



Savings Groups Application



KEY FEATURES

- ✓ Intuitive dashboard and reports
- ✓ Digital ledger functions
- ✓ Portfolio management (Savings, loans)
- ✓ 3-Person authentication
- ✓ Connect to a bank account
- ✓ Connect to a mobile money wallet
- ✓ Credit Scoring

DanChurchAid is a Danish humanitarian non-governmental organisation aimed at supporting the world's poorest. Ensibuuko is a Ugandan fintech digitizing and banking the last mile. To learn more, visit www.ensibuuko.com



Digitalization of VSLAs and improved access to credit in West Nile, Uganda

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Background: VSLAs in Uganda

Structured savings groups like Village, Savings and Loans Associations (VSLAs) are common in Uganda. VSLA is a micro-finance model under which savings groups are formed at community level to strengthen resilience by financially and socially empowering poor and vulnerable people, supporting women to save money and get access to affordable small loans. VSLAs have had a huge impact on these groups, reducing dependency on aid and strengthening members' resilience to economic shocks.

While VSLAs have transformed rural & vulnerable people's ability to save money and empowered them to increase earning potential, the absolute amount of capital held remains small and has not resulted into significant growth of business activities to make women completely financially secure

The Product

DanChurchAid in Uganda, in collaboration with Ensibuuko, in 2019 launched the "Digitalisation of VSLAs and improved access to credit" a project to further financial inclusion by digitising VSLAs and improving access to credit for VSLAs with a digital solution named "Mobis" a cloud-based VSLA & microfinance management platform designed uniquely to replace current practices by digitising the existing paper-based ledgers. It covers typical savings groups transactions and record-keeping usually done by the secretary. Group secretaries can add members' information and use the app to log members transactions during meetings.

The next phase is linkage of the VSLAs to a financial institution. We have partnered with Equity Bank and Vision Fund. This will enable availability of affordable loans to the groups to meet higher capital needs by savings groups members, opportunity to open savings accounts and access other FSP services like microinsurance.

The digital and bank linkage VSLA solution is in line with what Uganda envisions in its National Financial Inclusion Strategy (NFIS 2017-2022). In the strategy, ICT is regarded as an important accelerator of development to provide e-services to rural communities in different sectors including finance.

This project addresses 2 of the 5 pillars of the National Financial Inclusion Strategy (NFIS) strategy- Reduce financial exclusion and barriers to access financial services; and Deepen and broaden formal savings, investment and insurance usage.

The project is being delivered in 3 phases—

Phase I - Digitalization

Digitalization will increase productivity and improve operational efficiency of VSLAs through automation of manual tasks, improved accountability and reporting. Generating this digital body of savings data is critical first step to create a "reputation score" for each member and is an important component of other functionalities that are planned on the platform.

Phase II – Bank Linkage

Digitalization of the processes and records of the VSLAs reduce the cost and risk of lending for Banks and MFIs, giving them visibility of the groups' and women's track records, while taking away the risk of moving cash. Integration with Banks and mobile money wallets will allow savings groups members to receive their loans and make repayments without needing to travel to a Bank and in situations where they cannot attend group meetings.

Phase III – Digital Marketplace

For the final phase, the focus will be on acquiring and onboarding of merchants to support a vibrant ecommerce marketplace. This functionality will enable opportunities for VSLA members to trade their goods and services on the platform, access to wider market and benefit from competitive pricing.