

2023-18 | Katumba Platform for digital savings by low-income rural women, Zambia

Financial sector partner (FSP) / Grantee	MicroLoan Foundation Zambia	SCBF contribution	CHF 122,300 (78%)
TA provider	3 Synergies	Matching contribution	CHF 33,674 (22%)
Country	Zambia	Theme	Financial Capability
Duration	Oct 2023 – Apr 2025	Product	Digital financial services
Potential outreach	20,000	Target group	Rural Women
Thereof women	100%		

CONTEXT

With the introduction of digital financial services in Zambia, largely in the form of mobile money services, financial inclusion has increased over the past 5 years. However, access to digital financial services is limited in rural areas and a disproportionate number of those who remain financially excluded are women.

To increase financial inclusion, there is a need to help rural communities create a digital footprint. MicroLoan Foundation Zambia is proposing to do this by introducing Katumba - a free of charge digital savings platform. This platform is the first of its kind in Zambia, providing an end-to-end solution for clients to access a free savings facility that will create a record of savings behaviour and financial activity for financially excluded individuals to access formal financial products.

CURRENT STATUS OF THE FSP

MicroLoan Foundation Zambia (MLF Zambia) is a non-deposit taking microfinance institution regulated by the Bank of Zambia (BoZ). The institution was established in 2008. It delivers social impact microfinance services to empower women to develop small businesses, encourage a savings culture and build resilience. Loan groups are a central component of the model, and the institution has a unique high-touch methodology with an extensive training programme.

MLF Zambia currently serves over 50,000 active clients from 10 branches and 11 satellites in the southern, eastern, and northern part of the country and is the second largest microfinance institution in Zambia based on active client numbers.

OBJECTIVES AND MAIN ACTIVITIES

The Katumba savings platform is free of charge to use and will be available on the MTN mobile money platform. MLF Zambia expects significant positive social impact for its clients as greater access to a secure savings facility will encourage savings and build resilience to manage external or domestic shocks.

MLF Zambia will have access to the savings data to develop products and services that meet the needs of its target demographic. The data will support credit assessments to facilitate larger loans for first time borrowers, reducing the risk of over-indebtedness and default. Data-driven decision making, will benefit both the clients and the lending institution. Upon completion of the project, an estimated 20,000 rural women will have access to a secure savings facility and the institution will have a digital footprint to facilitate further financial services and develop the products they want and need.

Partnering with:

