

# Designing business solutions that benefit women micro-entrepreneurs in rural and peri-urban areas

20<sup>th</sup> October 2022



# About US



- WIN is a 5-year program (2018-2022) implemented by TechnoServe

## Our objective

- To unblock win-win opportunities for private sector partners who engage women in their distribution channels, supply chains and as business partners

## Operating model

- By supporting the private sector and other actors to **design** and **trial** new business models which benefit low-income women (and men)

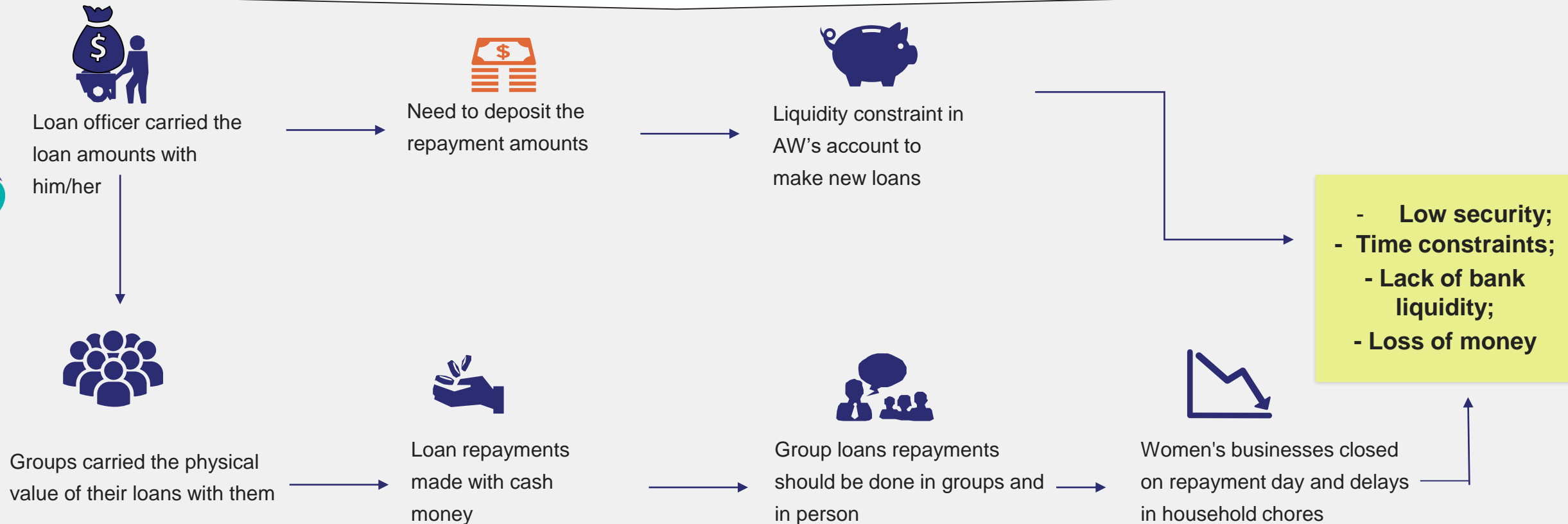


- Microfinance institution (+5 years)
- 9157 clients, ~ 60% women
- Focus on women's financial inclusion
- Loans granted to small groups (up to 10 people)
- Operate in rural and peri-urban areas

Migration of loan repayments from cash to mobile money

# What challenge did this design solution address?

## AFRICAWORKS



# Design process with a gender perspective

## Stage one:

Migration of loan disbursements from cash to bank account disbursements

- All clients were recommended to open bank accounts;

## Remaining issues to solve in the model:

- How to manage cash repayments
- Bank liquidity problem

## Stage Two (with WIN support):

Migration from cash to mobile money loan repayment model (M-Pesa)

- **System linkages:** AfricaWorks, with the support of a consultant, identified a partner to setup the linkage for repayment via mobile money (M-Pesa) and which can accommodate any other mobile money operator.
- **Baseline, midline, endline studies:** to assess female users' perspectives on the usefulness of the digital loans and their understanding of the technology; Also to measure impact for clients of the change.
- **Development of the mobile money training module** in the use of the technology and how to make reimbursements using mobile money, for trainers and clients, with comprehensive language, more illustrations and less text to be suitable for all clients, especially women.
- **Training sessions:** delivered during the training of the loan group, on the day the loan is granted, and reinforced in the repayment sessions. The loan officers are the trainers.
- **Repayments via mobile money accompanied by the loan officer** to gain the confidence and support of women (and men).



# Design process with a gender perspective

## Stage Three (with WIN support): Design and implement improvements

- Introduction of reminders SMSs for better control of loans and payment dates - to increase credibility of the model;
- Modification of the initial module for mobile money usage and payments - to make it more user-friendly;
- Maintenance of some groups in-person repayment meetings until all members have the confidence to repay via mobile money without loan officer supportt;
- Regions with problems such as lack of mobile money agents, float on agents, network, internet and/or banks could stick to cash to cash reimbursement or use other mobile money operator.



# What did this design achieve for women?

- The loan repayment system is already set up and **works**, can support any mobile money operator **which will reach more women entrepreneurs.**

All **887** AfricaWorks groups **trained** in M-Pesa use, of which **58%** are women

**2970** women **repaying loans** using mobile money (**62%**)

**Increased time, mobility and savings**

Increased **digital inclusion**: (from **2%** to **80%**)



**Thank you!**