

## 2022-04 | Digital emergency product and self-service support channels

Partner Financial Institution:	<a href="#">Annapurna Finance Private Ltd</a>	SCBF Contribution:	CHF 124'790 (65%)
Grantee:	<a href="#">Accion</a>	Matching Contribution:	CHF 67'263 (35%)
Country:	India	Theme:	Financial resilience
Duration:	April 2022 – December 2023	Product:	Emergency loan
Potential Outreach:	180,000 clients	Target Group:	Low-income clients
Number of Women:	Approx. 165,600 (92%)		

### CONTEXT

India has made rapid strides in financial inclusion in the past decade, driven by the JAM (Jan Dhan – Aadhar – Mobile) trinity.

These three initiatives focus on opening basic savings accounts, creating access through a national identity card, and using mobile phones to increase outreach of financial services. There are still huge gaps in the pervasion of financial products and services, especially for women and rural parts of India. More than [half of the women in India do not use banking services](#), and more than [60 percent of farmers do not have access to credit](#).

A major challenge in promoting financial inclusion is accessibility: due to high costs, most banks are unable to reach remote rural areas and are unable to offer low ticket size products. The work that Accion is doing with Annapurna Financial Services Ltd (AFPL) includes a low-ticket emergency loan for women which can be accessed instantaneously by using a feature phone. We are also creating and upscaling a customer engagement platform which customers can access through IVR, SMS, and WhatsApp. As the platform evolves, customers will be able to access more products and services directly from the institution through the phone – thereby increasing outreach and reducing cost.

### CURRENT STATUS OF THE MFI

Annapurna Financial Services Ltd (AFPL) is a microfinance company, regulated as a Non-Banking Finance Company. The company provides need based financial services to micro businesses and low-income households. AFPL has a client base of 1.8 million group loan borrowers and approximately 14,000 MSE (micro and small enterprise) borrowers' areas. The group lending vertical caters to rural women from low-income households, while the MSME vertical caters to the small businesses.

AFPL has more than 800 branches and operates across India, While the organisation has very strong distribution and efficient processes, the digital products and services are relatively new to AFPL. The support provided will help them introduce and scale up digital products quickly

### OBJECTIVES AND MAIN ACTIVITIES

Accion is working with AFPL to upscale two critical products. The first is a pre-approved emergency loan – the 'Just in Time' (JIT) loan. With support from SCBF, Accion will work with AFPL to scale the uptake of this product through its branches. The product will exclusively cater to the existing group loan customers of AFPL, 100% of whom are women from low income households. The support will include: enhancing the JIT product terms and conditions, developing the go to market strategy, and developing the broader marketing strategy for digital products. Accion is also supporting AFPL in the development of an interactive customer engagement platform (CEP), through which the customers of AFPL can communicate with the institution via SMS, IVR, or WhatsApp, and fulfill basic queries such as balance check, express interest in a loan (including the Just in Time emergency loan), or raise service requests, among others.

Upon project completion, AFPL should be in a position to reach 200,000 customers with the JIT loan, and provide 600,000 customers with access to the CEP product – 30% of which are expected to have requested products, services, or information through the platform.

#### Partnering with:

