

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	SCBF 2014-06: Savings and insurance linked to international remittances for Burkinabe diaspora and their families
Country	Burkina Faso
Partner Financial Institution	SONAPOST – National Postal Service Provider
Grantee	PlaNet Finance, 44 rue de Prony, 75017 Paris, France
Overall Budget	115'293 CHF (35% self-contribution)
SCBF Contribution	75'350 CHF (65% SCBF funding share)
Date of Approval	18.07.2014
Duration	11.2014 until 06.2014
Context	<p>Today both international development stakeholders and diaspora acknowledge that linking migration and local development is a major stake for the future of developing countries. From 1962 to 2012, Burkina Faso registered an average negative migration balance of 158'000 people per year. The weak economic situation leads workers to the West African Economic and Monetary Union (WAEMU) countries, notably to Mali (> 600'000) and Ivory Coast (> 2'000'000). Despite recent political crisis in these countries, the migrants' community remains a large and needed contributor to their families' livelihoods in Burkina Faso.</p>
Current Status of the MFI	<p>SONAPOST employs 1'012 permanent staff, including 319 women and 693 men, spread across a national network of about 100 post offices located in urban and remote areas. SONAPOST's positioning is halfway between banks and microfinance institutions. A 2012 market research (performed by Planet Finance) about existing and potential clients' needs provides an interesting comparison with EcoBank and RCPB, respectively the leading bank and leading MFI in Burkina Faso:</p> <ul style="list-style-type: none"> ✓ SONAPOST enjoys a clear advantage over banks in terms of network: 96 contact points (with a total of 300 wickets) against only 46 for the leading bank ✓ SONAPOST has twice as many savings accounts and current accounts as the leading bank, and about 100'000 less accounts than the leading MFI ✓ SONAPOST manages nearly 40% of international remittances (receptions and emissions) in Burkina Faso, far away from its two competitors.
Objective and Main Activities	<p>The main objective of the overall intervention is to pilot, evaluate and prepare the upscaling of innovative financial services (savings and insurance products linked to the International Express Money Order system, IEMO) to provide concrete solutions for Burkinabe migrants in Ivory Coast and in Mali in order to save money in their home country for future investments. 5 activities will be implemented within SONAPOST:</p> <ul style="list-style-type: none"> ✓ Activity 1 – Training on New Product Development ✓ Activity 2 – Developing prototypes of 3 products linked to IEMO ✓ Activity 3 – Pilot Preparation: MIS setting, agency staff training, etc. ✓ Activity 4 – Pilot Launching ✓ Activity 5 – Pilot Evaluation & Road map to upscaling <p>The overall intervention is supported by the EU together with La Poste and SCBF, with the latter supporting the interventions under activity 2.</p> <p>At the end of the intervention (2016), at least 2'130 new clients will use the developed products. Moreover the extended financial services offer should allow to considerably increase the amount of formal remittances to Burkina Faso through SONAPOST: Money transferred through IEMO will reach 1,1 billion FCFA, an increase of 8980% compared to 2010.</p>