

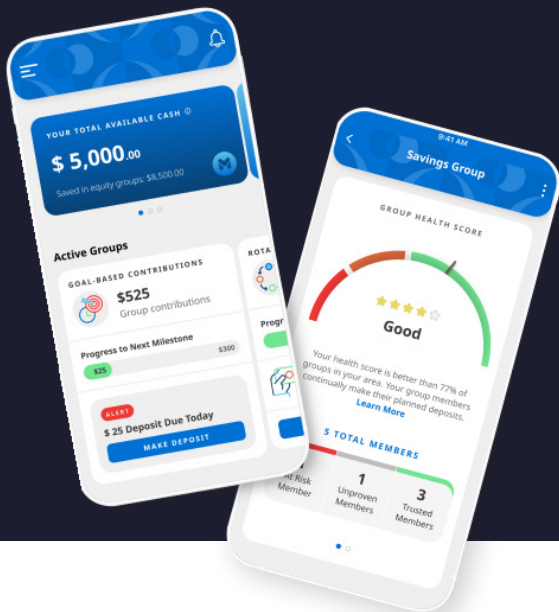


Digitalizing Savings Groups in Sierra Leone

Background

CARE's engagement with Village Savings & Loan Associations (VSLAs) in Sierra Leone has been longstanding, with a particular emphasis on supporting the economic growth of women in rural communities. These VSLAs, often situated in isolated areas, experience several challenges. They have limited access to formal financial services, and this compounded by poor internet connectivity has hindered their progress to digital financial inclusion. Traditionally, these associations have relied on manual handling of finances, exposing them to risks like theft of savings boxes. Other challenges include poor record-keeping and mismanagement of loans, especially when control over records and funds is concentrated in the hands of a few literate individuals. These risks often impact women members disproportionately as they typically have reduced access to education and financial literacy in these communities, while also facing greater socio-economic vulnerabilities.

CARE + MiKashBoks



CARE Sierra Leone collaborated with MiKashBoks, a global adaptable digital platform operating in Sierra Leone, to tackle these challenges. The MikashBoks software serves as a user-friendly and secure financial assistance, connecting users to mainstream banking services. The platform effectively handles both offline and online transactional data, which is ideal for rurally isolated communities with limited internet access.

THE MAIN GOALS OF THE PARTNERSHIP WERE TO:

- Enhance the efficiency and financial management of VSLA processes;
- Introduce secure transactions for savings groups;
- Accelerate the adoption of digital financial practices in rural areas; and
- Support the transition from cash to digital wallets.





Shantelle Binette Spencer / CARE

Human-centered design

Through this partnership, VSLA members were given the opportunity to tailor the MiKashBoks app to their specific needs. The changes they suggested included the development of security features in the app to protect funds and data. Such measures not only bolstered the overall security of the members’ financial operations—ensuring safer and more efficient management of their resources—but also made the app culturally relevant.

Through regular workshops and community engagement sessions, user experiences were integrated directly into the app’s development, creating ownership and demonstrating usability within the VSLA context.

Supporting digital literacy

During the pilot phase of the MiKashBoks project, CARE Sierra Leone equipped VSLA members and village agents with smartphones and SIM cards for safer financial transactions. The app, functional on both smartphones and feature phones, allowed women with their own phones to access the platform easily using their own sim cards. Recognizing device access as a key barrier, CARE was able to provide smartphones to the 81 groups participating in the pilot, facilitating widespread adoption.

CARE Sierra Leone tailored a digital literacy training program to the VSLA members’ varying literacy levels, focusing on financial transactions, fund transfers, and digital savings and loan management using the MiKashBoks app. Despite challenges like low literacy and poor connectivity, the app’s offline and online functionalities ensured effective adoption. With plans to expand digital programming to 200 VSLA groups, CARE Sierra Leone continues to train and guide groups on purchasing their own devices through locally-available asset-financing programs. Members are being helped to realize the benefits of technology and how it can take their dreams further.

81

VSLA Groups participated in the pilot



Shantelle Binette Spencer / CARE

CARE has plans to expand to

200

VSLA Groups

Impact on Diverse User Personas

MiKashBoks significantly impacted a variety of user groups, and in particular rural women, urban entrepreneurial women, and young urban entrepreneurs. Each group presented unique challenges and needs that MiKashBoks aimed to address.

- 1

THE DETERMINED RURAL WOMAN:

For rural women, often excluded from formal financial systems, **MiKashBoks provided a gateway to financial independence.** It allowed them to set and achieve financial goals, whether for education or business investments. The mobile money feature reduced the need to carry cash, enhancing safety and convenience.
- 2

THE SELF-EMPLOYED ENTREPRENEURIAL WOMAN:

In urban areas, women familiar with basic digital technologies but lacking comprehensive financial knowledge found MiKashBoks particularly useful. The app included financial literacy training modules—developed from user insights—that **enabled women to access practical business advice on-the-go while carrying household and childcare responsibilities and striving for financial independence.**
- 3

THE YOUNG AMBITIOUS URBAN ENTREPRENEUR:

This user group, typically more tech-savvy but economically constrained, found in MiKashBoks a platform for societal change. **CARE and MiKashBoks worked to alter social stigmas around women’s use of technology, showcasing success stories that resonated with this demographic.** The app included features tailored to their needs, offering access to advanced digital financial tools and resources.



Bridging the Digital Divide:

Integrating MiKashBoks with the traditional VSLA system in Sierra Leone brought both challenges and opportunities. CARE Sierra Leone recognized MiKashBoks' transformative potential for VSLA operations but also saw the need for significant adaptations during the digital transition. Key adaptations included ensuring the tool's language compatibility with local dialects, user-friendliness for digital newcomers, and accessibility on a variety of devices including both smartphones and feature phones. This was vital to include all group members and to accommodate diverse digital proficiency levels.

MiKashBoks' implementation marked a significant transformation in the realm of digital financial services, notably transitioning from traditional cash transactions to a more secure, smartphone-based financial management system. This shift not only heightened security and minimized risks associated with physical cash handling but also ushered in an element of digital skills building for members. Initially, this change presented a substantial learning curve, especially for members who were previously not well-versed with such technology. However, as they adapted to MiKashBoks, it became more than just a financial tool; it evolved into a robust platform that fostered the development of critical digital financial skills.

Furthermore, MiKashBoks catalyzed a shift towards greater autonomy and self-governance in financial management. Users were now encouraged to set their own financial protocols and goals, thereby promoting a more active and personalized engagement in their financial journey. This change in financial management required not only an adaptation to new technologies but also a significant change in mindset for many members. By embracing these changes, VSLA members began to embrace a new process of digital financial independence, blending technological integration with individual autonomy.

MiKashBoks significantly enhanced record-keeping and financial management for VSLAs, replacing manual systems prone to errors with accurate digital record-keeping. This shift to digitalization fostered transparency and accountability by providing real-time transaction tracking during meetings, a crucial factor in areas where discrepancies and disputes over records were common. VSLA members reported high confidence in the accuracy of the data, appreciating the security and backup features for manual records. They also noticed improvements in membership savings volume and punctuality due to the app's use. Additionally, MiKashBoks played a pivotal role in connecting VSLA members to formal financial services, such as loans and insurance. While not directly providing credit, the app helped build members' credit histories by digitally capturing data on savings volume, credit use, and timeliness of repayments. This information can be utilized by financial service providers to analyze individuals' borrowing and repayment capacities, akin to data-driven credit scoring systems used in countries like China and Kenya.



Mark Malhotra / CARE

The incorporation of mobile money allowed groups to transition from cash to digital wallets, enhancing financial independence in communities with evolving literacy levels. This process, however, necessitated educating members about credit management and the need for continuous financial education.

The introduction of MiKashBoks changed the way users managed their finances, offering them the autonomy to set their own financial protocols and goals. This significant shift towards more active involvement in their financial journey necessitated a change in mindset for many members. To facilitate this transition, extensive support and training were provided to familiarize users with the new digital tools. The training, delivered through hands-on sessions, was led by the CARE Sierra Leone team in collaboration with MiKashBoks staff. These sessions were more than just instructional—they were designed to be interactive and engaging, helping groups to not only understand but also to feel comfortable and confident in navigating the new digital landscape. Regular training and support sessions ensured that groups were not left to manage these changes alone.

This comprehensive support system played a critical role in smoothing the transition, enabling members to effectively utilize MiKashBoks for their financial management. The result was a more digitally literate group of users, adept in using digital tools to control their financial decisions.



Beyond managing transactions, MiKashBoks offered networking and business growth opportunities. For instance, Sallay Mummy Sesay, a secretary from the Bansarati VSLA, utilized the app's features to expand her gari (cassava flour) production business. She was able to gain access to a loan from a local microfinance institution based on the detailed savings history that they were able to easily provide through the app's digital ledger. However, maximizing these benefits required proactive exploration and utilization of the app's networking and educational capabilities, which is a natural evolution of users enhanced digital literacy.



CASE STUDY



Empowerment Through Education

Recognizing the diverse needs within VSLA groups, CARE Sierra Leone tailored the MiKashBoks app to effectively enhance members' financial literacy and digital skills. This approach extended beyond mere transactional use, positioning MiKashBoks as an educational resource.

The app was loaded with training materials, covering basic savings strategies to complex financial management. This comprehensive educational content directly addressed the VSLAs' need for continual learning and adaptation in financial practices. With many members new to smartphone technology, MiKashBoks provided a practical way to apply learning, from executing financial transactions on mobile devices to navigating digital interfaces for savings and loan management. This focus on hands-on learning and comprehensive financial education aligned with CARE Sierra Leone's goal to empower women and VSLA members, enhancing their autonomy and financial independence.

Ownership and Usage of Technology:

MiKashBoks, inspired by a Krio term for self-help, was developed to complement and support the core principles of the VSLA, enhancing rather than disrupting social norms. Recognizing the challenges faced by women in Sierra Leone, particularly the low usage of mobile phones for financial transactions and the increased risk of online harassment and gender-based violence associated with the use of digital tools, the program aimed to reinforce autonomy and mutual support within these groups while being sensitive to local customs and prevailing social norms. CARE and MiKashBoks carefully tailored their approach to respect and integrate social norms, particularly focusing on empowering women within VSLA groups. Working to address not only the technical aspects of using technology but also the societal implications. The strategy involved not just introducing technology but also providing

necessary training and education, ensuring that women could safely and confidently engage with these digital tools.

This approach was part of a broader, holistic strategy to support the multifaceted needs of vulnerable women and girls in Sierra Leone. By addressing issues such as gender-based violence, enhancing leadership skills, and improving livelihoods, CARE and MiKashBoks aimed to create a supportive environment where women could leverage technology for their benefit. This method was crucial in facilitating not just the adoption of technology but also in providing access to education and training, and in encouraging societal shifts in attitudes of family members particularly the men in these communities.

Integrating with Local Mobile Money Platforms

The app's integration with local platforms like Orange Money and Africell Money reduced reliance on cash, increasing transaction safety and efficiency. However, because this represented a significant change in traditional financial practices, it required a period of adjustment for VSLA members.

Promoting Decentralized Power and Transparency

MiKashBoks bolstered existing VSLA methods while introducing greater transparency and openness. Having a few more members of the VSLA group educated and prevented situations where one or two members were able to gatekeep information. Decentralizing the power helped foster a more transparent environment critical for transactions. However, achieving transparency required an

understanding of the existing power dynamics and the impacts of increased openness.

Ensuring Data Security and User Privacy

Data security, reflecting CARE's commitment to ethical standards, was crucial in a community not fully accustomed to digital technology. Continuous efforts to educate and support were necessary to ensure data security and user privacy.



CASE STUDY

Empowering Women Through Digital Finance

The story of the Sorbeh Mapaki VSLA group in Mapaki, Tonkolilil district, exemplifies the transformative impact of MiKashBoks. This group of 30 women overcame significant financial hurdles by leveraging the digital tools provided by MiKashBoks. Initially unable to afford a cassava grater machine for flour production due to limited savings, they turned to the app for a solution. Through CARE's partnership with a microfinance institution, their diligently recorded savings and transactions on MiKashBoks enabled them to secure a crucial low-interest loan. This milestone not only facilitated their business venture but also underscored the power of integrating traditional savings methods with digital financial tools.

Reflecting on Sierra Leone's Digitalization Journey

Sierra Leone's journey towards digital inclusion has been marked by challenges like limited literacy, sparse connectivity, and a reluctance to use technology. However, the determination to bridge the digital divide by CARE Sierra Leone has led to notable achievements. Traditional VSLA operations have evolved into a digital framework, empowering communities, and enhancing the financial autonomy of women and girls.

The success of this initiative is largely attributed to targeted training and support, ensuring inclusive digital advancement.

With 81 VSLA groups already transitioned to digital operations and plans to expand to 200, CARE Sierra Leone and MiKashBoks are poised for a more significant impact. This expansion aims to strengthen financial autonomy among women and girls, driving community development and empowerment through digital tools. Continuous training and support remain crucial to ensure that no member is left behind in this digital transformation, paving the way for a future where digital financial tools serve as catalysts for community and individual empowerment.



Recommendations for Digital Programming in Other Regions

The experiences and learnings from the MiKashBoks project provide valuable insights for digital programming in other countries. Key recommendations include:



Engaging community members from the start to ensure user-centric solutions.



Emphasizing education and support to build confidence and skills.



Fostering partnerships with local financial institutions and mobile operators for broader access and integration.



Focusing on inclusivity to ensure that all members, regardless of their digital proficiency, benefit from the technology.



Continually monitoring and adapting strategies to align with evolving needs and feedback.



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