

Three projects already underway for the Doubling the Number of Savings Accounts Programme



Weselina Angelow

During the month of January Memoranda of Understanding (MoUs) were signed with Kenya Post Office Savings Bank (KPOSB), PostBank Uganda (PBU) and South African Postbank. With the MoU signatures the projects have officially started and an important milestone has been reached.

Lead consultants have been selected for all three member banks. They carried out inception missions during January to finalize the terms of reference for the projects. In parallel, Programme Technical Adviser Stephen Peachey visited the three abovementioned and four more participating WSBI member banks in order to help shape the project outputs to be genuinely useful to the poor; defining realistic targets for the number of poor to be reached and working on a pricing of services that strikes the right balance between affordability and sustainability.

Kenyan Post Office Savings Bank

Being the first WSBI member to sign a MoU, KPOSB has started to work with Dayo Forster who is the lead consultant and KPOSB Project Technical Advisor. Risk specialist Jorge Iwaszkiewicz also visited several agencies and branches and stayed with the Bank for three weeks in order to observe how closely policies and procedures were being followed, and to recommend risk mitigation measures. As a result of this mission, the initial roll-out of POS terminals will now happen at roughly 20 agencies per month for the first three months, thus allowing KPOSB time to internalize new lessons in risk management.

Mrs Forster states, that KPOSB is keen to finalize their internal review for which she will work closely with the KPOSB Project Manager Jacinta Kasingiu to compile the relevant information and formally document what has been learned. KPOSB is also keen for the rollout to commence in May, and about 60 POS terminals will need to be procured for this first rollout phase. The Bank has also begun using geo-spatial tools for understanding the distribution of poverty and population, and using that with the current distribution of bank branches to determine areas the Postbank could make the strongest impact quickest.

Memorandum of Understanding signature with Nyambura Koigi, Managing Director of KPOSB



PostBank Uganda

Mrs Forster has also been assigned as the lead consultant at PBU and is already working closely with the PBU Project Manager Olive Namutebi on identifying a sustainable mix of non-traditional delivery channels (mobile branches, low-cost service hubs, PoS-enabled agents) that will get the bank closer to the rural poor.

South African Postbank

A third inception mission was undertaken at South African Postbank by Hans Boon from the company PosteFinance. He is now working with the bank's assigned Project Manager Keaobaka Ramantsi and other experts to help the bank to renegotiate its transfer pricing with the Post Office. The objective is to avoid this transfer pricing from tripling the cost of using the existing low-cost account via the postal network rather than other channels. At the same time, South African Postbank aims to re-engineer group accounts so that increased penetration of this market can serve as an entry point for marketing individual accounts to members of the Group.

Mr Boon states that the theme of the project "Nomanini" (in English: It does not matter when, but we will get there!) underscores the determination of the South African Postbank to double the number of savings accounts for the poor, and to become the leading institution in proving financial access and inclusion. The project start occurs at the same time as Postbank initiatives in promoting financial literacy for the poor and the expansion and upgrade of the postal network by the South African Post Office. New post offices in poor and rural areas are called "Thusong Centres" – bridging the gaps in the digital divide by helping with e-government, e-learning and ICT based financial services of Postbank.

A number of MoUs under the Programme are expected to be signed in the near future with PT Bank Tabungan Negara (Persero) (Bank BTN) in Indonesia, Lesotho PostBank, FEDECREDITO in El Salvador, SONAPOST in Burkina Faso, and Tanzania Postal Bank in the next round, and with Vietnam Postal Savings Service Company and Poste Maroc in a third round.

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The promotion of microfinance in Europe by the retail banking sector

Barcelona, 7 May

On 7 May, MicroBank – the social bank of Spanish savings bank "la Caixa", is organising in Barcelona a conference on the "Promotion of microfinance in Europe by the retail banking sector", aimed at European Banks, EU institutional representatives and microfinance experts.

Microbank was founded by the Spanish savings bank **la Caixa** and is specialized in granting microcredits with the objective of fostering productive activities, supporting employment creation and stimulating personal and family development in a sustainable manner.

This conference aims to be a meeting point and a space for reflection on the role of banks in developing microfinance in Europe, and wants to provide an opportunity to share the experiences of European banks which, such as MicroBank, have developed their activity in the area of microfinance.

Simultaneous interpretation from Spanish into English will be provided. To confirm your availability for the conference, or for further information, please contact Ms Nuria Danés at microfinanceconference@microbanklacaixa.es or call: +34 932813762

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