile money PIN to receive their smartphone.



MTN Uganda Service Centres in peri-urban and rural Lugazi, Central Uganda

3.4

Risk management

MTN Uganda has implemented several strategies to mitigate the risk of customer defaults under the Mpola Mpola Kabode scheme. One key measure is “auto-sweeping”, introduced to replace manual repayments with automated deductions from customers’ mobile money wallets. According to MTN Uganda, this automation not only improves repayment efficiency, but also reduces the risk of defaults and supports customers who may struggle to remember the short codes needed for manual payments. Automated SMS reminders help keep customers informed about repayment timelines and outstanding amounts, further reducing the risk of defaults.

As an additional risk mitigation measure, MTN uses a device-locking mechanism integrated with the automated deduction system. If a payment is due and the wallet balance is insufficient, the device is locked until funds are deposited in the

mobile money wallet. During this period, users cannot make or receive voice calls. Once they have added funds and recharged their account, the outstanding amount is deducted automatically and the device is unlocked. Late repayments may attract surcharges depending on the length of default: UGX 500 for 33–37 days, UGX 1,000 for 38–45 days and UGX 2,000 for 46 days or more. No other surcharges are applied beyond this.

MTN’s customer education efforts are another way to mitigate default risk, as they help to increase customers’ awareness, skills and confidence to use a range of mobile internet and mobile money services. By enhancing perceived value and encouraging more consistent device usage, customers have a greater motivation to keep up with their device payments and avoid lockouts. (Learn more about MTN’s digital skills training on p.18).

3.5

Encouraging mobile internet use after onboarding

One of the ways MTN promotes mobile internet use is through pre-installed apps on Kabode devices. Each device comes preloaded with MyMTN (Self-Service App), MTN MoMo, WhatsApp and Facebook. This offers immediate and convenient access to popular services, especially valuable for first-time smartphone users who may not know what apps to install or how to get started.

Following onboarding, MTN Uganda provides ongoing customer support to encourage active and diversified use of mobile internet. This can help customers get more value from their device and a better return on investment through more meaningful connectivity. It also has the potential to drive increased data usage and revenue for MTN and, importantly, more frequent device use may improve repayment rates as customers seek to avoid device locking. MTN delivers customer support through at least two channels:

- **Targeted video content:** MTN shares videos showcasing practical internet use cases tailored to different customer segments. For example, in rural communities where tea farming is a major source of livelihood, farmers receive regular communications on best practices for growing and maintaining tea crops.
- **Promotional offers:** MTN introduces periodic incentives to ensure customers keep using the internet, and expand their usage, after they acquire their device. These include invitations to explore services like TIDAL music streaming and other entertainment platforms, which can help customers experience the broader value of digital services.

3.6

Digital skills training

GSMA data shows that literacy and digital skills are the second most-reported barrier to mobile internet adoption in Uganda among those who are aware of it. This trend holds true for both men and women as well as urban and rural populations. According to the [Inclusive Digital Economy Score Card Report](#), Uganda scores just 20% in digital literacy and 19% in financial literacy, despite relatively higher scores in basic skills and formal literacy (60%). This gap in digital literacy is a key driver of digital exclusion and prevents many Ugandans from harnessing the benefits of the internet. The Ugandan [Digital Transformation Roadmap 2023–2028](#) identifies addressing the digital skills gap as a national priority to enhance digital inclusion and ensure that the majority of Ugandans can actively participate in the digital economy.

To address this skills gap, MTN Uganda piloted in-person digital skills training to support uptake of its Mpola Mpola Kabode financing scheme at MTN service centres in Kampala, Uganda's capital. Early on, MTN identified that sales representatives often struggled to help customers, particularly first-time smartphone users, to understand both the benefits of mobile internet or smartphone ownership and the practical skills needed to use it effectively. In response, MTN partnered with the GSMA to design an in-store customer education approach to trial in Kampala, enabling sales teams to better support customers at the point of acquisition. Through this initiative, MTN aims to boost perceived relevance of the internet and sign-ups to its Mpola Mpola Kabode offering, while also equipping customers with the confidence and digital skills to adopt mobile internet and use it meaningfully. Ultimately, this should drive both device uptake and data usage.

The pilot included the development of a training approach and a training guide for store staff, leveraging the [GSMA Mobile Internet Skills Training Toolkit \(MISTT\)](#). The GSMA supported MTN in its efforts by providing a training-of-trainers (ToT) for MTN store managers, who in turn trained frontline sales staff at customer service centres in Kampala to demonstrate the value and practical benefits of mobile internet and deliver basic skills training directly to customers at the point of sale.

MTN Uganda integrates digital skills training in the Mpola Mpola scheme mainly through short, face-to-face training sessions (typically 5–15 minutes) delivered to customers visiting MTN outlets in Kampala. Staff use an MTN Uganda training guide and MISTT resources to offer hands-on guidance for first-time smartphone users, covering device operation, mobile money and key internet apps and use cases. The training also addresses user concerns around safety and security risks associated with using mobile internet.

4. OUTCOMES AND IMPACT

The Kabode Supa 4G smartphone provides a more optimal internet experience compared to 2G and 3G devices. By facilitating the transition from basic connectivity to 4G smartphones, the Mpola Mpola Kabode offering, along with MTN Uganda's complementary efforts, is expanding users' opportunities to engage with the digital economy and reap the social and economic benefits.





Since its launch five years ago, the Kabode device has been sold to more than 360,000 customers via the Mpola Mpola offering, many of whom are now actively using mobile internet services. An additional 95,000 customers have acquired the Kabode device through direct cash purchases.

Table 3:
Impact of the MTN Uganda Mpola Mpola Kabode Scheme

Total reach of Kabode devices	360,000 (via Mpola Mpola) 95,000 (direct cash purchase)
Men vs women (%)	69% male; 31% female
Average revenue per user (ARPU) increase generated by Kabode device users	Up to 20% increase on average per customer, over prior levels

4.1

Socio-economic benefits of Mpola Mpola Kabode offering

Of the 360,000 devices sold to date via Mpola Mpola, 31% have been to women. These customers have reported that access to a Kabode device has improved their communication, expanded access to information and created new business and economic opportunities.

As part of research conducted in September 2025, several customers reported the tangible socio-economic benefits of purchasing a Kabode device through the Mpola Mpola scheme. These benefits include better access to smartphones

for female family members, improved support for children's education and stronger household livelihoods and small businesses. In Lugazi, for instance, a smallholder farmer who had previously purchased a Kabode phone through direct cash purchase acquired another device via Mpola Mpola for his wife, primarily to support their children's education. Another customer, a middle-aged female micro-entrepreneur, shared that she purchased her device to better manage communications with her customers and grow her business.

4.2

The commercial impact of Mpola Mpola for MTN Uganda

For MTN Uganda, Mpola Mpola delivers commercial benefits and return on investment (ROI) in multiple areas:

- **New data subscribers:** The Mpola Mpola offering has helped MTN attract new data subscribers and expand its share of Uganda's smartphone market. By reducing the affordability barrier, the offering supports MTN's 4G customer growth, particularly among underserved populations. According to MTN, smartphone penetration on MTN's network rose from about 24% at the start of 2021 to around 41% by 2025.¹⁶
- **Increased average data usage per user:** Mpola Mpola customers, most of whom were MTN customers using basic phones, are now engaging with mobile data and digital services for the first time after acquiring a Kabode device. This has expanded their usage beyond traditional voice and SMS services and, combined with MTN's customer education, has driven higher spending per user. MTN's internal analysis suggests that average

revenue per user (ARPU) for Mpola Mpola customers is about 20% higher than what these customers generated prior to upgrading to a Kabode device.

- **Stronger device sales:** The integration of digital skills training has improved the capacity of sales staff to communicate the value of internet-enabled devices and address customer questions effectively. Store representatives in Kampala report that following training on how to use the MISTT, they are better equipped to educate customers on the benefits of mobile internet and train them with the basic skills to use it. According to MTN, this enhanced customer engagement has contributed to stronger device sales, higher levels of customer satisfaction and increased referral traffic to stores in Kampala. Moreover, MTN Uganda also offers sales agents up to \$10 incentives for each Kabode smartphone sold.

¹⁶ The increased smartphone penetration on MTN's network is also likely influenced by other factors, including the addition of smartphones offered through MTN Uganda's broader Mpola Mpola partnerships with M-KOPA and TakeNow.

"The Kabode phone is in very high demand. We always ask for more stock. [People] choose this device because they trust in the MTN brand."

MTN Sales Manager, store near Kampala



"I need to explain to customers how he is going to pay for the phone, about the deposit... I ask the person what do you do for work to help set up payments. Many people have smartphones but don't know how to operate so when I sell, I take them through basic things."

Sales Agent, Lugazi

"I was trained about how to support customers who come into the MTN shop to use a smartphone. The training focused on educating customers that a smartphone is not just a tool for making calls... I also learned how to target customers who would come in with button phone. When I saw them holding button phones, I would talk about the benefits of smartphone. I saw that if I could sell them those benefits, they would be convinced to buy a smartphone."

MTN Sales Associate, Kampala



5. LESSONS AND RECOMMENDATIONS

The Mpola Mpola Kabode scheme offers valuable insights for other handset providers seeking to offer a financing model. Our research with MTN Uganda revealed the following lessons and recommendations.



Lesson 1:

Pairing customer awareness with education can help drive adoption

Lack of awareness of mobile internet, and the skills it takes to use it, can hinder uptake of device financing among underserved populations. Insights from the Mpola Mpola Kabode scheme show that while awareness campaigns can increase the visibility of the financing initiative, they are often insufficient on their own. Combining awareness with targeted customer education is critical to address specific barriers, strengthen understanding of mobile internet benefits and build user confidence to use mobile internet independently.¹⁷ These insights underscore that handset financing initiatives are most effective when combined with broader strategies to strengthen user readiness and capability.

Recommendations:

- **Incorporate in-person customer education into device financing initiatives**, with a focus on basic digital skills, to improve the perceived relevance of the internet and smartphones for first-time smartphone owners and underserved customers. This will enhance device sales and drive increased, safe and diverse use of the internet.
- **Incentivise sales agents to provide digital skills training at the point of sale** to sensitise customers on the benefits and use cases for mobile internet and equip them with the skills to use the internet on their new device.
- **Consider monitoring customer usage patterns and delivering tailored, customer-centric awareness and education initiatives** to drive more active and diverse use of mobile services. This will help customers derive more value from their devices, particularly in the early stages of device ownership.

Lesson 2:

Flexible repayment options can enhance repayment, especially for customers with irregular incomes

Mpola Mpola underscores the importance of flexible repayment options for customers with irregular incomes. Many underserved customers, such as rural residents and women, have unpredictable earnings, which makes fixed or larger repayment schedules such as monthly repayments challenging. Introducing flexible repayment options can ease customers' financial burden and, in turn, reduce the provider's exposure to default risk.

Recommendations:

- **Offer a variety of repayment options**, including shorter, more frequent options (e.g. daily or weekly), and allow customers to adjust amounts or switch frequencies based on their cash flow.
- **Ensure marketing and communications clearly highlight payment options** (e.g. daily or weekly) that may be more manageable for low-income customers.
- **Consider ways to incorporate or incentivise early repayments** to foster positive repayment behaviours.

¹⁷ This aligns with the findings of a World Bank Group report. See: Rami A and Gallegos, D. [Affordable Devices for All Innovative Financing Solutions and Policy Options to Bridge Global Digital Divides](#) (English). World Bank Group.

Lesson 3:

Bundling value-added services can enhance perceived value and willingness to pay, and ultimately drive uptake

For many low-income users, temporary financial constraints can limit active usage even after acquiring a device. Value-added offerings, such as free data bundles, first-time repairs, insurance and warranty coverage, can play an important role in enhancing perceived value and trust in financing schemes. These features help demonstrate the reliability and long-term benefits of device ownership while addressing common concerns about signing up to financing schemes, such as the risk of a device being damaged while it is still being paid off.

Recommendations:

- **Introduce value-added offers and incentives relevant for underserved groups**, such as free data bundles to incentivise mobile internet use among customers facing temporary financial constraints.
- **Consider short-term zero-rating of popular mainstream apps** (e.g. YouTube, Facebook, TikTok, WhatsApp) or relevant value-added services (e.g. e-commerce, health or education apps), combined with customer education initiatives to raise awareness of their value, build digital skills and encourage customers to trial these services.
- **Enhance the perceived value of device offerings** by bundling complementary services, including first-time repairs, insurance and warranty coverage, to help address some of the costs associated with smartphone ownership and use.



Lesson 4:

Clear communication of eligibility criteria and repayment terms is critical for customer trust

The Mpola Mpola Kabode offering, while popular in Uganda, is not accessible to everyone. While many are drawn to the device's design and payment options, strict eligibility criteria can mean that even members of the same family may not all qualify, creating confusion or dissatisfaction. Moreover, first-time mobile internet users and underserved populations often have a limited understanding of how device financing schemes and repayment processes work, for example, that a deposit is required and that regular payment instalments will follow. These challenges highlight the importance of clear communication and transparency to manage expectations and maintain customer trust.

Recommendations:

- **Develop clear and jargon-free messaging about eligibility criteria**, especially when based on transaction or usage data, to help low-literate and digitally inexperienced customers understand requirements, manage expectations, avoid confusion and maintain trust.
- **Marketing materials should clearly state in simple language** that, beyond deposits, devices require several payments to pay off.



Lesson 5:

Automated repayment processes require robust safeguards and should be a last resort

The Mpola Mpola scheme uses an auto-sweeping mechanism whereby repayments are automatically deducted from the customer's mobile money wallet. While operationally efficient, this approach can lead to customer frustration and reduce trust, particularly when users do not fully understand when, how or how much is deducted. Unexpected or unclear deductions, whether due to limited customer understanding, technical errors or human oversight, have potential to create financial pressure for low-income customers and risk customer dissatisfaction and reputational harm.

Beyond operational risks, auto-sweeping also presents a behavioural challenge. Although designed to reduce defaults, it may inadvertently limit customers' ability to develop positive and intentional repayment habits, potentially increasing the likelihood of default over time. For this reason, auto-sweeping is best used as a backstop for missed payments, rather than the primary repayment mechanism.

Overall, auto-sweeping should be implemented with robust safeguards, transparency and clear customer communication, carefully balancing operator risk management with customer welfare.

Recommendations:

- **Ensure agents are trained to explain how repayments work** – including the process and collections for late or missed payments – in clear and simple language. Also maintain regular, post-sale follow ups, either in-person, through SMS or videos, to reinforce this information and support customers throughout the repayment period.
- **Implement monitoring systems to detect and resolve errors** in auto-sweeping processes promptly. Provide transparent notifications to customers whenever deductions are made.
- Although automated payment options like auto-sweeping can simplify repayment processes, where they are used, implementers should also **consider maintaining avenues for intentional, self-directed payments**. For example, customers could be given the opportunity to make repayment manually before auto-sweeping is triggered. Enabling customers to manage their own payments can reinforce feelings of ownership and value, which in turn may promote stronger engagement and positive repayment patterns.



Lesson 6:

Consider how to implement risk mitigation measures, including device-locking technology and penalties, in a way that minimises customer frustration and avoids increasing the risk of default

Device-locking mechanisms can alienate customers if poorly implemented or communicated. While effective for mitigating default risk, the locking mechanism requires careful customer education to avoid frustration and reputational risk. If a customer finds it difficult to understand how to unlock their device, it could lead to frustration and default. Gradual locking of devices (with some functionality remaining accessible, such as mobile money and emergency calling) is important to ensure customers can top up their mobile money account so that automated deductions can resume.

There is also a risk that the application of surcharges following defaults may trap customers in cycles of debt, posing heightened risks for low-income users. While surcharges can play a role in mitigating risk, device financing schemes should avoid over-reliance on penalty-based approaches. Penalties should be used only as a last resort after other interventions have been made to encourage repayment, such as reminders, flexible repayment options or temporary grace periods. Greater emphasis should be placed on incentivising timely repayment and enabling customers to actively and productively use their devices. When customers derive tangible economic or social benefits from their device, repayment outcomes are more likely to improve, reducing the need for punitive measures.

Recommendations:

- **Establish customer-friendly locking protocols** that preserve essential functions (e.g. mobile money access, emergency calls) while access to mobile data and internet on the device is locked.
- **Maintain regular non-payment-related communications** to support customers while their device is locked. For example, sharing relevant use cases that encourages active and diverse mobile internet use, which may in turn support timely repayment.
- To reduce customer frustration and incentivise timely repayments, **consider unlocking the device once any repayment amount has been made**, rather than requiring the full payment of arrears, so that customers can continue to use and derive value from their device.
- **Incentivise agents to provide after-sales support to customers**, either by linking agent commissions to successful device repayments or active data usage. This can help sustain engagement and ensure they provide consistent, high-quality customer support throughout the repayment cycle.

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