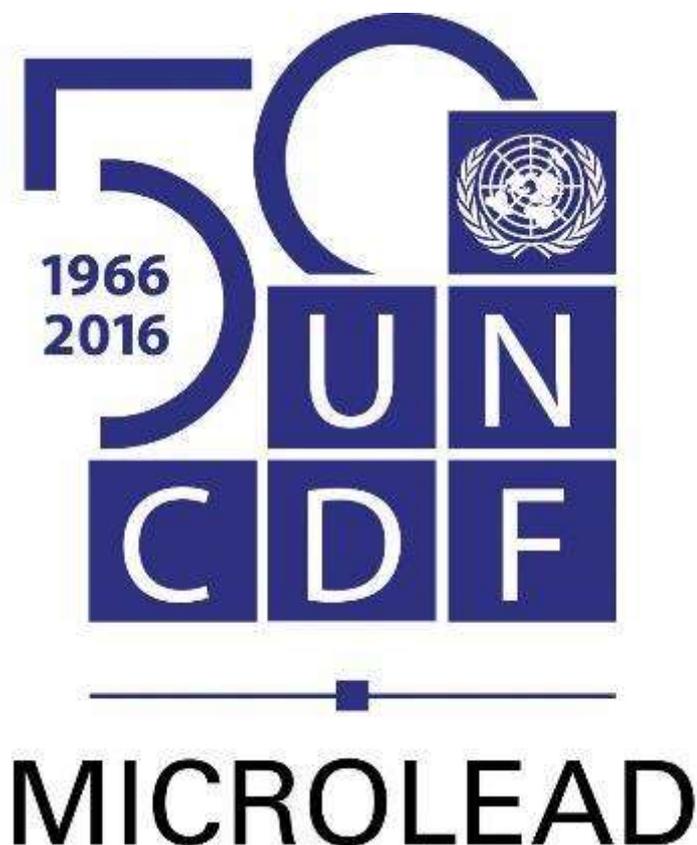


Innovative
pathways
towards
reaching the
last mile



Welcome to the conference
proceedings of the MicroLead Annual
Workshop, 2016!

Since 2015, MicroLead partners
dramatically expanded access to
finance to the previously unbanked.

This conference proceedings
document outlines innovations and
emerging lessons presented at the
2016 annual peer-learning workshop
by MicroLead partners – with
particular focus on DFS. Their work
has allowed thousands of new clients
to access important services.

Photo (top) via Norbert Dadson.

Innovative pathways towards reaching the last mile with dfs



The MasterCard Foundation

The unCDF microlead team would like to thank the mastercard foundation for their generous support, as well as special guest speakers from the event:



Finally, the 2016 peer-LEARNING WORKSHOP WAS A GREAT SUCCESS DUE TO THE PARTICIPATION AND CONTRIBUTION OF UNCDF MICROLEAD'S financial service provider partners, technical service providers (both past and present) and other workshop attendees:





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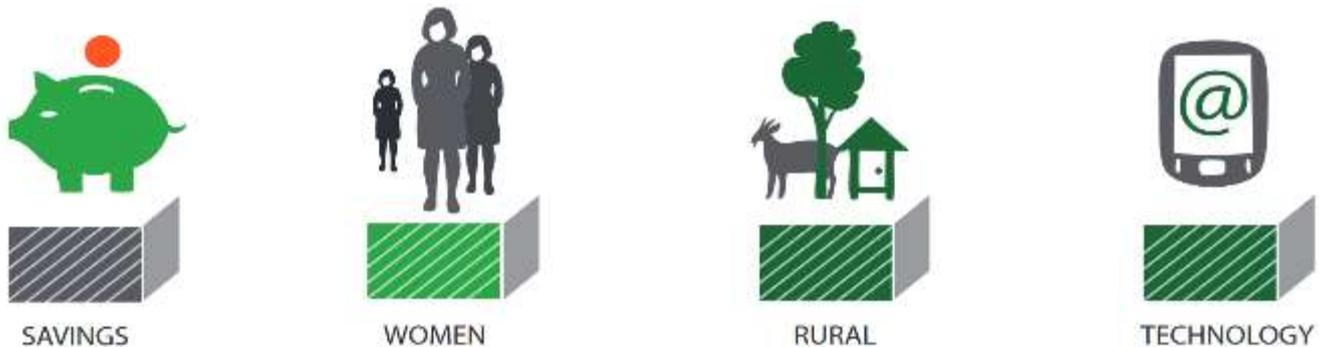
Acronyms

ADC	Alternative Delivery Channel
BFA	Bankable Frontier Associates
C4D	Communication for Development
CEC	Le Caisse d'Épargne et du Crédit du Cameroun
CGAP	The Consultative Group to Assist the Poor
DFS	Digital Financial Services
FFH	Freedom from Hunger
FSP	Financial Service Provider
MFI	Microfinance Institution
POS	Point of Service (Device)
PRA	Participatory Rapid Appraisal
RCPB	Réseau des Caisses Populaires du Burkina Faso
UNCDF	United Nations Capital Development Fund

About the uncdf microlead program



MicroLead is one of the United Nations Capital Development Fund's (UNCDF) largest global thematic initiatives. It supports the expansion of financial service providers (FSPs) that pursue a savings-led approach, in the belief that savings, not credit, will allow low-income populations to take control of their complicated financial lives. The first phase, initiated in 2008, focused on 'greenfielding' in least-developed countries, awarding grants and loans to proven market leaders.



The second phase, started in 2011, includes capacity-building by technical service providers with FSPs. The FSPs are poised for significant growth in providing deposit services to low-income populations via alternative delivery channels (ADCs), with a focus on outreach to rural areas, women and financial education.

“Microlead has always been a program focused on savings and deposit mobilization. We feel that FSPs are stronger if they can source their own deposits domestically, rather than using international sources, loans at high interest rates, that are usually dollar or Euro denominated. We also feel that customers are better served by having savings to fall back upon instead of always relying on high-interest credit. Two billion people still do not have access to financial services, over half of whom are women, and the majority of whom are located in rural areas. We at MicroLead feel that technology is the way forward to reach these people.”

~Pamela Eser, UNCDF MicroLead Programme Advisor

Acknowledgements

The UNCDF MicroLead consultant and primary author, Jessica Massie, would like to express her appreciation for everyone who contributed to this conference proceedings document. The proceedings would not have been possible without the contributions and feedback from UNCDF's Pamela Eser, Ivana Djamanov, Hermann Messann, and Paul Luchtenburg. UNCDF media consultant Kirsten Weiss designed the layout (see previous documents, such as "Your MicroLead") and edited the content for clarity. She is also the author of the "MicroLead Transitioning" section at the end of the proceedings. Karima Wardak provided support in both organizing the conference and capturing lessons learned.

We are grateful to Norbert Dadson and his team at NKACC for the majority of the photos that are presented here. Their photography and videography allowed us to document each stage of the conference in action, and unless otherwise noted, all photos in this document are attributed to them. Additionally, Serge Sourou Oga, leading a team from the Sopodiva Training Center, provided excellent simultaneous interpretation in French and English throughout all sessions.

Both the workshop and lessons learned presented in this document are possible because of the efforts of a number of Ghana-based partners who helped in the planning and implementation of activities. Noel da Cruz and Sefakor Bosomtwe worked from start to finish to make sure that all went smoothly behind the scenes and provided a great degree of support to our team. Many staff members of Fidelity Bank and Sinapi Aba Savings and Loan put in place a successful field visit to their respective projects, and allowed participants to talk with their clients. This resulted in a rich and fruitful field-based learning experience.

As always, this workshop – and all UNCDF MicroLead activities – would not be possible without the generous support of the MasterCard Foundation. We would like to thank Prabhat Labh for his active participation in the workshop as well.

Finally, the excellent presentations of all speakers, both from within the MicroLead Program and from special guests, allowed us to include a number of important and illustrative graphs, found throughout this document. All presentations can be listened to in full on the conference website, and the accompanying PowerPoint files downloaded. We recognize the hard work that went into the preparation of these materials and are pleased to be able to use them here.

~ June 2016

Introduction

Over ninety participants from sixteen countries, representing almost fifty organizations, participated in the 2016 MicroLead Annual Peer-Learning Workshop held 29 February to 4 March in Accra, Ghana. This workshop marked the third time that MicroLead partners gathered to review program accomplishments and challenges and learn from each other. Participants presented lessons learned and challenges from their own programs, as well as learned about innovations in digital financial services (DFS) specific to the Ghanaian context.

The main objectives of the 2016 Workshop were to expose participants to cutting-edge initiatives in branchless banking which will allow Financial Service Providers (FSPs) to reach deeper into rural areas, and to continue to create/solidify the foundations of a community of practice among MicroLead stakeholders. The event placed a focus on Ghana, a country that has recently put in place a number of new laws, regulations and initiatives to help financial institutions better reach citizens through new mobile and technological products.

According to participants and the MicroLead team alike, the event was successful in achieving the following objectives:

- Creating the opportunity for face-to-face knowledge and experience sharing inside and outside the areas of practice of partners (i.e. bridging the understanding gap between MNOs, regulators and FSPs and the gaps among practitioners from diverse origins);
- Continuing to build the community of practice among grantees established in previous events that will last beyond the individual programmes;
- Identifying key learnings from grantees and preparing for their wider dissemination (i.e. via case studies);
- Exposing participants to innovations in digital and rural finance taking place in Ghana;
- Reviewing the progress made on 2015's five-year strategy and the lessons learned so far, and;
- Sharing key takeaways from the mid-term evaluation and incorporating key recommendations in grantees' work plans.

These event proceedings detail the main points taken from the interactive sessions, presentations by experts and partners, and the field trip to (i) savings groups linked to Fidelity Bank and (ii) branches of Sinapi Aba Savings and Loan. The proceedings follow MicroLead's cross-cutting strategic program areas – savings, rural, women, and technology – along three main themes:

- 1) Digital Financial Services (DFS) for innovations;
- 2) Linking savings groups to beneficial and safe formal financial services; and
- 3) Keeping a focus on clients.

How far have we come since last year?

MicroLead's focus has always been savings and deposit mobilization. Its emphasis is on reaching women and rural customers, with the belief that technology is the way forward to better serve those who are not yet financially included. The excluded population makes up the "last mile" for financial inclusion, the group at the center of MicroLead's programming. **Over the last three years, partners have succeeded in serving over 600,000 new savers in sub-Saharan Africa and Myanmar, about 70% of whom are women and almost all are rural.** While this is a drop in the bucket compared to the two billion people who remain financially excluded in these regions, much progress has been made since last year.

In the beginning of the workshop, financial service providers (FSPs), technical service providers (TSPs) and the MicroLead team gathered together to share the challenges they have faced and the successes that they have accomplished and to take stock of how far everyone has come in terms of reaching the last mile.



MicroLead partners create posters outlining their institutions' strategies.

Participants reflected on three main questions:

- 1) Where were we in 2015?
- 2) Where are we now in 2016? That is, what strides have we made since last year?
- 3) Where do we want to go in the future, and how do we get there?

Focusing on **means** and **process** for reaching more clients, participants worked in institutional groups to create strategy posters illustrating possible answers to the questions above. Some key takeaways from the exercise were:

- ♦ **Agent networks**, which were nascent in 2015, have now grown and will continue to grow in the future;
- ♦ **Digital finance** has a critical place in advancing the global development agenda – in order to achieve the **Sustainable Development Goals (SDGs)** as they relate to financial inclusion, the proximity and convenience offered by digital products will be key to reaching those excluded from the formal financial sector;
- ♦ Many FSPs have formed partnerships, or are exploring **partnerships, with MNOs** to better reach rural clients with their technological solutions;
- ♦ A number of partners have used **17 Trigger’s Client Journey Mapping¹** exercise, which was taught at the 2015 peer-learning workshop in Uganda. This exercise allows partners to find out more about the client experience, and better understand the gaps in this process and client “pain points”;
- ♦ Even though many partners have not yet reached the number of clients targeted, they have found ways to venture into more **rural areas** by employing technology. This is often due to lessons learned in previous workshops;
- ♦ **Reaching women** still poses a real challenge on the ground, and more effort is required to find better ways – at policy and national levels – to help women become attracted to and use financial products.
- ♦ **Financial education** is key to increasing uptake.

Means:

What material and human resources are needed to progress to the next level?

process:

What actions need to be taken to achieve future goals? What is the plan?

Mercus Chigoga outlines NBS Bank Malawi’s situation in the past, today, and targets for the future.

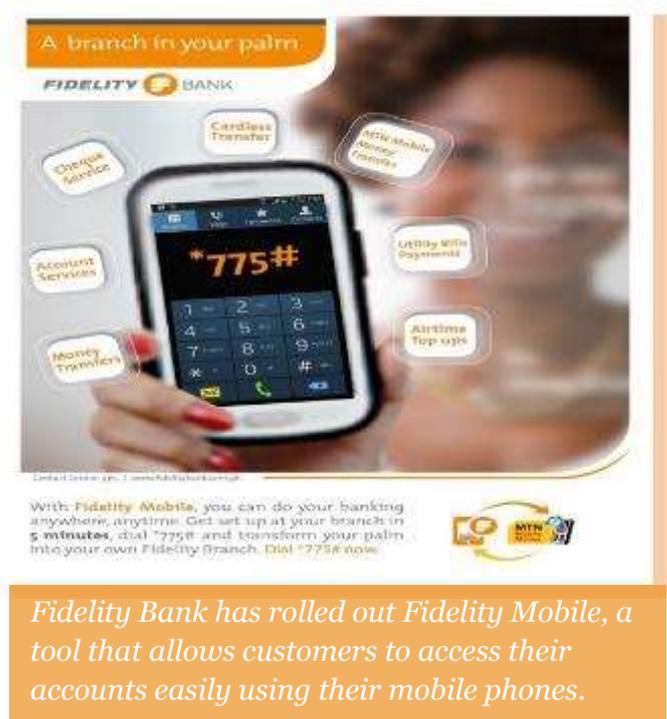


¹ For more on 17triggers and their tools, visit www.17triggers.com.

Digital financial services for innovations

New Insights

Ghana provided an ideal setting for MicroLead’s peer-learning workshop, given that recently regulatory reforms have created an environment in the country that is open and friendly to new innovations in DFS. Due to this positive regulatory environment, Ghana is posed to expand the reach of DFS exponentially in the coming years. In this context, a variety of new insights and lessons learned arose from plenary addresses by actors such as Ghana’s Ministry of Finance, CGAP, and breakout sessions from local MicroLead partners such as Fidelity Bank and Sinapi Aba Savings and Loans.



☆ **DFS Insight #1: DFS-friendly regulation is vital to providing excluded clients with formal financial services, and Ghana is leading the way among MicroLead’s sub-Saharan Africa target countries.**

A key insight that arose throughout the workshop was that one of the next frontiers in terms of expanding all types of digital financial services is for regulation to evolve, adding or revising policies that allow providers to create new products and use technology and mobile phones to a much greater degree. While policy-level reforms are often adopted slowly, MicroLead partners can use Ghana, with their new policies and KYC regulations, as a model. Working with regulators in their home countries, our partners can help shape environments that are friendly to new services that will aid in reaching the rural, low-income populations that constitute the last mile.

Spotlight on Ghana

Increasing the outreach of DFS through new regulations

Madeleine Apenteng of the Ghana Ministry of Finance welcomed participants to the workshop, highlighting the role that a more diverse financial sector, regulation, financial literacy and product design has and will continue to have in pushing forward the financial inclusion agenda in Ghana. Currently in Ghana, there are 29 ‘universal’ banks with over 750 branches, and 29 savings and loan institutions, as well as numerous community banks and microfinance institutions, working together to make financial products available to all citizens. CGAP has found that the increase in available digital services through these providers has spurred a **41% increase in financial inclusion** since 2010. The 2008 branchless banking regulations, as well as new agent and e-money regulations (2015) have had the effect of strengthening supervision and consumer protection, while at the same time making it easier for clients to access and use mobile products. Challenges such as dormant mobile accounts and issues with network access in rural areas still exist, but Ghana is on the right track towards a vibrant and active financial sector.

☆ **DFS Insight #2: The expansion of DFS and strengthening of MNOs will provide competition, but will not negate the role of traditional banks in providing formal financial services in their communities.**

The question of the continued relevancy of formal financial institutions in the wake of new products and potential competition from MNOs was posed at a number of stages during the workshop. However, Buddy Buruku of CGAP emphasized that rather than make traditional banks and FSPs obsolete, these providers will continue to be useful to clients,

“There is **no competitive space** where both traditional banks and mobile money cannot co-exist. In fact, there are many people who prefer to have both bank accounts and mobile money accounts where they have the option to do so. As bank accounts increase, mobile money accounts also increase.”

~ Buddy Buruku, CGAP

primarily because as mobile money users graduate through the use of digital services they are likely to have greater need for banks and bank products. Nana Obeng-Brentuo of Fidelity Bank echoed this idea, urging participants not to forget that “every account that mobile money providers are able to bring in will [eventually come to] sit at the bank. Banks are going to enjoy part of the new deposits. So agency banking is a win-win gesture. Once banks and TelCos are both doing what they do best, all will have benefits from these funds.”

CGAP’s Buddy Buruku (below).



According to CGAP’s 2015 Financial Inclusion (FII) Survey on Ghana², 20% of “banked” people have both a bank account and mobile money account, likewise in Kenya, where 45% have both types of accounts. In addition, the most significant growth in financial inclusion in the country can be attributed to non-bank financial inclusion, such as mobile money. For the poor and vulnerable, mobile products are often an affordable and accessible entry-point into the formal financial system, with FSPs needing to explore ways in which to capture these new users once they begin to grow and recognize the necessity of accessing formal products.

According to Buruku, another logical next step for MicroLead partners (along with regulators in their home countries) to consider is layering more services onto mobile money – such as insurance, loans, savings, merchant and energy solutions – so that more youth, more women, and more rural populations have financial access.

☆ **DFS Insight #3: Digital financial services are no longer an optional consideration for FSPs, but necessary to remaining competitive and reaching the last mile.**

Howard Zinn famously remarked that “you can’t stay neutral on a moving train,” an insight that applies perfectly to the current state of digital financial services. In a workshop outlining business models, challenges, and innovations in DFS, Philippe Breul of PHB Development told MicroLead partners that “it is high time for financial institutions to take their stance in the DFS ecosystem – before others take theirs.” Luckily, new ideas emerge on a regular basis, and MicroLead partners must stay flexible and up-to-date, willing to try these innovations in their contexts, adapting and taking up those that prove useful for them and for their target clients.

² The CGAP 2015 FII Survey on Ghana can be found at: <http://goo.gl/B69qv4>

PHB DEVELOPMENT AND 'DISRUPTIVE' TRENDS IN DFS

"It is fair to say that getting digital banking right is a do-or-die challenge." (McKinsey)

Philippe Breul and Aurelie Wildt-Dagneaux of PHB Development presented a workshop on 1) business models, 2) challenges and potential mitigations, and 3) the most recent developments in DFS. This helped get participants thinking about new ways to use DFS in their own programs. When choosing a business model, PHB advised that institutions must consider their own available time, motivation and resources, and ability to put resources into product development and rollout. Additionally, both client and agent satisfaction must be monitored and managed, a cost and time consideration to keep in mind.

While a number of challenges will certainly be faced by FSPs putting new innovations into place, a wealth of knowledge and experience already exists to help mitigate these risks:

- In terms of fostering client adoption of a DFS channel, completing market research and client segmentation prior to the launch, using human-centered design to refine the product after its launch, and making sure to target locations where word-of mouth advertising are important. A pricing model with introductory promotional pricing may attract people as well, as long as the institution is transparent about potential pricing changes.
- For fostering client usage of a DFS channel, plan a number of client touchpoints in the first 100 days and find key informants to spread the word. Financial education plays a role, as well as starting out with a robust technology that is sure to work and not frustrate clients. At the same time, institution staff must be prepared to work with these clients and understand the new products and services.
- When facing change management challenges, staff must be involved from the conception phase forward. Second, viability of the model must be demonstrated to all staff via a business model that outlines profits and costs. Next, internal operating procedures must be updated and communicated, and staff must be trained. Avoid duplicating efforts by clearly defining roles and responsibilities. Finally, providing incentives for adoption will help agents to reach their targets.
- In terms of connectivity, before project rollout it is important to define and plan for the types of technology needed and create a technical specifications document. When choosing an MNO partner and/or an internet solution, consider which type of model will work in the target area.

Some of the benefits observed in more recent innovations include a reduced necessity for stacks of papers to track clients, as technology can streamline processes as well as save much time and travel on the part of FSP staff. Four 'disruptive' trends that PHB has seen are: 1) production of more, better and cheaper smart phones, 2) technological solutions that are useful for the illiterate and semi-literate, 3) credit scoring using 'big data', and 4) the dissolution of borders between partners (i.e. MNOs will become banks, banks MNOs, and so forth).

☆ **DFS Insight #4: DFS will pose a number of new risks to both FSPs and clients, and providers must plan from inception to anticipate risks and strategize on ways to manage them.**

At 2015's peer-learning workshop in Uganda, MicroLead partners visited mobile money clients in the field to understand their experience, including the high level of fraud occurring in transactions in that context. Eric Sena-Morttey of Fidelity Bank, Ghana, echoed last year's findings in a breakout session on branchless banking risks. He challenged participants: "If we are able to link all of these people, and we do not manage their risk or our risk very well, we can reach them but they will not have confidence in what we are trying to implement." Partners should be innovative and willing to take on new challenges, while at the same time considering potential risks that could arise and putting contingencies in place so that these will not drive customers who experience fraud or loss away from potentially beneficial services.

Spotlight on fidelity bank

Considering Branchless Banking Risks While Staying Innovative

Fidelity Bank has tested and launched a branchless banking product that uses over 700 third-party agents and merchant outlets to deliver banking services to the unbanked and underbanked in Ghana. The lessons they have learned and success factors discovered can provide a useful framework for others exploring new frontiers in DFS.

The key risk areas (or considerations) for agency banking, according to Fidelity, are:

- 1) License or oversight of the regulator: These issues are key to keeping unsafe and unlicensed providers from operating and keeping consumers protected.
- 2) Requirements for becoming an agent: Agent requirements (such as initial float minimum) should be put in place at the outset, and all agents should be vetted to determine their readiness to operate.
- 3) Security features on POS devices: Unique serial numbers tagged to specific agents, unique log-in IDs and passwords, mandatory password change at first log in, and POS devices with chip and PIN technology have all been found by Fidelity to reduce device-related issues.
- 4) Dispute resolution: Fidelity requires an agent logbook in which each transaction is recorded and signed by the agent and the client to double check when there are misunderstandings.
- 5) Transaction limits: Fidelity agents cannot withdraw over 1,000 Ghana Cedis (\$250 USD) for a customer, and the agent is only permitted to handle basic financial transactions.
- 6) Monitoring of agents: Relationship managers who closely monitor agent activities help to reduce fraud and confusion. Additionally, Fidelity now has put in place an Agent Analytics and Audit Team, which closely monitors transactions at every agent point from the system and from the field, checks the logbook, examines the float, and makes sure everything is balanced and fair.
- 7) Receipts: Instant SMS and receipt issuance provides clients with a transaction record that can be tracked and double-checked as necessary.

Fidelity's critical success factors are agent location, automation, and good agent relationship management. With risks anticipated and products built on good practices, MicroLead partners can also experience the leaps forward outlined by Fidelity.



☆ **DFS Insight #5: A willingness to monitor and document progress in digital services and the ADCs used to offer them over multiple programs and contexts will be important for the field as a whole moving forward.**

Alternative delivery channels (ADCs) have been recognized as a key to achieving MicroLead’s objectives of delivering deposit services that are demand-driven and responsibly priced to rural markets, and available through a variety of providers. But how do FSPs, regulators, funders, and others in the field know whether or not the ADCs in which they are investing actually benefit providers and clients? The key questions posed by The MasterCard Foundation, MicroLead’s main development partner, included:

- ♦ Are clients receiving improved, more convenient, lower cost and relevant access to finance? Are clients satisfied with services?
- ♦ How are FSPs progressing towards strategic objectives with ADC performance:
 - Are FSPs increasing outreach at significant scale and are products used regularly? Are costs reducing in the FSP overall? Are cheaper deposits and reduced costs through agents helping the FSP to become more efficient?
 - At which point will channel volume and fees start to recoup the initial investment? Do FSPs align or use differing approaches to this analysis?
 - How can FSPs be better equipped to generate, analyze and use that data on channel performance for decision-making?
- ♦ Can we generate standard definitions and benchmarks for ADCs in FSPs? What systems, tools and approaches are best-suited to comparably measure the cost and revenue drivers of various channels?

To answer these questions, Bankable Frontier Associates (BFA) and the MIX Market have designed an ADC Dashboard that will be piloted with a number of MicroLead partners in 2016. According to Jeff Abrams of BFA, “Data is imperative to making sound decisions around redesigning the business process for ADCs.” Rather than simply “moving forward on faith,” the dashboard will monitor a series of metrics focused on outreach and sustainability to capture the data necessary for informed decision-making and find out if, and the extent to which, the strategic objectives for ADCs are being met (slide below: BFA):

Objectives for ADCs (and belief that ADCs will):

Objectives for ADCs (and belief that ADCs will):		
For customers		
	Improve access to financial services	<ul style="list-style-type: none"> • Reduce costs, save time • Improve convenience and proximity
<hr/>		
For FSPs		
	Savings mobilization	<ul style="list-style-type: none"> • Lower cost of funds • Diversify source of funds
	Client acquisition & retention	<ul style="list-style-type: none"> • Open new accounts; re-activate and retain accounts • Increase activity, promote cross-sell
	Cost reduction	<ul style="list-style-type: none"> • Infrastructure (CapEx) • Per transaction (OpEx)
	Increase fee income	<ul style="list-style-type: none"> • Increase transaction income

Throughout 2016, BFA and the MIX will work with partners to prepare the ADC Dashboard and finalize metrics, development and convene a community of practice in ADCs, and begin collecting, analyzing and applying data. Blaine Stephens of the MIX noted that while much funding still is directed towards classic microfinance, increasing funding is going into specific product lines and business segments, such as SME finance and agricultural finance, and specific targets, such as youth and women. More funding is also being directed at innovations like ADCs. “The interest in ADCs is on the minds and in the investment portfolios of many of the financial inclusion funders working in the sector,” said Stephens. Ideally, the information gathered will help steer stakeholders in microfinance towards investments that better serve clients.

☆☆☆☆☆☆☆☆

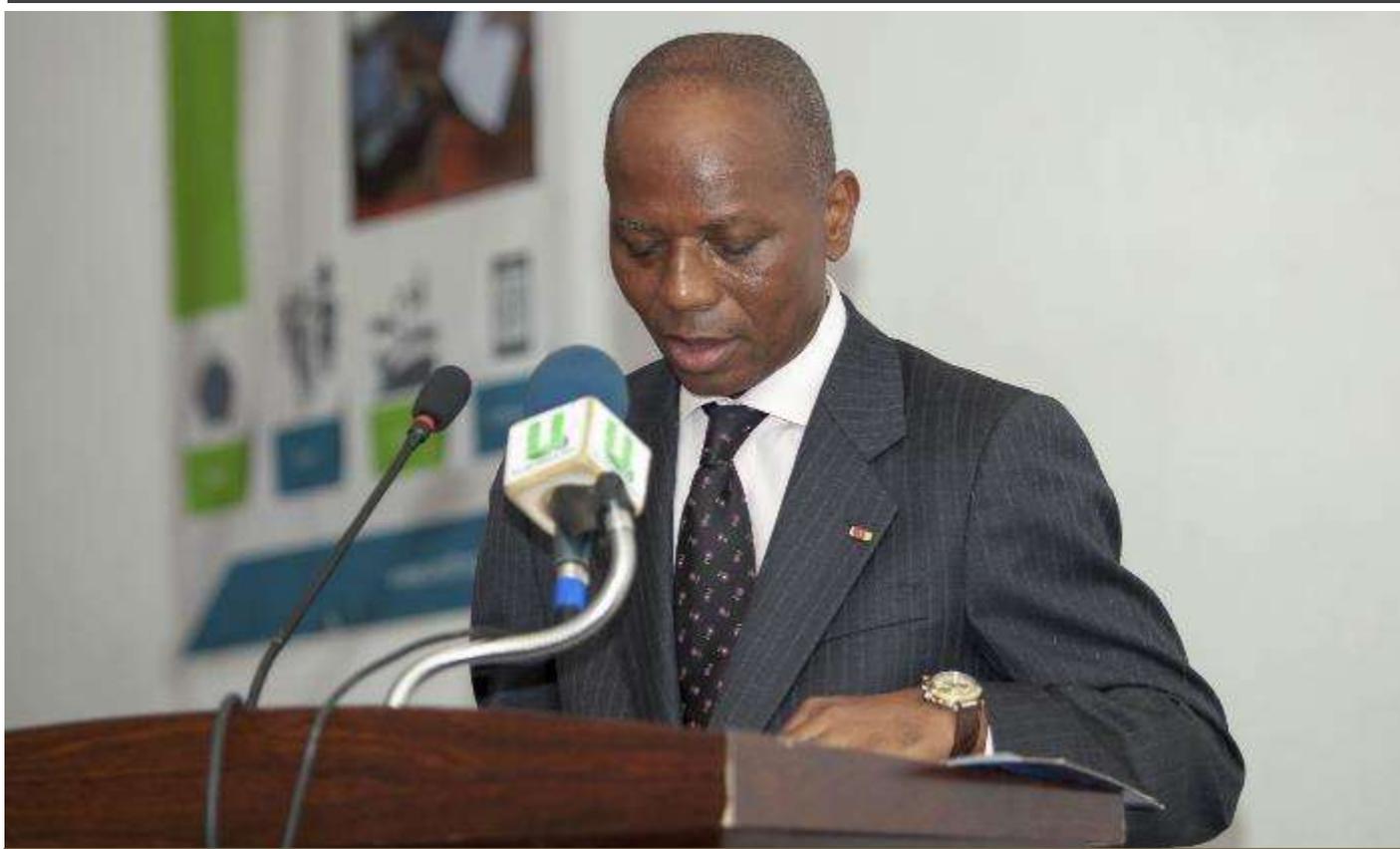
New Frontiers

In order to provide inspiration and encourage new ways of thinking about DFS, Daniel Asare-Kyei of ESOKO Ghana gave a closing plenary address on his organization’s simple technology platform that provides information to farmers and connects them to businesses and important information on markets. Because MicroLead partners target rural populations, which overwhelmingly include smallholder farmers, this platform was interesting and relevant to all.

Spotlight on esoko

Bringing smallholder farmers together in a connected world

ESOKO's simple technological platform is currently used primarily to provide smallholder farmers in Ghana with links to up-to-date market information and connect them with services and businesses, although it has the potential to be used in numerous capacities. According to Daniel Asare-Kyei, ESOKO's platform could align with the provision of DFS through aiding payment services. For example, in the past, someone sourcing products from smallholder farmers had to pay each farmer in cash, one-by-one. With ESOKO's technology, these farmers can now be paid through their e-wallets. Some subscribers have used the platform to track loan repayments and send reminders to borrowers, which was observed to lead to a 26% improvement in loan repayment. As ESOKO expands, user numbers continue to grow and operational costs go down, meaning more can be reached using this effective tool.



“One thing that is certain is that the march towards DFS is irreversible, and those service providers who lag behind are likely to be left out. Therefore, DFS providers must anticipate and adapt new DFS solutions to offer customers innovative products.”

~ *Dominic Sam, UNDP Ghana Country Director*



Linking savings groups to safe and beneficial formal financial services

New Insights

As FSPs strive to reach new clients who have traditionally been excluded from the formal market, there has been a growing focus on linking savings groups (such as the Village Savings and Loan Associations or VSLAs promoted by CARE International) to formal financial services. Such services can help these FSPs expand into previously inaccessible rural areas, as well as provide more safety for VSLA funds and allow them to access new services that help them become more financially stable.



CARE and Mwanga Community Bank travel to meet VSLA members in rural Tanzania.

☆ **Linkage Insight #1: Bringing the bank to the group is often more effective than expecting the group to come to the bank.**

Joyce Jackson Kulwa of CARE International noted that through the Client Journey Mapping exercise, CARE International and partner Mwanga Community Bank found that in rural Tanzania, many VSLA member clients could not afford the transportation costs to visit bank branches on a regular basis. This is often the case for savings group members, who function in remote and hard-to-reach areas of the world. When combined with technological solutions that allow rural customers to access and manage accounts without visiting a bank for each transaction, outreach strategies that bring the bank to the clients can also help to sensitize them on products they may not be aware of and provide face-to-face touchpoints between FSPs and TSPs and those they serve.

Spotlight on care international and mwanga community bank

Increasing financial inclusion to remote rural areas in the Kilimanjaro region of Tanzania

CARE and Mwanga Community Bank have been working together since 2012 to provide access to formal financial services to 2,000 VSLAs. While CARE has a strong franchise model in which franchisees oversee community-based trainers and provide training to VSLAs on financial linkage, the partners observed ongoing challenges in terms of linking groups. As a solution, they developed a special field day called “Mwananchi Day,” when a meeting is held between CARE, the franchisee, and CBTs in a selected area. Those groups ready for linkage are invited, and a public advertisement is made in the area to be visited to be sure that group members are informed. Before Mwananchi Day only a small percentage of groups trained in linkages chose to open accounts; afterwards, 68% of groups were found to link. While a special event like Mwananchi Day incurs costs in terms of money, time, advertisement, and transport, it pays off in the increased speed of the linkage process and the ability of CARE and Mwanga to reach more groups at the same time.

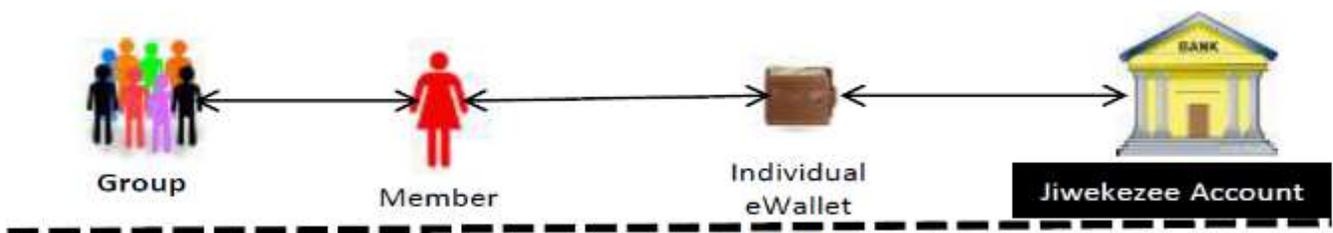
☆ **Linkage Insight #2: Opening both individual accounts and e-wallets as well as a group account may encourage usage by members beyond group transactions during a cycle.**

Even though new technologies have managed to bridge a number of gaps that exist in linking rural VSLA members to formal services, the challenge remains that either group or individual members are required to make long and expensive journeys to make simple bank transactions. Additionally, many group accounts function during the VSLA cycle, but members do not open their own accounts or remain included once they leave a group or end a cycle. This issue of sustaining clients is a key concern for FSPs, who cannot benefit from the great investment it takes to initially reach members if they do not gain clients who grow beyond the group to become more fully functional FSP customers.



Joyce Jackson Kulwa of CARE Tanzania addresses all partners.

Mwanga Community Bank and CARE are trying a new approach to solve this problem in Tanzania. Rather than simply trying to reach members first via the group, they have designed the *Jiwekezee Account*, which brings the members closer to the bank. While leaving in place other approaches that prioritize the group, the *Jiwekezee Account* will allow groups to have the possibility of another option. Now, rather than group members coming to the bank each time they need to cash out, members should be able to withdraw from the group account through their individual e-wallet. This may provide more flexibility to individual members to control their accounts when it is most convenient to them, as well as give them an ongoing link to the bank – even if and when they are no longer members of their VSLA.



☆ **Linkage Insight #3: Forming groups at the FSP level may ensure that members are linked automatically, rather than simply reaching out to existing groups.**

Many programs seeking to link savings groups to FSPs, such as VSLAs created by CARE International, rely on partnerships with promoters to find, train, and vet those groups for formal financial products. Due to their country’s primarily rural context and high level of unbanked citizens (nearly 90% unbanked), the *Réseau des Caisses Populaires du Burkina* (RCPB), developed a strategy that takes the opposite approach. Rather than targeting savings groups that are already formed, RCPB decided to invest first in developing the capacity of their own staff and to form and link their own groups. This approach has proved highly successful in the first year of operation, and could prove a strong strategy for financial inclusion in similar contexts.

Spotlight on RCPB

Forming savings groups via the FSP for automatic linkage

RCPB launched their MicroLead program in 2015 with technical assistance from Freedom from Hunger (FFH) and UNCDF. Part of their strategy was to train female facilitators at the level of RCPB staff, and also to train leaders in rural areas to target women specifically, as well as to form savings groups where members live. Using an iterative and participatory process (Communication for Development or C4D) to talk with trainers, community agents, local leaders, and members of target group communities, RCPB developed a product with terms, conditions and delivery channels that are attractive to savings groups. At present, after less than one year of operation, there are 78 trained community agents who have formed and trained 674 groups. These groups are made of up 15,300 female members who have now saved 20,000,000 francs CFA.



New Frontiers

Each year, MicroLead implements a field visit to local projects in the country where the peer-learning workshop is held. In 2016, partners had the opportunity to visit savings groups working with Fidelity Bank in the greater Accra area and talk with clients to find out more about their experience as savings group members linked (or in the process of linking) to a formal FSP. (This project is funded by VISA and managed by CARE Ghana.)



Grace Majara of CARE International's Access Africa program visits a savings group in Northern Ghana.

Building partners' capacity to use effective tools to assess customer satisfaction and understand the client experience is an important goal of the MicroLead project. This year, a modified tool from the *MicroSave* toolkit "Listening to Clients"³ called the "8 P's of Customer Satisfaction" was used to assess the experience, likes, and dislikes of savings groups near Accra that are digitally linked to Fidelity Bank. The tool includes a moderator's guide with directed questions to tease out detailed information and stories from clients, as well as a "participatory rapid appraisal" (PRA) tool that allows respondents to vote on their level of satisfaction with the "P's" presented.

The tool was modified to include just five of *MicroSave's* 8 P's to account for the short time afforded for the field visit. These included:

- **Product:** Specific features, opening/minimum savings balances, liquidity/withdrawal terms, etc.
- **Price:** Interest rates, withdrawal costs, statement/ledger fees, transaction costs, and other discounts.
- **Place:** Refers to distribution and making sure that the product/service is available where and when it is wanted. This includes options such as outreach workers or agents, mobile bankers, ATMs, etc.
- **Positioning:** Is the FSP making an effort to occupy a distinct competitive position in the mind of the target customer? Is the product and service of the FSP better or worse than others that the clients are aware of?
- **People:** Includes how clients are treated by the people involved with delivering the product – the staff of the FSP.

While this was an exercise and not a full market research project, a number of general but interesting learnings arose from the MicroLead partners' interactions with these groups (whose experience varied greatly).

Areas in which savings group members expressed satisfaction with their experience:

- ♦ Groups were happy to receive trainings from CARE International (financial education, savings group promotion);
- ♦ The prices for account opening and transactions charged by Fidelity were perceived to be low and affordable by the groups;
- ♦ Members appeared to understand that saving large amounts of money together in a box poses many risks, and recognized that using a formal account is a good way to help keep their money secure;
- ♦ In terms of accessibility, clients appreciated that CARE agents came on a quarterly basis to many of the groups to collect the funds, which makes the service convenient for them.

Areas in which the products and services could be improved to better reach savings group members, and lingering questions:

- ♦ It was pointed out that CARE International has much more face-to-face interaction with the savings groups than the FSP does. In terms of the sustainability of the linkage, and the potential for members to eventually become individual clients, this should be considered – is it sufficient for the members to interact only with the NGO, or is there a need for more interaction between the FSP and the members?

³ For a full discussion of *MicroSave's* approach and the Listening to Clients Toolkit, see www.microsave.net. Information on the 5 P's included here comes directly from the Listening to Clients Toolkit.

- ♦ Interest earned on savings within the savings group is higher than the interest paid on savings from the FSP, and the interest paid on loans within the group is much lower than the rate paid by members in the groups. The question remains: Is it possible for FSPs to design products that are closer in price to that offered by groups, therefore making both savings and loans more attractive and encouraging groups to link for more than just security of savings?
- ♦ In several cases, groups had been trained, made aware of the accounts, and even opened accounts, but had never been visited with a POS device and had, therefore, never used their accounts. This points to the strength of this type of exercise – without visiting and asking these questions, the FSP may never find areas in which they could easily improve and expand their services.
- ♦ For some groups, the impression of the savings product was greatly affected by the idea that they had been promised loans which were never received. Expecting and not receiving loans led these groups to see the savings products in a more negative light, and is an area which the FSP should explore and clarify with the field staff who may be communicating this misinformation.
- ♦ One of MicroLead's focus areas is technology, and during the visit, partners found that few clients had mobile money accounts. Mobile money may help to connect more groups – both as groups and as individuals – to formal institutions. How can FSPs help to make more technological connections?

Advice for institutions seeking to link with savings groups

- Proximity of agents to savings groups: Make sure at least one agent is close enough (or can regularly travel close enough) to work along with the people to provide timely service.
- Financial literacy of clients: Sometimes group members do not fully understand the FSP's products, or the advantage of using them. Providing financial education on these products – and how and why to use them – rather than simply explaining, could help members to make better use of products.
- Rural village groups want to see the bank: This does incur a cost, but rural clients want to know that the FSP considers them to be important customers – important enough to build a relationship with. Face-to-face visits reassure clients that the bank exists, has not forgotten about them, and values their business. This was also mentioned as an area of great importance for female clients, who are often less used to using formal services and may particularly appreciate the personal interaction – and are likely to share both positive and negative information about the FSP by word of mouth.
- Relationships must be ongoing, not simply an effort in the recruitment stages: Some members noted that they felt forgotten after the initial recruitment stages of a program, and were no longer visited (by NGOs or FSPs). To keep clients, some level of face-to-face relationship must be sustained, even after a group or individual has been linked.
- Confidence and trust-building are vital to attracting and keeping clients: Many groups noted that in the past, false institutions (or simply irresponsible institutions) had run away with their money. Ongoing touch points and personal relationships can help to build trust and ensure ongoing relationships.
- Timely resolution of problems: In some cases, group members noted that it could take several days to a week to resolve problems related to the use of their accounts (sometimes particularly those having to do with technology). The slow resolution of problems discouraged the members and often contributed to account dormancy, in the opinion of the members.

This exercise, along with 2015’s Client Journey Mapping approach from 17 Triggers, are both useful ways to assess the specific experience of clients when it comes to financial products and services. Using either type of tool is essential for responsible FSPs. Products and services are never static, and require upkeep and modification from time to time in order for the institution to stay competitive and continue to listen to and serve clients as well as possible. Both the areas of satisfaction and the concerns expressed by this small number of respondents could provide a good starting point for MicroLead partners hoping to expand their reach to savings groups.

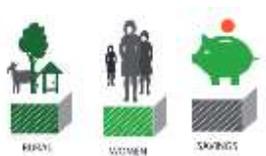


A savings group member linked to Fidelity Bank, near Accra Ghana, votes on the services the bank provides.

“Savings groups are powerful. They can mobilize community resources, empower participants, and enable low-income people to better plan and manage their financial lives... One important concern is linking savings groups to formal financial institutions. If done responsibly, linkages can improve group and individual financial management, ensure the security of funds and give people more financial options.

For formal financial linkages to work, however, financial institutions must expand their agent networks and/or digital reach so that rural people have access. In addition, financial education will be essential to ensure people understand and can make informed choices about the financial products available to them.”

~ Ariane Campbell, Youth Livelihoods Program Coordinator, [*the MasterCard Foundation*](#)



Keeping a focus on clients

New Insights

Much lip-service is paid to focusing on clients when financial inclusion is discussed. However, a gap still remains when it comes to putting this theory into practice. Keeping products and services client-centered was a thread that occurred throughout the peer-learning workshop.



Sinapi Aba Savings and Loan has a number of staff dedicated to serving their Susu Account clients.

☆ **Client Insight #1: Getting clients to sign up for accounts is no longer the main challenge for FSPs; rather, getting clients to use and benefit from the accounts is a more pertinent issue that deserves our attention.**

Paul Luchtenburg of UNCDF Myanmar pointed out that in January, India was inducted into the Guinness Book of World Records for opening the most bank accounts in one month: 18,000,000. However, when taking a closer look at the “One Bank, One Household” strategy espoused by the Indian government, it has been found that between 40% and 80% of these accounts are dormant. These unused accounts are of no use to the clients who opened them, may create the impression amongst potential clients that banks are not for them, and can be expensive for the FSPs to maintain.

According to Santiago Sanchez Guiu of Innovations for Poverty Action (IPA) Ghana, many of the issues related to account dormancy are not simply limited to low-income or rural clients, but are human issues. Just because people are not using their accounts does not mean they are not saving; it simply means that they are using informal (or non-cash based) devices. While formal savings products can have benefits for those who are not yet banked – or banked and not yet using their accounts – concentrating on the misconceptions and biases that clients hold when designing and marketing products could hold a key to lowering dormancy. Commitment accounts (such as a health-labeled account in Kenya), sending SMS reminders that mention a client’s stated savings goal, and lowering direct and indirect transaction costs have proven successful in pilot projects.



Santiago Sanchez Guiu of IPA Ghana and Jeff Abrams of BFA address MicroLead partners on the issue of dormancy.

Jeff Abrams of BFA outlined a number of key learnings from the Gateway to Financial Innovation for Savings (GAFIS)⁴ project that point to ways to promote regular savings and avoid dormancy. For example, in India,



“The first consideration for combatting dormancy is simply to have a good product that people want and need to use. Then, make sure your channels are trustworthy, respectful and convenient.”

~ Jeff Abrams, Bankable Frontier Associates

it was found that as many as 80% of ICICI’s accounts were dormant. Two strategies were identified to combat this problem: 1) charge a low fee to open an account to screen for those who truly wanted and planned to use the account, and; 2) try to connect the account to a regular financial or economic activity that takes place near the provider or a service point. By teaming up with a trusted MFI to come as close to clients as possible, ICICI was able to increase their active ratio to more than 70% with these accounts.

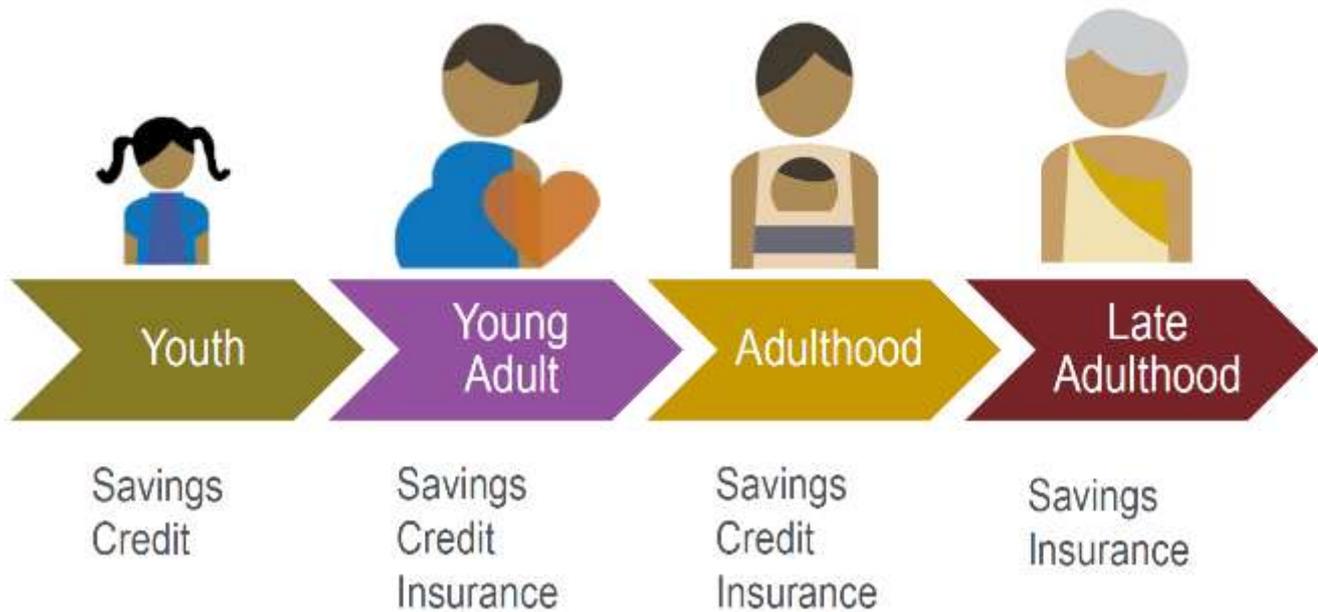
Evidence from the global experience of organizations like IPA and BFA point to useful strategies that MicroLead partners can borrow from and integrate into their own new products and services, possibly decreasing their own rates of dormancy.

☆ **Client Insight #2: Even though small savings are still not generally seen as a sustainable business approach, new research and experience are pointing out that small savers can be both viable clients and profitable for FSPs. “Unbanked” does not necessarily mean “unbankable.”**

MicroLead is based on the belief that focusing on low-income, rural, and small savers is not simply an approach for CSR (corporate-social responsibility) departments, or projects for government programs. This is a target group that can bring real economic incentives and benefits to those institutions who bring them to the bank. In the experience of Women’s World Banking (WWB), taking a life-cycle approach to designing savings products can be one of the most effective ways of including clients and keeping them (see image on following page). According to Cathleen Tobin, WWB’s Director of Consumer Insights and Engagement: **“Many institutions never even enter the small savings market because there is a belief that it is not worth the financial trip.”** For example, in Malawi, where WWB works together with NBS Bank on a MicroLead project, Tobin has often heard bankers talk not about the “unbanked” but about the “unbankable.” Because of this, a business case that outlines the projections and assumptions is often the most meaningful way to engage a decision-maker and start the process of change management within an institution to embrace small savings as a program. In WWB’s experience, with DFS there are now greater opportunities to bring more players into the market, reduce the cost of transactions, and reach clients that were previously very difficult to reach.

⁴ Learnings from the GAFIS project are outlined in detail at <http://gafis.net/>.

Evolution of Financial Needs



Spotlight on NBS Bank, Malawi

Targeting small savers in Malawi's rural communities

With technical assistance from WWB, NBS Bank has developed two strategies that are ensuring success in targeting small savers. First, they developed an agency banking channel to bring the bank as close to the people as possible, which was requested during market research and saves the clients a great amount of time. Marcus Chigoga of NBS quoted a client, saying: **“Now agency banking is so close to where we are that when I am busy with chores, I can send my child to the agent to deposit money or make transactions as I have known the shop owner for years and trust him.”** The agency strategy fits in well with peoples' existing lifestyles.

Second, the bank developed the Pafupi (“near” in Chichewa) Savings Account, an account that can be accessed in many rural locations. The account currently has 43,000 savers, 31% of whom are women, and 250,000,000 Malawi Kwacha in savings (over 360,000 USD), with an average balance of 5,900 MK per saver. Average customer transaction time is 8-10 minutes, and accounts can be opened quickly due to a mobile phone solution developed by NBS that is linked to their core banking system.

The account has the advantage of eliminating the need for paperwork, given that many of the target clients are illiterate or semi-literate. A salesperson can interview a client, enter key information and bio-data into a mobile phone, take a picture with the phone, and the details will be entered directly into the core banking system. Customers no longer have to walk long distances to open accounts, can transact immediately, and receive important face-to-face service in a way that makes them feel comfortable and confident.

☆ **Client Insight #3: Developing a robust network composed of agents who are trusted members of the communities they serve can help FSPs better approach and serve their clients. “Agency banking is not part-time work,” as Ntaja Ntandaza of NBS remarks, but it is worth it when done well.**

Many FSPs have recognized that investing in building agent networks, rather than in costly brick-and-mortar branches and service centers, is a more efficient way of reaching new clientele – both urban and rural. These agents (as discussed in Section II) can also be a good way to bring the bank to savings groups, rather than relying on savings groups to come to the bank. All in all, combined with ADCs, these technology-aided agent networks could open up a variety of new frontiers in financial inclusion. A number of MicroLead partners, including Fidelity Bank, NBS Bank, Equity Bank, CEC Cameroon, and others, are experimenting in using a variety of types of agent networks. Even though the initial development of the agent network and purchase of ADCs can be costly in both time and monetary resources, the agents can help to overcome both physical and psychological barriers to financial inclusion. Physical barriers are overcome as agents are located close to the target groups, in or near their home communities. Psychological barriers include the idea that banks are only for the rich or the elite, and seeing an agent who is similar to others in the community can help to negate that idea.

Spotlight on CEC Cameroon

Transforming traditional business models with ADCs and agent networks

Eric Kenkolla of CEC explained that for over fourteen years, CEC has practiced daily savings collection in Cameroon. With support from MicroLead, CEC has taken steps towards rolling out an agent network and branchless banking solution, in order to grow and to reach a wider client base. To professionalize the cadre of staff needed at the different levels of the new program, CEC trained field agents, managers of those agents, as well as permanent staff. Because so many of the field staff have low levels of literacy and schooling, they found that both coaching at the post and simple, visual training tools help to guarantee that field-based staff will be able to succeed in their jobs. “*Allez vers la simplicité*” (or “the simpler, the better”). A focus on simplicity is echoed by Fidelity Bank as well, whose materials tend towards the visual due to similar low levels of literacy (as well as linguistic diversity) in Ghana as in Cameroon.

A second success factor that CEC has developed is their “business intelligence” approach, meaning that they do not focus only a certain set of details about transactions, but also include information about the behavior of clients, agents, and the bank’s MIS. This approach goes beyond looking just at profits and losses, but into the reasons that these profits and losses occur. Through such thorough ongoing monitoring and relationship management, the agent network can effectively serve clients and function smoothly.

☆ **Client Insight #4: While many product and delivery channel innovations work for both women and men, it is essential that FSPs do at least some separate research and marketing to women or they will not be likely to reach female clientele.**

Reaching women is a cross-cutting issue across all MicroLead partners and projects, but still presents a challenge to all in the program. Women’s World Banking, Equity Bank, and NBS Bank Malawi offered advice

from their experience in reaching out to women during a breakout session focusing on this target clientele. The advantage of keeping a focus on women clients is simple: 1) The majority of poor and unbanked worldwide are female; 2) Women tend to invest in their families and communities, so investing in women helps to advance both, and; 3) Targeting women can lead to sustained economic growth.

Before creating an outreach strategy to women, FSPs should first find a way to disaggregate clientele data by gender and get a sense of exactly how many women they are currently serving. Financial inclusion numbers from around the world show that while financial exclusion is decreasing, often women are not among the newly included. Therefore, once an institution has taken stock of their own outreach to women, talking directly with groups of women – whether through an approach like Client Journey Mapping, the *MicroSave* tools, or other types of interviews or focus groups – will be vital to understanding what women want and need. Speaking to women separately from men (and using female interviewers/moderators) will help to control for any reticence women may have in expressing their viewpoints in front of men in positions of authority.



*NBS Bank moderator speaks with a potential client.
(Photo: NBS Bank.)*

Women’s World Banking reminded partners that reaching women – like reaching rural clients, savings groups, or others who are as of yet unbanked – is a long-term investment. For all such groups, and especially for women, a strong institutional commitment must be demonstrated from the top levels of management all the way down to the staff who meet clients in the field. In the end, the MicroLead vision echoes that of WWB: **“That all women (and all citizens) will be able to build a secure financial future for themselves and their households.”**

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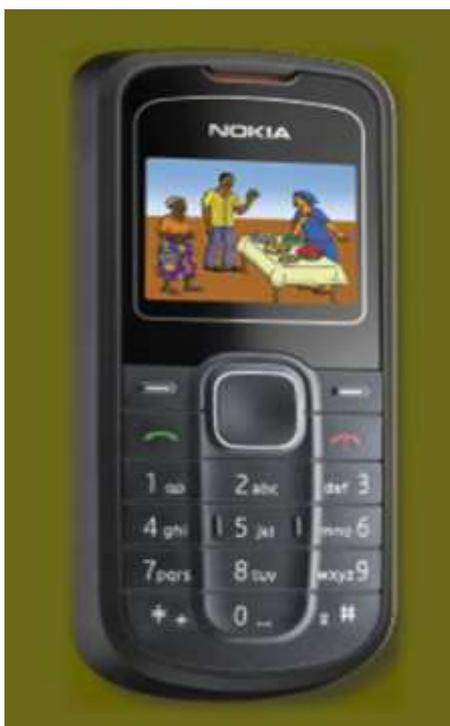
New Frontiers

Financial education in itself is not a new concept; it has been a buzzword for a number of years in the field of financial inclusion. In many cases, it is assumed that financial education has the potential to build the knowledge, skills, and attitudes of customers so that they are capable of making better financial decisions as well as becoming more skilled users of formal financial services. Evidence to this effect is still inconclusive, and a number of organizations with expertise in building financial literacy and financial capability are looking for ways in which to effectively offer financial education that changes behavior in a cost-effective way. MicroLead technical advisor Freedom from Hunger (FFH) is one such organization, and they are supporting partners in Benin and Burkina Faso while testing out new, technology-based approaches.

Using their vast experience working with savings groups, women, and clients with low levels of education and literacy, FFH has built a financial education program aimed at readying clients – primarily those who are

members of savings groups – for financial linkage. The financial education is built on the following good practices:

- ♦ Community agents as trainers: These community agents are generally illiterate or semi-literate women and youth who are members of their communities, trained so as to empower them to work as development agents where they live.
- ♦ Cost-effectiveness: By reducing the FSP's dependency on experts or paid staff, and by using community volunteers, the cost to the financial institution can be reduced.
- ♦ Simple technological tools for delivery: Low-cost mobile handsets (such as the Nokia seen below) are used to play simple animated videos, reducing the need for community agent trainers to use complicated, text-based manuals or to memorize large amounts of content.
- ♦ Content limited to that which is most necessary for linkage: FFH has chosen only the most core areas of content as a focus for the financial education, including introducing the savings product, discussing the benefits and costs of using the product, how to open an account, making deposits, withdrawing money, managing potential problems and risks, and finally deciding whether or not to open an account. With this content, savings group members can make decisions about linking for themselves as informed and prepared potential clients.



Financial education video playable on a simple mobile phone

Following a step-by-step process, FFH designs the core messages to be delivered in the financial education program. Once designed, the sessions are delivered using dialogue-based education, an approach championed by many adult education practitioners. This approach generally consists of five steps:

- 1) Introduce the new topic
- 2) Share new information
- 3) Check participants' understanding of the new learning
- 4) Help participants personalize and/or apply the new learning
- 5) Close the session

The video, shared via mobile phone, is key to leading the community agent trainer through each of the steps listed above.

At present, FFH is measuring the success of several different approaches to financial education in Benin and Burkina Faso. Results are forthcoming as projects are in the development and pilot phases, and by the 2017 annual peer-learning workshop, MicroLead partners will be able to learn more about what has worked in these contexts. However, the outlook is optimistic. As in previous projects, FFH has seen a large gain in knowledge from pre- to post-training through comparing scores in similar contexts.



A savings group participates in a Freedom from Hunger financial education session (photo by Freedom from Hunger).

“Freedom from Hunger has made a number of recent efforts to make financial education delivery as simple as possible for partners. The goal is to simplify the financial education while still preserving its impact.”

~ Christian Loupeda, Director of Financial Inclusion, Freedom from Hunger

Spotlight on the world Council of credit unions

Strengthening small institutions to meet the needs of new savers.

The World Council of Credit Unions (WOCCU) has worked under MicroLead to build capacity of small institutions in both Liberia and Rwanda. In Rwanda, WOCCU provided technical assistance to ninety *Umurenge* SACCOs, locally-based institutions seen as key to increasing financial inclusion in the country. WOCCU’s efforts are paying off; according to FinScope Survey results, Rwanda’s population excluded from the formal financial system has dropped from 52% in 2008 to 28% in 2012, and is projected to drop further. This change is mainly due to the *Umurenge* SACCO program, as SACCOs are located in rural areas and allow many new, rural clients to access formal services for the first time.

According to Remy Iyikirenga of WOCCU Rwanda, despite these steps forward, there is more progress to be made to ensure that these SACCOs can best target small, rural savers, as well as to become financially sustainable. Iyikirenga offers a simple and straightforward plan for continuous improvement. First, an analysis of client satisfaction should be done to find out whether or not the SACCOs are meeting clients’ needs. Next, the SACCO should diagnose social value of the SACCO offerings using the WOCCU “[PEARLS](#)” system. Finally, a business plan should be developed to outline rates and to define the key role and economic and social missions of the SACCOs in their community. Using WOCCU’s model, both those *Umurenge* SACCOs seeking to improve their services and other small institutions with similar mandate can continue to better serve their clients.

Where do we go from here?

At the end of the peer-learning workshop, partners were asked once again to reflect upon their goals for the future and the applicable learnings that they had gained during the workshop to help them meet these goals. All action plans were updated based on these new ideas, some of which included:

- ♦ Reviewing incentive structures for agents to increase their motivation and capability, arising from conversations with NBS Malawi and the incentives they use for their Pafupi agents;
- ♦ Setting up an apex for community volunteers that work with savings groups to better build their capacity, and allow them to continue training even when the project is finished – including drafting a code of ethics for community agent conduct;
- ♦ Linking community agents to MNOs so that they can continue to make money, even outside of the current project, such as is done in Mwangi Community Bank’s programs;
- ♦ Taking more responsibility over the agents working to promote the FSPs products, rather than simply relying on existing networks overseen by MNOs.

Overall, partners related that they plan to expand and improve agent networks, use solutions mentioned during the workshop for challenges in outreach to women and rural clients using technology, and explore ways in which to educate clients to more effectively use their services in cost-effective ways. 2017’s workshop is planned for Dar es Salaam, Tanzania, at which time action plans can be reviewed a final time during the MicroLead project. This will give UNCDF MicroLead and partners the opportunity to take stock once again and find out what new frontiers have been reached in including the unbanked in Myanmar and sub-Saharan Africa.



A client of Sinapi Aba Savings and Loan, Ltd. (SASL) in Ghana displays her growing business.

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 financial services 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); and (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.

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