

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

<b>Product Up-scaling Support</b>	<b>SCBF 2015-03: E-tontine for La Poste du Bénin</b>
<b>Country / Region</b>	<b>Benin</b>
<b>Partner Financial Institution</b>	<b>La Poste du Bénin</b>
<b>Grantee</b>	<b>E-Savings.club SA</b> , Alpenstrasse 38, 3073 Gümligen, Switzerland
<b>Overall Budget</b>	CHF 256'000 (43% self-contribution)
<b>SCBF Contribution</b>	<b>CHF 144'900</b> (57% SCBF funding share)
<b>Date of Approval</b>	11.03.2015
<b>Duration</b>	04.2015 until 03.2017, extended to 30.06.2017
<b>Context</b>	<p>Benin is one of the poorest countries in the world (rank 166). Only 10% of adults have an account at a formal financial institution and the vast majority of women microentrepreneurs in markets and other MSME owners remain excluded from the formal financial sector in particular in rural areas. The Poste du Bénin has the widest network in the country with presence even in rural areas and one of the major financial institutions with 540'000 accounts.</p> <p>Despite having the willingness, the Post's existing savings products do not fully answer the needs of the micro-entrepreneurs and other marginalized segments of the population in Benin who continue to use informal services. The proposal is therefore to design and launch a savings product that mimics the well spread informal practice of "garde monnaie/tontine".</p> <p>E-Savings.club, a financial technology start-up built a mobile App adapted to the needs of financial institutions interested in growing their savings base by serving informal savers. Thanks to its digital solution, E-Savings.club seeks to build bridges between informal savers and the formal financial sector therefore contributing to financial inclusion.</p>
<b>Current Status of the MFI</b>	<p>In Benin, the postal network is a key actor in financial inclusion. With 188 contact points, of which 106 are full-fledged post offices, it has a countrywide outreach, including in places that banks do not reach. However, its products are not demand-based which limits its role as a catalyzer for financial inclusion.</p> <p>Main limitations that the financial institution has faced in overcoming this issue are the fraud risk triggered by the lack of real time control on field cash collections and technological limitations to develop a digital product of its own. In addition, the Post also faces financial constraints although in 2014 it achieved full operational self-sufficiency. Hence, the importance of the SCBF funding which will support the implementation of E-Savings.club's mobile platform and advisory services, which allows a cost-effective branchless banking solution for the collection of deposits at the microentrepreneur doorstep to ensure savings' commitment.</p>
<b>Objective and Main Activities</b>	<p>SCBF support makes possible for the Post and E-Savings.club to increase financial inclusion in Benin. This will reinforce the position of the Post as a key financial player in Benin and contribute to develop digital financial solutions for the poor which are the focus of E-Savings.club. The main focus of the project is to increase formal micro-savings at the Post by digitizing traditional savings practices called "tontines". To do so, E-Savings will redesign and upscale a savings product, called épargne-tontine which has remained stagnant for the last years. Concretely this translates in adapting the existing E-Savings.club mobile platform to customers' needs and putting field officers on the streets to collect savings directly from market stalls. In addition, by developing a customer relationship management module this project will improve the Post's interaction with clients.</p> <p>The Post and E-Savings target 15'000+ clients reached by the end of the support period. Upon project completion, the Financial Institution should be in a position to use technology to open accounts remotely and collect regular deposits from micro-entrepreneurs in the field with the objective of reaching 100'000+ micro-entrepreneurs (60% women, 40% rural) in the next 5 years.</p>