

Case Study 3

# Ensibuuko: Driving financial inclusion by digitising traditional saving groups





**Founding year:** 2014

**Geography:** Uganda

**Founding team:** Gerald Otim – Co-Founder and CEO  
Opio Obwangamoi David – Co-Founder

**Tweet pitch:** Ensibuuko provides a mobile platform that connects SACCOs and VSLAs to users and enables users to withdraw cash, make deposits or repay loans using their existing mobile money account.

[www.ensibuuko.com](http://www.ensibuuko.com)

According to the FinScope 2018 survey,<sup>1</sup> only three per cent of adults in Uganda had borrowed from a commercial bank in the 12 months prior to the survey and 11 per cent of adult savers had done so through a commercial bank.<sup>2</sup> In contrast, approximately 50 per cent of adults who borrow and save do so informally through Savings and Credit Cooperatives (SACCOs), Village Savings and Credit Associations (VSLAs) or other informal channels.<sup>3</sup> These informal groups often rely heavily on rudimentary manual practices that are prone to inefficiency, human error and fraud. Paper records are the default solution for documenting accounts and tracking transactions.

Since most SACCOs and VSLAs operate in cash, members who are unable to attend their group meetings have no means of making cash contributions or receiving group updates. The cash-based approach also means savings associations must either store cash contributions in a safe or deposit it in a bank. Both options are risky, cumbersome, labour intensive, and undermine the ability of these groups to increase financial inclusion for the

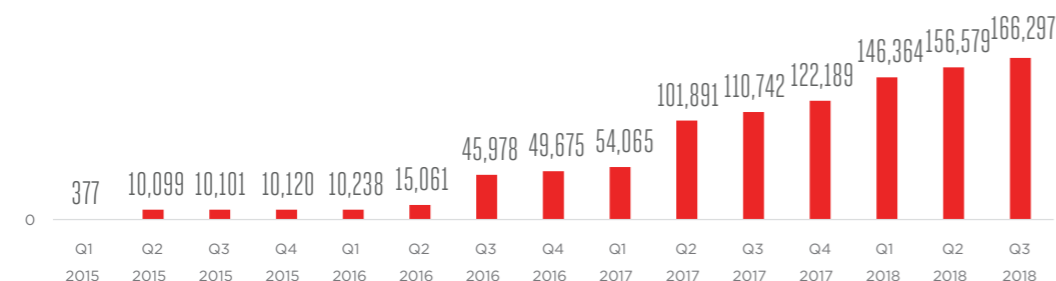
underbanked and unbanked.

To address these challenges, Ensibuuko launched its Mobis service in 2014. Mobis provides savings and lending groups with the option to manage their records digitally. The mobile-enabled solution helps groups become more transparent and accountable, which in turn puts them in a better position to receive financing from third parties. Mobis also increases the productivity and operational efficiency of the groups by reducing costs. It leverages existing mobile money services (MTN Mobile Money and Airtel Money) so that individual group members can conduct financial transactions, such as withdrawals, deposits or loan repayments, without having to be physically present.

**As of September 2018, 47 SACCOs representing over 157,355<sup>4</sup> active members were active on the platform. Between January and October 2018, over £11 million loan transactions have been made through the Mobis platform, with an average value of over £550 per loan.**

FIGURE 3

Ensibuuko: Number of active SACCO members on Mobis





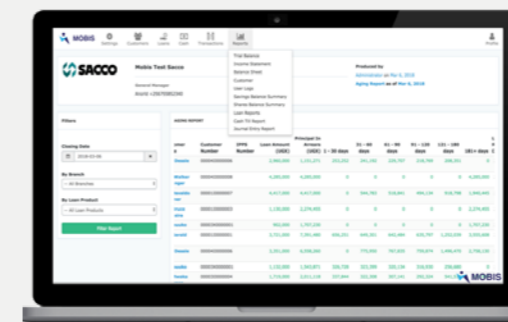
<sup>1</sup> FSD Uganda, 2018, "FinScope Uganda 2018 Survey Report", <http://fsduganda.or.ug/finscope-2018-survey-report/>  
<sup>2</sup> Mercy Corps, 2018, "Drivers of Digitization of SACCOs in Uganda: Drivers and Impact Study", <https://www.mercycorps.org/research/drivers-digitization-saccos-uganda>  
<sup>3</sup> Ibid.  
<sup>4</sup> This figure is based on SACCO members that have made at least one transaction a year.

## How the service works

Ensibuuko offers an end-to-end solution for SACCO/VSLA managers and their members. This is how the service works:

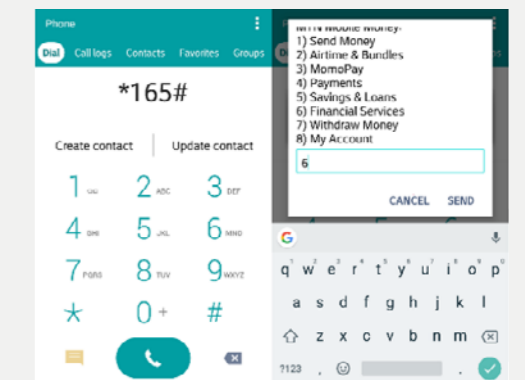
### For SACCO managers

-  SACCO managers register and log in to the mobile-responsive Mobis web platform.
-  On the dashboard, SACCO managers can view all their accounts at a glance, categorised as Assets, Expenses, Equity/Capital, Income and Liabilities. They can track loans from the app through to disbursement and access a variety of automated reports such as Loan, Saving, Shares and Financial reports.



### For SACCO members (once their SACCO grants them a loan and they want to repay it using MTN Mobile Money)

-  SACCO members can access Ensibuuko's platform by dialling a USSD<sup>5</sup> code \*165# (MTN Mobile Money) or \*185# (Airtel Money).
-  SACCO members are provided with a series of options, one of which is Financial Services.
-  From the Financial Services menu, the member selects the MSACCO option.
-  They will be presented with options to Deposit, Withdraw or go Back to the previous menu.
-  If member selects Deposit, they will be prompted to enter their MSACCO ID followed by their member ID then the amount being deposited. On the back end, MTN Mobile Money facilitates the deposit of mobile money from their MTN Mobile Mobile wallet to Ensibuuko's platform.



<sup>5</sup> USSD technology, or Unstructured Supplementary Service Data, is an interactive, menu-based technology that is supported by most mobile devices: <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2018/05/Start-ups-using-USSD-to-tackle-SDGs.pdf>

## Working with mobile operators

Ensibuuko partners with Airtel Uganda and MTN Uganda, the country's two largest mobile operators (11 million and 10.7 million mobile connections, respectively, as of September 2018).<sup>6</sup>

In 2013, Ensibuuko began collocating its servers at Airtel Uganda's data centre. Beyond this collaboration on the IT front, the mobile operator also provides a mobile data package at a discounted rate to Ensibuuko's SACCOs/VSLAs to ensure their Mobis cloud platform is always connected to the internet. The start-up has integrated with Airtel Mobile Money API to allow Ensibuuko Mobis SACCO/VSLA members

to pay into and withdraw from their respective SACCO/VSLA using their mobile money accounts. In August 2018, Ensibuuko signed a partnership with MTN Uganda Mobile Money that allows SACCO/VSLA managers to disburse loans to members and enable users to make loan repayments through the Mobis platform.

The benefit of mobile money to SACCOs and their users cannot be overstated. According to recent research by Mercy Corps, by leveraging mobile money, Ensibuuko reduces the time it takes members to make a deposit to their SACCO/VSLA by up to 50 per cent.<sup>7</sup>

"MTN Uganda partnered with Ensibuuko because, by offering banking solutions to SACCOs, they are addressing a real problem — financial inclusion for the unbanked. Financial inclusion is something that fits perfectly within MTN Uganda's agenda. I was privileged to be Ensibuuko's Relationship Manager at MTN at the start of this relationship and throughout their integration process. MNO integration can be a complex process, but Ensibuuko demonstrated true commitment to the process and made the process much easier. As Ensibuuko rolls out its mobile banking offering for SACCOs in partnership with MTN Uganda, I have no doubt that the service will mutually benefit both parties and deliver on our shared promise to bring financial services closer to millions of unbanked people in Uganda."

– Sumayah Kyewalyanga, Corporate Account Manager, Mobile Money, MTN Uganda



"Airtel has been hosting Ensibuuko's servers for the last five years and it is great to see Ensibuuko has supported many business entities with a huge dependence on servers hosted at Airtel's Main Data Center. On behalf of Airtel, I wish to take this opportunity to appreciate Ensibuuko. We value Ensibuuko's business and we are confident and hopeful that Ensibuuko will continue to touch and support the community through the provision of quality and dependable services."

– Jeremiah Kasirye, Head of Network Infrastructure, Airtel Uganda

<sup>6</sup> GSMA Intelligence: [www.gsmainelligence.com](http://www.gsmainelligence.com)

<sup>7</sup> Mercy Corps, 2018, "Drivers of Digitization of SACCOs in Uganda: Drivers and Impact Study", <https://www.mercycorps.org/sites/default/files/Digitization%20of%20SACCOs%20in%20Uganda%20-%20Drivers%20and%20Impact%20Study.pdf>

## Changing lives

8 DECENT WORK AND ECONOMIC GROWTH



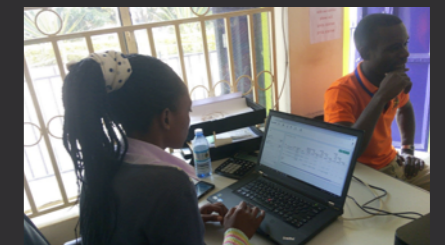
According to a study conducted by Mercy Corps,<sup>8</sup> Ensibuuko's solution reduces SACCO managers' workdays by two to four hours. The service also reduces processing time for loan repayments by 60 to 80 per cent and generates increased revenue for SACCOs of around four per cent. The efficiency gains have led to an increase in savings group members, further driving financial inclusion.

"Mobis system has helped us improve our operations. Firstly, when it comes to recording accuracy, before installing Mobis, all our operations were manual. We would update members' ledger cards every evening and this was prone to errors. We would make arithmetic errors, posting to wrong ledgers where members shared names. This resulted in losses to the SACCO but since installing the system, these errors are no more. Secondly, we have witnessed growth in membership. Since introducing Mobis, our group membership has tripled. Before the system, our membership stood at around 400 members but since then the number has grown to over 1,500 members in two years. This growth has been possible because Mobis has helped managed all our transactions. Finally, Mobis has provided real-time reporting. We can retrieve reports as and when required. This has helped us maintain a good relationship with all stakeholders in our SACCO."

– Bwambale Jofred, Manager, Stride Development SACCO, Rwenzururu Sub-Region

"The installation of Mobis in our SACCO brought a significant difference as far as information tracking is concerned. With the Mobis software, every report is generated automatically which enables us to be effective and efficient, speeding up the delivery of our services to our members."

– Marion Twikiriize, Manager of Bushenyi SACCO, Ankole Sub-Region



Marion Twikiriize using the Mobis solution

## Working with the GSMA Ecosystem Accelerator

In February 2018, Ensibuuko received a grant from the [Ecosystem Accelerator Innovation Fund](#) to design, build and integrate a mobile banking platform in Ensibuuko's existing group banking software platform that serves SACCOs and VSLAs. The mobile banking platform relies on mobile money, allowing SACCO members to deposit, withdraw and borrow from their

SACCOs, all on their mobile device via mobile money and SMS. By the end of the grant in early 2019, the platform aims to use mobile money to improve the quality and range of financial services available to over 65,000 SACCO and VSLA members across Uganda.