

MTN MoKash: partnering to deliver savings and loans to unbanked women in Uganda

MTN Uganda partnered with Commercial Bank of Africa (CBA) to deliver loans and savings via mobile money, driving greater financial inclusion for women and generating a strong commercial return.

The Ugandan financial services landscape is emergent and there are disproportionately strong barriers to access for women. According to Findex data from 2017, 39 per cent of men and only 27 per cent of women in Uganda have an account at a bank or financial institution. This gap extends to mobile money where 59 per cent of men, but only 43 per cent of women, have a mobile money account.[32]

Ugandan women disproportionately use informal savings channels over formal ones. In 2017, 15 per cent of men saved at a financial institution compared to 11 per cent of women, while 35 per cent of men saved using a savings group or a person outside the family compared to 40 per cent of women. While informal financial tools can provide certain benefits for users, formal financial services are typically safer, more reliable and offer additional benefits, such as greater privacy, interest on savings and the ability to build a credit history.[33]

MTN partnered with CBA to enable access to loans and savings accounts and deepen financial inclusion for women

In 2016, MTN launched MoKash in partnership with CBA, which had already successfully launched similar mobile loans and savings products in Kenya and Tanzania. The service was released on MTN's mobile money USSD platform, MoMo, and targeted low-income users, particularly those who do not have a bank account.

MTN piloted communications and marketing in tandem with qualitative user research to test the potential of the product, and made changes to accommodate a lower level of financial literacy than in Kenya.

The USSD has clear prompts that guide users through each step of the service. Additionally, MTN deploys field activation teams to explain the service in person, including providing training to those with low literacy levels, with a particular emphasis on women in rural areas.

32. World Bank (2018), Global Findex Database 2017.
33. GSMA (2013), Unlocking the Potential: Women and Mobile Financial Services in Emerging Markets.

> ***"It is easy to use and steps are understandable."***
>
> Working woman, 20–25 years old, rural, Lugazi

MoKash has improved access to formal financial services for women and delivers strong commercial returns

Through its comprehensive savings and loans product, MTN has provided a greater breadth of services to its subscribers and proven they are commercially viable.

> ***"For MTN, MoKash is profitable indeed; it brings people into our ecosystem and stickiness to Mobile Money."***
>
> Christopher Ssali, Senior Manager, MFS Products, MTN

Repayment rates are also high; only 3.9 per cent of MoKash loans are non-performing [34] compared to an industry average of 5.5 per cent in Uganda in 2017.[35] Although the gender of users was not a major consideration in the design of MoKash, the service has had notable success with rural women.[36]

MoKash users were found to be using informal borrowing methods less than they had before, in some cases claiming to have stopped entirely. Customers reported lack of reliability and convenience compared to MoKash as major factors.

> ***"MoKash is reliable; you cannot go to it and they tell you there is no money. If you qualify and have no outstanding loan with them, you can get the loan. Money is given instantly and resolves your probms, unlike people who can run away and hide from you or even tell you they have no money when they have it."***
>
> Working woman, 20–25 years old, rural, Lugazi

MoKash is helping Ugandan women transition from informal financial services to formal ones, enabling them to build formal credit records. Together, MTN and CBA are contributing to greater financial literacy and autonomy for women in Uganda.



34. GSMA (2019), CBA stakeholder interview.
35. International Monetary Fund (2019), Global Financial Stability Report: Lower for Longer.
36. GSMA (2019), MTN MFS stakeholder interview.