

Hosted by



A Global Learning Network

Markets that provide opportunities for all people to engage and prosper.

seepnetwork.org/Members

Digital Savings Groups
for Scale, Sustainability
and Impact

Digital Savings Groups for Scale, Sustainability and Impact

November 14, 2019 | 9:00 – 10:15 am EST



David Panetta
The SEEP Network



Karen Vandergaag
CARE International



Shema Steve
Exuus



Saqib Nazir
Emergent Payments



Mark Reilley
Pact

“Savings Groups have been an important backbone of development in French speaking Africa and understanding how digital can emulate that model without leaving people behind is very important.”

Louise Mushikiwabo

Secretary General of La Francophonie

Minister of Foreign Affairs, Government of Rwanda

World Congress on Information Technology

Yerevan, Armenia (October 7, 2019)



OBJECTIVES

- Introduce participants to key concepts related to Digital Savings Groups
- Provide a brief market overview of current offerings
- Explore four Digital Savings Group solutions:
 1. Chomoka (CARE International)
 2. SAVE (Exuus)
 3. Maximus (Emergent Payments Ghana)
 4. MyWORTH (Pact)

What are DIGITAL SAVINGS GROUPS?

Technologies and processes that digitize group records, procedures and transactions



FUNCTIONS and TAXONOMY

- Recordkeeping (group and individual records)
- Group processes (procedures, rules and regulations)
- Electronic payments (internal and external)
- Financial services
 - Single provider (proprietary app)
 - Marketplace
- Financial history
 - Centralized credit scoring
- Non-financial services





EXAMPLES



OPPORTUNITIES

- Reduced meeting times
- Increased security
- Increased accuracy and transparency of records
- Reduced training costs and requirements
- Digital channel for group training and ongoing support
- Reduced geographical barriers
- Digital identity
- Electronic payments
- Financial inclusion
- Economic inclusion

CONSTRAINTS

- Information and cultural asymmetries (tech providers & development orgs)
- Time lags for development and deployment
- Direct and opportunity costs

RISKS

- Exclusion
- Data privacy and security
- Sustainability of business systems



Karen Vandergaag
CARE International



CHOMOKA

Powered by  care™



SAVINGS GROUPS ARE A FOUNDATION OF CARE'S APPROACH WORLDWIDE



CARE has supported

7.6 MILLION

members to form

357,000 SAVINGS GROUPS

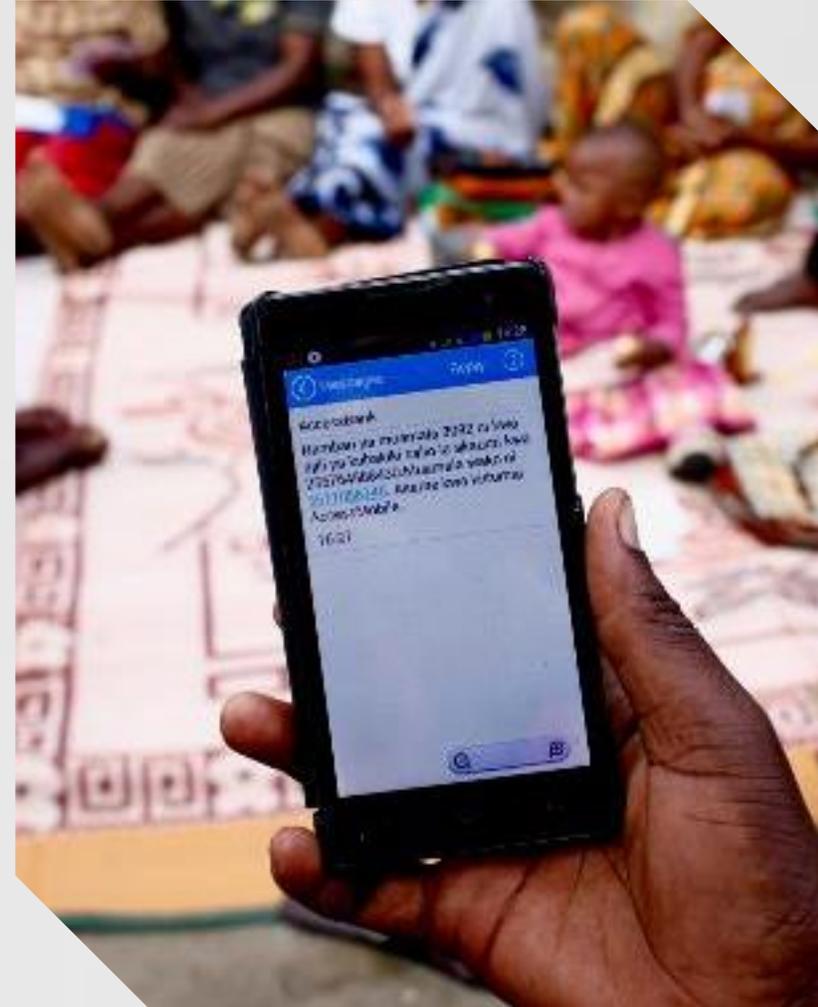
in **51 COUNTRIES**

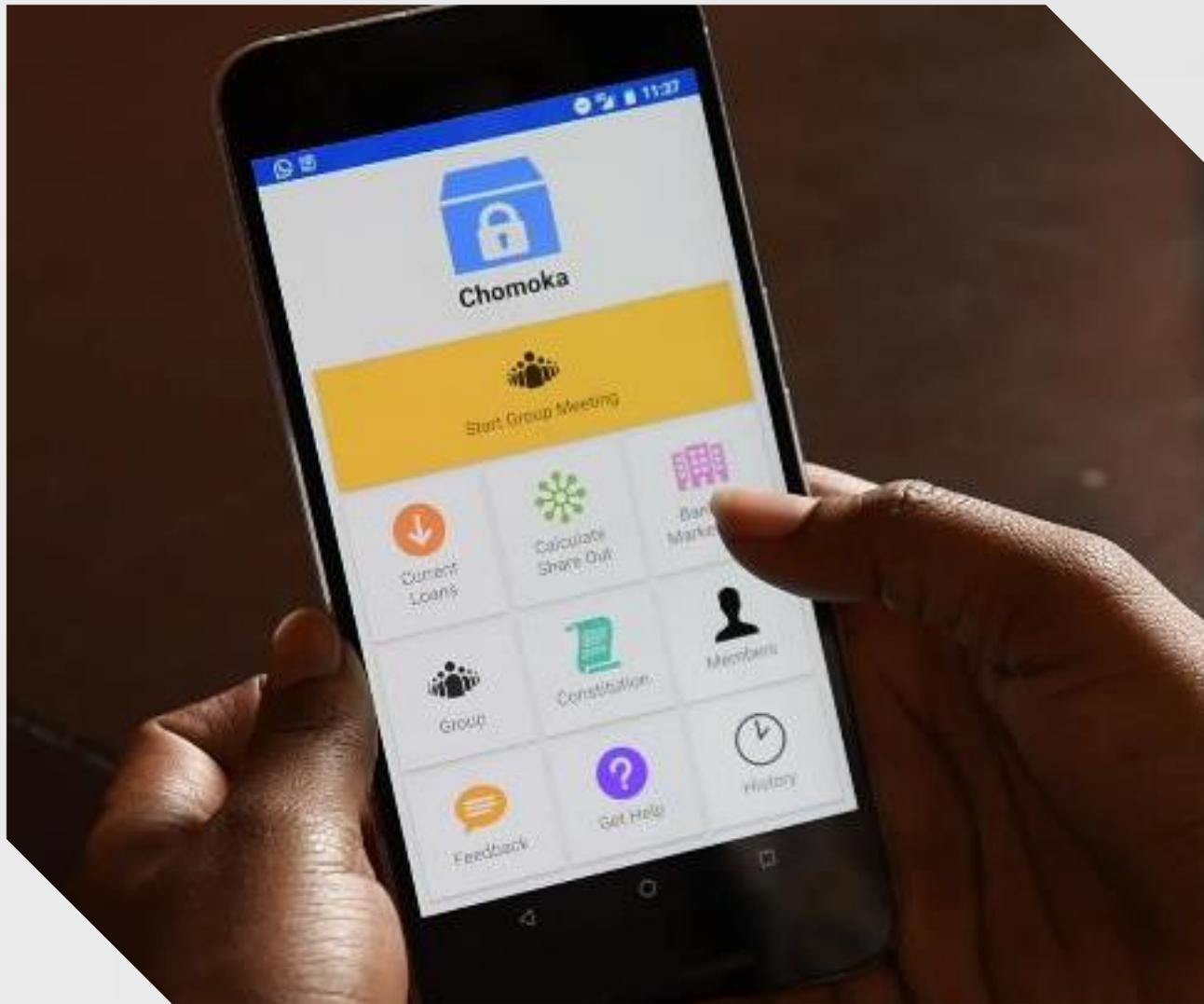


CARE's Partners for Savings Groups

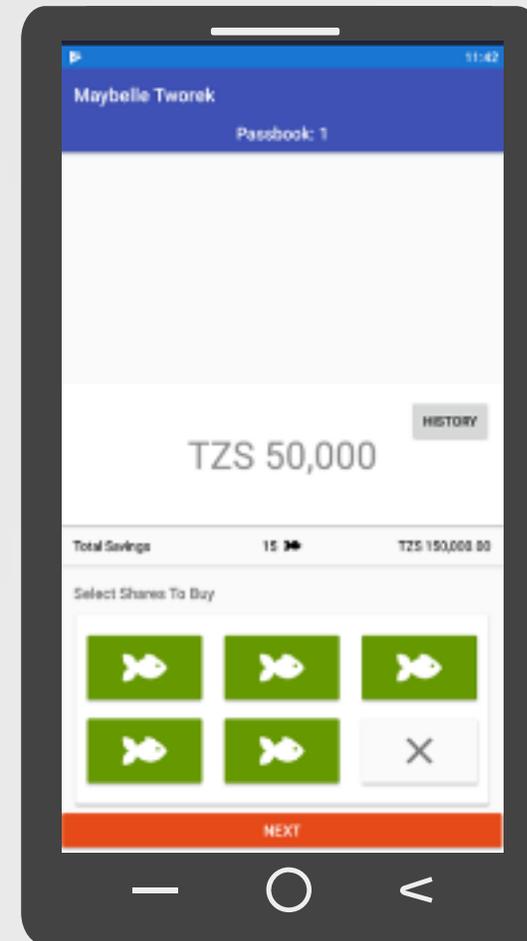
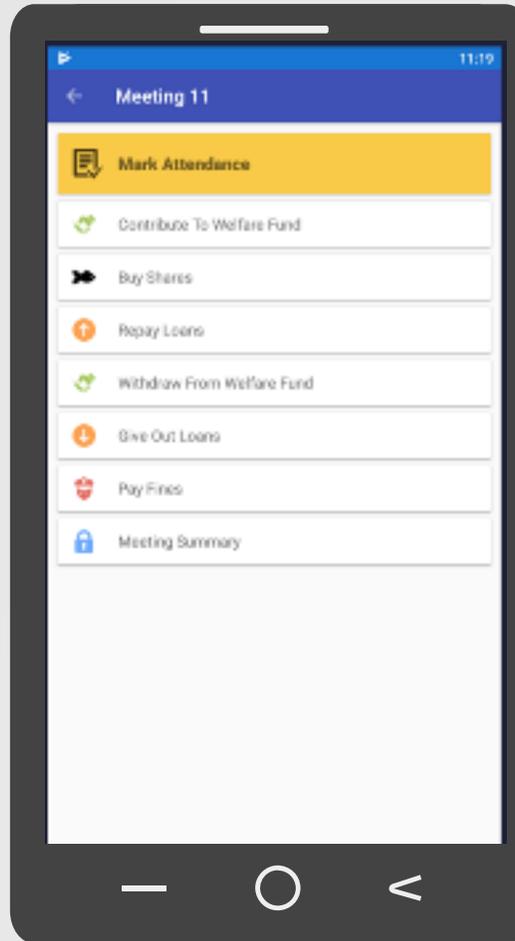
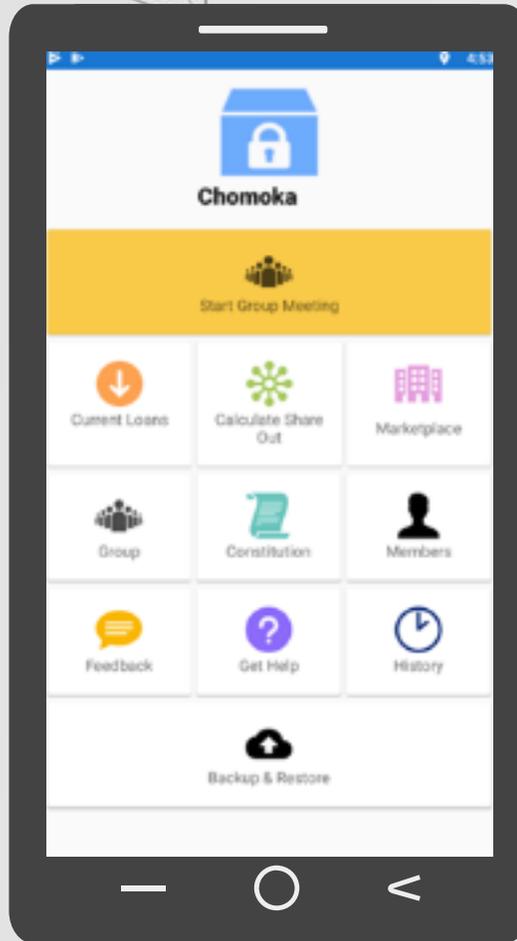
CARE has worked with 12 leading FSPs to co-develop products for savings groups in the region

In the last decade, CARE has also piloted several **digital savings groups tools**, bringing learnings from these into the design and approach Chomoka

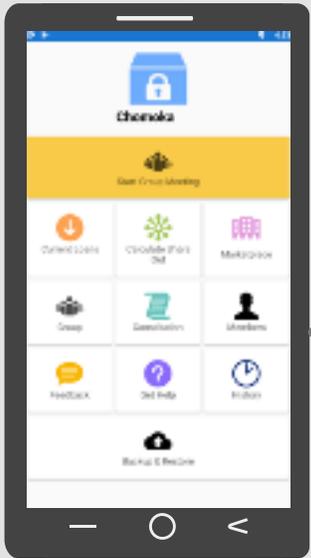




Chomoka is a smartphone-supported tool offering savings groups – and women in particular – a low-risk entry point to the digital economy and a path to transition from informal to formal financial inclusion.



Groups record meeting activities through Chomoka



Chomoka permits real-time monitoring of uptake and performance of Savings Groups



CHOMOKA DELIVERS



Digital Records

Records and member profiles are backed up regularly. Digitized transaction records create financial identity and credit history for members

Automated calculations streamline meetings and share-out and ensure accuracy

Configurable Calculations



Marketplace

Enables product comparison and engagement with service providers of financial and health insurance.

What users have to say

Chomoka enhances transparency and trust

“Everything is recorded on the phone and you can’t change it with a pen. This gives us confidence that our records do not change between meetings.”
- Zena, Chomoka User



CHOMOKA

care

What users have to say



Chomoka saves time

“Before Chomoka, loan recordkeeping could take more than two hours. Now we can finish everything in half an hour.”
-Damian, Chomoka Agent

What users have to say

Individual records

“One of the many benefits is the summary that is sent to us by SMS. This helps us to be confident in the records as they are entered.”

- Barua, Chomoka User



OUR NUMBERS TODAY

2,525

Members using Chomoka

78% Women

132

Groups using Chomoka

73% Rural Groups

39

Active Chomoka Agents

37%

Monthly Growth Rate



Chomoka Agents

Damian, Sofia and their daughter Devotha are Chomoka agents in rural Morogoro, Tanzania.



Despite her parents being the experts in VSLA methodology, Devotha leads all group support in onboarding to the Chomoka application, and visits groups for any troubleshooting in the village.



Chomoka Management

- App development
- Data analytics
- FSP partnerships
- Agent training & management



Chomoka Agents

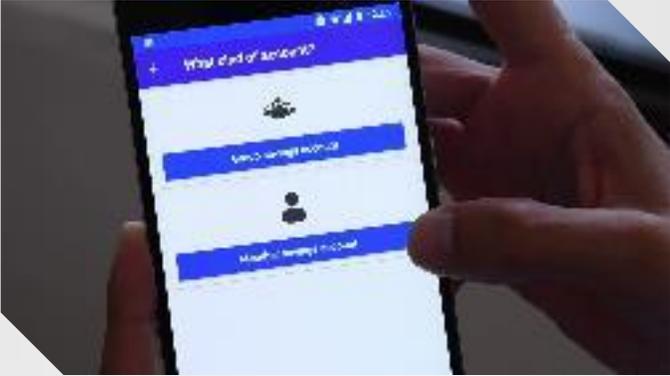
- Group recruitment & onboarding
- Frontline customer service
- Marketplace sales support



Savings Groups

- Improve group management
- Access (financial) services

Chomoka Marketplace



The Chomoka Marketplace enables groups and members to leverage their financial history to access services.



CHOMOKA DEVELOPMENT

Initial Software Development



Collect and incorporate user feedback and re-release for Pilot II



2017



Chomoka HCD with Tanzania SG Members

2018

Jan 2019



Launch MVP Chomoka Pilot and Chomoka Marketplace

July 2019

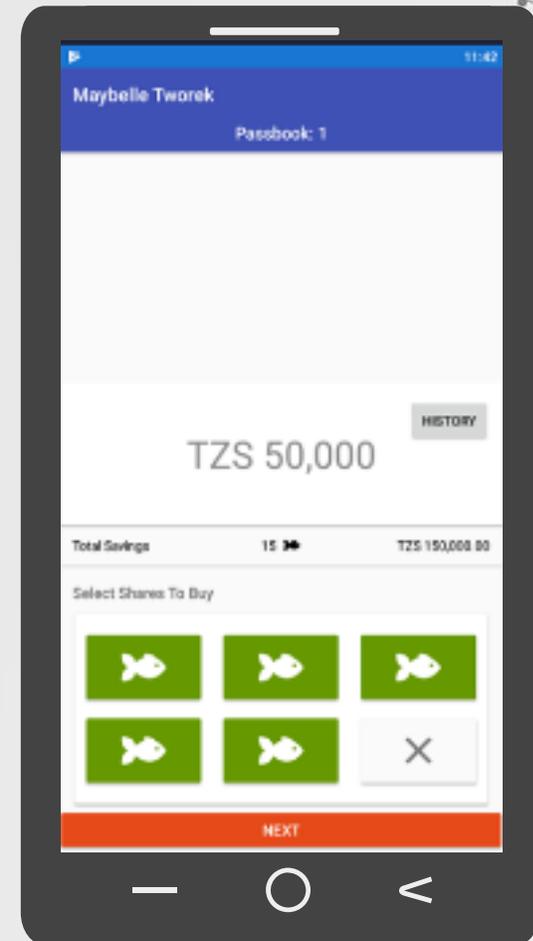
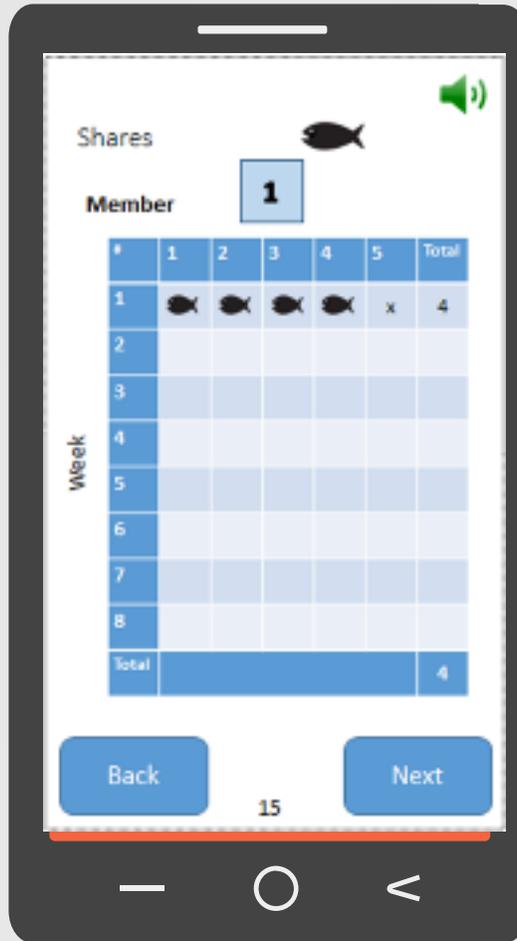
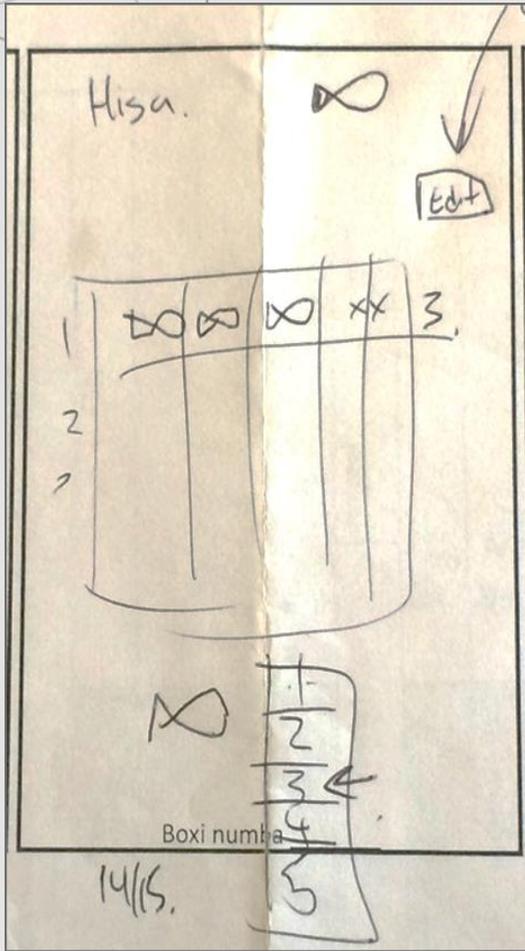
Oct 2019



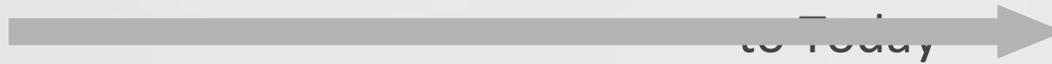
Scaling Chomoka

Designing Chomoka with Savings Groups





from Mock-up



to Today

What is next for Chomoka?

- Expansion to 2-3 additional countries in 2020
- Continue bringing user demands to the application through product updates
- Expand Marketplace offerings and engagement
- Spin off to Social Enterprise





Thank you

Contact us:

Karen Vandergaag
Chomoka Product Manager
karen.vandergaag@care.org

Christian Pennotti
christian.pennotti@care.org



**AGRIFIN
ACCELERATE**



SCALE X DESIGN





Shema Steve
Exuus



save.

SAVE

A Digital Platform for Saving groups

Shema Steve
Founder & CEO
sshema@exuus.com

Exuus Ltd



THE BIG QUESTION

How Do we rapidly achieve universal Financial Inclusion for both the **unserved** and **underserved**?



THE SOLUTION

The most efficient and realistic way:
Collection Saving Schemes A.K.A
Saving Groups

save.

The Cashbox is the Problem!



save.

SAVE - Achieving Financial Inclusion



SAVE

Cashless collective savings to optimize value



GET CREDIT

Internal & Decentralised Micro-Lending with affordable interest rate



INVEST

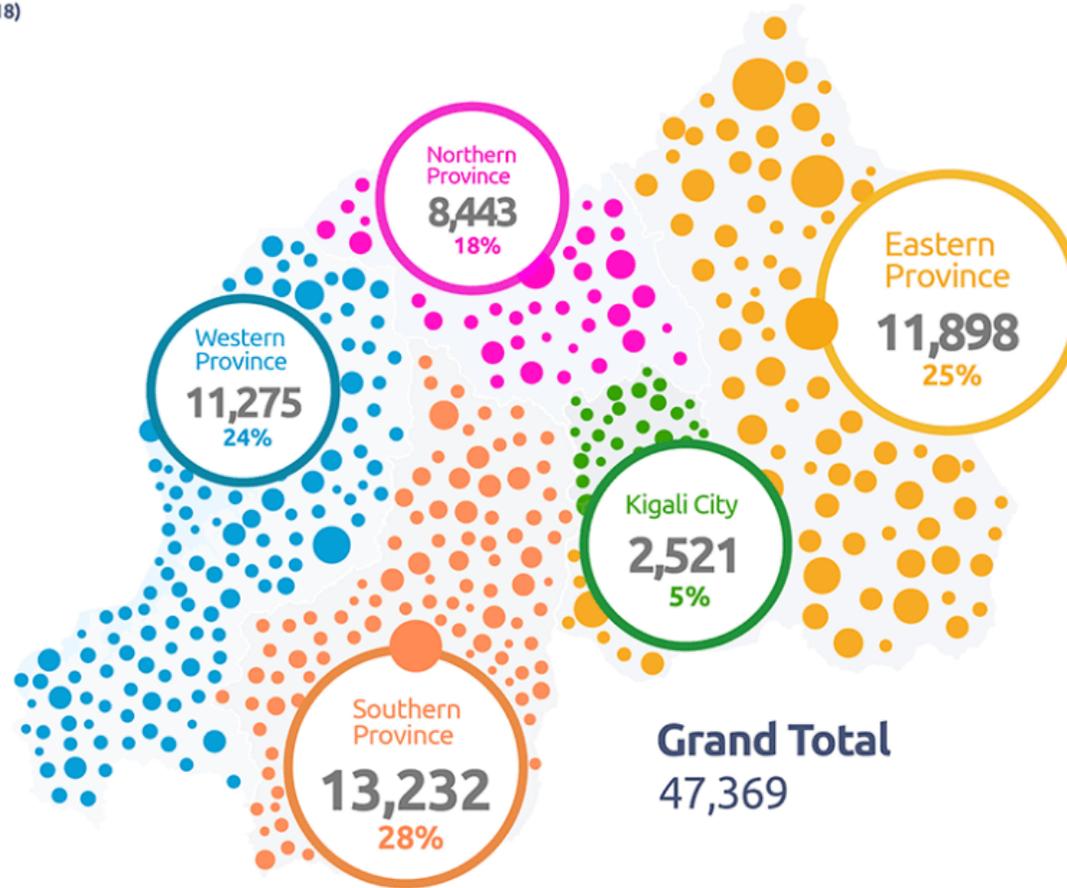
Capital for small business activities

[SAVE 1.0 already live]

save.

We Understand Customer Needs ...

 Saving Groups (2018)



We conducted an extensive multi-year study of the Rwanda savings group market

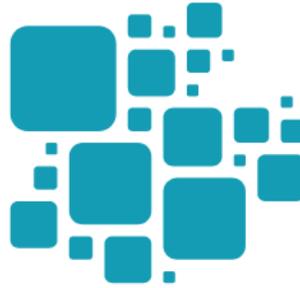
SAVE - Stakeholders Challenges

- **Credit:** The need for credit has surpassed the groups' capability.
- **Security:** Keeping savings in cash is increasingly becoming a major threat.
- **Transparency:** transparency in savings management should be preserved.
- **More value for savings:** No benefits from Savings remuneration by banks.



SAVING GROUPS

- **Effective & Cost Efficient M&E:** Manual techniques for data collection have affected negatively decision making processes.
- **Sustainability:** NGOs are mostly project based and projects are finite hence the need sustainable models beyond projects.



NGOs

- **Distribution channels:** +80% of saving groups are in rural areas, hard to access.
- **KYCs:** Customers profiling has been close to impossible for poor communities & residing in remote areas.
- **De-risking parameters:** Collective saving schemes are less risky compared to individuals.



BANKS

save.

SAVE - Before & After



Benefits that came with the introduction of SAVE

Before SAVE

1. All transactions done manually
2. No linkage with Telco, banks, insurance, etc.
3. No digital ledger
4. No credit from banks or micro-lenders
5. No interest on savings
6. No trusted security for funds
7. Not transparency for all members
8. No commission for agents (Village agents)
9. Etc...

After SAVE

1. All transactions are cashless
2. Direct linkage with Telco, banks, insurance, etc.
3. Digital ledger
4. Instant credit from banks or micro-lenders
5. Interest on savings
6. Trusted security for funds (double authentication)
7. Transparency for all members 24/7
8. Commission for agents (Village agents)
9. Etc...

save.

SAVE - For SG Members (USSD)

*Also available on feature phones by dialling *777#*



save.

SAVE Collector - For Village Agents

Used for SG Digitalisation & data collection

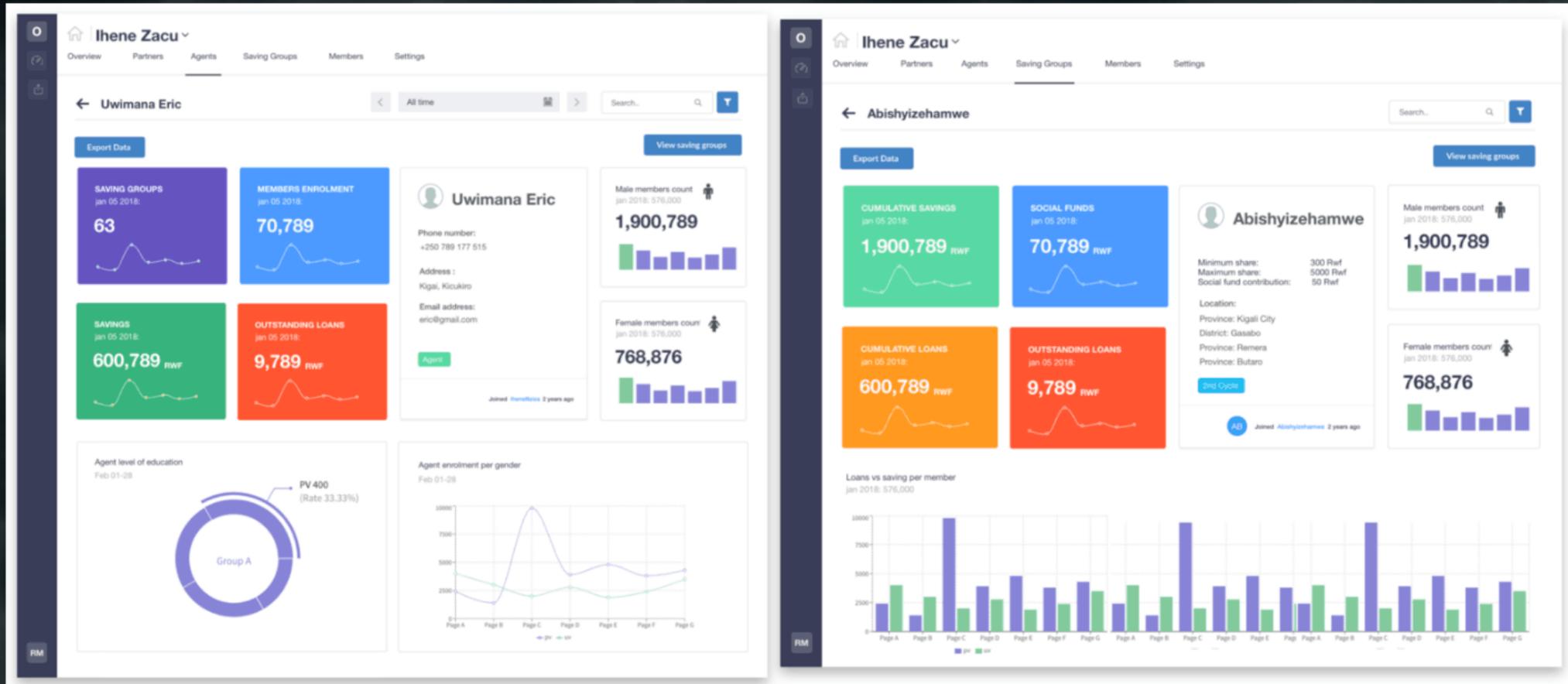
The image displays five sequential screenshots of the 'New Saving Group' form in the SAVE Collector app. Each screen shows a different step in the registration process, with a 'NEXT' button at the bottom of each screen (except for the final one which has 'PREVIOUS' and 'SUBMIT' buttons).

- 1. Group Details:** Fields include Group Name, Start Date, Province, District, Sector, Cell, and Village.
- 2. Affiliation Details:** Fields include Project (International NGO or Local NGO) and Group Status.
- 3. Financial Details:** Fields include Share Value, Interest Rate, Maximum Share, Social Fund Contribution, Frequency Of Contribution, Day of Saving, and Cycle Length.
- 4.1. Contribution fine details:** Fields include Saving Delay Fine and Social Fund Delay Fine.
- 4.2. Meeting fines details:** Fields include Attendance Delay and Meeting Absence.
- 5. Financial Institution Details:** Fields include Type Of Financial Institution, Name of Financial Institution, and Account Number.

save.

SAVE Web - For NGOs Staff

Used for tracking and general M&E - **Real time data**



save.

SAVE Web - For FSPs

FSPs create **profiles** of SGs they want to view

The image displays two screenshots of the SAVE Web interface, illustrating the process of creating a profile for a Savings Group (SG).

Left Screenshot: New Profile

This form is titled "New Profile" and contains the following fields:

- Name:** Profile name
- Monthly Savings:** RWF 1,000,000 - 3,000,000
- Monthly Loans:** RWF 1,000,000 - 3,000,000
- Type:** Independent, supervised
- Age Range:** Male (20 - 35) Female (20% - 80%)

A "Next" button is located at the bottom of the form.

Right Screenshot: Area of interest

This form is titled "Area of interest" and contains the following fields:

- Province:** Rukutsa, Kicukiro
- District:** Rukutsa, Kicukiro
- Sector:** Rukutsa, Kicukiro
- Cell:** Rukutsa, Kicukiro
- Village:** Rukutsa, Kicukiro

Below the location fields, there are two summary boxes:

- SG COUNT:** 45
- MEMBER COUNT:** 745

A "Create Profile" button is located at the bottom of the form.

SAVE Web - For FSPs

FSPs can view both SG internal and external transactions

The image displays two side-by-side screenshots of the SAVE Web interface, illustrating the 'Internal' and 'External' transaction views for a 'Women Group'.

Internal View (Left): The 'Internal' tab is selected. The 'Saving Groups' table shows columns for 'Saving group', 'Members', 'Total savings (KSh)', 'Outstanding loans (KSh)', and 'Wallet balance (KSh)'. The data for each row is: Abishyizehamwe, 36, 3,646,908, 136,667, 3,435,786. To the right of the table are three summary cards: 'Male members count' (1,900,789), 'Female members count' (768,462), and 'Total Savings' (1,900,789). A 'Total loans' card also shows 1,900,789. Each card includes a small bar chart and a line graph.

External View (Right): The 'External' tab is selected. The 'Saving Groups' table includes an additional 'Requests' column. The data for each row is: Abishyizehamwe, 36, 36, 3,646,908, 136,667, 3,435,786. The summary cards on the right are identical to the internal view.



SAVE - Pricing Model



**Monthly Subscription
Fee Plans**

User Plan [B2C]

Free Plan
Supervised SGs
[\$0]

Basic Plan
Graduated&Independent SGs
[\$0.99 - \$10] Per Month

Organization Plan [B2B]

Standard Plan
For NGOs
[\$0.06 - \$0.01] Per Month

Premium Plan
For FSPs
[\$0.06 - \$0.12] Per Month

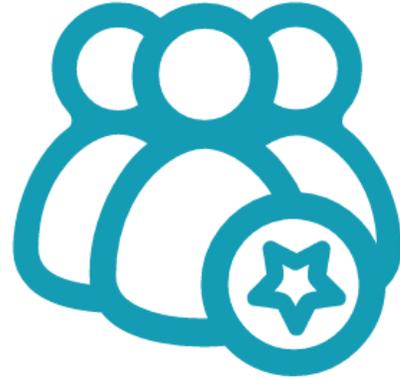


Partnership Opportunity

save.



Partner with us



NGOs - Practitioners

We need NGOs to come onboard! SAVE allows NGOs to monitor all their VSLAs related projects/programs in a seamless way.

We want to integrate with banks, MFIs, SACCOs, etc. Our dream is to one day allow SGs members in rural areas to push and pull money from and to FSPs seamlessly and conveniently!



FSPs

SAVE - Creating Impactful Wealth

We believe impact and wealth should go hand in hand!



FREE for Underprivileged Communities

One thing about Underprivileged Communities : **All they need is a little bit of faith in them and a small push!** Hence our 12 - 24 months Graduation Program. They use the service **FREE** of charge between 12 and 24 months after which they start paying!



COMMISSION MODEL as an incentive

We have also conceived a commission model for **Mobilisers/Agents/educators** to speed up adoption. These Agents make **Rwf53 monthly per active user** they onboard on SAVE.

save.



Opportunities for stakeholders

Others see challenges, we see opportunities...

i. Opportunity for exponential poverty reduction

The digitalisation of saving groups presents an immense opportunity for NGOs to fight extreme poverty an exponential rate.

World Vision & CARE International have expressed interest to scale up

ii. Credit hungry communities

During the pilot we saw resilient communities. All they need are cost-effective tools and they do the rest.

[GT Bank, a local commercial is already on board]

iii. Mobile phones emerging market

Telcos & mobile phones retailers are already open to provide phones on credit.



Offer from Banks

This will allow us to offset the Cash-Out fees incurred from MNOs. The cost of credit will decrease as we achieve volume...

- i. Starting from **4% per annum** remuneration on 40% of total deposits
- ii. **60% of total deposits** available for internal loans + Social fund
- iii. **Up to 80%** in Over Draft at **2%** monthly regressive interest



Offer from Mobile Operators (Telco)

60% of fees have been waived to encourage saving culture

- i. **NO Transaction Fee** between SG wallet & individual wallets transactions.
- ii. **Usual Cash-Out Fee** applies when members withdraw money via agents.



Exclusive Sneak Preview ...

DREAM
BIG.

save.

World-class integrated solution for seamlessly recordkeeping, digital payments, goal tracking, and data analytics

save.

Digital Payments
for Savings Groups



Digital Record Keeping
for Savings Groups

save.



Saqib Nazir
Emergent
Payments Ghana



An innovative approach to leverage technology for financial Inclusion



What is the problem? How can it be solved?



Despite positive advances in financial inclusion on the continent, 95% of all consumer payments in Africa are still made in cash and the the number of underserviced individuals is still unacceptably high, with most of the unbanked using Savings Groups and other informal savings mechanisms (ISMs).

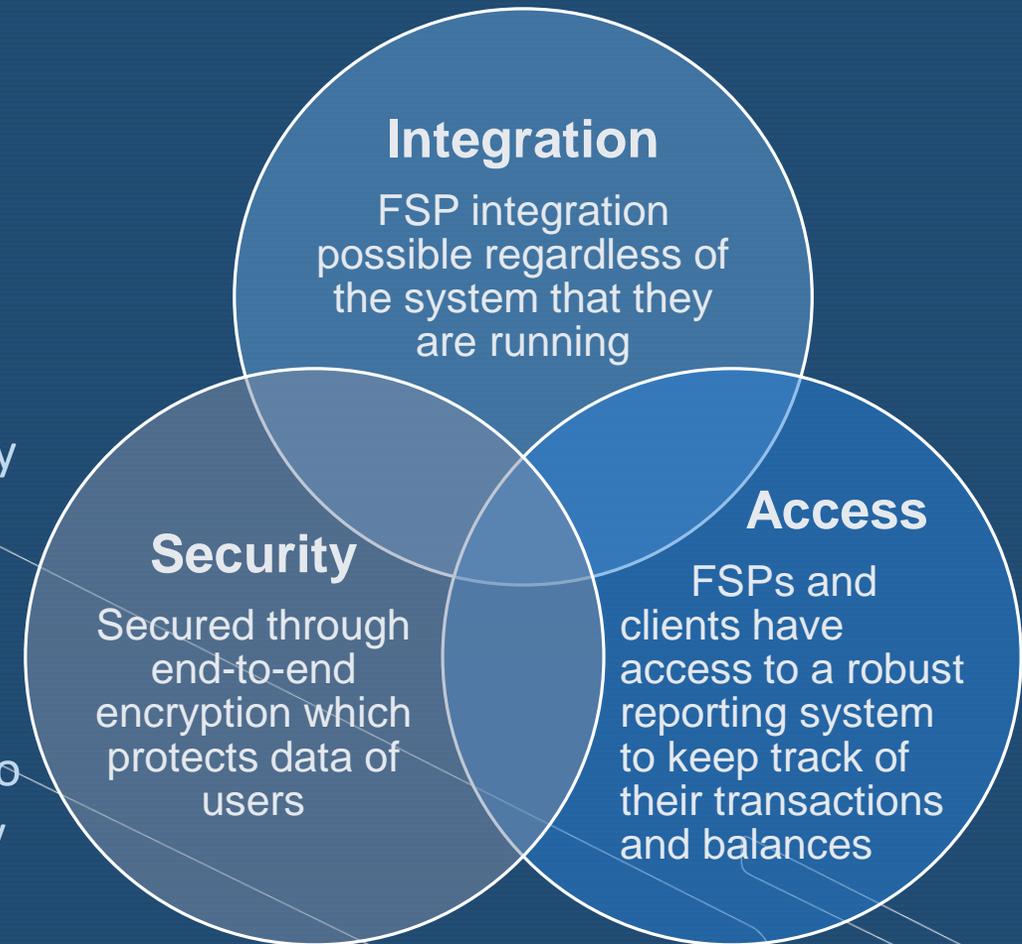
Digitise FSPs
by empowering them with a low cost technology solution enabling them to reach the extreme financially excluded through a sustainable, turn-key and cost effective FinTech solution.

Introducing Maximus

Maximus is a free-to-use mobile money-based group funding and savings platform built by Emergent Payments Ghana Limited which interacts with all mobile money platforms operating in Ghana.

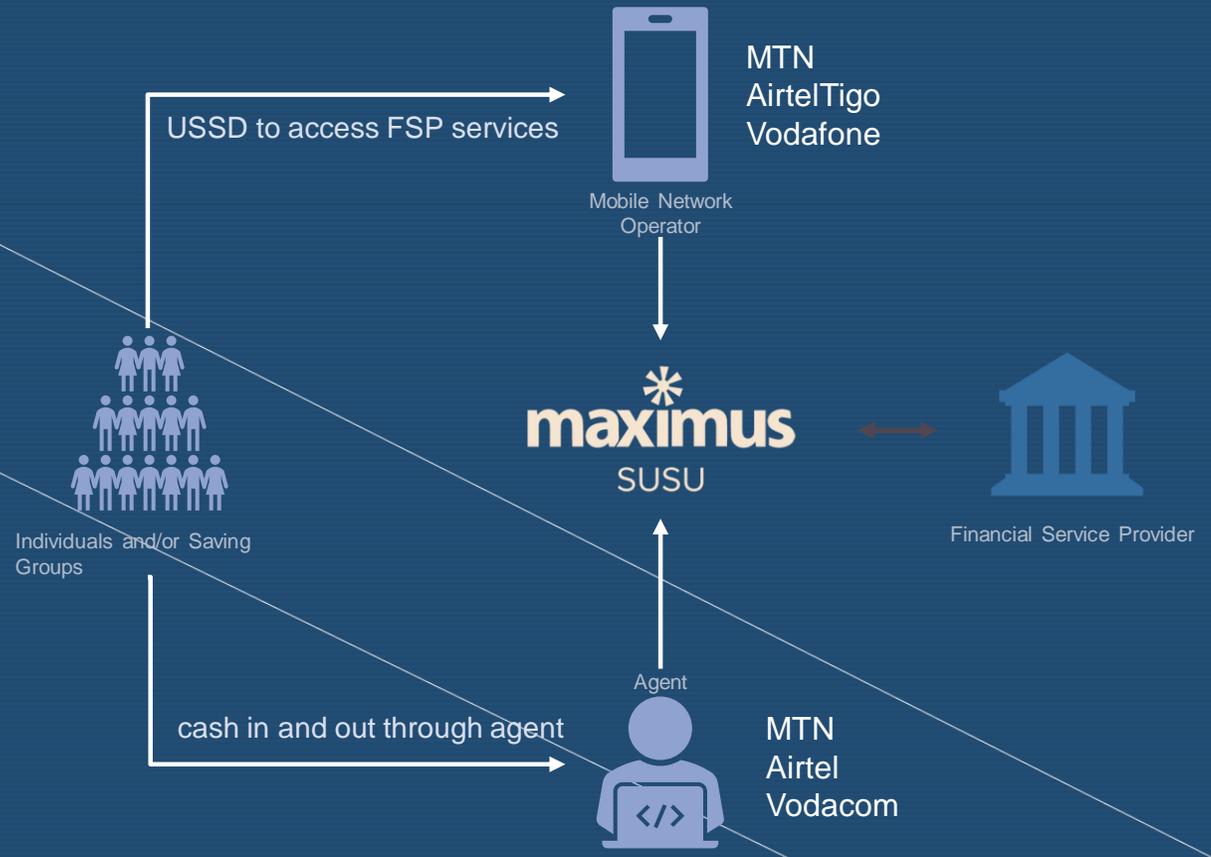
Maximus improves the transactional efficiency by which ISMs users save money and access formal financial services.

Maximus also expands the Economically Feasible Operational Zone (EFOZ) of FSPs from proximity to branch locations to mobile money wallets and any of the 190,000 mobile money agents across Ghana.



How Maximus Works

- ### Savings Group Benefits
- Access to broad range of financial services
 - Reduce time and transaction costs
 - Enhanced relationship with FSP



- ### FSP Benefits
- Expanded product offering to clients
 - Reduce cost of transactions
 - Increase in clients and deposits
 - Increased profitability

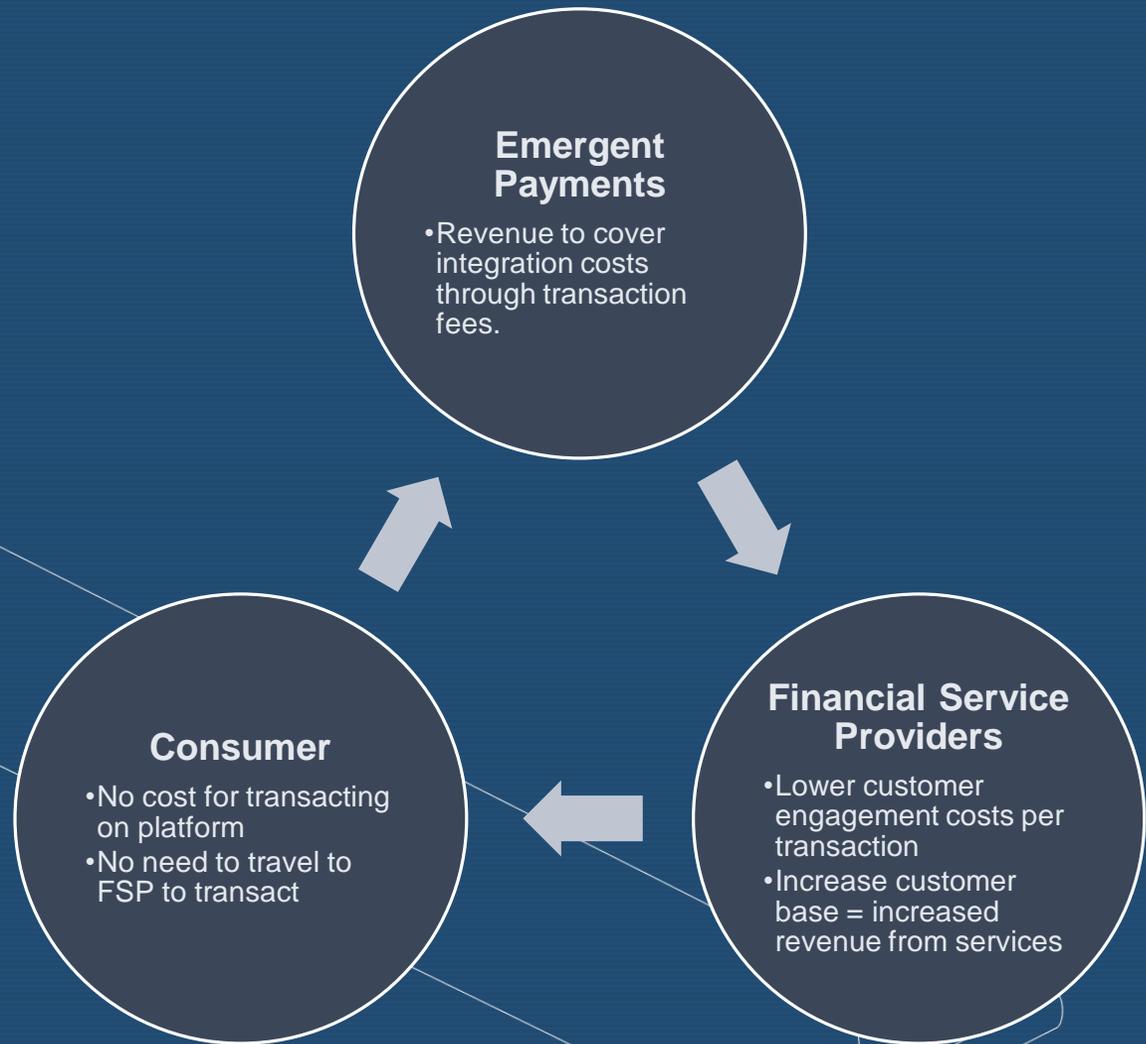
- ### Agent Benefits
- Increase in revenue and cashflow

Sustainability Model

Ensuring the sustainability of access to financial services is a core focus of the programme.

The emerging business case examines the economics of digital linkage for Emergent Payments as a provider, the FSPs that leverage the Maximus platform and the consumers that use the product and services.

This is being achieved by gaining a deep understanding of client needs, context, institutions and key actors involved to ensure that all stakeholder realise a real benefit.



Financial Service Provider Benefits – Maximus

- Expanded product and service offerings
- Reduced transaction costs
- Increased client base and deposits
- Increased profitability



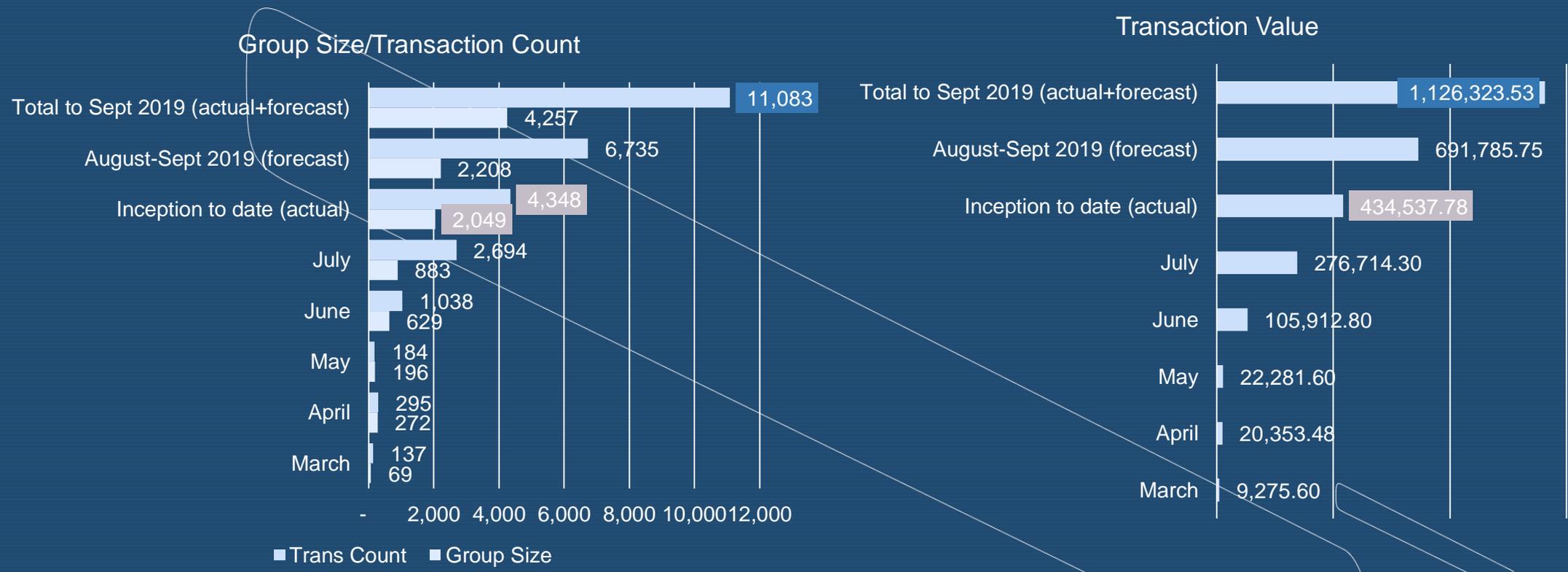
Consumer Benefits – Maximus

- Access a broader set of financial products and services
- Reduced time and monetary costs of both the people saving,
- Improved risk management, through improved savings and investment opportunities, knowledge and skills
- Enhanced transparency and trust in ISMs



Results so far...

Having emerged from the proof-of-concept phase, we are now **scaling up support systems** around the program to ensure **sustainable managed growth**.





Mark Reilley
Pact



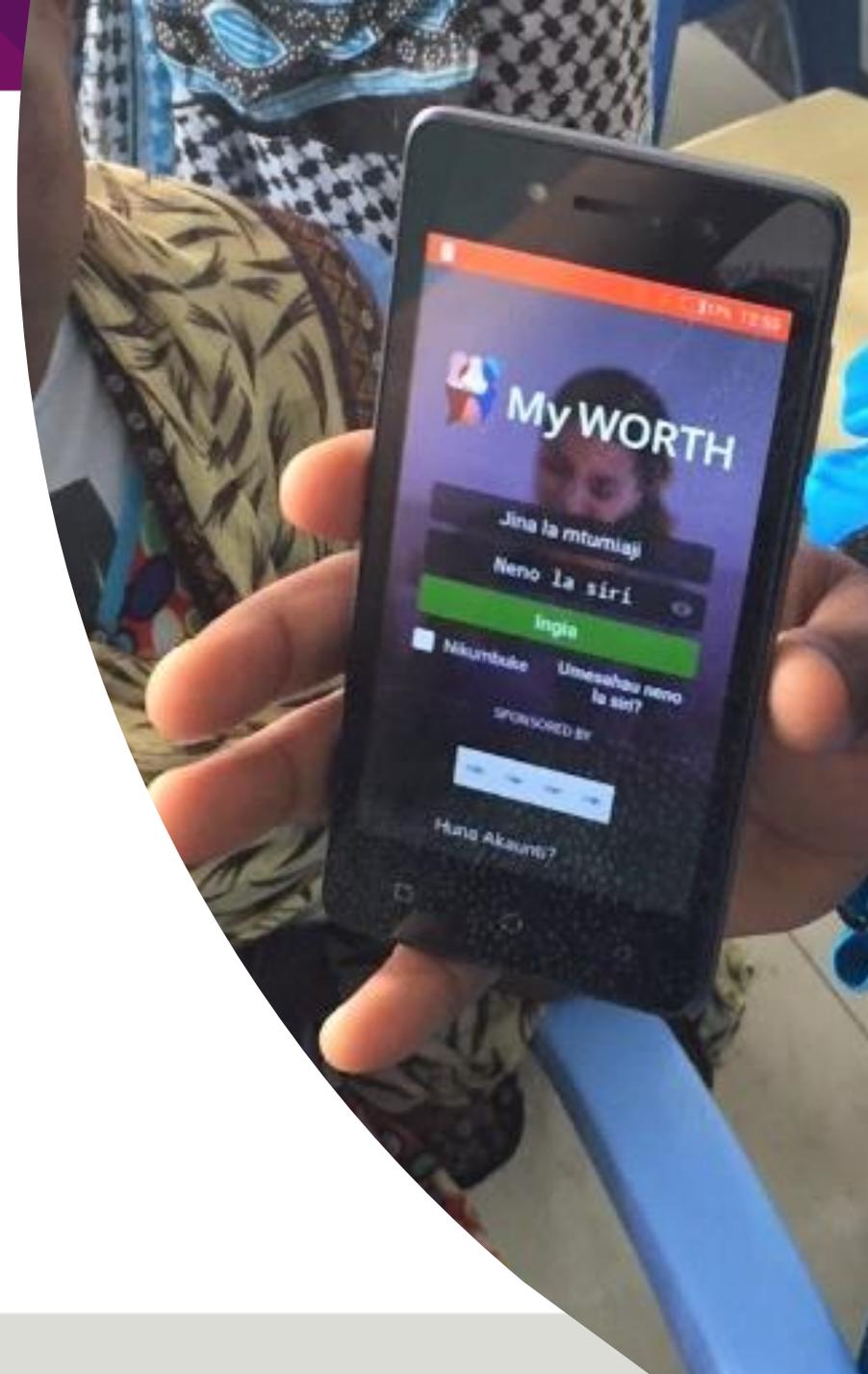


building
local
promise.

myWORTH

NOVEMBER 2019

- **Pact's WORTH program**
- **The MyWORTH app**
 - **Design**
 - **Progress**
 - **Roadmap**



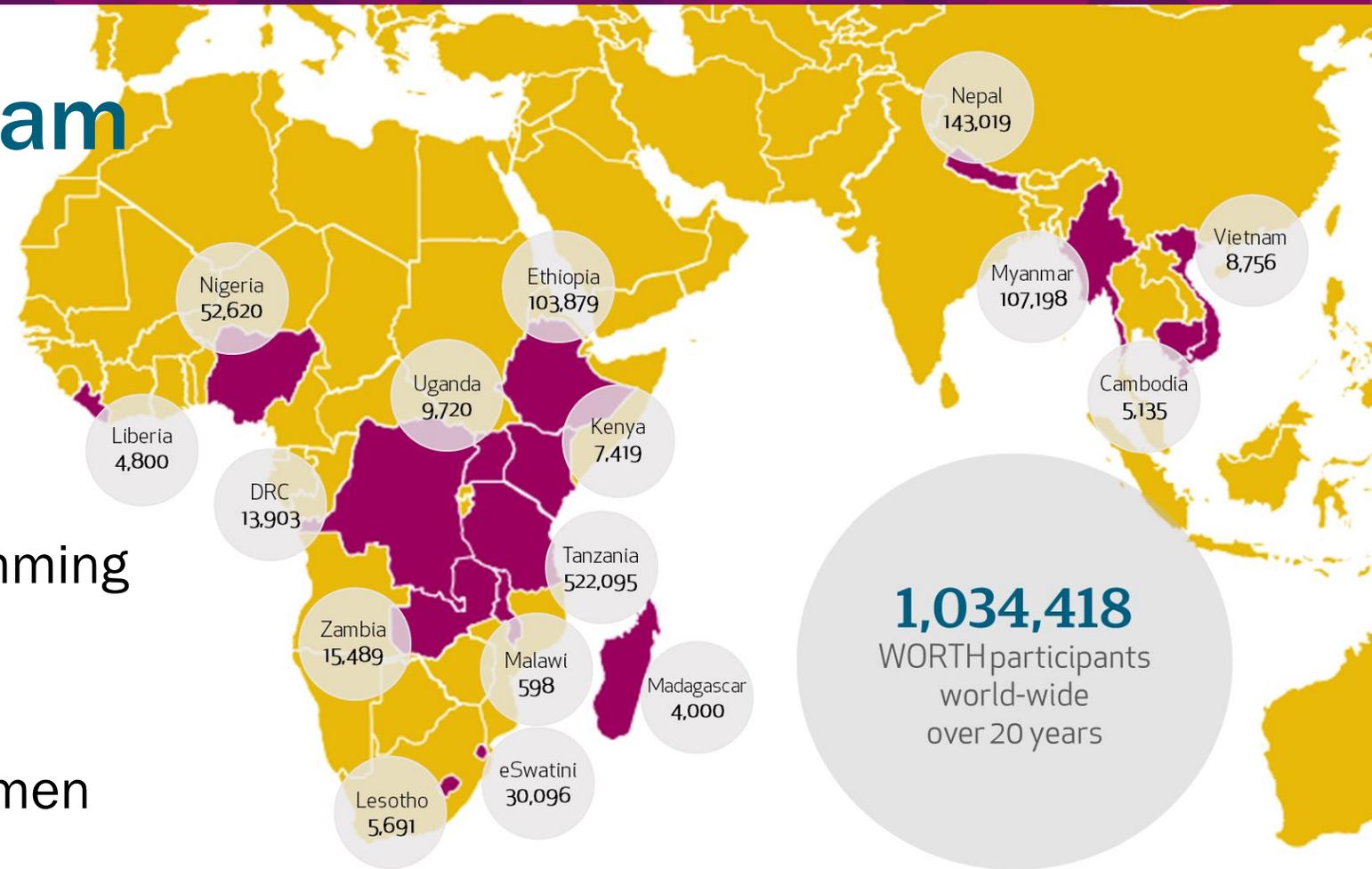
Mark Reilley, Sr. Director, Technology and Data Analytics

Pact's WORTH Program

- Operating since 1998
- 16 countries
- 1M women reached

Integrated across Pact's programming

- OVC Caregivers
- Artisanal small-scale miners
- Adolescent girls and young women
- Sex workers



Focus on Financial Inclusion

- 20 years of WORTH
“necessary but not sufficient”
- Opportunity to leverage technology and Digital Financial Services as the catalyst for financial inclusion
- Potential for greater value for members and for Pact



our digital strategy meets our paper process



Developed in Partnership

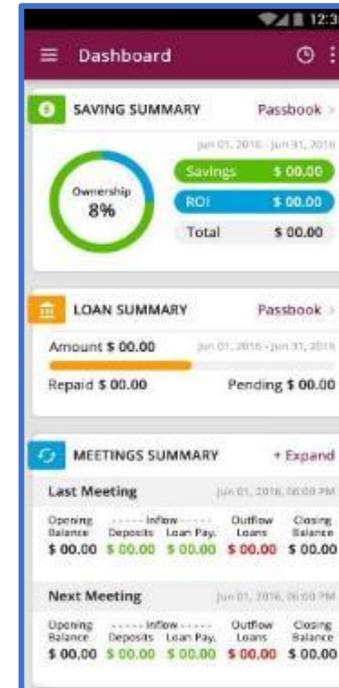
- Designed and developed the app thanks to HPE's \$200K Living Progress in-kind award
- Distributed 1,800 phones thanks to Google's \$200K Technology Impact award
- Pact retains intellectual property



Original Idea: Digitizing for Operational Excellence



Digitizing a
paper process

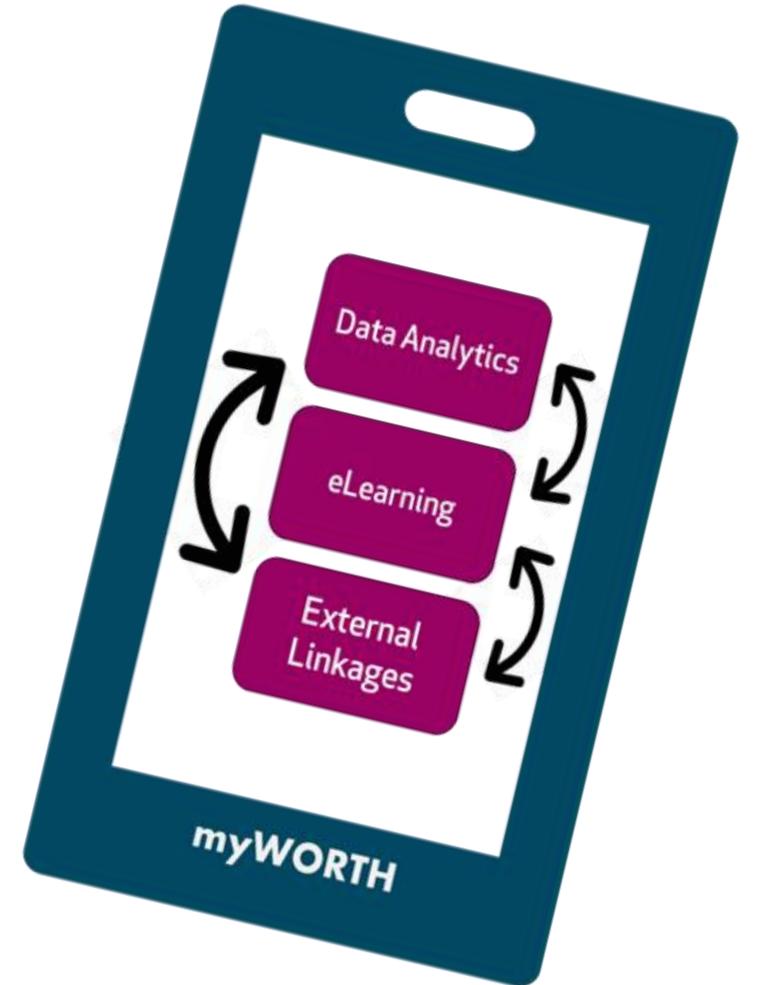


Automates banking functions; Manages loan requests & approvals;
Digitizes savings group logistics; Saves time, improves data quality

myWORTH evolution:

A Platform for Learning & Linkages

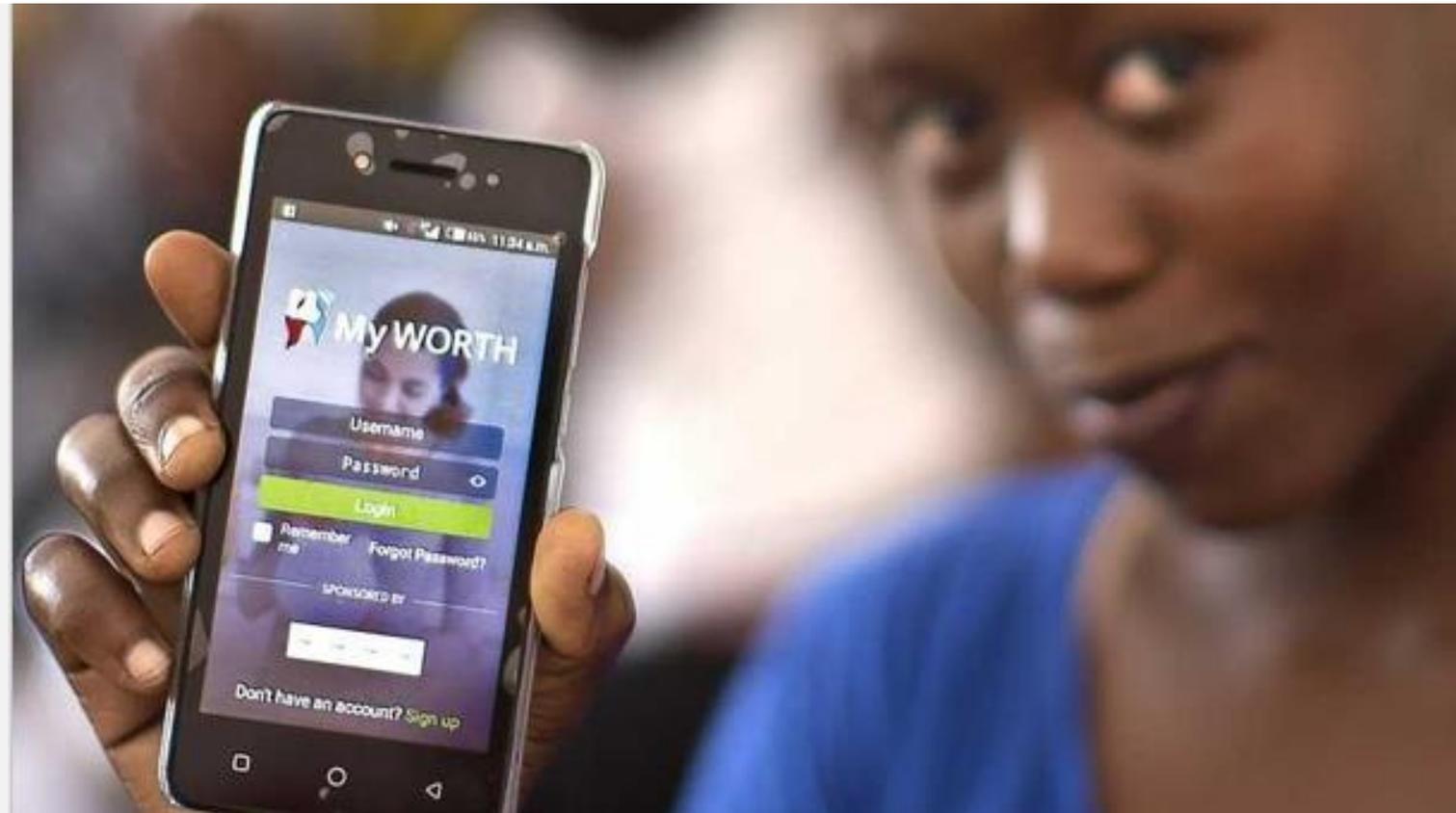
- Linking users to formal financial institutions and eLearning opportunities (while we collect analytics)
- Ongoing myWORTH app and platform upgrades are developed in direct response to user needs.
- The data generated will feed into a broader Pact's "Shareholder" Insight Platform.



**Currently 2,000 users in
Tanzania**

**Further scaling up in
Tanzania by January
2020**

**Expanding to eSwatini
in 2020**



Pilot Findings

Users still “participate” in meetings remotely

- Appreciate transparency of seeing group data
- Improved group efficiency; more time for discussion
- Understood cloud architecture (shared logins)

Phones used in ways beyond the app:

- Develop friendships, build marketing relationships
- Discovered “Instacart” model, selling via WhatsApp, Instagram, etc
- Independent learning via YouTube, etc.

Quickly asked for more features

- User interface tweaks
- Linkages to banks

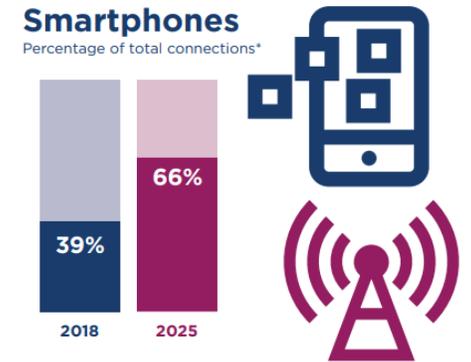
Set up a mobile money process to eliminate need for the cash box



Smart phone vs. USSD

- Following long-term tech penetration trends
- Population is going digital – our savings groups (and programs) skew toward youth, need to appeal to them
- Enhanced learning opportunities: more content formats, no printing costs
- More ways to connect to people and services
- Can better replicate group processes

The Mobile Economy Sub-Saharan Africa 2019



Source: GSMA Intelligence

Product roadmap



Financial Linkages

- mobile money; MFIs; banks

Interaction & Insight

- Surveys, immediate feedback tools

User-centered design

- Offline functionality; Chat function

Learning

- E-learning portal with digitized certification

Links to services

- Pact programs, health insurance, larger capital loans

Artificial Intelligence

- Provides first line of tech support
- Market and pricing recommendations
- Analytics: impact, credit worthiness, interest rates, etc.



Thank you!



Q & A



David Panetta
The SEEP Network



Karen Vandergaag
CARE International



Shema Steve
Exuus



Saqib Nazir
Emergent Payments



Mark Reilley
Pact

Thank You!



David Panetta

The SEEP Network

panetta@seepnetwork.org



Karen Vandergaag

CARE International

karen.vandergaag@care.org



Shema Steve

Exuus

sshema@exuus.com



Saqib Nazir

Emergent Payments

saqib.nazir@emergenttech.com



Mark Reilley

Emergent Payments

mreilley@pactworld.org

For more information about SEEP's Savings Groups webinars contact David Panetta: panetta@seepnetwork.org

www.seepnetwork.org



SG2020

**THE FUTURE OF SAVINGS GROUPS
SCALE. SUSTAINABILITY. IMPACT.
DURBAN, SOUTH AFRICA | MARCH 10-12**

Convened by THE SEEP NETWORK

REGISTER NOW

**Sessions will be announced soon
on [SGconference.org](https://sgconference.org)!**

Upcoming Webinars – Stay tuned to register

**Women’s Empowerment and Savings
Groups – December 11, 2019**

**Savings Groups: Expanding Access to
Finance for Refugees – January 2020**

**The Long-Term Outcomes of Savings
Groups: Revisiting Savings Groups in Mali
and Uganda 10 Years Later – February 2020**