

YOUR MICROLEAD



MICROLEAD



WELCOME TO THE MICROLEAD ANNUAL WORKSHOP, 2016!

In 2015, MicroLead partners dramatically expanded access to finance to the previously unbanked. And we all have lessons learned to share.

Our goal for this document is to generate discussion and facilitate information sharing.

Thank you all for your amazing work. Here's to 2016!

Photo (top) via Fidelity Bank.

CONSORTIUM ALAFIA AND CPEC – BENIN

Do Youth Save? Yes!

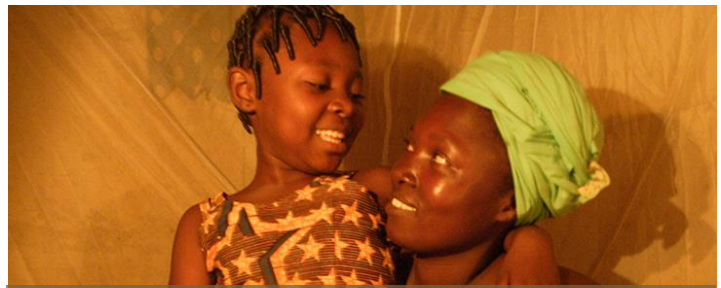
Working with TSP Consortium ALAFIA, CPEC expanded its savings outreach through a new mobile application for savings collection, called KEBO. It has also recruited “tontines” (merry-go-round or SUSU cooperatives) to work as agents. Over 300 tontine members were identified and trained, and of those approached, 98% hope to become CPEC partners. Little wonder. They can set their own hours, and they’re paid a commission. Of the 300 identified, CPEC has selected 100 tontine members to start off the savings collection project. During the pilot phase, 15 tontine agents already working with CPEC were recruited, and these are already in the field collecting savings.

To CPEC’s surprise, the institution has also managed to attract young job-seekers. How? For both the youth and the tontine members, CPEC first recruited a firm to carry out an assessment of these groups and then placed targeted ads in the press. Following those announcements, the institution organized awareness-raising events in the south, center, and north of Benin.

But CPEC first credits its new mobile app for its increase in savings volumes under MicroLead. The app enables the institution to reach clients CPEC has never been able to access before. Freed from the constraints of time and travel, clients save more using the mobile application. Because when it comes to savings, convenience is often key.

However, introducing the mobile delivery channel was not without challenges. How to integrate this savings collection method into CPEC’s existing procedures and structure? How to create a new pathway (connection) between the mobile collection tools and MIS system? CPEC managers recommend that any institution thinking of mobile savings consider their internal procedures and existing MIS system as early the pilot phase, as well as the roles of project stakeholders.

Photo below courtesy of Prabhat.



FREEDOM FROM HUNGER – BENIN AND BURKINA FASO

A TSP Helps Leverage Savings Groups

Over the last twenty years, Freedom from Hunger has been providing technical support to multiple institutions in Burkina Faso including MFIs and NGOs. The goal of the Burkina Faso MicroLead project, in partnership with two local financial institutions (RCPB and SOFIPE), is to demonstrate that financial institutions can leverage the genius of savings groups and use them as part of their strategy of small savings collection from poor rural women in Burkina. The project also aims to show that financial institutions can invest in the formation of good-quality savings groups who are financially educated, and to whom the institution can promote its products.

Photo (top) courtesy of Freedom from Hunger.

ALIDE – BENIN

In line with its mission, ALIDE realized there was an untapped market for informal savings groups, especially with existing mature savings groups. With support from Freedom from Hunger, ALIDE intends to link mature savings groups using alternative delivery channels, bridging the gap between the rural poor and access to formal financial services.

Freedom from Hunger will build ALIDE capacity to create 100 mature savings groups and link them to the MFI using a mobile money solution and an ADC. The targeted savings groups are composed of poor women in the rural Ouinhi community in the Zou Department of south-western Bénin, where ALIDé is already operating. ALIDE will explore two strategies to engage with existing savings groups: 1) collaborate with a non-government organizations (NGOs) that form and support savings groups, and 2) develop a media campaign to directly reach savings groups using local radio and other traditional media sources, such as town criers.

RCPB — BURKINA FASO

A Network of Agents and Proprietary Technology

RCPB is the oldest cooperative network of savings and credit institution in Burkina Faso and one of the oldest networks in Africa. It is also the largest microfinance institution in Burkina Faso. The country's recent leaps in communications technology have presented tremendous opportunities for the institution.

Under the MicroLead project and with the support of Freedom from Hunger, RCPB is in the process of developing a network of agents to provide deposit and withdrawal services to savings groups in rural Burkina Faso. It is using its own proprietary technology, Intercaisse. Successful technical tests of the technology have been carried out in project areas.

RCPB is deploying its own staff to create and link up with Savings Groups leveraging on its own proprietary mobile platform. RCPB has organized 582 SG for a combined total of 13,530 members and has grown over 90,000 new depositors since its project baseline in December 2014.



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SOFIPE — BURKINA FASO

Using Airtel to Reach Rural Savers

SOFIPE's mission is to promote the financing of micro and small businesses in Burkina Faso through a range of products and innovative financial and non-financial services. Through MicroLead and with Freedom from Hunger's support, SOFIPE has been creating savings groups in order to collect savings directly from the savings groups members. SOFIPE's model consists of using the Airtel Money platform to reach out to rural savings groups and offer formal savings services (deposits and withdrawals).

As is typical when it comes to savings mobilization, the institution's biggest challenge was software: finding the right software and harmonizing its MIS with the Airtel Money platform. Additionally, SOFIPE is planning to use existing Airtel Money agents and create new agents as needed using their status of Airtel Money distributor.



CRDB BANK - BURUNDI

Banking during Political Turmoil

When CRDB Bank started a group microfinance product, it wasn't counting on political turmoil sending its clients (and loan portfolio) fleeing. Some clients have since returned to Burundi and restarted their small businesses. CRDB Bank is working to assist these customers by providing more loans so they can revive their incomes. "Even those who've fled the country and are returning without anything, they can pay whatever they have," says Arnaud Rugema, Head of Business Development of CRDB Bank. "That is what's surprising. Some people disappear, and you never see them again. But if you ask those who return to pay 10,000 a month, and they only can pay 1,000, we say bring it. And if you want us to restructure the loan and add a new loan, they really appreciate it. They just don't disappear. They come to us and say, 'I have this problem. Whatever I get, I'll try to get your money.' This is giving us the courage to continue." However, Arnaud says, it's important to connect with clients on a daily basis to ensure repayment.

Now groups are performing well, and CRDB Bank is working to continue and expand to other markets. To date, the program has around 150 customers, and is expanding to other markets.

CRDB Bank has been the first to attempt to open microfinance services through a commercial bank in Burundi. Its main target was to attract the unbanked population, mainly women and youth, in spite of the local conviction that only men can have bank accounts. "We have changed this," says Arnaud, "and through the financial education we provide, have made people understand that women can have accounts and manage them as well as men (and even save more than men)." Approximately two-thirds of its microfinance customers are women, something the bank considers one of its biggest achievements.

Photo (top) courtesy of CRDB Bank.

BASIX & PAMIGA – CAMEROON - TSPS

A TSP Coordinates Multiple Institutions

The TSP team comprising BASIX Consulting and Training Services Ltd (Basix) and Participatory Microfinance Group for Africa (Pamiga) provides technical assistance to the partner FSPs in Cameroon.

BASIX, working with PAMIGA, is providing consulting services to multiple MicroLead FSPs in Cameroon. Its focus over the last year, apart from providing technical assistance to partners in various thematic areas, has been on improving communication between team members and partners, improving the quality of documentation, and improving the accountability of partner FSPs.

Early in the project, BASIX and PAMIGA realized that frequent visits by short-term consultants would have limited impact on the FSPs. Consultants require in-depth understanding of the uniqueness of each institution, and this is difficult to achieve in a short period, making it challenging for partners to absorb technical assistance (TA). The TSPs changed their approach, and the MicroLead TSP team members are now spending more time with the institutions and providing ongoing TA. The advisors from the national microfinance association, MIFED, are involved in planning, preparing and delivering the TA, enabling them to take over from PAMIGA and BASIX and continue the technical support after the withdrawal of BASIX and PAMIGA. As an added bonus, MIFED will retain the necessary expertise to support other association members who are not part of the MicroLead project.



UCCGN - CAMEROON

Microfinance in Adversity

Established in 2006, and licensed in 2007 by the Ministry of Finance, UCCGN operates in Cameroon's two northern regions through 78 village banks, with over 633 groups. As of December 2015, UCCGN has 39,478 active members, who receive financial services such as group and individual loans and savings. The Network of village banks is organized into four unions. Through MicroLead, UCCGN developed a special savings plan for women and computerized the MIS of their member village banks in December 2014.

Unfortunately, many of the village banks have stopped functioning, due to the actions of Boko Haram in the Cameroon "red zone." In spite of this, UCCGN has achieved a compound annual growth rate among its voluntary savers of 26%. *(Above photo courtesy of UCCGN).*



A3C — CAMEROON

Refining Savings Products

In Cameroon, A3C received its license from the Ministry of Finance (MINFI) in 2007 to undertake financial intermediation. As of October 2015, 86 village banks were members of A3C, with a total combined outreach to 51,636 active members. These members receive financial services such as group and individual loans, savings and micro insurance. Most village bank members are involved in agriculture, particularly in the cocoa sector.

Under MicroLead, the project's objective was the establishment of decentralized financial systems in rural areas to sustainably facilitate access to financial services for the underserved population. At the time, most of this population was excluded from formal financial services.

With assistance from BASIX and Pamiga, A3C refined its existing savings product. One of the project's greatest successes was the 34% increase in the compound annual growth rate of voluntary savers. The project also helped A3C upgrade its MIS, computerizing member data. By December 2014, software installation, data validation, and migration were completed, and the institution was able to generate automated reports, reducing human error.

However, A3C cites its two greatest successes as the promotion of a daily savings product and the creation of its MIS system, though the latter remains a work in progress. As is typical for many MIS installations, A3C's has not been without its challenges, particularly the adoption of the new MIS by all personnel. Technical capacity building remains a high priority.

CEC — CAMEROON

Branchless Banking through Member Cooperatives

In Cameroon, CEC is organized as a member cooperative with ten branches and 56,821 active members. Through the MicroLead program and supported by BASIX/Pamiga, CEC began rolling out branchless banking at five branches after a six-month pilot test at its Kribi branch in April 2015.

CEC already had a good deal of experience using agent networks for collections. The institution knew branchless banking could alleviate many of the challenges it was facing. However, to implement this front-office solution, their back-office technology would have to change. With advice from Basix/Pamiga, the institution selected new MIS software, which enabled a branchless banking application for use on Smartphone and POS devices. CEC recruited mobile agents to open accounts and collect deposits using these devices at the clients' doorsteps. Management of the agent network was not always easy, and neither was the acquisition of material resources for their fixed and mobile agents.

However, CEC persevered. The pilot phase of branchless banking ended successfully in September 2015, and the rollout to the network began in December 2015 to three new branches.

(Photos top and bottom courtesy of BASIX).





MIFED — CAMEROON

A National TSP Assists Village Banks

MIFED's mission is to initiate, promote and realize direct and indirect development activities primarily in the field of microfinance in Cameroon, promoting a network of village banks in Cameroon.

MIFED works as a TSP. Within the MicroLead project, it has successfully built its capacity to assist the network village banks as well as other categories of MFIs. Working with BASIX and Pamiga, it participated in the implementation of the MicroLead project, assisting the partner FSPs in accomplishing their objectives.

Due to its widespread knowledge of the microfinance sector in the country and its involvement in all areas of technical assistance within the MicroLead project, MIFED is engaged in knowledge dissemination and support to MFIs, capitalizing on the achievements of MicroLead's project in Cameroon.

Photo (top) courtesy of BASIX.

BUUSAA GONOFA — ETHIOPIA

“You can’t just sell to this segment the way banks are selling.” Teshome Yohannes

When Buusaa Gonofa began working with MicroLead, the MFI wasn’t mobilizing savings. But, says CEO Teshome Yohannes, “Clients needed the service... For us, it’s also an important source of financing.”

To reach savings clients efficiently, Buusaa Gonofa introduced a client-centric doorstep savings collections using a POS system and upgraded its MIS. Thanks to technology, the doorstep savings is affordable to the MFI and saves the clients the cost of having to leave their business to make deposits.

Successful? By December 2015, 28% of Buusaa Gonofa’s loan portfolio was financed by saving. In roughly three years, the MFI has 67,000 savers, out of which more than 20,000 are served through daily door-step collection services. And to management’s surprise, the MFI is not only reaching the unbanked with its savings services. “Some bankable people now save their money at our MFI because of their interest in our social mission,” says Tadesse Getachew.

Buusaa Gonofa has learned that understanding the savings behavior of its low-income market segment is crucial. Client motivations for saving are often determined more by their saving goals than their income levels. Savings clients commit to save regularly if they have a goal to achieve with their saving. Therefore, helping clients develop such objectives is critical to successful savings mobilization.

Photo (left) courtesy of Buusaa Gonofa.

WASASA — ETHIOPIA

Back-end Solutions to Provide Front-end Capabilities

Under the MicroLead project, Wasasa has become a fully-automated microfinance institution. The MFI’s core banking solution is operational. Nearly all its branches are able to update data in real time — a critical challenge with more than 85% of Wasasa’s portfolio in rural areas with poor infrastructure. Wasasa is the first Ethiopian MFI to have this type of data center. For now, this upgrade remains a back-office solution, but it is the first stage to deepening outreach through mobile banking and/or a POS system.

When new technology is introduced, it can often be more challenging than first expected. For Wasasa, it required unexpected sideline investments on network and infrastructures, as well as training staff without prior exposure to personal computers. However, Wasasa pushed through the challenges, and now has a stable and sophisticated IT system which will enable them to leverage future customer-centered technology.



CARE — GHANA

Expanding Access to SGs

The MicroLead project is a three-year tripartite agreement between UNCDF, CARE and Fidelity Bank, which seeks to create access to **72,500 totally excluded SG members based in the Northern sector of Ghana and link at least 30,000** to formal financial services. CARE, as the technical service provider, works with six local NGOs to form and train new groups as well as identify, assess and carry over existing groups into the project. Fidelity and MTN mobile money support with linkages of the SGs through the use of technology. By introducing simplified account-opening procedures and requirements, the program reduced barriers to financial inclusion. Fidelity is still learning how to best meet the needs of its SG clientele, especially through agent incentives.

Photos this page courtesy of Fidelity Bank

FIDELITY BANK — GHANA

A Linkage Model

Fidelity Bank, in partnership with CARE International, is working to expand financial services to Ghana's rural poor and especially to women. Its strategy? Linking informal savings groups (SGs) and their members to the bank. The bank has targeted 1,200 groups and 15,000 members, all located in the three most deprived regions of Ghana, to be linked by the end of 2016. To date, the bank has extended modern financial services to 300 SGs and 4,500 members, with a total account balance of GHS 80,000 (\$20,000). These were clients initially excluded from modern financial services.

“The biggest surprise was the fact that some groups had over GHS 10,000 (USD 2,500) in their account,” says Eric Morttey, Fidelity's Manager of Operations Support.

Lessons learned? First, one must design tailor-made products to meet the needs of the target customers. Fidelity initially opened its standard bank accounts for the SG members, but the features of these accounts did not work well for the clients. So Fidelity had to create specialized group accounts that mimicked some of the features of the SG model to increase acceptance of the product. Second, one should use implementing partners as bank agents. The bank initially set up standard bank agents to serve the SGs, but because the SG accounts came with no charges, the agents were not getting enough commission to remain committed to the SG groups. Finally, Fidelity has created a connection between its platform and MTN, so in places where there are no bank agents, the VSLA members can easily move money from MTN Mobile Money agents to the bank and vice versa. Care has signed an MOU with GN Bank and SASL to serve SGs in distinct districts, increasing opportunities for SG members.



OPPORTUNITY INTERNATIONAL – GHANA

A TSP Helps an Institution Transition

Opportunity International provided technical assistance to Sinapi Aba Trust in Ghana in its transition to a Savings and Loan institution. The focus of the project is on Sinapi Aba's transition to a deposit-taking institution, with funding and technical assistance provided to support the successful rollout of savings products. The project also examines the institutional changes taking place as Sinapi Aba rebrands itself as a market leader within the banking sector in Ghana while keeping its focus on women, especially the economically active poor. Coupled with an agent network, the project developed a savings account that removes the barriers rural women face in accessing formal financial services. Over the course of four-years, the project focused on Sinapi Aba's needs regarding technology, security, branch conversions, and staff capacity building. But the project's greatest success was probably the new suite of savings products developed specifically to meet the savings-related needs of clients and their families. Not only has this expanded financial outreach for existing loan products, but it has also brought in new savings clients.

However, Sinapi Aba had a secondary goal of boosting its product delivery channels. Working with a contractor, Sinapi Aba developed a simple SMS banking module for mobile phones. This module enhances clients' abilities to view their balances and to transact remittances, enabling e-alerts and notifications, e-statements, SMS alerts, mini statements, account transfer transactions, balance enquiries and cash deposits. Today, approximately 100 clients are using the system, and all clients are at minimum getting e-receipts for their transactions. Introducing mobile banking has been a slow process, but this technology will change the financial landscape. The project's next challenge will be starting up an agent network. Fortunately, the Central Bank of Ghana recently enacted new regulations for agency banking, making agent banking more feasible.

Shifting loan officers to working with savings is often an institutional challenge. However, the process ran smoothly at Sinapi Aba. "It was a surprise and lesson as to how the institution did change. In terms of focus and HR and building incentive structures around savings, the transformation has been remarkable," says Dana Lunberry of Opportunity International.

SINAPI ABA – GHANA

Reaching the Bottom of the Pyramid

As an NGO, Sinapi Aba had always focused on serving the bottom of the economic pyramid. So when it transitioned to a savings and loan institution, it had to figure out how to successfully continue to reach that market on the savings side.

Technology was the key.

With assistance from Opportunity International and MicroLead, the institution set up a point-of-sale (POS) system for their mobile banking team to provide doorstep banking. Sinapi Aba can now provide daily deposits, sometimes as low as 1-2 Ghana Cedis, (the equivalent of 0.25 - 0.50 USD). The POS has cut out the fraud element and most transactional risks. Now, total clientele served by their POS-supported doorstep banking is in excess of 120,000 country-wide. These clients have accumulated over 16 million Ghana Cedis (about \$4M USD). "These are savers who save less than a dollar a day on average," says Kwaku Acheampong of Sinapi Aba. "So you can imagine the impact."

However, for this project to be successful, Sinapi Aba also needed some "back office" software solutions. Sinapi Aba has 47 branches, 25 in the rural communities where the internet infrastructure is poor. So they implemented the NetBook solution, which allows these offline branches to update their customer status and account details at the beginning of the day, and then synchronize with the main server at the close of business. Indirectly, it has brought these rural communities online, though not real time.

Through the same initiative, Sinapi Aba has implemented cell phone banking. Now their clients can receive SMS alerts and updates and check their balances. And Sinapi Aba has recently begun to roll out the final piece of their rural banking outreach puzzle – agency banking.

Photo below courtesy of Opportunity International.



WOCCU LIBERIA

Revitalizing the Credit Union System

World Council of Credit Unions is implementing a MicroLead program expanding access to savings and finance, and improving the livelihoods of poor and low-income households. Working in partnership with the Liberia Credit Union National Association (LCUNA), World Council is revitalizing Liberia's credit union system.

Under the project, World Council established four regional credit unions, completed construction of four regional headquarters and renovated the headquarters of LCUNA that were destroyed during the war. All four credit unions are mobile money agents and have at least two points of service, which are able to register users and receive and distribute cash. As computerization stabilizes, WOCCU plans to integrate mobile money into the core-banking system, enabling members to save and/or withdraw funds directly from their phones. The current setup allows for balance enquiry and mini-statements through text messages.

One of the greatest achievement of the project was WOCCU's support to the Central Bank in designing and passing a new and more adequate regulation on credit unions. This new regulation will enable a stronger, more credible and more consolidated credit union movement, furthering financial inclusion at the BOP.

Photo below courtesy of WOCCU Liberia.



NBS BANK AND WOMEN'S WORLD BANKING - MALAWI

Mobile Savings Targeting Rural Women

With technical assistance from Women's World Banking, NBS Bank introduced a savings product – Pafupi Savings – expanding access for low-income people in rural areas, especially previously unbanked women. Pafupi Savings is a mobile savings account that removes the barriers rural women face in accessing formal financial services using agent banking, mobile technology and community based marketing. Now, a mobile sales agent (Bwenzi La Pafupi or Pafupi Friend) goes directly to the clients to open the account, using a seven-minute account-opening process. Customers transact through fixed agents – Bank Pafupi – located where they live, they can save any amount and money grows with interest and does not get reduced by monthly fees.

After an eight-month pilot test, the bank rolled the savings product out to its full branch network reaching over 37,000 customers in its first year, 31% of whom are women. The bank is also working to expand its agent network and currently has over 202 agents.

The team credits developing a strong product-use case for their success. Having agents close to customers, an affordable account, and the ease with which customers can deposit any amount that they have, has expanded outreach to their target market.

But the new technological processes required heroic efforts on the part of NBS Bank. Says Women's World Banking: "In introducing a product like this with new technological processes, it involved many NBS Bank stakeholders. The change management process was lengthy, and we needed to engage people at many different levels. We engaged people at all levels – from sales agents to senior management, training and engaging them in bringing these required changes to the product."

ACCU — MYANMAR

Introducing Savings to a Wary Populace

In the 1970s, credit cooperatives in Myanmar collapsed and members lost their capital. The memory of this collapse created a lack of trust in the cooperative system. In spite of this, through the MicroLead program, ACCU succeeded in establishing 24 savings-based member-controlled cooperatives.

Traditionally in Myanmar, cooperatives targeted agricultural borrowers and focused on loans rather than self-help through savings. Today, ACCU's savings and credit cooperatives (SCCs) provide four types of savings programs and two loan programs tailored to the needs of their members. The loans to members come from funds generated from their own savings.

ACCU is the only cooperative program in Myanmar that offers financial literacy programs to its members. These financial education programs have instilled savings habits in its 9,746 cooperative members, pooling a total of USD 204,000 as of December 2015.

Recruiting women members to the SCCs has proven fairly easy. However, women members are often hesitant to take up leadership positions in the board of directors, or even to be committee members. To address this, ACCU has instituted gender and development policies, such as quotas for female representation on the boards. It has also provided women leadership modules. To date, out of the 24 SCCs, 34% of the board members and 70% of the managers are women.

The lessons? A savings-based approach to poverty alleviation through savings and credit cooperatives can be replicated even in the most remote villages in Myanmar. But ACCU had to promote savings as a discipline by focusing on its benefits not only to families but also to communities. It also worked to build the capacity of the SCCs by training the cooperative leaders and management staff, and by putting in place policies on governance and organization, financial management, credit management and human resource management.



ALLIANCE — MYANMAR (AMFIM/BASIX)

Savings in a Start-up Environment

Founded in 2014, Alliance quickly became a prominent player in Myanmar's microfinance industry. Under the MicroLead project, the MFI build a robust IT system and is exploring various alternate delivery channels, using technology to reduce transaction costs and to increase outreach. At present, Alliance serves 11,000 clients through 117 locations.

The regulatory environment has impacted Alliance's operations. Myanmar's new directive on maximum loan sizes is being considered while rolling out individual business loans. Additionally, a shift in savings regulations has limited Alliance's capacity to provide this critical financial service.

Lessons learned? In a start-up environment, staff training and development is key. This is particularly true in a country like Myanmar, where the entire microfinance industry is new. Attracting experienced people into middle management is, therefore, a challenge. To combat this, Alliance has placed a high priority on capacity building and staff retention. Similarly, awareness building of customers is also needed. For this reason, Alliance is focusing on financial literacy programs for its customers.

Photo (top) courtesy of AMFIM/BASIX.

ASA — MYANMAR

When Microfinance is a New Idea

In Myanmar, ASA was able to achieve all of its goals with MicroLead, in spite of a delay in getting a microfinance license to start MFI operations. The MFI's focus has been to develop local staff capacity. Eighteen branch managers have received training, coaching and mentoring over the last 15 months, in a country where the microfinance industry is in its infancy. To date, there have been no defaults.

The MFI has faced significant challenges in this newly opened market. Its target market is unfamiliar with microfinance, requiring awareness campaigns for both microfinance and for financial literacy. For the same reason, new staff require "basic training" in microfinance. Further, Myanmar's microfinance policies and regulations can be demanding. For example, the government recently issued a circular that MFIs cannot accept more than 10% of a loan as savings (both compulsory and voluntary) from borrowers at the time of loan disbursement. As ASA is a deposit-taking MFI and savings-led organization, this is a challenge that will have to be addressed.

Photo (below) courtesy of ASA.



WOCCU -- RWANDA

Working with SACCOs

In Rwanda, World Council of Credit Unions works with 90 of the 416 district (Umurenge) Savings and Credit Cooperative Societies (SACCOs). WOCCU's biggest achievement with the MicroLead project has been to facilitate an agreement between the Government of Rwanda and FINTECH to computerize all 416 U-SACCOs. This will transform branch-based financial service delivery to multi-branch, mobile banking (loan savings, transfer), and e-payments services. In addition, WOCCU has created an online database to house U-SACCO validated data for migration into Core Banking Software as well as for auditing SACCOs. The SQL online database is able to: 1) manage customer details for over 500,000 accounts and share account information safely; 2) run scripts to detect mistakes or errors in ID number, balances, and coherence between accounts; 3) create opening balance sheets for every SACCO based on a chart of accounts created by WOCCU; and 4) facilitate data migration from one database to another.

Over the last year, the project increased financial access to 55,395 additional members, increased savings deposits by 31% and increased the loan portfolio by 16%. The project's success may be based on its client-centric focus. A survey of SACCO clientele led to preparation of business plans that included new products to meet the needs of the poor, as well as a Financial Literacy program that increased awareness of financial services and benefits for MicroLead's 90 supported SACCOs.



MWANGA COMMUNITY BANK - CARE TANZANIA

Literacy and Linkages

Under the MicroLead project, CARE Tanzania is working in partnership with Mwangi Community Bank Ltd (MCBL) to increase financial inclusion in the Kilimanjaro region. It supports MCBL in offering new savings products through informal SGs. On the demand side, CARE is working to increase the outreach of SGs using its existing network of community-based trainers (CBTs) and by appointing new franchisees under the project. CARE is also building the capacity of these CBTs and franchisees to provide financial literacy trainings, financial linkage trainings to SGs and ultimately to link mature SGs to MCBL.

Over the past year, the project's greatest successes included establishing three MCBL service centers in Moshi, Hedaru and Same to expand outreach, reduce client travel costs, and reduce security risks associated with transporting cash. The number of clients in the program has increased from 11,000 at the beginning of the program in 2011 to 58,000 clients in December 2015. This savings expansion has done more than increase bank liquidity. It has also increased the knowledge of FSPs in poor communities and groups and individual clients are now using their mobile wallets to push money to MCBL. In order to reach more clients in short time period, MLEP conducted linkage campaigns whereby from July – December 2015, MLEP managed to link 309 VSLAs to MCBL compared to previous years August 2013 – June 2015 when the program managed to link 317 SGs.

Photo (top) courtesy of CARE Tanzania.

EQUITY BANK - TANZANIA

Financial Education for Women

Equity Bank is the leading inclusive bank in Africa, listed at the Nairobi and Uganda Securities Exchanges. It is the largest bank in the region in terms of customer base, with over 8 million bank accounts. Nearly 50 % of these accounts are in Kenya, and the bank has a presence in Uganda, the DRC, South Sudan, Rwanda and Tanzania. The vision of Equity Bank Ltd is to champion the social economic prosperity of the people of Africa while transforming the lives and livelihoods of its people socially and economically by providing access to modern, inclusive financial services.

Recently, Equity Bank Tanzania has focused on training for female microentrepreneurs, so they can improve their day-to-day business and be more innovative and profitable.

To make the program sustainable, the women trained by the bank's partner, Trestle Group Foundation, are now able to mentor and coach other upcoming women entrepreneurs whom the bank can or already is supporting, directly or indirectly. Through this work, they've seen an expansion in the number of people employed by these tiny businesses.

Collins Mukangu, Equity Bank Tanzania's head of operations, says, "After training two different classes in Mwanza, the women managed to form a group. They started their own investment by building fish ponds for business. We only came in to the picture when they came for a loan to expand and implement their business."

"We can empower a large population of our given society by educating them first," Collin continues. "This in turn simplifies the provision of our other financially inclusive products and services."

Photo courtesy of Equity Bank, Tanzania.



MEDA – UGANDA

Connecting Rural Savers

Under the MicroLead project, MEDA, as the TSP for UGAFODE, has focused on connecting rural savers to the financial institution and supporting UGAFODE in its transition to a deposit taking institution. Their project work and greatest successes included: (1) using human centered design research to develop both a new savings product, GroupSave, which targets informal savings groups, and a new delivery channel, AirSave, which allows customers to check balances from their mobile phones and make deposits and withdrawals at mobile money agent locations, (2) training staff on key principles of customer segmentation, customer engagement, incentive programs, performance management and marketing and (3) helping define new strategies for better client retention and service.

Lessons learned? On the institutional side, expanding savings requires a shift in organizational systems and culture. For example, branch staff must understand how marketing savings differs from marketing credit, and the importance of savings for the institution. And customer segmentation strategies are often also a new concept for FSP staff. Institutions may need a high level of support to make these transformations.

For clients, the leap to mobile literacy and mobile usage can also be a large one, requiring additional training and effort.

There were lessons learned on the technology side as well. Any type of mobile linkage project should include an agent engagement strategy if the product requires leveraging an independent agent network. If menus aren't in the local language, there must be a robust education plan so savings group members understand how to conduct transactions and can trust the project. A well-defined service level agreement with the network aggregator is a key component to keeping project work on time and ensuring all items are connected. Finally, it may be best to wait until MIS upgrades are complete before launching the pilot, since this limits how easily the FSP can analyze performance metrics.



UGAFODE - UGANDA

Combining Mobile Banking and Group Savings

In Uganda, UGAFODE's MicroLead project combines introducing mobile banking and group savings. UGAFODE has taken a partnership approach to group savings, finding existing Community Based Organizations (CBOs) and facilitating linkages with Field Agents (FAs) or Private Service Providers (PSPs).

UGAFODE has leveraged its new mobile banking channel to mitigate one of the biggest challenges these groups face: the cash box. Now, groups open one account, and signatories can manage the savings on behalf of the group through UGAFODE. Members can also open individual savings accounts in order to reach their personal goals. And when the group cycle ends, in cases where all members have accounts, all UGAFODE needs is a standing instruction to credit the individual accounts, so each member can access his or her money over the mobile channel. This reduces the risk both of storing the money in a cash box and the risk at the moment of disbursement, when large sums of cash may be in the room.

The transformation from a credit-only to a deposit taking institution was a major institutional change, and one for the better that has influenced the revision of all staff Job Descriptions with a focus on savings mobilisation, says Nathan Barigye, Business Growth and Development Manager. "The project also has put us to a level where we have appreciated the need for customer engagement, for building a long relationship with clients to build the deposit portfolio."

Photo (top) courtesy of MEDA.

YOUR MICROLEAD – TRANSITIONING FROM 2015 TO 2016

Making Savings a Priority

Under MicroLead, partner FSPs have developed a total of 25 new products, and are on track to achieve overall MicroLead goals of an increase of 450,000 low-income depositors, of whom 50% are women and 50% live in rural areas.

In case of FSPs with existing focus on low-income clients and rural areas, this focus has been sharpened while in case of mainstream FSPs, low balance savings now have a strategic place in operations. The stage of project progress and visible impact on FSPs has had a direct correlation with change in strategic outlook within the FSPs.

Ongoing Trends:

- Linking savings groups to digital is an option that FSPs continue to research. FSPs continue to experiment with different models to understand what works most effectively and efficiently.
- Options on types of Agent Network deployment vary. Three routes being pursued by FSPs include (i) a proprietary agent network implemented by the FSP where there is no aggregator (CEC) or when the FSP has the internal capacity to do so (NBS); (ii) the reliance on the MNO agent network when there is a third party/aggregator (UGAFODE, MCB); (iii) a hybrid model, where the FSP uses both its own agent network and MNO agents such as in the case of Fidelity Bank.
- Mobile money remains an emerging trend, both as a value added service to reach and retain FSP customers and also as a revenue stream.
- Dormancy is a constant issue as FSPs learn the importance of monitoring activity rates of accounts and how to encourage customers to transact regularly.
- Agent management is the next frontier for FSPs expanding into agent banking. FSPs must understand how to recruit, train, and monitor agents while supporting, incentivizing, and integrating agents into their daily business.
- Increasing customer financial capability through financial education can be labor intensive and expensive, especially for FSPs targeting savings groups. FSPs are working on different strategies to provide financial and mobile education.

NOTES:
