

2022-03 | Scaling gender-focused financial resilience

Partner Financial Institution:	<i>People's Pension Trust</i>	SCBF Contribution:	<i>CHF 81,290 (53%)</i>
Country:	<i>Ghana</i>	Matching Contribution:	<i>CHF 72,322.50 (47%)</i>
Duration:	<i>Mar 2022 – Jul 2024</i>	Theme:	<i>Financial resilience</i>
Potential Outreach:	<i>100,000</i>	Product:	<i>Pension-linked savings</i>
Thereof Women:	<i>60,000 (60%)</i>	Target Group:	<i>Low-income clients</i>

CONTEXT

As the World Bank reported (2019, Extending Pension Coverage to the Informal Sector in Africa), “One of the challenges in designing an informal sector pension scheme is reaching the geographically dispersed.” In the next 40 years, the share of Ghanaians over 60 years old will double from 7% to 15%. Even more, people will fall in the gap populations. Twenty-two pension funds currently operate in Ghana. However, none of them has been successful (or willing) to target the informal sector, which is deemed difficult to serve because it is mainly unorganised and challenging to reach or perceived as not commercially sustainable.

CURRENT STATUS OF THE MFI

People’s Pension Trust is licensed by the National Pensions Regulatory Authority (NPRO), Ghana, to provide trustee services for the Ghanaian workforce, particularly those in the informal sector. PPT aims to be recognised as the organisation that successfully reduces old-age poverty by offering flexible and high-quality pension products focusing on the informal sector. This product is distributed primarily through strategic partnerships. For instance, embedding it on a mobile money menu, as with Vodafone Ghana. As part of PPT’s growth strategy, the focus will be to leverage partners such as AirtelTigo and Ecobank to accelerate acquisition. Furthermore, PPT is deepening its engagement with community-based savings groups and farmer organisations such as UNIWA.

OBJECTIVES AND MAIN ACTIVITIES

People's Pension Trust provides a unique pension savings product to people working in the formal and informal sectors. The product is a flexible savings product designed to ease the ability to save towards old age and receive a real net interest on members' capital. Members may withdraw up to 50% of their contributions at any time, a critical and unique feature of this product.

The approach is based on addressing the main factors for the exclusion of people in the informal sector by developing innovative, flexible, and digitally-driven pension products. These include the use of USSD technology to improve accessibility even in no-internet areas; strategic collaborations that expose large subscriber bases to pensions and the use of incentive schemes. This project aims to leverage technology and non-technology solutions to increase female clients' enrolment and usage.

This new programme will catalyse participation in pensions that will allow women to contribute small payments for long-term savings and have access to 50% of their contributions for immediate needs if necessary. This will be accomplished by partnering with women-based organisations to improve outreach and leveraging digital solutions to increase financial literacy and understanding of the benefits of long-term savings.

The programme expects reaching 100,000 new clients, of whom 60% will be active women savers.

Partnering with:

