



▶ Uganda - Leveraging the power of digital platforms to increase access to financial services for member-based organizations



Responds to the following criteria

- ▶ Responsiveness
- ▶ Replicability
- ▶ Innovation
- ▶ Efficiency



Main stakeholders

Nascent RDO (NGO); Uganda Cooperative Alliance (UCA); MobiPay; Equity Bank Uganda; farmer groups and local cooperatives; village savings and loans associations (VSLAs).

▶ Description

ACCEL Africa has engaged the financial sector to eliminate child labour in coffee and tea supply chains in Uganda, with the aim of:

- ▶ building awareness and capacities of financial institutions in their role in the elimination of child labour, mostly serving smallholder farmers, women and youth in coffee- and tea-growing communities;
- ▶ empowering farmers and workers with the necessary financial education, information and business tools to carry out bankable projects that could be financed by formal financial institutions; and
- ▶ establishing and developing a relationship in which the farmer or worker becomes a long-term client rather than a short-term beneficiary of a project.

This concept was successfully applied in Uganda under the ACCEL Africa project, as well as in Côte d'Ivoire, Egypt, Mali and Nigeria. The project took place at the supply and demand sides of the financial sector in Uganda, partnering with existing member-based organizations such as cooperatives and financial service providers including MobiPay and Equity Bank Uganda, as well as village savings and loans associations (VSLAs) which are well-known and well-established at the community level in Uganda and play a powerful role in strengthening local child labour monitoring committees in the country.

As self-managed groups, VSLAs provide their members with a safe place to save their money, and to access loans and a solidarity fund. This last provides members with resources that can be used to manage unexpected events. Their membership composition is usually around 30 members, mostly women. The VSLA group members meet weekly to collect the savings of the members and share information on other socio-economic issues affecting them in their communities. In this context, the ACCEL Africa project

explored the role that VSLAs play in the fight against child labour: for example, by covering the basic needs of children and sensitizing members within their communities on child labour. VSLA groups can be officially registered with local authorities or at sub-county level. Only registered VSLA groups can be linked to formal service providers.

To allow VSLAs in Uganda to obtain access to complementary formal services, ACCEL Africa linked them to formal service providers such as Equity Bank through a digital platform offered by MobiPay. MobiPay offers high-tech solutions and innovations for agriculture to create linkages among distinct value-chain actors through a cloud-based technology. To get full buy-in from VSLAs, MobiPay was introduced to the communities by the ACCEL Africa project. MobiPay's digital platform enables the exchange of information among clients (such as on products, needs, production capacity) and service providers (characteristics of services and products in offer). The platform can be accessed through basic mobile phones.

Members of VSLAs and cooperatives were profiled and onboarded into the platform to have access to these services. Equity Bank is one of MobiPay's partners that offer financial services to VSLAs and their members. As farmers and workers may not have strong digital capabilities, MobiPay has deployed a hybrid system which involves field agents, usually youth, to help farmers use and navigate the platform (see figures 1 and 2).

Moreover, through the same MobiPay platform, farmers can also access e-learning resources in the areas of financial education, good agricultural practices and life skills, among others. Other materials which have been used by ACCEL Africa to support community development have been digitalized to be uploaded into the platform with the aim of reaching a broader audience.

In order to integrate child labour measures into the services offered by MobiPay, the platform has also profiled and onboarded the schools within the area of intervention. The platform can be used by teachers to follow up attendance

of children and hence ensure that clients are sending their children to school. Potentially, this information can be made available to local authorities to guide future interventions.

► Process

This kind of good practice had to go through a very well-studied process, given that it does not depend on the ACCEL Africa project alone as the beneficiaries are becoming clients of an external financial system and institution. Therefore, both sides have to be well prepared – the financial service provider as well as the new client who is originally a farmer or a worker at the lower tiers of the supply chain. The preparatory and initial stages included the following steps:



► **Good Practices**

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► **Figure 1. MobiPay staff engaging a VSLA group in Bugambe, Kabarole district**



► **Figure 2. Training on profiling and uploading in Hakibale, Kabarole district**



▶ Enabling factors

- 1** The presence of service providers such as MobiPay was significant in ensuring easy and affordable access to appropriate financial literacy, loans management training and access to financial services. MobiPay had experience in these aspects, especially in the agro-industry, and had several relevant products already established. These products just needed accommodation of ACCEL Africa's end beneficiaries at the lower tiers of the supply chains. They included the following:
- i) **Agrobase platform:** Agrobase, which is a comprehensive and user-friendly cloud-based management information system (MIS). Since 2019 MobiPay has developed, tested and perfected Agrobase to meet the needs and interests of agricultural value chain actors.
 - ii) **MobiPay payment platform:** offers secured and efficient opportunities for bulk payments to mobile money wallets at a low cost. This will allow the value-chain actors to do the following: Make bulk payments, verify and match recipients, and aggregate and make payments and collections.
 - iii) **E-learning skills and platform:** The platform comprises various modules with a focus on enabling self-registration/ profiling, documentation, tracking, reporting, and delivery of education/training content/ resources (share point of course materials/resources) and allows for learning at any time and anywhere.
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- 2** United Nations Uganda and Equity Bank Uganda had recently (March 2021) established the UN-Equity Bank Joint Programme on "Enhancing Social Impact through SDGs", a partnership for acceleration of the attainment of the Sustainable Development Goals in the country. This partnership was established with the aim of promoting social inclusion and improving economic outcomes for human development, as well as contributing to the socio-economic transformation of Uganda. Additionally, the UN-Equity Bank Joint Programme focuses on financial inclusion, innovation and shared prosperity, and institutional partnerships, governance and shared leadership. This framework was certainly helpful for ACCEL Africa's project to include farmers within the financial services of the Bank.
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In brief

Social financing programmes for adult and youth beneficiaries are an innovation in the field of child labour eradication. The financial world and its variety of services are often not available to the most vulnerable, in this case coffee and tea growers.

Financial services can be brought to vulnerable populations through local NGOs and institutions which are able to identify and organize farmers, enhance their capacities and financial knowledge, and have them directly linked to such services.

The additional innovation presented above is the use of an existing digital platform which serves to link farmers to formal financial services.