

PROJECT FACTSHEET

Title of project	SCBF 2011-09: Promoting Access to Savings for the Working Poor in Ecuador
Country/ region	Ecuador / country-wide (total of 465 branches)
Financial Intermediaries	Credifé , non-bank financial institution (service company of BP) with 115 branches Banco Pichincha (BP) , largest private commercial bank with 350 branches
Competence Centre mandated for execution	ACCION International (56 Roland Ave Suite 300, Boston, MA 02129, USA) in collaboration with Credit Suisse (Private Banking Switzerland, Microfinance, PO Box 8070, Zurich, Switzerland)
SCBF project budget	CHF 189'367 (27% self-contribution by partners)
SCBF contribution	CHF 139'000 (73% SCBF funding share)
Overall project budget	USD 4 million ACCION - BP/Credifé Savings Project with 41% contribution from Banco Pichincha and 59% from SCBF, Gates Foundation, Citi Foundation, etc.
Date of project approval	03.2012
Project period	05.2012 until 04.2013
Context	<p>The microfinance market in Ecuador is offering a diverse range of products and services, but access to financial services is concentrated in urban areas and limited to only 10% of the working poor nationwide. Savings rates among the working poor are particularly low due to both limited access to deposit services and a poor savings culture. Lack of proximity constitutes a key barrier to formal deposit services, as proximity is vital to promoting a culture of savings and to providing ready access to savings with frequency, ease, safety and affordability. Without proximity, people save informally, which is both risky and costly.</p> <p>The government promotes inclusive finance and the ACCION - BP/Credifé Savings Project is aligned with its economic strategies for poverty alleviation. The microfinance sector is heavily regulated with interest rate and commission ceilings that tend to inhibit innovation and private sector engagement.</p>
Current status	<p>Credifé is the second largest microfinance institution in Ecuador and was recently named the best MFI in Latin America by the Mix Market. It is the microfinance subsidiary of Banco Pichincha, which is the largest private bank.</p> <p>With technical support from ACCION - their long-term microfinance partner - Banco Pichincha and Credifé are set to offer client-oriented deposit services to the working poor responsibly and at scale by overcoming the lack of proximity with three new innovative service delivery mechanisms.</p>
Objective and main activities	<p>The objective is for Credifé and Banco Pichincha to develop, test, and roll out convenient and accessible deposit products for the working poor with a particular effort to reach poor women and rural depositors on a sustainable basis. They intend to reach 100'000 new depositors by March 2013, thereof at least 50% women and 50% rural depositors. The project is expected to prove the business viability of savings outreach to the working poor. This will likely serve as an important demonstration for other financial intermediaries to follow the market leaders by entering the low-end deposit-taking market.</p> <p>The main activities of the project are to:</p> <ol style="list-style-type: none"> 1) Develop, test, and roll out deposit products that are tailored to the needs of the working poor. 2) Design and implement three accessible channels to deliver deposits services, like mini branches, ATMs with the capacity to dispense withdrawals and accept deposits, and an agent network to receive deposits in a first phase and to open electronic accounts in a second phase. 3) Promote the culture of savings via a targeted communications campaign. <p>At the end of the project, Credifé and Banco Pichincha should have gained the capacity to develop, test, and roll out other savings products for the working poor without external support.</p>