Speeding Up Useful Linkages:
Reducing Time in Meeting Group Demand for Formal Services

May 23 | 11:00 am - 12:30 pm
Introductions

Clement Bisai, Country Office Monitoring, Evaluation & Learning Advisor
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Michael B. Maggebo, Manager, Product Development
NMB Bank, Tanzania

Gerald Munyaradzi Nyakwawa, Account Executive
Econet Wireless, Zimbabwe
SEEP Peer Learning Group:

Commercial Relationships between Savings Groups and Financial Service Providers
Government Agencies  ATMs  Service Centers

Bank Staff  NGOs / CBOs  Agents  Mobile Phones
Questions & Comments from the Audience

What questions and comments do you have?
Michael:
Can you tell us more about how NMB has achieved such impressive scale in a short period of time?

Clement:
How do NGOs, like CARE, contribute to reaching savings group efficiently and at scale? What are the advantages of working with an NGO partner?

Gerald:
Based on your experience as part of the PLG, what needs to happen for Econet to get to the type of scale that NMB has?
As of May 2018, NMB has linked over 17,000 groups through 196 branches, worth TZS 12 billion.

Wide Network  Brand Trust
Tailored Products  Partnerships
Mobile + ATM  SMART-C Targets
Michael:
Which bridges – such as bank staff at branches, agents, etc. – are preferred by clients? How do you gauge this?

Clement:
What tools are part of your toolkit in terms of understanding what is working and not working for clients? For field staff? For partners?

Gerald:
What has been the most interesting takeaway for you in terms of the Client Journey Mapping tool and exercise we discussed during the PLG?
Customer Journey Mapping
We Want **SGs to Save on EcoCash$ave**

### Linking The Groups

- **Chairperson opens the account on their phone**
  - No need to visit an agent
  - Should have an individual EcoCash$ave
  - No link between personal wallet and group wallet
- **Club ID is send to chairperson**
  - ID is a requisite to be able to join a group
  - Group members should have opened a EcoCash$ave account to be able to join.
- **No charges on all EcoCash$ave transactions**
  - Charges are only incurred when they are in the transacting wallet

<table>
<thead>
<tr>
<th></th>
<th>Then</th>
<th>&amp;</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG Accounts</td>
<td>6409</td>
<td>&amp;</td>
<td>7,016</td>
</tr>
<tr>
<td>Active</td>
<td>429</td>
<td>&amp;</td>
<td>538</td>
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<tr>
<td>Deposit (USD)</td>
<td>50,000</td>
<td>&amp;</td>
<td>95,000</td>
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### Success Stories

- Groups are happy with the authorisation process.
  - Min 3 Max 5 guarantees safety of funds & similar to the lock box concept.
- Withdrawal and disbursement process is easy to understand.
- **SG Menu found on USSD & App**
- **It suitable for the BoP as well as ToP**
- **Convenient**
  - No need to visit an agent to open account
  - No need to visit the bank;
    - to link the account
    - To withdraw funds or
    - To deposit funds
- **Over 30000 agents and over 25k merchants**
  - No transport cost to access funds
**Demand Side**

- Financial literacy
  - No appreciation of the cost of cash
- Digital literacy
  - Transactions are always done by a few individuals who are phonetically intelligent.
- Low Per Capita incomes
- Low levels of trust for FSPs
- Breaking the social bond
  - The “under the tree feel is taken away

**Supply Side**

- No dedicated resource for SGs
- Lack of NGO and or GVT support thus missing out on an opportunity to reach a greater market at the BoP
- Network coverage
- Transaction fees

**What the groups said**

- The joining process is hectic
- Max number of 50 per group is too little, some groups had to be split
- Group ID must be sent automatically after opening
- All members should get messages whenever there is a transaction on the group account
Michael:
Do you think that a social mission, like NMB’s, is important for a financial service provider to have to reach savings groups efficiently? Please explain.

Gerald:
In Zimbabwe, how can you build on lessons from other parts of Africa to better integrate a social mission with a business mission?

Clement:
How does an NGO like CARE balance its mission, which is primarily social, with the for-profit goals of a financial institution? How does this work within your partnerships?
An Armchair Chat with Presenters (cont’d)
All:

To continue to grow, efficiently and quickly:

Going forward, what are some of the challenges you still face? What are some of the needs yet to be met?

What “game changers” are on the horizon?
What questions and comments do you have?
In your opinion, what is most needed to speed up linkages in a secure, efficient and profitable way?
Thank you!