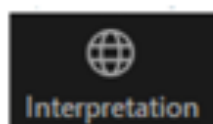


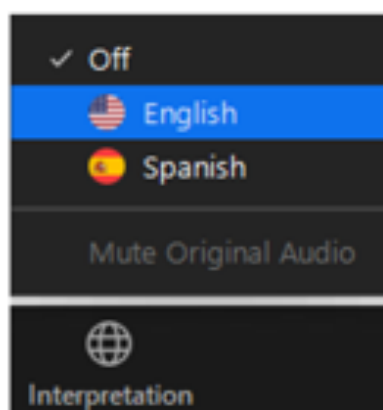
# Welcome!

This event has simultaneous interpretation available. Please follow the instructions below to activate it.

1. In your meeting controls, click **Interpretation**.



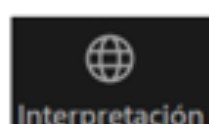
2. Click the language that you would like to hear.



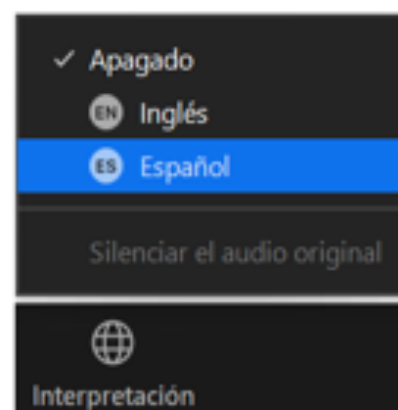
# ¡Bienvenido!

Este evento cuenta con interpretación simultánea disponible. Por favor siga las siguientes instrucciones para activarla.

1. En los controles de la reunión, haga clic en **Interpretación**.



2. Haga clic en el idioma que desee escuchar.



## Get to know your moderator!



**Name:** Cara Forster

**Organization:** SPTF

**Title:** Director for Latin America and the Caribbean and the RIFF-CAC

- Nine years working with SPTF
- Certified lead assessor and trainer for the Smart Campaign
- Qualified social auditor for CERISE's SPI4 tool

**Contact:** [caraforter@sptfnetwork.org](mailto:caraforter@sptfnetwork.org)

# Agenda

- 1) Opening
- 2) Gerry Lanigan – Strategy and examples on building an agent network
- 3) Q&A from participants
- 4) Josh Kirton – resolving liquidity issues, the example of Hapa Cash
- 5) Q&A from participants
- 6) Resources to take the next steps

## Agent Networks in Difficult Markets

There are a number of ways to establish an agent network and extend the reach of your institution's financial services.

- Use the existing infrastructure, if it is sufficient
- Establish partnerships in order to access existing points of service
- Improve an existing network to make it effective and successful by adding products, services, and/or incentives
- Build it from scratch





## Get to know your speaker for today!



**Name:** Gerry Lanigan

**Organization:** Independent Consultant

- More than 40 years experience in the financial services sector
- Field experience in Eastern Europe, Asia, Africa, and LAC
- 5 years as head of DFS for FINCA International
- Comprehensive experience in organizational development and change management

**Contact:** [gerry@laniganconsultancy.com](mailto:gerry@laniganconsultancy.com)



# Agenda

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## Get to know your speaker for today!



**Name:** Joshua Kirton

**Organization:** FINCA Ventures

**Title:** Investment Director

- I lead FINCA Forward, a specialized fintech fund managed by FINCA Ventures.
- The fund incubates and invests in products designed to enable underserved communities to access responsible and affordable financial services and lead financially healthy lives.

**Contact:** [Joshua.Kirton@FINCA.org](mailto:Joshua.Kirton@FINCA.org)



# FINCA Forward Case Study:

## Hapa Cash by Kuunda Digital



**Wakala  
Songesha**

**Kamilisha miamala hata**

# FINCA Forward Overview

Founded in 2018, FINCA Forward is a USAID-supported innovation fund that facilitates commercial partnerships between fintech startups and MFIs. FINCA Forward deploys its hypothesis-driven matching service to:

- Support MFIs to run structured proof-of-concepts to experiment with, and learn from, emerging technologies designed to address strategic and critical operational challenges.
- Provide fintech startups access to financial institutions to test, iterate, and refine products, receive feedback from early adopters, develop scalable solutions, and build investable ventures.



# The Liquidity Management Challenge

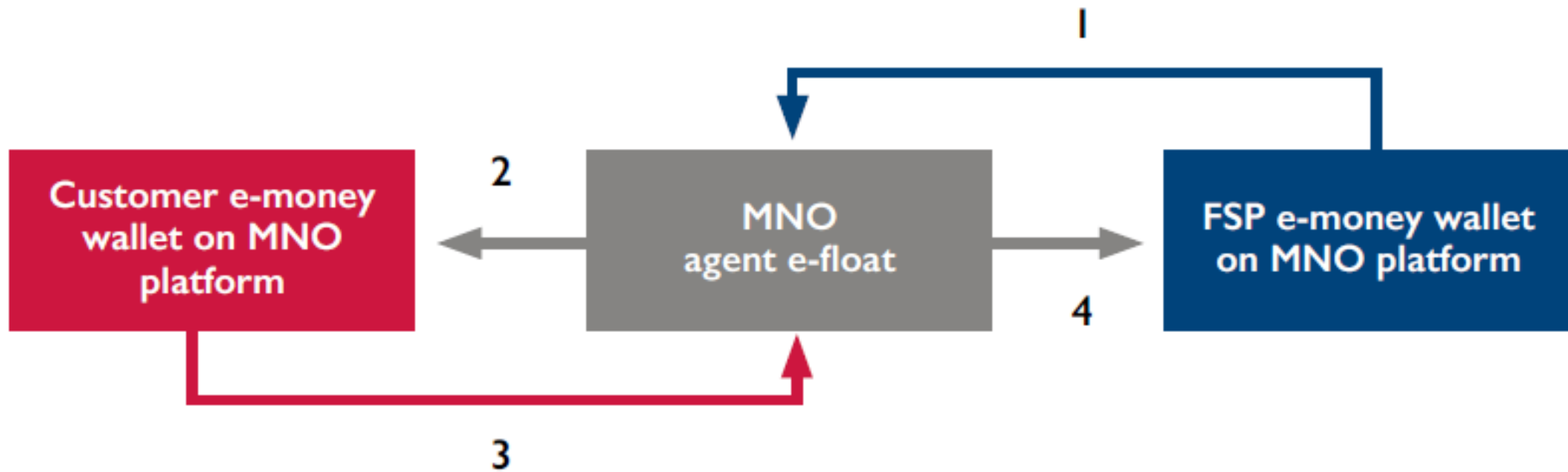
Liquidity management is the most significant variable cost that agents face.

The inability to effectively manage agent liquidity results in denied transactions and has negative impacts on agents, customers, and providers of financial services:

- **Agents** – lost transaction commissions.
- **Customers** – lack of CI-CO infrastructure undermines value proposition of DFS.
- **FSPs** – customer trust in agent networks and DFS more broadly undermined.

# Hapa Cash Overdraft by Kuunda Digital

- Hapa Cash Overdraft is designed to address e-float-related agent liquidity management challenges.
- The product provides agents with access to a single day e-float overdraft – allowing them to continue meeting cash-in transaction demand when they run out of e-float.
- Kuunda partners with banks and MNOs/distribution partners to operationalize the product.



# FINCA Forward Proof-of-Concept (POC)

**Goal:** Through a FINCA Forward POC, demonstrate that Hapa Cash Overdraft addresses e-float-related liquidity management challenges while being a viable commercial opportunity for product partners.

**Objectives:**

- Demonstrate that the attributes of the product, and the underlying credit decisioning engine, can deliver low default rates.
- Validate that the product addresses the e-float-related liquidity management challenges faced by agents.
- Increase agent profitability to demonstrate the potential to improve the sustainability of agent networks.



# Proof-of-Concept Partners

- **FINCA Microfinance Bank Tanzania** – provided capital to fund agent overdrafts and led on regulatory approval from the Bank of Tanzania.
- **Vodacom Tanzania** – provided access to a sample of its 180,000 M-Pesa mobile money agents and led on product marketing.

**Kujiunga na huduma ya songesha kwa mawakala:**  
Wakala wa M-Pesa unaweza kujiunga kwenye huduma ya Wakala Songesha kwa kukubali Vigezo na Masharti

**\*150\*00#**

1. Huduma za wakala  
2. Akaunti ya Wakala  
3. Huduma za Biashara  
4. Store Mgt  
6. Rudisha Muamala  
7. Jiongeze na M-Pesa  
8. **Wakala Songesha**

Kubali vigezo na masharti ili kujiunga na huduma ya songesha kwa mawakala  
Bonyeza:  
**1) Ndio**  
2) Hapana

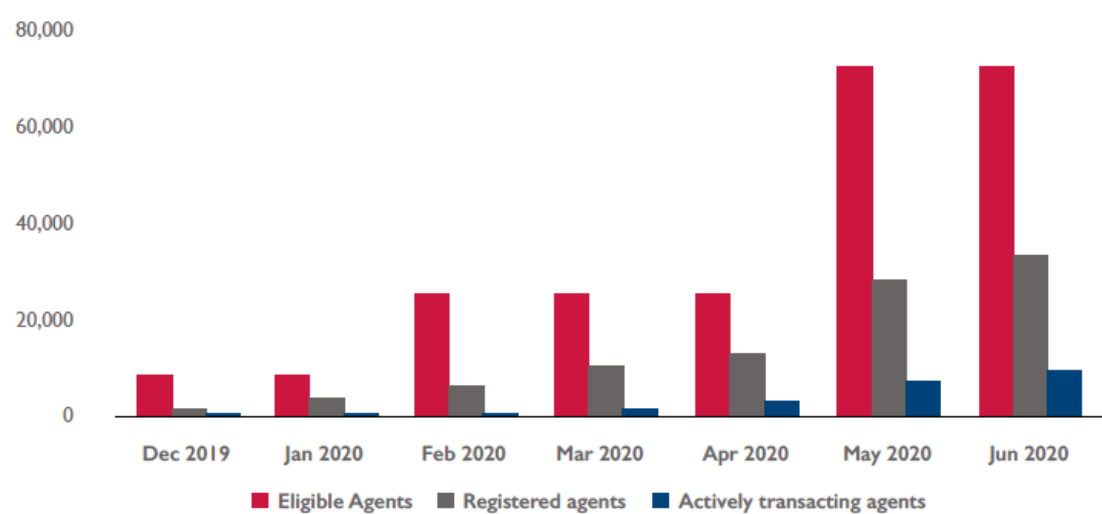
Habari Wakala, umefanikiwa kujiunga na Huduma ya Wakala Songesha.  
Kiwango unachostahili: Tsh XXXX

*The POC occurred between December 2019 to June 2020.*

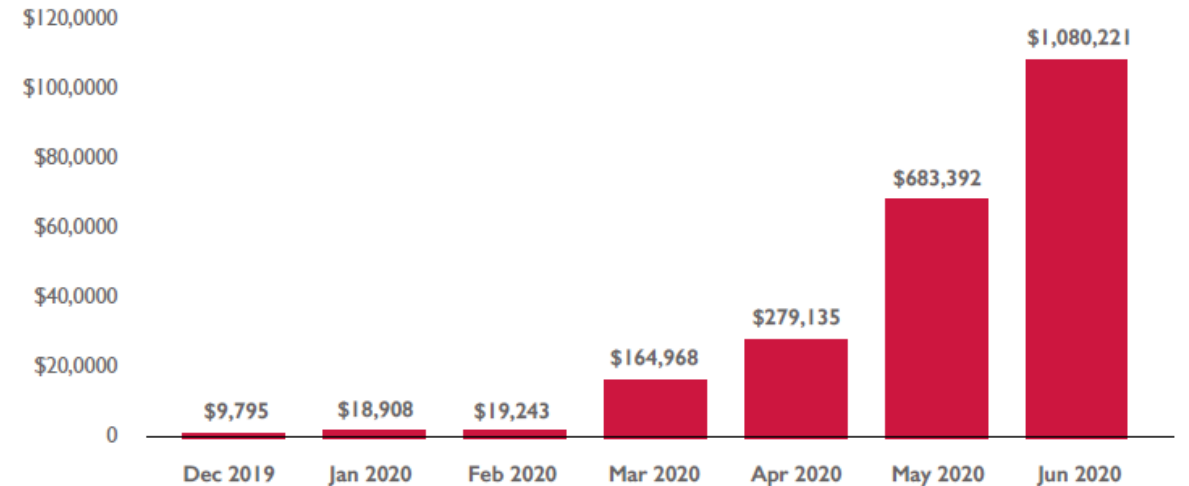
# Product Performance

*70,000 agents registered of which 30% were actively transacting using the overdraft.  
Over 300,000 overdraft disbursements were made totaling \$2.2M.*

## # Agents Transacting Per Month

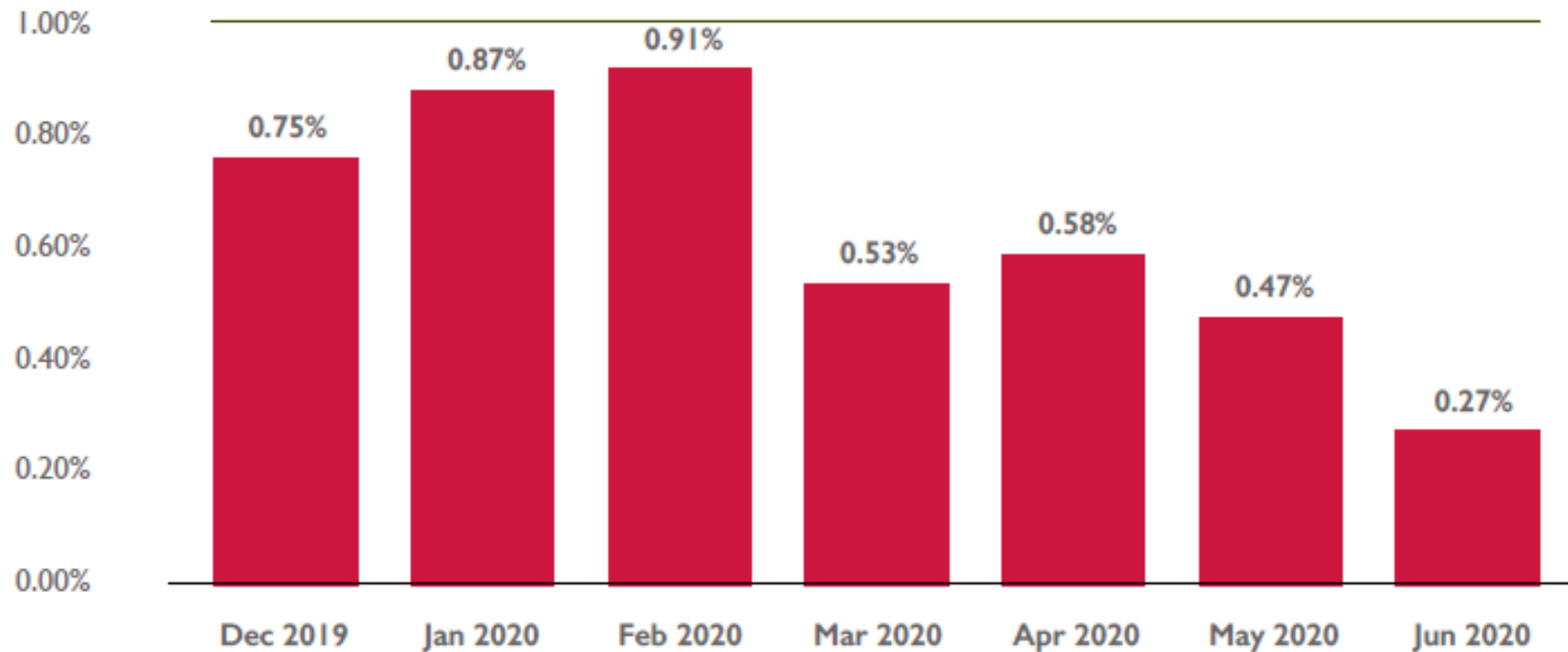


## \$ Value of Disbursements



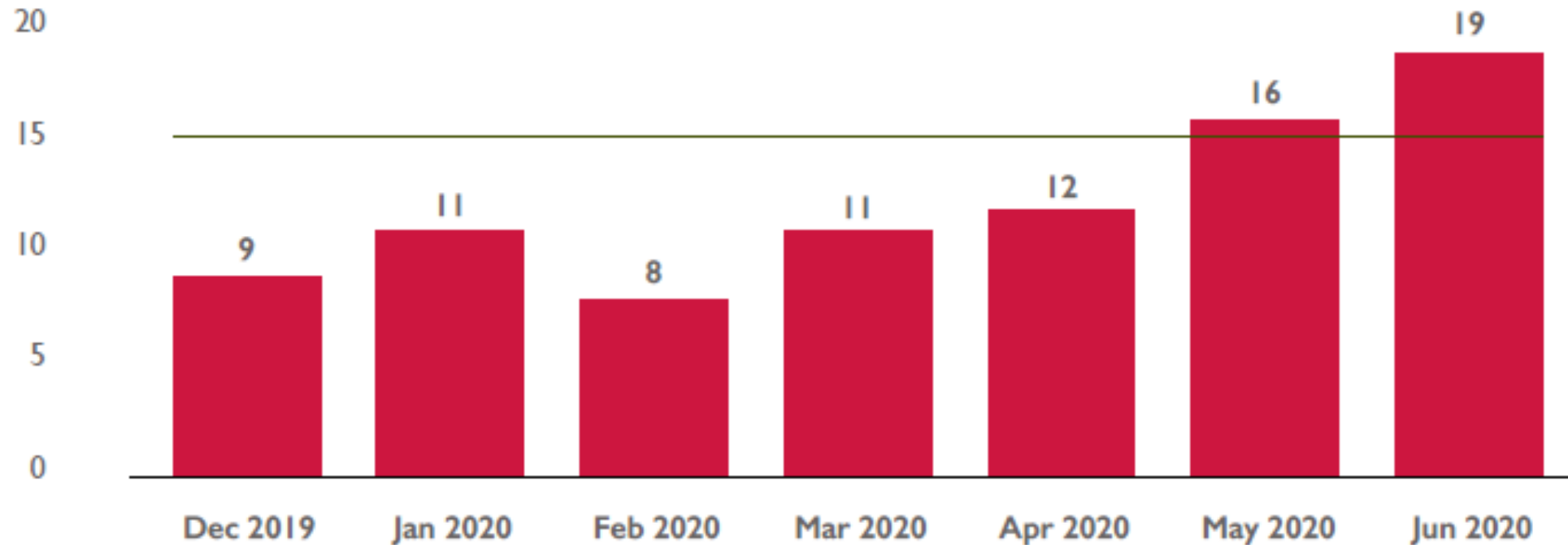
# Results – Objective 1

- **Objective:** Demonstrate that the attributes of the product, and the underlying credit decisioning engine, can deliver low default rates.
- **Key Performance Indicator:** Percent of outstanding overdrafts in arrears.



# Results – Objective 2

- **Objective:** Validate that the product addresses the e-float-related liquidity management challenges faced by agents.
- **Key Performance Indicator:** Average usage per agent per month.



## Results – Objective 3

- **Objective:** Increase agent profitability to demonstrate potential to improve the sustainability of agent networks.
- **Key Performance Indicator:** Percent change in agent commission revenue.
- **Result:** Agent commissions increased by between 30% and 75%.



*Maria Ibrahim works close to the Kigamboni ferry from 8am to 9pm. She believes the Hapa Cash Overdraft product has helped to maintain her business. “It is the most useful at night when there is nowhere to get float, and everyone is coming home on the ferry. That is when I make the most money.”*

# Key Takeaways

The POC was a success!

FINCA Tanzania had limited risk exposure when financing agent overdrafts through the product.

The product was an extremely efficient use of capital for FINCA Tanzania - \$2.2 million of overdrafts were disbursed during the PoC using only \$65K

Agent demand for e-float overdrafts was confirmed and the business impact on agents was significant.

Interest revenue combined with low defaults demonstrated a clear business case for commercial scale.

## Next Steps

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**FINCA Tanzania and Vodacom Tanzania** – commercializing Hapa Cash Overdraft.

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**FINCA Impact Finance** – planned launches of the product in several subsidiaries, including Pakistan and Malawi.

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**Kuunda Digital** – secured partnerships with MNOs/distribution partners to launch the product in additional markets.

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# Closing: Resources to help you take the next steps

Free tools available online through SPTF:

- 1) COVID-19 Client Survey Tool
- 2) Intro to Digitalization Guide
- 3) Resource Center & Webinar Recordings
- 4) RIFF-CAC – TA Facility

# COVID-19 Client Survey Tool: Gather and segment data on your clients, their needs, and how the crisis is affecting them

## GET THE DATA YOU NEED

The COVID-19 Client Interview Tool is a set of simple, standardized questions for financial service providers (FSPs) to use when interviewing their clients during the pandemic.

## MAKE INFORMED DECISIONS

The survey questions are designed to produce **actionable** information for FSPs and their investors. Use it to understand the differences between clients and make informed, nuanced decisions about how to serve clients during and after the crisis.

## CHOOSE HOW TO USE IT

The tool is designed to be used in-house by non-technical staff such as field officers and call center agents. It can be integrated into existing client outreach activities. FSPs who want to outsource data collection and analysis can hire 60 Decibels, co-creator of the tool.

## GET STARTED

The survey is available free of cost in English, French, and Spanish.

FSPs can [apply for co-financing](#) to assist with the cost of implementation.

[Visit our blog post](#) or email [info@sptf.info](mailto:info@sptf.info).

## THREE WAYS TO USE THE TOOL TO INTERVIEW CLIENTS:

### USE THE CLOUD-BASED TOOL

Use the [SPTF Survey Platform](#)--a free cloud-based tool to securely collect, store, and aggregate your data.

### CREATE YOUR OWN TOOL

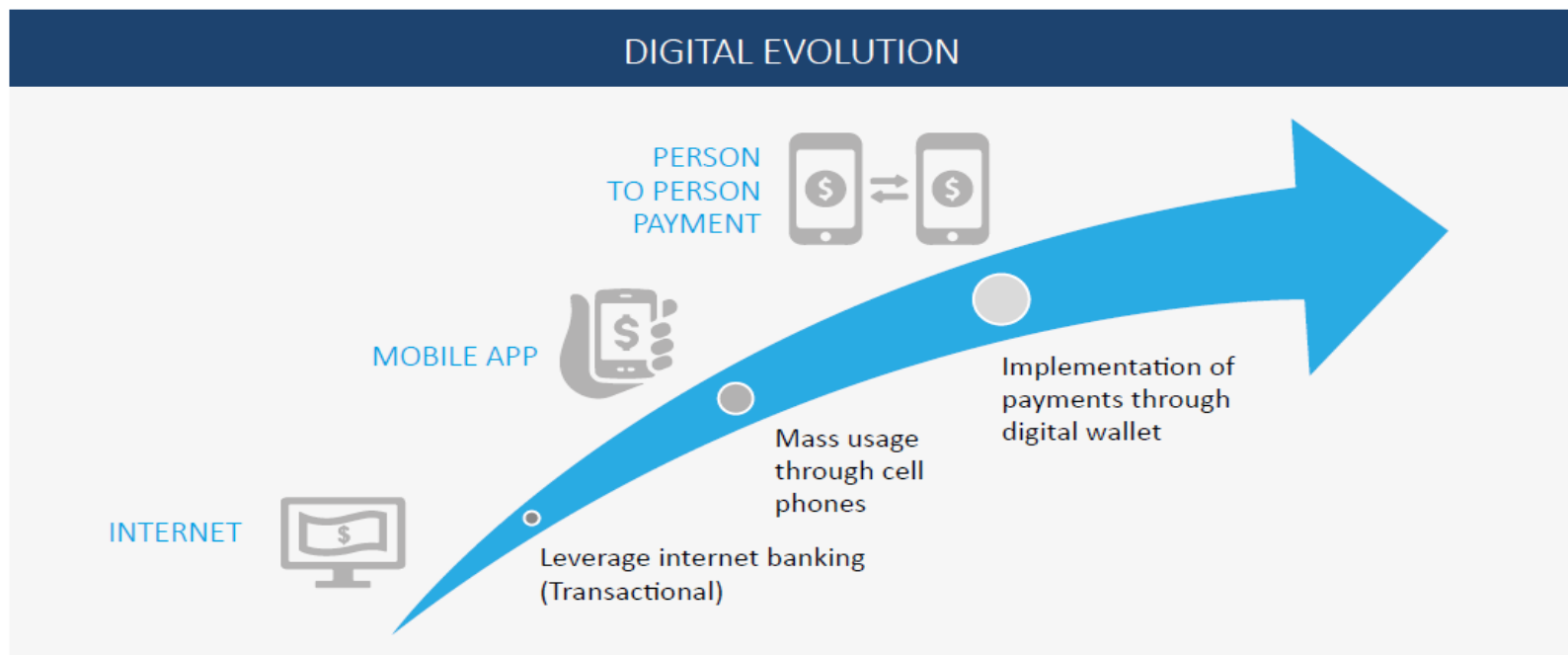
Take what you want from the [Word version](#) of this tool and use it in your existing survey instrument, or create a new one.

### COMMISSION AN EXTERNAL FIRM

[60 Decibels](#) can collect and analyze your data and produce reports for you and your investors.

<https://sptf.info/covid-19/covid-19-client-interview-tool>

# Guide: First Steps for Digitalization



<https://sptf.info/images/RES-DFS-SPTF-Guide-To-Digitalization-English-v9-Final.pdf>

1. **Transactional web page.** This phase consists of developing and deploying a web page with capabilities that permit the client to carry out some online financial transactions.
2. **Mobile application (App).** This phase consists of bringing services developed on the web page to other electronic channels, such as a smartphone or tablet application (App), for mobility and outreach.
3. **Digital Wallet payments.** This opens the door to an expansion process in which more services and products will be created leveraging electronic channels in future phases.

# SPTF's Resource Center

## Featured Items

### Universal Standards Implementation Guide

The Universal Standards Implementation Guide offers comprehensive guidance to financial institutions on how to implement the practices found in the Universal Standards for Social Performance Management.

### Human centered design toolkit

This open-source toolkit walks users through the human-centered design process and supports them in activities such as building listening skills, running workshops, and implementing ideas — all of which can generate insights into clients' lives that can be turned into effective product design.

### Microfinance index of market outreach and saturation

The Microfinance Index of Market Outreach and Saturation is an analysis of credit market capacity using the Global Findex dataset, offered by Planet Rating.

### SPI4 Assessment Tool

The CERISE SPI4 is a social audit tool that can be used for reporting and performance management, to assess level of implementation of the Universal Standards.



### Dimension 1: Define and monitor social goals

1. Strategic management toolkit handbook
2. Imp-Act Indicators practice note
3. Internal control guidance note
4. SPI4 Assessment Tool

[More Resources »](#)



### Dimension 2: Ensure board, management, and employee commitment to social goals

1. Governance guidance note
2. Risk management guidance note
3. Kashf Foundation Board Book

[More Resources »](#)



### Dimension 3: Design products and services that meet clients' needs and preferences

1. Portfolios of the poor
2. Learning from clients: SEEP/AIMS tools
3. Human centered design toolkit

[More Resources »](#)



### Dimension 4: Treat clients responsibly

1. Avoidance of over-indebtedness: Guidelines
2. Calculating transparent pricing tool
3. Client complaint handling manual

[More Resources »](#)



### Dimension 5: Treat employees responsibly



### Dimension 6: Balance financial and social

**Ressources  
en français**

Ressources en français

**Recursos  
en español**

Recursos en español

<https://sptf.info/resources/resource-center>

# The Responsible Inclusive Finance (RIF) Facility

SPTF and REDCAMIF coordinate the RIFF-CAC, which covers:

- The Caribbean, Central America, and Mexico

The RIFF-CAC can finance training and projects on:

- COVID recovery
- Training activities on responsible inclusive finance, digital financial services, and consumer protection
- Institutional assessments
- Upgrade projects to help implement the Universal Standards
- Client data collection and outcomes measurement
- Green microfinance / climate resiliency

Applications and information for RIFF-CAC are available here:

<https://sptf.info/ta-funding/responsible-finance-ca-caribbean-riff-cac>