The Business Case for
Small-Balance Deposit Mobilization:
Case Study on Sinapi Aba Savings & Loans in Ghana

November 2017 - Pulling Levers Toward Sustainability, A Framework for Small Balance Deposit Mobilization Case Study Series

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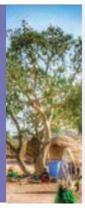

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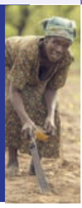

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Introduction

Sinapi Aba's decision to mobilize small-balance deposits: a demand-driven decision supported by a favorable environment

This paper is one of a four-part series of case studies which demonstrate the use of the Decision Framework for Small Balance Deposit Mobilization (SBDM) (see Figure i). This Framework is further elaborated in the foundational paper "Pulling Levers Toward Sustainability". All documents were produced based on the experiences of the financial service providers (FSPs) assisted under UNCDF's MicroLead Expansion programme. MicroLead is a multi-year (2011-2017) initiative in partnership with Mastercard Foundation which focuses on meeting rural customers' demands for easily accessbile, cost-effective savings products which are provided on a sustainable and scalable basis by regulated FSPs.

Figure i
Pulling Levers Toward Sustainability

A DECISION FRAMEWORK FOR SMALL BALANCE DEPOSIT MOBILIZATION

Environmental Factors

Market Level	Institutional Level	Segment Level
Competition	Mass Market vs. Low-Income	Rural / Urban
Policy & Regulation	Institutional "Muscle"	Male / Female
Cost of Funds	Brand & CSR	Salaried / Self-Employed
Access to Grants & Patient Capital	Time Horizon	New / Old Customers
Socio-Economic Conditions	Opportunity Costs	

Viability Levers

	Lever	
• Reduce dormancy • Increase account usage	Funding	• Pay lower interest rates • Grow average savings balances
• Streamline account opening process • Reduce cost of delivering other products to savings customers	Acquisition	• Partner with informal savings groups • Cross-sell or bundle other products to savings customers
• Charge maintenance fees to all cost centers applicable to savings clients	Maintenance	• Increase net interest income (transfer price)
• Use alternative delivery channels (ADCs)	Servicing	• Charge transaction fees

A strategic choice: focus on the existing low-income customer base or move up market?

In 2012, Sinapi Aba Trust, a leading Ghanaian microfinance institution, was at a critical juncture in its history. The previous year, the Bank of Ghana issued a new set of operating rules and guidelines for microfinance institutions, which prompted Sinapi Aba's board and management to follow the Central Bank's advice and become licensed as a Tier 1 Savings & Loans institution, which allowed it to mobilize savings deposits. Sinapi Aba's management determined there was a business case for providing deposit services. Now, Sinapi Aba had to figure out how to carry out the new savings mobilization drive. Should the institution focus squarely on the institution's traditional clientele of low-income customers, which included a large base of women and rural populations, or should they move up-market to capture deposits from a smaller set of urban individuals and businesses who could bring in larger balances, as many microfinance institutions around the world were doing? If they remained focused on low-income customers—who would have smaller deposit balances—how could Sinapi Aba serve them sustainably and profitably?

Fabrics and materials at a local market in Ghana

The influence of environmental factors in SASL's decision to mobilize small-balance deposits

Figure ii
Decision Framework for Environmental Factors

Environmental Factors at Sinapi Aba

Market Level Factors

Cost of Funds: Customer deposits could help bring down the average cost of funds.

Competition: Savings services for urban middle-class ubiquitous and market saturated.

Policy & Regulation: Central Bank requirements to become licensed motivated the savings mobilization drive.

Access to Grants & Patient Capital: Donor funding and global microfinance funds incentivized focus on low-income segments.

Institutional Level Factors

Institutional "muscle": Dedicated low-income provider with substantial national footprint.

Time Horizon: Willing to accept 5-year horizon to break even.

Social Mission: Social mission motivated them to stay focused on low-income populations.

Opportunity Costs: Fewer competing opportunity costs because loan portfolio already large and increasing competition.

Segment Level Factors

Rural & low-income: Existence of "know-how" while urban and middle-income savings market saturated.

Women: Focus on women in line with social mission, and lower cost of cross-selling to existing customers (90% of loans clients are women).

High Income: Higher income clientele subsidize low-income segments and women.

Previously, Sinapi Aba had relied heavily on grants to fund its micro-lending portfolio, but by the early 2000s this strategy became unsustainable. Dwindling grants did not allow the institution to grow its loan portfolio in step with demand. It was at a crossroads. A first step in 2006 was to pilot a "progressive" savings scheme, which allowed loan clients to save up towards the compulsory savings[1] they would need as collateral as their next loan amount increased. These savings were collected by loan officers from customers during group lending meetings.

Sinapi Aba also began sourcing local commercial bank funding. "*In global markets, grants for NGOs were reduced, but we had to continue with our duty to serve the poor,*" reflects Kwaku Acheampong, Operations Manager at Sinapi Aba. By 2011, 58% of Sinapi Aba's funding came from commercial banks or global microfinance funds, 13% from donor grants, and 29% from customer deposits. The commercial cost of funds was chipping away at its margin, however, and the institution decided it was time to invest in mobilizing more deposits, this time both inside and outside its own loan customer base.

[1] Until 2006, Sinapi Aba's only savings product was a compulsory savings account, in which loan clients deposited cash collateral of 10% of their loan amount, prior to taking their loan.

A regulatory shift in 2011 was the final "push" that Sinapi Aba needed to transform into a full-fledged Savings and Loans (S&L) deposit-taking institution. Sinapi Aba responded to a UNCDF MicroLead Programme request for applications to participate in its small-balance deposit mobilization (SBDM) programme. In July 2013, a USD 700,000 MicroLead grant helped subsidize the capital expenditure to support Sinapi Aba's SBDM programme and paid for technical assistance from Opportunity International.

The institution's investors and Board were called to approve the transformation strategy, which would have a five-year time horizon to break even. Sinapi Aba's feasibility study and business plan estimated it would take five years to register positive net income after the transformation. To comply with a Tier 1 S&L license, Sinapi Aba needed to make considerable capital expenditures in upgrading branch security. These expenditures included installing new safes and closed-circuit TVs, investing in an IT platform and internet connectivity that could provide real-time transaction records, and purchasing generators to ensure power during Ghana's pervasive electricity outages. Sinapi Aba believed it would also need to undertake a re-branding effort to communicate the transformation to new and existing customers. The marketing team decided to emphasize a message of the institution's longevity in Ghana to signal Sinapi Aba was a trustworthy place for customers to store their savings.

While these changes were significant, all this expenditure would be necessary whether the institution targeted low-income or higher-income customers, but there would be additional costs and different revenue opportunities associated with different customer segments. Sinapi Aba now had to decide which customer segments were the most viable. The institution considered mobilizing large savings balances from a small group of higher-end corporates and individuals, and competing by offering generous interest rates on its deposits. But, "*we were late in the game for that segment*," Acheampong explains. In Ghana, many commercial banks, S&Ls and other MFIs were already mobilizing savings among these upper-end segments.

Given these competitive dynamics, Sinapi Aba decided to play to its core strength in serving the low-income market, where it had a strategic advantage. Sinapi Aba knew, based on its market research and the experiences of other institutions, that it could pay lower interest rates on small-balance liquid savings accounts than on higher-balance, fixed term deposits, which would help contain costs. In addition, the grant from UNCDF MicroLead had come with a pledge to target low-income customers, with a focus on rural populations and women.

At the same time, Sinapi Aba was hearing from its front-end personnel that many of their customers demanded additional savings services, beyond its existing compulsory and "progressive" savings services that were linked to loans. "*[Savings were] something that customers wanted. They wanted a very holistic service from us. They needed a whole bundle [of products],*" Acheampong reflects. These insights from the front lines, combined with the competitive market assessment, persuaded the planning and marketing teams to begin savings mobilization among existing microcredit customers, of whom 90% were low-income women and 66% lived in rural areas. The institution believed it would initially be less costly to reach existing customers than new ones; it felt it could rely primarily on below-the-line marketing tactics with customers who already knew the institution.

Pulling "Viability Levers" to confront the costs of small-balance deposit mobilization

Confronting the costs of small-balance deposit mobilization

Sinapi Aba calculated that the marginal cost to serve small-balance savers would emanate primarily from its choice of channel and associated pricing. The institution's existing branch infrastructure, though extensive, did not penetrate deep enough for the scale it hoped to achieve, and branches were expensive to open and operate. Insights from the front lines had revealed that Sinapi Aba's customers expected a doorstep deposit collection service (known in Ghana as "*susu*" collectors) that other microfinance institutions and banks were already offering. Sinapi Aba estimated that a susu channel could help them service a larger group of small savers at a lower cost than through branches.

Sinapi Aba decided to employ a team it called "Mobile Bankers" who, like susu collectors at other institutions, would go door to door to collect customer deposits as small as USD 0.25-0.50. Sinapi Aba's new Mobile Bankers were paid an average salary of 220 Ghanaian cedi per month, a transport allowance and a bonus based on the volume of deposits they mobilized. Sinapi Aba created a new product called the Susu Savings Account, which customers could sign up for in the field directly with Mobile Bankers.

It ramped up the doorstep channel quickly to 400 Mobile Bankers. "*Take-up in the first year was amazing,*" Acheampong recalls. "*It exceeded our expectations.*" The Mobile Bankers opened 33,700 new Susu Savings Accounts in the first 12 months, and most of these were new customers, not existing loan clients, suggesting that the early segmentation strategy may have been diluted somewhat by rapid growth. Of these, 84% were women and 72% were customers living in rural areas, both of which reflected Sinapi Aba's traditional customer base.

After the initial strong growth, new customer acquisition and average account balances plateaued soon after. "*The challenge was that we were late-comers to the deposit-taking business. Especially in the middle income and high income segments. But, even in the low end [where we operate], there is stiff competition,*" Acheampong explains. In urban and even near most rural branches, Sinapi Aba was just one choice among customers' many doorstep collection options—it needed to differentiate itself. Where Sinapi Aba had hoped to penetrate deep into rural villages, customers could make deposits with the Mobile Bankers, but they were located too far from branches to make savings withdrawals convenient when needed. Sinapi Aba responded by offering a doorstep withdrawal service for just 1 Ghanaian cedi per transaction (about USD 0.25), the same cost as a branch-based withdrawal, but few customers used the doorstep withdrawal service, which requires 24-hour notice.

By December 2016, Sinapi Aba had mobilized GHS 16.1 million (USD 3.8 million) in deposits through the Susu Savings Accounts, which amounted to 27% of the institution's total deposit portfolio. With 134,000 total Susu Savings Accounts[2], the average account balance was USD 28. However, most of the Susu savers (95%) had less than 500 GHS (USD 117) in their account, and among these the average balance was just USD 9. In Sinapi Aba's other savings products, the average balance was higher at USD 68.

Mobile Bankers

THE MOBILE BANKERS OPENED 33,700 NEW SUSU SAVINGS
in the first 12 months

SUSU SAVINGS ACCOUNT RAMPED UP QUICKLY TO SUPPORT 400 MOBILE BANKERS.

Community member

[2] Nearly all customers have just one Susu Savings Account, making the number of customers reached with this product about 134,000 as well.

Looking at the key revenue and costs associated with an "average" Susu Savings Account (see Table i below), it was easy for Sinapi Aba to see how the Mobile Banker channel had not broken even yet. The revenue earned was small due to the small balances held in each account: even if a generous "transfer price"[3] of 26.5% (Sinapi Aba's average cost of funds) is implied, the monthly revenue earned on this average Susu Savings Account was just USD 0.67.

Capital expenditure to support the Mobile Banker channel amounted to USD 260,000[4], which computed to a cost of just USD 0.03 per month per account when amortized over five years. Mobile Bankers' salaries, however, were the largest cost center (USD 3.13 per account), followed by their transportation allowance (USD 1.01 per account). These costs were considerably lower than the average OpEx across all of Sinapi Aba's deposit business of USD 8.98 per account (35% of total deposits), which included maintenance and servicing costs associated with headquarters and branch expenses.[5] Unlike other savings products at Sinapi Aba, the Susu Savings Account didn't pay out any interest to depositors, which helped contain costs. But, the team knew they either needed to considerably improve productivity in the Mobile Banker channel to reduce costs or bring in more revenue, if serving these new clients was to be financially sustainable.

Table i
Susu Savings Account Average Costs and Revenue

Revenue:	
Cost of funds via internal treasury (26.5%)	$ 0.66
Susu Savings Account withdrawal fees (USD 0.25/txx)	$ 0.01
Total Revenue per month	**$ 0.67**
Costs:	
CapEx, amortized	$ (0.03)
Mobile Banker salaries	$ (3.13)
Mobile Banker transport	$ (1.01)
Mobile Banker POS data connectivity	$ (0.20)
Total Costs per month	**$ (4.37)**
Profit (Loss) per month	**$ (3.70)**

Based on USD 28 average balance, per month

Despite the cost of the Mobile Banker channel, at the institutional level, the SBDM efforts enabled Sinapi Aba to significantly increase its funding from customer deposits and reduce its dependence on external funds: by the end of 2016, customer deposits represented 75% of Sinapi Aba's funding, against 29% in 2011 (see Table ii below). As Sinapi Aba could no longer rely on donations offered at a 0% rate, the institution's cost of funding decreased moderately, by only 1 percentage point. But, this new funding mix allowed Sinapi Aba to operate despite the reduced availability of external funds, making SBDM a strategic endeavor for the institution.

[3] In accounting, the transfer price is the internal treasury's implied interest income that the lending side of the business "pays" the deposit-taking side of the business for its role in mobilizing funds.

[4] The grant from UNCDF's MicroLead Programme supported CapEx for Sinapi Aba's new Mobile Banker channel. This included expenditure on POS devices and phones for new staff, as well as netbooks for some branches (USD 120,000), a software platform to support a mobile banking gateway and processing interface (USD 45,000), a mobile app for agents (USD 80,000), and an SMS banking module to send customers digital transaction confirmations (USD 15,000).

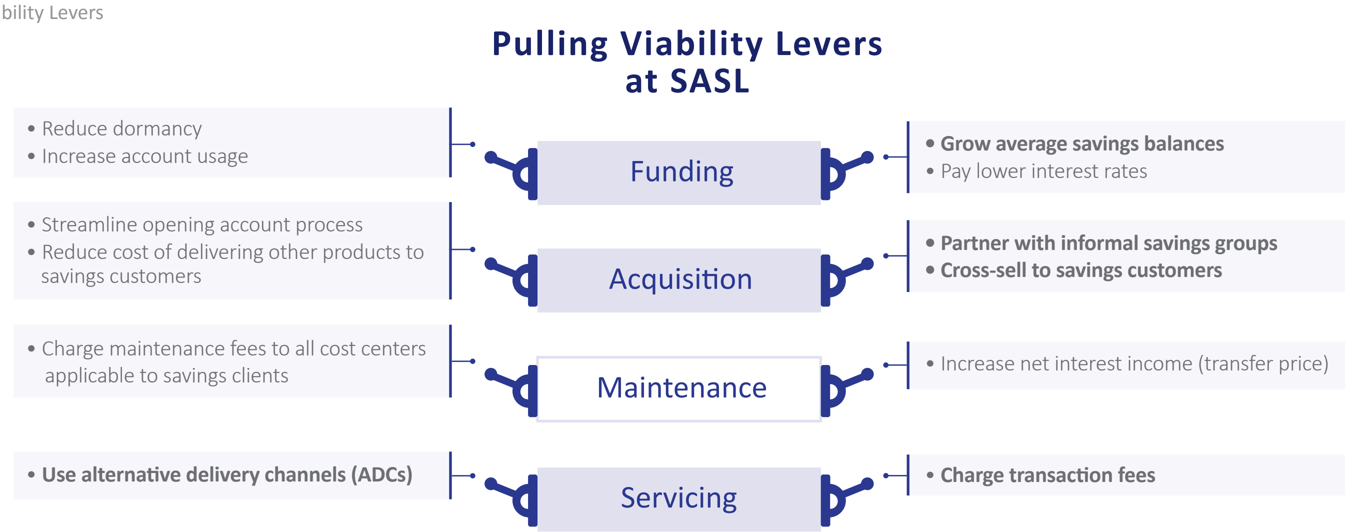
[5] In a costing exercise, some of these maintenance and servicing costs would be allocated to the Susu Savings Accounts, which do rely on headquarters support and branch infrastructure, but for the purposes of simplicity in presenting this case, this analysis focuses on the marginal costs of providing the Mobile Banker channel only. To further the business case, a portion of the Mobile Bankers' salaries could be amortized over time, as a customer acquisition cost. However, the bulk of the Mobile Bankers' salaries are a recurring expense to service customers' doorstep cash-in and cash-out transactions.

Table ii
Sinapi Aba's Funding Mix in 2011 and 2016

Source of funds	2011		2016		
	Outstanding balance (GHS)	Percent of total funding	Outstanding balance (GHS)	Percent of total funding	Average interest rate
Donations	8,704,884	13%	0	0%	
Commercial banks	13,202,256	20%	8,952,041	9%	28%
Global microfinance funds	24,683,771	38%	16,895,247	16%	27%
Customer deposits	18,657,933	29%	77,103,755	75%	17%
Total	**65,248,844**	**100%**	**102,951,044**	**100%**	

Devising a plan to pull "Viability Levers" that makes SBDM among low-income populations an attractive proposition.

Figure iii
Viability Levers



Revenue Enhancing Viability Lever: Adopt strategies to increase average savings balances.

Facing these challenges, Sinapi Aba's planning and marketing teams devised a new strategy to differentiate itself and help make SBDM profitable. In its 2014-2018 marketing plan, Sinapi Aba decided to take a more segmented approach to marketing. In urban areas, it would focus on higher-income individuals than its traditional loan customers, using above-the-line marketing campaigns that associated the brand with a higher end lifestyle, offering value in interest rates, and emphasizing Sinapi Aba's long and solid presence in Ghana. These customers, with larger average savings balances, were lower-hanging fruit that could help subsidize the higher cost of reaching low-income and rural populations. To illustrate the effect of pulling this Viability Lever, if average savings balances doubled from the current USD 30 to USD 60, net interest income on the average account would increase from USD 0.66 to USD 1.33 per month, bringing the account closer to break-even (see Viability Lever 1 in Figure iv below).

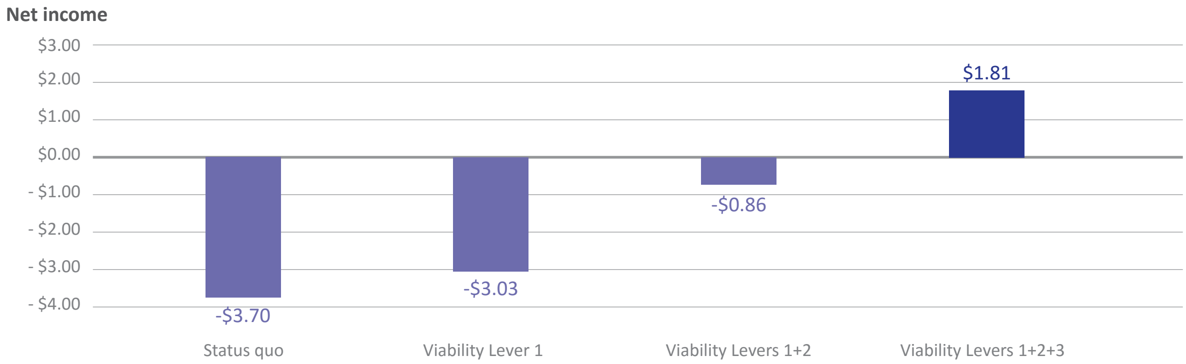
Cost Cutting Viability Lever: Partner with informal savings groups to access low-income customers.

In rural areas, Sinapi Aba chose to focus on scale, not large average balances, utilizing below-the-line marketing, such as Mobile Bankers, and associating itself with community organizations and groups that could bring large numbers of customers at once. For example, Sinapi Aba has already linked with four savings groups facilitated by the international NGO, CARE. In this hybrid model of savings group linkages plus susu collection, one of the Mobile Bankers goes to the savings group meeting to collect the savings group's deposit. To illustrate the cost savings, if the same number of Mobile Bankers could serve twice as many customers in the same time, costs would fall by USD 2.17 on the average account per month. Doing this in addition to doubling average balances would bring the account much closer to break-even (see Viability Levers 1+2 in Figure iv below).

Revenue Enhancing Viability Lever: Cross-sell or bundle other products to savings customers.

In addition to growing average balances and scaling up the productivity of each Mobile Banker, Sinapi Aba sought out opportunities to diversify and make more revenue from its Susu Savings Account clients. One way to do this was by lending to its new savings customers. For now, the susu model has brought 134,000 new customers, and just under 1,000 of them have taken out a Susu Loan through their Mobile Banker. With an average loan size of 148 GHS (USD 35), cross-selling a Susu Loan could bring in USD 1.81 of revenue per month on an average account, making that account break even (see Viability Levers 1+2+3 in Figure iv). Although very few Susu Savings Account holders have taken out a Susu Loan, they may have taken out other loan products, but Sinapi Aba's core banking system currently doesn't allow it to easily track this. To make the business case for the susu savings channel strong, Sinapi Aba also realized that the cost of customer acquisition borne by the Mobile Bankers ought to be amortized over a longer time horizon, taking a customer lifetime value approach that incorporated cross-selling revenue and other revenue streams.[6]

Figure iv
Net income on a Susu Savings Account, by number of Viability Levers pulled



Number of Viability Levers

Status quo: USD 30 account balance
Viability Lever 1: Double account balance to USD 60
Viability Lever 2: Double Mobile Banker productivity
Viability Lever 3: Cross-sell USD 35 Susu Loan

[6] With support from UNCDF's MicroLead programme, Sinapi Aba engaged Bankable Frontier Associates to conduct a costing analysis that amortized Susu Savings Account customer acquisition costs over five years (the analysis also allocated headquarters and branch costs to the Susu Savings Accounts as account maintenance and servicing costs). The analysis showed the Mobile Banker channel could be profitable in two years' time if the number of clients and their average balances doubled. In that model, susu accountholder acquisition costs were amortized over five years.

Cost Cutting Viability Lever: Find low-cost ways to deepen customer engagement when using Alternative Delivery Channels (ADCs).

In rural areas, Sinapi Aba decided to focus on below-the-line marketing tactics and service delivery through the Mobile Banker channel. It also began to consider developing an agent banking network, in order to deepen access to deposits, withdrawals and payments in rural areas, which is currently lacking. "*We are looking at agency banking, so we can be situated in the middle of the commercial area of a village, [with an agent] who can transact deep into the night,*" Acheampong explains. "*Our susu collectors always have a limit. They have to return back to the branch where they went in the morning. An agent doesn't have to close. Of course, the susu does a lot of outreach, but that has its limits. They aren't on motorcycle. They walk. By the time they are done, if distances are far, they pick a taxi, or a trotro [commercial bus service]*." But, it's not just about making access available. If an agent network is to be a cost-effective strategy, compared to expanding branch infrastructure, it will be essential for Sinapi Aba to find low-cost ways within the agent network to maintain and improve on the customer engagement it has attained through its Mobile Bankers. This will be a challenging task, as the experience of other FSPs demonstrates.

Revenue Enhancing Viability Lever: Charge transaction fees.

Another way to earn revenue on these savers is through transaction fees. For now, Sinapi Aba is more focused on cross-selling loans than getting transaction fee revenue: "*[Loan] interest rates are juicy compared to transaction fees,*" Acheampong explains. And, without a large agent network for payments like person-to-person (P2P) remittances or bill-pay, or merchant acceptance for mobile money or card-based spend, revenue from increasing average balances and cross-selling other financial products makes more sense for Sinapi Aba, rather than transaction fee-based revenue. Nonetheless, Sinapi Aba sees investment in a transaction fee-based revenue model as an interesting possibility in the future.

Sinapi Aba is currently exploring other means to earn revenue through its Mobile Banker channel. The institution is helping mobile network operator MTN solve a big challenge: helping MTN's mobile money agents, who collect significant amounts of cash each day from customers, transport this cash to a bank branch to convert into electronic money. Currently, many mobile money agents "*have to leave their workplaces to go to several different banks to buy e-cash*." Now, Sinapi Aba's susu collectors will go to MTN mobile money agents' shops and stalls, sell e-cash to them on the spot, collecting cash from them in exchange, which will save MTN's agents the cost of transporting cash and losing time at work, in exchange for a fee that Sinapi Aba earns. Sinapi Aba is planning to pilot the programme in early 2017, and will include cash in transit limits on Mobile Bankers for security purposes and to meet the requirements of their insurance coverage. Sinapi Aba's market assessment suggests that agent take-up will be high, and that the commissions earned from this service will help make the Mobile Banker channel more viable.

The way forward: “depth” and “scale”

Sinapi Aba Savings & Loans was licensed to take deposits by the Bank of Ghana in April 2013. It has come a long way from its initial incursion into deposit taking in that it no longer relies on grants to fund its loan portfolio; instead, it is a successful deposit-taking financial institution, with 61% of its assets funded by deposits. Yet many questions about the viability of small balance deposit mobilization persist. As Sinapi Aba looks to the future, thinking about achieving financial sustainability in small-balance savings, it struggles with the low balances of its smallest Susu savers, averaging just USD 9 per client. They represent 45% of all savers in the institution, but hold only 8% of all deposits (see Table iii below).

Table iii
Distribution of Sinapi Aba's Savings Accounts by Average Balance

	Number of accounts	Total Deposits (USD)	Average account balance (USD)
Smart Kidz Account			
Below 500 GHC (Below $117)	2,613	$50,929	$19
500 - 4,999 GHC ($117-$1171)	237	$57,571	$243
5,000 GHC and Above ($1172 and Above)	3	$6,710	$2,237
All Smart Kidz Accounts	**2,853**	**$115,211**	**$40**
Premium Sika Investment Account			
Below 500 GHC (Below $117)	1,330	$43,773	$33
500 - 4,999 GHC ($117-$1171)	921	$368,001	$400
5,000 GHC and Above ($1172 and Above)	417	$3,952,829	$9,479
All Sika Investment Accounts	**2,668**	**$4,364,603**	**$1,636**
Current Accounts			
Below 500 GHC (Below $117)	50,481	$91,241	$2
500 - 4,999 GHC ($117-$1171)	1,002	$380,731	$380
5,000 GHC and Above ($1172 and Above)	305	$1,875,526	$6,149
All current accounts	**51,788**	**$2,347,498**	**$45**
Flexi (Nkosuo) Savings Account			
Below 500 GHC (Below $117)	85,785	$661,410	$8
500 - 4,999 GHC ($117-$1171)	3,732	$1,195,428	$320
5,000 GHC and Above ($1172 and Above)	474	$1,305,687	$2,755
All Flexi (Nkosuo) accounts	**89,991**	**$3,162,524**	**$35**
Susu Savings Accounts			
Below 500 GHC (Below $117)	127,128	$1,154,413	$9
500 - 4,999 GHC ($117-$1171)	6,863	$2,008,724	$293
5,000 GHC and Above ($1172 and Above)	287	$611,881	$2,132
All Susu Savings Accounts	**134,278**	**$3,775,017**	**$28**
All savings account products	**281,578**	**$13,764,853**	**$49**

The Susu model has enabled Sinapi Aba to open accounts and mobilize some deposits of people in urban and peri-urban areas, but earning significant revenue on these accounts will require growing average balances, which requires greater *depth* in the relationship. This includes more cross-selling and usage of a deeper cash-in/cash-out infrastructure closer to customers' homes and outside banking hours, something Acheampong believes Sinapi Aba could tackle beyond its branches with an agent banking network model.

Despite the significant scale Sinapi Aba has achieved, it will benefit from focusing more on depth. Its greatest success across the savings portfolio has been with savers with average balances of USD 300, who represent only 5% of the institution's savers, but 30% of deposit balances. These might include both low-income and rural savers who are consistently depositing into accounts as well as high-market savers. To further improve the business case, Sinapi Aba needs to do more to grow the depth of *customer engagement*, to transform very small balances into small balances.

While it deepens its engagement with small savers, Sinapi Aba's strategy will also have to rely on customers with larger balances to source its funding. To that end, Sinapi Aba is making a serious push to acquire higher-end urban customers, who can subsidize the smaller-balance accounts. By positioning its brand around the institution's longevity in the marketplace, it hopes to build public trust. Above-the-line marketing campaigns that associate the brand with a higher end lifestyle are aimed to draw urban customers who will deposit larger balances, yet these will come at a cost. Over the long term, a growing portion of Sinapi Aba's funding will likely come from small savers, but this will take time. Support from donors such as UNCDF has been instrumental in shortening this time horizon and strengthening the business case, enabling Sinapi Aba to pull key Viability Levers in order to mobilize small savings more cost-effectively.

ABOUT UNCDF

UNCDF makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments — through fiscal decentralization, innovative municipal finance, and structured project finance — can drive public and private funding that underpins local economic expansion and sustainable development. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a number of different SDGs.

ABOUT MICROLEAD

MicroLead, a UNCDF global initiative which challenges financial service providers to develop, pilot and scale deposit services for low income, rural populations, particularly women, was initiated in 2008 with support from the Bill & Melinda Gates Foundation and expanded in 2011 with support from the Mastercard Foundation and LIFT Myanmar. It contributes to the UN's Sustainable Development Goals, particularly SDG 1 (end poverty), SDG 2 (end hunger, achieve food security and promote sustainable agriculture) and SDG 5 (achieve gender equality and economic empowerment of women), as well as the Addis-Abeba Financing for Development Agenda (domestic resource mobilization).

MicroLead works with a variety of FSPs and Technical Service Providers (TSPs) to reach into previously untapped rural markets with demand-driven, responsibly priced products offered via alternative delivery channels such as rural agents, mobile phones, roving agents, point of sales devices and informal group linkages. The products are offered in conjunction with financial education so that customers not only have access but actually use quality services.

With a specific emphasis on savings, women, rural markets, and technology, MicroLead is a performance-based programme that supports partnerships which build the capacity of financial institutions to pilot and roll out sustainable financial services, particularly savings. As UNCDF rolls out the next phase of MicroLead, it will continue to focus on facilitating innovative partnerships that encourage FSPs to reach into rural remote populations, build on existing digital financial infrastructure and emphasize customer-centric product design.
For more information, please visit www.uncdf.org/microlead. Follow UNCDF MicroLead on Twitter at @UNCDFMicroLead.

ABOUT MASTERCARD FOUNDATION

Mastercard Foundation works with visionary organizations to provide greater access to education, skills training and financial services for people living in poverty, primarily in Africa. As one of the largest private foundations its work is guided by its mission to advance learning and promote financial inclusion to create an inclusive and equitable world. Based in Toronto, Canada, its independence was established by Mastercard when the Foundation was created in 2006.

ABOUT EA CONSULTANTS

EA Consultants is a consulting firm dedicated to ensuring that financial inclusion is a shared value proposition for all stakeholders and, in particular, for the customer. We have over 10 years of experience working with households worldwide to ensure that their voices and their needs are incorporated into products, delivery, and policies. We combine research and practice to ensure that our work is informed by an analysis and understanding of markets and customer needs. Our goal is that our work lead to new ways of thinking and new practice that are transformative to benefit all segments of society. We draw upon the vast knowledge and expertise of a diverse team of advisorsto provide innovative consulting services and research to governments, financial institutions, other privately-held firms, non-profit organizations, and international institutions. Our team of forward thinking professionals is adaptive to the market's changing needs. Our clients value our analysis and recommendations because they are pragmatic, sustainable and economically viable.
Visit us at www.eac-global.com.

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