

# Establishment of the interconnection of Assilassime Solidarity agencies and digitization of products offered to beneficiaries (customers) of ASSILASSIME SOLIDARITE in TOGO

## 1. DEVELOPMENT RELEVANCE

### Economic and poverty context

Togo currently has a population of 8,095,498 inhabitants, 51.3% of whom are women. GDP per capita in Togo was US\$918.4 in 2022. Real GDP growth declined to 3.4% in 2022 against 4% in 2020, due to the combined effects of the security crisis in the far north of the country. After the COVID-19 pandemic which lasted four years and whose effects faded in 2021, Togo's economy had started to gradually recover when it again experienced the effects of the war in Ukraine in 2022 resulting in a drop in export earnings and an increase in the cost of living which is partially offset by increased public spending. The inflation rate rose from 1.9% in 2021 to 8.3% in 2022 due to higher food and energy prices. Exports of goods and services increased from 26.4% of GDP in 2021 to 28.9% in 2022. The level of poverty is twice in the rural areas (58.8%) than in urban areas (26.5%). This is due to the concentration of economic growth in modern sectors and poor access to quality services. Poverty is slightly higher among households headed by women (45.7%) than those headed by men (45.2%). Women remain more vulnerable because they have limited access to economic opportunities, education, health, and other basic socio-economic facilities.

Table 1 <sup>i</sup> : Population and economic indicators	
Population in million (2022 census)	<b>8 095 498</b>
GDP growth (2022)	<b>5,8%</b>
Inflation (2022)	<b>8%</b>
Trade balance (% of GDP) (2022)	<b>-9,9%</b>
Foreign direct investment (net) (% of GDP) (2021)	<b>1,6%</b>
Net ODA received (% of GNI) (2021)	<b>4,1%</b>
Remittances received (% of GDP) (2022)	<b>8,2%</b>
Economic Freedom Index <sup>ii</sup> (Rank among 186 countries) (2022)	<b>30</b>
Poverty indicators	
GDP per capita (USD) (2022)	<b>918,4</b>
Gini Index (0= equality 100= inequality) (2018)	<b>42,4</b>
International poverty rate (year; at 1.90 USD/2018)	<b>28,1%</b>
National poverty rate (2018)	<b>45,5%</b>

### Financial sector context

Togo has the best performance in terms of progress in financial inclusion within the WAEMU (Economic and Monetary Union of West African Countries), which brings together seven French-speaking West African states and Guinea-Bissau. Alongside this performance, it is also noted that according to data from the BCEAO (Central Bank of West African States), Lomé has the best extended banking rate (which takes banking and microfinance activities into account) in the sub-region. The general performance is driven in particular by the "national financial inclusion strategy", a plan adopted in 2021, and which supports ambitions already marked since 2014, by the establishment of the National Fund for Inclusive Finance (FNFI). This fund has, since its creation, granted to disadvantaged groups microcredit packages up to 106 billion FCFA by the end of December 2022, with an overall reimbursement rate of nearly 94.45%, according to the Minister in charge of financial inclusion in Togo.

Financial sector	2022
Number of commercial banks	13
Number of bank branches	3
Number of financial institutions of a banking nature	3
Number of Microfinance Institutions	59
Number of insurance companies	8

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### Financial Sector Partner/s

The partner financial institution of this project is Assilassime Solidarite, a social microfinance institution promoted by Entrepreneurs du Monde (EdM), a French NGO. Assilassime Solidarite's mission is to "provide sustainable access to social microfinance services to people who have limited access to the traditional microfinance system, to enable them to carry out income-generating activities and improve their living conditions". Its vision is to "enable anyone wishing to undertake so that they and their family can permanently overcome poverty". To achieve its mission, Assilassime has retained 3 values which are: transparency, commitment and professionalism.

Assilassime Solidarite through its digitization project has been offering secure and quality services to its members. The implementation of the project enabled interconnection of the 9 branches and the head office through installation of local networks; establishment of a mobile solution for the agents in order to record the financial operations on the field with an electronic payment terminal (TPE); implementation of a Bank to Wallet / Wallet to Bank (B2W/W2B) solution; SMS banking and through financial education drives. SCBF funding supported in having experts in the field for the project. Support of partners such as Grameen Cedit Agricole Fondation, AFD and ADA should be noted as well.

### Map of Togo with location of Assilassime agencies in Lomé and within the country



## 2. INTERVENTION APPROACH

### Capacity building needs

Since the beginning of April 2019, POS (Electronic Payment Terminals) is being used by facilitators (field agents) to register operations in the field, with the mCelerium application, in order to secure and provide a fast service to the beneficiaries, without SMS notification to the beneficiaries. Assilassime then organized a workshop to reflect on the different axes of its digitization with the support of ADA. And after the definition of these axes, a provisional budget was put in place.

Not having human resources capable of implementing the project and aware of the importance of the financial resources that the project requires and which it does not have, Assilassime decided to call on the SCBF to support the fees of the consultants for the monitoring of the various sites and the training of the users. Thus, this intervention covers not only the support component of the consultants on the realization of the various components of the project which concerns digitization on the one hand but also on the other hand those responsible for the implementation of a communication plan and the realization of the training modules intended for the financial education of the customers.

### Main activity areas (goals, targets, resources & time frame) and outputs

With the support of the SCBF, training modules on various topics in French, in the local Ewe and Kabyè languages were developed. The topics covered were: mobile money, management of the electronic wallet, the importance of savings via the digital channel, inter-agency operations and the securing of financial operations by SMS Banking, which have established better communications. As part of this support, the capacities of 15 users (including 3 IT specialists, 3 agency managers and 41 facilitators) were strengthened on the operation of the Mobile Agent solution called mCelerium, the new functionalities of which were developed during the year 2022. In addition to the SCBF's support on training and the implementation of digital training modules, the Grameen Credit Credit Agricole fondation, ADA and the SPTF supported in acquiring tablets used by field agents, server, cost of creating the interconnection and the various digital solutions amongst other things.

### 3. RESULTS ACHIEVED AND NOT ACHIEVED

#### Client level

The project was executed over a period of 21 months as planned and the implementation of the specific activities were done with the supervision and support of the various experts identified for each task. For the interconnection activity, tenders were invited for selecting a supplier and an internal project management team was established. The integration of the Assilassime network was also carried out. The work consisted of making an inventory of the computer park, developing a ToR for the selection of the network integrator, selecting the integrator, and signing the service contract, carrying out the work to set up the local network and finally building the capacity of the IT team (composed of 2 IT specialists) on network maintenance. The realization of the interconnection formed the basis for the development of the digital products, namely: Bank to Wallet/Wallet to Bank, SMS Banking and the Mobile Agent solution.

For the mobile agent solution implementation, a study on the target architecture of Assilassimé's GIS was carried out, specifications and receipt of quotes from the supplier were put in place, followed by the signing of the contract. The supplier carried out the work, testing and deployment of the solution were carried out and the users were trained.

The Bank to Wallet/Wallet to Bank solution was the last solution that was implemented. This is made possible thanks to the previous works carried out.

The interconnection of Assilassime branches helps customers to carry out deposit and withdrawal transactions in any nearest branch as and when they need it. The digital products (Bank to Wallet/Wallet to Bank, SMS Banking and the Mobile Agent solution) used by customers today make their lives easier by allowing them to save time and effort (of traveling) by having their money available as soon as they need it, to deal with emergencies. SMS Banking builds customer confidence by receiving a confirmation message of deposit and withdrawal transactions, reminder messages being sent to remind them of credit due dates. This solution is intended for a segment of customers who can read and understand French. SMSes are sent to customers free of charge. The Wallet to Bank / Bank to Wallet MBanking called "Gassiassi" which means "Fresh money" in the local language, allows them to carry out transactions at any time (even on weekends and public holidays or outside the hours of the Assilassime Solidarite counters) and in any place. Customers have their money available instantly whenever they need it and get their account statement easily without traveling which saves efforts and cost at their end. They can also check their balance at any time using the same channel.

The implementation of the Mobile Agent solution makes it possible to secure the operations carried out in the field through the confirmation of transactions by SMS. SMS Banking informs customers in the event of a withdrawal. A PIN code is sent to secure withdrawal operations. Deadline reminder messages are also sent to customers.

The support of the SCBF has made it possible to develop new training themes focused on the management of the electronic wallet, the security of financial transactions, the importance of savings via the digital channel. This has made it possible to broaden the range of training modules made available to it and thus better educate the vulnerable populations who constitute its priority target.

The use of interconnection makes it easier to report activities thanks to the immediate availability of financial information at the end of each day, unlike in the past when we had to wait until the end of the month to obtain financial information only after the consolidation of data from the various Assilassime agencies. This makes it possible to be regular in the transmission of the reports requested by the BCEAO, the Ministry of Finance and the donors. It is also worth highlighting the establishment of an online credit application platform. Credit applications are now made online and credit committees for the study of credit files are also held online. This promotes speed in the process of studying credit files and promotes easier archiving of these credit files for better conservation, whereas in the past, with the use of physical paper files, archiving became complicated given the large number of files.

### Client profiles

Mrs. ADAO Patininam, married and mother of one child, is a client of Assilassime in the Anié branch in the plateau region located 187 km from Lomé. She is married. She raises pigs, local chickens, and transforms soy into milk and soy meat that she sells. She subscribed to Gassiassi but says she was reluctant at first to use it given the difficulties she was having. With the support of Assilassime through the training she had to follow, she started using it. So, she uses it to save in her account. Today she has diversified her activities thanks to the financial education sessions she attends, one of which has the theme 'Diversify your products and distribution channels'. Which helps her earn more income to be



Mrs. SEBUABE Karen is a client of Assilassime in the Sanguera branch in Lomé. She is married and has 2 children. She is in the business of selling children's clothes. Since February 2023, it has opted for the use of the Wallet to Bank / Bank to wallet service called in the local language Gassiassi. All the operations she performs, whether depositing her daily sales receipts or withdrawing from her account when she needs to stock up, she does it from her home or her shop. This saves her from having to pay the travel expenses she now uses to take care of her children. She also says she attends training sessions during her participation in group meetings and in branches during credit release operations. This helps her make better use of Gassiassi and

### Financial Sector Partner/s level

The intervention of the SCBF has enabled Assilassime to improve the range of training it offers to customers through the implementation of new training themes. Thus, at the end of June 2023, 75,688 customers were trained on the digital training modules and 312,078 participations were recorded on the financial education modules. This contributes to improving the management of customer activities. Thus, at the end of June 2023, 5,803 customers used carried out transactions via the Wallet to Bank/Bank to Wallet against a target of 10,000, 16,864 SMS were sent to customers against a target of 20,000 and 16,565 transactions were carried out thanks to the interconnection with 448 transactions in rural areas against a target of 2,200, including 200 in rural areas. This is a good thing that improves their daily lives.

The summary situation of achievement of the indicators is as follows:

KPI	Target objective	Current	% Execution
Number of transactions made through the interconnection	2,200 including 200 in rural areas	16,565 - 448 in rural areas	754%
Number of users of the B2W/ W2B platform	10,000	5,803	58%
Number of inactive accounts reactivated through B2W/W2B	1,700 including 200 in rural areas	51	3%
Number of new investors/savers reached through B2W/W2B	8,000	3,328	42%
Number of Banking SMSes sent	20,000	16,864	84%
Number of participants in financial education sessions on digital modules	48,360	75,688	157%
Number of NEW members benefitting from the interconnection.	23,262 - 10,262 new members in 2021, 6,000 in 2022 and 7,000 in 2023	13,262 - 0 new members in 2021, 11,380 in 2022 and 1,882 in 2023	57%
Number of NEW members benefitting from Agent mobile solution.	15,800 - 7,700 new active customers whose credit repayment is outstanding, 3,800 new active customers in 2022 and 4,300 in 2023	21 571 - 0 new members in 2021, 15722 in 2022 and 5849 in 2023	136,53%



It should be noted that customers were initially reluctant to use Bank to Wallet and Wallet to Bank. This is due to certain problems that some customers had encountered at the level of OTMs (Togocel and Moov). And also, the delay at the end of the aggregator CAGECFI in executing the specifications, were the main reasons of the failure to achieve the targets on the use of the Wallet. Nevertheless, with the continuation of training on the various developed themes, we believe we can reach 20,000 customers who will use Gassiassi in the medium term.

With the digitization project, the links have been further strengthened with partners who had already supported ASSILASSIME in the past on other projects, both social and agricultural, with ADA, SPTF, AFD and the GRAMEEN CREDIT AGRICOLE foundation.

The total resources mobilized for the digitization project amount to 157,430 FCHF



Assilassime's first branch in Lomé with clients

### Financial sector level

The digitization of Assilassime's services allows it to diversify its range of financial and non-financial services that it offers to its clients. Thus, Assilassime is one of the first microfinance institutions in Togo to improve its various internal processes for better flexibility and reliability in the execution of its activities. Thus, the digitization of the credit application process (with connected tablets) allows real-time analysis and a faster decision by the credit committee to issue this credit on the one hand and the use of Bank to Wallet which combines speed, discretion and security of transactions.

To date, very few microfinance institutions in Togo have digitized their service. This places Assilassime in a privileged place with regard to digitalization in Togo. So, we think that over time when customers will be really accustomed to using Wallet/Bank and Bank/Wallet, this will make it possible to reach a larger number of customers, which will have a significant impact. At the end of June 2023, Assilassime had 104,739 members and the objective is to bring most of these members to use it.

## 4. LESSONS LEARNT

The digitization project as carried out at Assilassime can be an example to follow. In the months to come, the impacts will be greater since it brings real added value to customers and contributes significantly to the improvement of the institution's various processes. The factors that led to its success are among others:

- The commitment and availability of the personnel involved in carrying out the project
- Recruitment of qualified consultants available to rigorously monitor the project
- The mobilization of the financial means necessary for the project
- The holding of the digital strategy workshop which led to a preliminary diagnosis made it possible to identify from the start the different axes of the project

The major challenges we faced concern compliance with the specifications of the aggregator Cagecfi, which led to some readjustments on the mobile agent solution and the change of a consultant (IT specialist) who was not competent to carry out his responsibilities. But the competence of the project team with the support of the various consultants made it possible to find alternative solutions which enabled the success of the project.

After the execution of this project, the risk factors that have been identified concern the ability of the aggregators and/or suppliers identified within the framework of such a project to respond exactly to the specifications entrusted to them. To do so, it is therefore necessary for the institution to be able to surround itself with experts in the field and have a committed team to be able to monitor the work and guarantee the success of this type of project, which requires rigorous and meticulous monitoring.