

PROJECT FACTSHEET

Title of project	Financial Education Campaign for Digital Rotating Savings and Credit Associations
Country / region	Mexico, Countrywide
Financial Intermediary	Akiba
Competence Centre mandated for execution	E-Savings.club SA
Overall project budget	CHF 207,950.00
SCBF contribution	CHF 149,450.00 (72%)
Date of project approval	04.12.2015
Project period	03.2016 until 08.2017
Context	<p>Many low-income households and microentrepreneurs in Mexico rely on informal mechanisms, such as rotating savings and credit associations (ROSCAs) or “tandas,” to meet their financial needs. This is because these mechanisms are often low-cost, convenient, and easy to understand, making them a preferred alternative to formal financial services. A 2013 survey and report from the World Bank shows that in Mexico, financial capability—the ability of consumers to make sound financial decisions and use financial products effectively and responsibly—is of crucial importance in accelerating financial inclusion given its current low levels. For technology-based financial products, technology-awareness can be a challenge to adoption in the lower income segments of the Mexican population. Finally, in order for users to take full-advantage of the product for their financial needs, they need to understand it first.</p>
Current status of the Fintech Startup	<p>Akiba will be incorporated as a SAPI (<i>Sociedad Anónima Promotora de Inversión</i>) in Mexico, and 99.9% owned by E-Savings.club SA in Switzerland. Its primary product offering will be the Akiba application, which will expand to include other mobile financial services such as recurring savings products. Akiba while a new venture in Mexico, as a fully-owned subsidiary of E-Savings.club will benefit from the expertise and experience of the E-Savings.club team in other developing countries (ex: E-tontine in Bénin).</p> <p>E-Savings.club has so far performed a feasibility study of the Akiba product in Mexico and has developed a preliminary version of it which will be improved thanks to this project.</p>
Objective and main activities	<p>The aim of this project is to support the Akiba product upscaling by increasing financial capabilities of Akiba’s potential and active users. Concretely, by training its clients on how to use the app to improve their financial well-being, E-Savings.club expects the financial education campaign to help it overcome three major constraints in the uptake of the product: 1. Understanding how the app works and the benefits it can bring, 2. Overcoming the digital gap, 3. Helping to build trust in a non-bank digital platform by explaining them where the risks are. Akiba will greatly benefit from a financially well-educated user base. Indeed, clients who understand products use them more, and repay more proactively while complaints will be lower and recommendation to peers will increase.</p> <p>The financial education campaign will be implemented around 4 key phases, over an 18 month period. These phases are : i) design the financial education campaign, ii) develop the tools for the financial education campaign, iii) launch the financial education campaign, iv) monitor the results of the financial education campaign. The first component will include the following activities: (i) Conduct focus group to better understand the needs for Financial education, (ii) Design the overall campaign. The second component will consist of the following activities (i) Develop a tutorial on how to use the Akiba platform, (ii) elaborate financial education videos for the end-users of Akiba in Mexico, (iii) Design and develop the financial education module which will be integrated to the Akiba platform.</p> <p>Thanks to the tools developed with this support, upon project completion the financial institution will be in a position to offer financial capability training to its new users in a sustainable way both within the app and in-person.</p>