

## Seven Things To Know About MicroLead

1. **WHY MicroLead?** Over two billion adults still do not have access to financial services. These unbanked populations consist predominantly of women (1.1 billion), and those living in remote rural areas. Impact studies<sup>1</sup> consistently show positive economic outcomes for women with access to savings, including increased productivity of rural women, expanded profits, increased investment in their businesses, and expand legal control over their own funds. In addition, digital financial services increase women's financial autonomy, support their participation in the labour force, and improve the performance of their businesses<sup>2</sup>.
2. **HISTORY:** The first phase of MicroLead (2009-2014) focused on bringing market leaders with a strong savings focus to vastly underserved markets. In the 13 countries where we worked, we discovered that commercial banks employing an agency model reached significant numbers of customers in a short time period. But three challenges remained: access (reaching women and rural areas), usage (high dormancy of accounts), and product quality. These challenges were tackled in the MicroLead Expansion (MLE) programme.

MLE challenges FSPs to reach rural unbanked populations, particularly women, with customer-centric deposit products and financial education. By deploying alternative delivery channels (ADCs) such as agency banking, digital financial services (DFS) such as mobile banking, and often working through informal community groups, MLE has increased the capacity of partner institutions to effectively serve, on a sustainable basis, excluded populations. It has also addressed the demand side by employing human-centered design on product and channel development, resulting in not only access but usage of formal deposit services.

3. **HOW IS MicroLead DIFFERENT?** MicroLead catalyzes FSPs to reach low-income rural women. It combines the best of our knowledge in multiple fields, including sociology (e.g. of group savings mechanisms), behavioral economics (e.g. employing human-centered design (HCD), and customer engagement strategies), DFS/ADCs and financial analysis (e.g. business case and viability). MicroLead shares the real-world lessons learned across our wide network and beyond, through face-to-face meetings and our series of case studies and DFS toolkits.
4. **HOW IS MicroLead CHANGING LIVES?** Orphaned and uneducated, Felicia Nimo struggled to make her way in rural Ghana. Eventually, Felicia opened her own "chop bar." Then her husband fell seriously ill and the burden of supporting the family fell upon Felicia. Stretched between family and business, her business suffered, and customers went elsewhere. Then, her sister suggested she join a Sinapi Aba Savings and Loan group. With nothing to lose, she did.

<sup>1</sup> 'Promoting Women's Economic Empowerment, What Works?' World Bank, Policy Research Paper 7087, November 2014. [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/11/04/000158349\\_20141104112018/Rendered/PDF/WPS7087.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/11/04/000158349_20141104112018/Rendered/PDF/WPS7087.pdf)

<sup>2</sup> 'Digital Financial Solutions to Advance Women's Economic Participation', World Bank Development Research Group, BTCA, Bill and Melinda Gates Foundation, Women's World Banking, November 2015: [https://btca-prod.s3.amazonaws.com/documents/122/english\\_attachments/Women's\\_Economic\\_Participation\\_Report\\_16\\_November\\_2015.pdf?1447440924](https://btca-prod.s3.amazonaws.com/documents/122/english_attachments/Women's_Economic_Participation_Report_16_November_2015.pdf?1447440924)



With assistance from its technical service provider, Opportunity International, and from MicroLead, Sinapi Aba has set up a point-of-sale distribution channel for its mobile banking team to provide doorstep banking, so it can more easily reach rural clients like Felicia. Sinapi Aba can now provide daily deposit services for amounts as little as 1-2 Ghana Cedis (the equivalent of 0.25 - 0.50 USD).

“Sinapi Aba is a godsend,” says Felicia. “Even though my husband is not well enough to support me financially, my family is still enjoying a normal life without any struggle, and my children are having the best educations, all thanks to Sinapi Aba.”

5. **WHAT PARTNERS SAY ABOUT US** In Malawi, the government is pointing banks in the direction of MLE partner, NBS Bank, which developed a mobile savings account that removes the barriers rural women face in accessing formal financial services using agent banking, mobile technology and community based marketing. “All banks should be following NBS’s lead,” says Malawi’s Minister of Finance.

“Because of what we’ve learned through MicroLead, we’re positioning ourselves to grow in the area of mobile money and mobile services for our clients.” – *Tony Fosuo, CEO of Sinapi Aba Savings and Loan, Ghana.*

“The market is ready for us to do more...and to build on what we’re doing on MicroLead to open up to other actors and work with them and help them to engage in the digital finance adventure.” – *Christian Loupeda, Freedom from Hunger.*

6. **WHAT’S NEXT?** Leveraging the lessons learned from the ML and MLE programmes, the next phase of MicroLead will focus on ADCs, informal groups, rural areas and women to...
- Use technology to reach scale, educate, and build FSP capacity,
  - Empower women through stronger social cohesion via informal groups,
  - Expand economic growth through domestic resource mobilization (i.e. savings),
  - Continue to create enabling environments through advocacy,
  - Capture market effects at regulatory and FSP level,
  - Strengthen demand-driven knowledge sharing, and
  - Maintain our customer-centric approach via HCD, customer journey mapping and behavioral economics.

7. **KNOWLEDGE MANAGEMENT.** MicroLead shares lessons from the field not only across its partner network, but also globally. Our series of six digital finance toolkits help financial institutions identify financially sustainable DFS business lines that fit their needs, provide practical tools that financial institutions can use in their journey towards digital finance, and share learnings from the field. Our partner case studies share real-world learnings in effectively linking formal financial institutions to savings groups, managing agent networks, and implementing digital finance. Through MicroLead briefs, study exchanges, webinars, partner workshops and other conferences and events, MicroLead is sharing practical knowledge throughout its partner network and beyond.

