



Digital Finance Implementations in MFIs

Presented by PAMIGA
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EUROPEAN
MICROFINANCE WEEK 2016

About Pamiga

Pamiga is a network of MFIs



→ Presence

13 MFIs in 8 African countries
(Kenya, Mada, Benin, Mali,
Senegal, Burkina, Ethiopia &
Cameroon)



→ Offices

HQ in Paris, 2 regional
offices – Nairobi & Dakar



→ Experience

Operating since 2006



→ Clientel

Over 1 million rural clients



→ Loan Portfolio

Over 81 millions €



Existing MFI



Focused on African MFIs



Serve Rural clientel



Growing and sustainable MFIs



Responsible MFIs





About PAMIGA

- Aims at contributing to unlock the economic potential of Africa by promoting Financial Intermediaries that serve the rural population
- Brings investment, knowledge and Tech Assistance
 - Market and Products development
 - Agricultural value chain financing
 - Investment in productive water, drinking water and sanitation
 - Investment in clean energy – solar systems, mini-grid energy
 - Institutional strengthening and Risk Management
 - Social and Environmental Performance Management
 - Digital Finance – design and implementation (studies, development, TOTs, pilots, scale-up)

Pamiga Services: Investment & Technical Assistance in technology for digital finance, innovative products (productive water, renewable energy) and Institutional strengthening.



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Our DF projects

PAMIGA is in partnership with PHB in deployment of these DF projects

Project funded by AFD

One MFI (Busaa Gonofa) in Ethiopia has deployed POS for data capture

- The project has been successfully launched across all branches

Use of mobile as a tool – Using tablets to digitize data collection in group meetings in Caurie-MF (Senegal)

Project is in the pilot phase

Agent banking in UIMCEC (Senegal)

Use of external agents to collect deposits using tablets

- Using a telephone operator and interconnect with MIS

Project in pilote phase

Selection of tech providers is on going in 3 MFIs
2 (ACFB and RENACA) in Benin
1 in Madagascar

- ACFB – use of tablets
- RENACA – Mobile banking
- CECAM – Mobile Banking

Results and outcomes

Busaa Gonofa in Ethiopia has deployed POS for data capture

- Reduced fraud & data entry errors
- New savings product
- PAR < 3%

Caurie is using tablets to digitize data collection in group meetings in Senegal

- Reduced data entry errors
- Reduced time in group meeting
- On-time data entry
- (Expected increase outreach)

UIMCEC is using external agents to collect deposits using tablets

- Using a telephone operator and interconnect with MIS

- Reduced fraud & data entry errors
- On-time data entry
- (Expected increase outreach)

6 feasibility/market studies

- 1 Kenya
- 2 Benin
- 2 Senegal
- 1 Madagascar

Market entry strategy

Lessons learnt

- MFIs are now willing to implement DF solution and this forms an integral part of strategic planning. Strategic planning around innovation is necessary to get the best results from innovation.
- CEOs now understand that without innovative DF solution, MFIs are likely to die.
- Internal project leadership and capacity is important for the success of DF project
- Cost is a big issues – tech is not cheap - MFIs are willing to invest more on DF solutions
- Technical assistance is needed - Develop partnerships with DF experts to accelerate the creation of innovative products and services

Lessons learnt

- At the entry level of the project, identify key indicators to measure the overall business value and impact. This provides a compelling reasons for MFIs to invest.

- MIS and branch connectivity remains a key challenge to accelerate innovative DF solutions
 - Decentralized MIS databases
 - Connectivity challenges – geographical infrastructure
 - Integration of tech platforms with MIS

- DF project depend heavily on partnerships and collaboration with various players. Key in this is developing client-centric products – its all about the customer and what the customer wants.

THANK YOU



Questions & Answers