



ENABLING FINANCIAL
INCLUSION THROUGH CREDIT
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Designing Products and Services Tailored to SG Needs and Priorities

Leveraging Chomoka to Bridge
VSLA and Credit Access

By
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CHOMOKA Overview

- CARE designed *Chomoka* to digitize Savings Group (SG) records in collaboration with the groups.
- Acquisition by Ensibuuko in 2024, with ongoing collaboration to enhance products and technology for SG members, especially women entrepreneurs.
- Now upgraded to become a digital financial platform enabling SGs and members to:
 - Integrate VSLA data collection
 - Access credit via digital channels
 - Use credit scoring and digital loan disbursement (USSD & mobile money)
- Products are primarily developed with women in mind, leveraging SGs as the entry point
- **Note:** We start with group loans, then expand to individual lending as loan tech capacity builds.

Designing Products & Services for Savings Groups: Why It Matters



Recognizing the limits of VSLAs

Despite the significant impact that VSLAs have had on the lives of members, there are limits to the capital that members can access through group lending.



Desire for continued business growth

As they mature in their VSLAs, members become entrepreneurs and are hungry to continue their growth by expanding and diversifying their business activities, improving their business assets, and growing in technical, financial and digital skills.



Building the bridge to formal finance

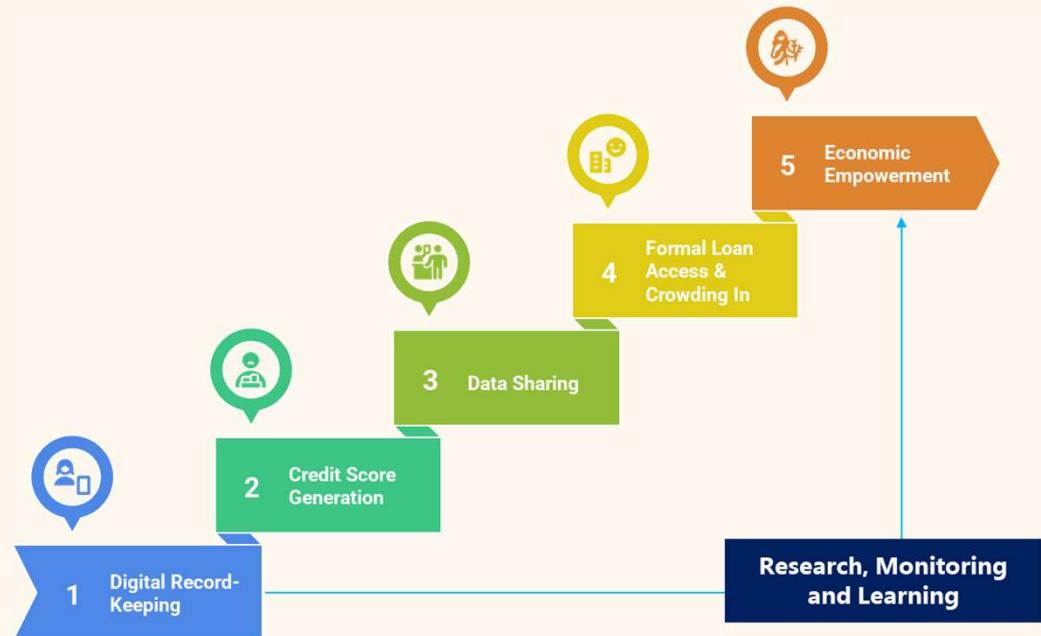
Despite often having years of experience, many members, especially women entrepreneurs lack a formal credit history, required collateral, and access to products well-suited for their needs.

What is our anticipated Pathway and Vision

- ✓ **IF:** Secure mobile-ledger records VSLA transactions effectively, and alternative-data analytics generate credible individual credit scores
- ✓ **Then:** Partner banks / financial institutions will have verifiable evidence for assessing women's creditworthiness
- ✓ **Which leads to:** Increased access to tailored, formal financial products, for graduated women borrowers
- ✓ **Ultimately resulting in:** Sustainable economic empowerment and greater gender equality in access to finance.

As women walk through this journey to access formal loans, we will track the women investments in productive activities, increases in household income and improvements in financial resilience.

The data will demonstrate how this sequence, from digital record-keeping to formal credit uptake, drives sustainable economic empowerment and greater gender equality in access to finance



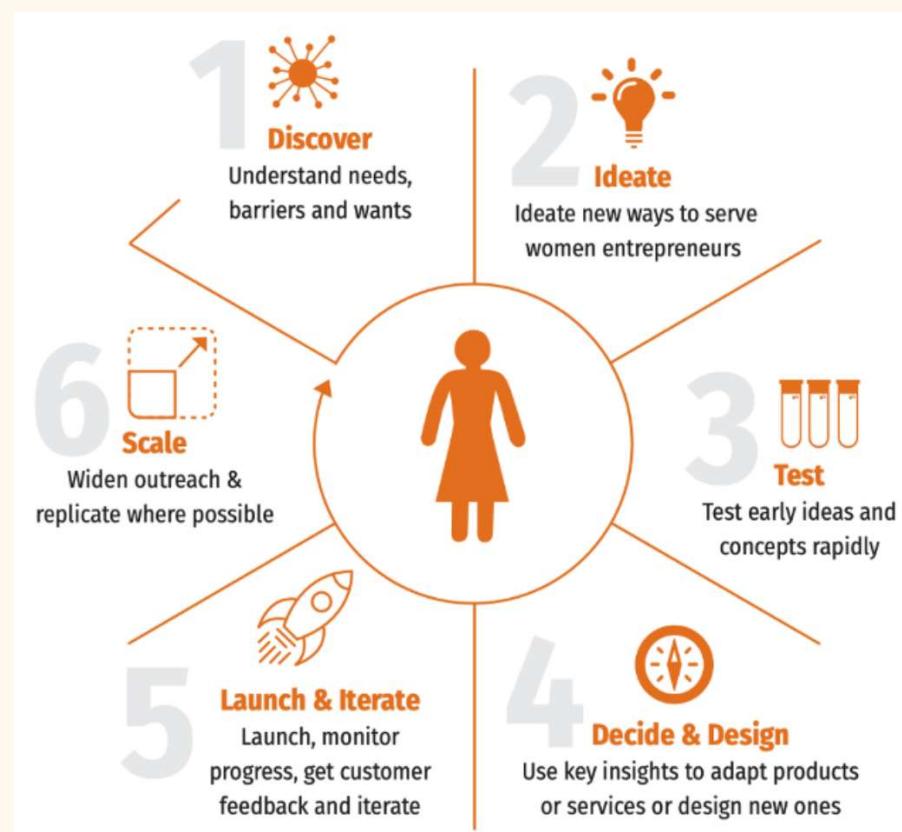
Design Process: Intentional Women-Centered Design

We are leveraging the principles of human-centered design to design tailored products and services, for both groups and individual women

To meet the needs of these target groups and effectively tailor products, it is critical to understand the needs and barriers of these segments.

We usually undertake an intentional and iterative design process of 4-9 months:

- **Conduct insights and market research:** segmenting by size of business, priority sectors, and gender, factoring in norms, digital confidence, and partner influence.
- **Ideate and test:** understand demand of existing products, adaptations or new concepts with clients and non-clients, women-led businesses
- **Product design workshops** with a range of stakeholders for co-design and identification of core adaptations
- **Co-design product marketing** materials and plans with a range of stakeholders
- **Product launch**, monitoring, iteration through project teams and in conjunction with digital data.



Example: myChomoka mobile loan product (for individual women)

VSLAs (Village Savings and Loan Associations) typically offer small, short-term loans to their members, with loan amounts ranging from UGX 50,000 to UGX 500,000 for more mature groups. However, many women in VSLAs require larger loans and longer repayment periods than what a VSLA can provide. To address this need, we designed a mobile loan product aimed at women who maintain strong repayment histories within their VSLAs. By leveraging their VSLA repayment record, along with their Credit Reference Bureau (CRB) and mobile credit data, these women are able to access larger individual mobile loans. Loan amounts will range from UGX 500,000 to UGX 5,000,000.

Refining a Digital Scoring + Lending Model

Based on the learnings from WCD activities, the partners ultimately landed on an approach which includes the following steps:



DIGITIZATION OF VSLA RECORDS: Over the past two years, many groups have already begun transitioning from recording their VSLA transactions from manual notebooks to the Chomoka app developed by CARE and now managed by Ensibuuko. Through support from CARE's community-based trainers (CBTs) to onboard groups to Chomoka, VSLAs are more easily able to track savings and loans and calculate profit distributions at the end of each yearly cycle.



CREDIT SCORING: Over the course of 6-12 months, transactions recorded in Chomoka begin to provide key data. Building on CRB's expertise, credit scores are developed for both for VSLA groups, as well as individual members within each group. These scores offer recognizable and trusted risk profiles for FSPs to lend to new customers.



LOAN PRODUCT CUSTOMIZATION WITH FSPs: CARE has already begun working with FSPs to customize loan product offerings for women entrepreneurs. With FINCA as a first mover and the potential to onboard additional banks and MFIs in the future, a variety of loan products will eventually serve women with appropriate loan amounts, interest rates, loan terms, and repayment options.



Eric Kaduru / CARE

VSLA members in Uganda test out USSD-based loan applications during CARE's product prototype sessions. Designed for accessibility and ease of use, these tools ensure that even women with basic phones can navigate digital credit products confidently



DIGITAL LENDING VIA USSD: With credit scores available, VSLA groups and individuals who qualify are offered the opportunity to apply for available loan products via their phones. Leveraging USSD, users dial a short code, navigate a series of simple menu options, and get approved instantly for a chosen amount. Loan funds are automatically distributed from the FSP into the mobile money wallet of the group or individual and can be withdrawn from the broad network of mobile money agents around the country. Plans include an option to likewise add a smartphone app interface, in addition to USSD, over time.



LOAN REPAYMENTS: Borrowers repay their loans each month through the same mobile money agent network. Following successful completion of a loan, borrowers' credit scores increase, and they can gain access to larger loan amounts.

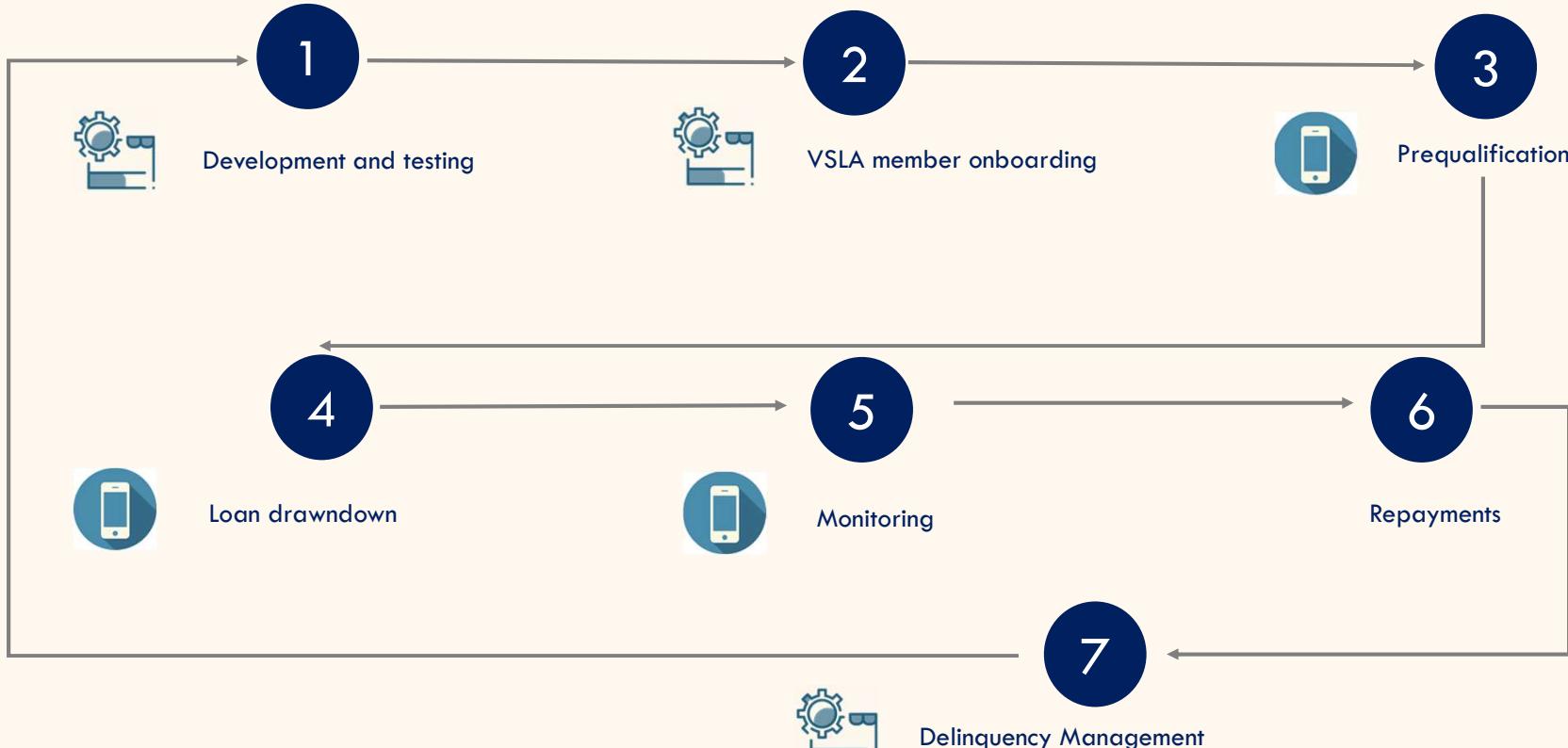


ONGOING SUPPORT: In addition to their role in onboarding groups to Chomoka, CARE's CBTs and 'Digital Champions' from Ensibuuko in local communities also will provide ongoing engagement with VSLA members to build trust in the product and offer bi-weekly business coaching to borrowers.



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VSLA Member Credit Journey Map: Physical vs. Digital Touchpoints



Mobile



Non-mobile

CARE



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Process Flow

1 Group Selection



Selection Criteria

- Size
- Female composition
- Digital readiness
- Legal registration
- Financial discipline
- Tech access
- Entrepreneurial activity



2 Chomoka Onboarding



ensibuuko

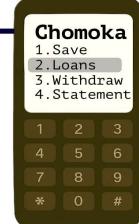
- Conducting field visits
- Collecting KYC data
- Training members on Chomoka platform
- Collecting member consent to data sharing



4 Access To Credit

1) VSLA as Lender

- VSLAs mobilize funds
- VSLA members borrow from VSLA



2) ensibuuko as Lender

- VSLA loans
- VSLA members loans

3 Credit Referencing



- Data Validation
- Credit Scoring
- Credit Limit Allocation
- Credit Limit Progression



3) gnuGrid as Facilitator

- CRB Listing
- Whitelisting on Loan Market
- Visibility to lenders

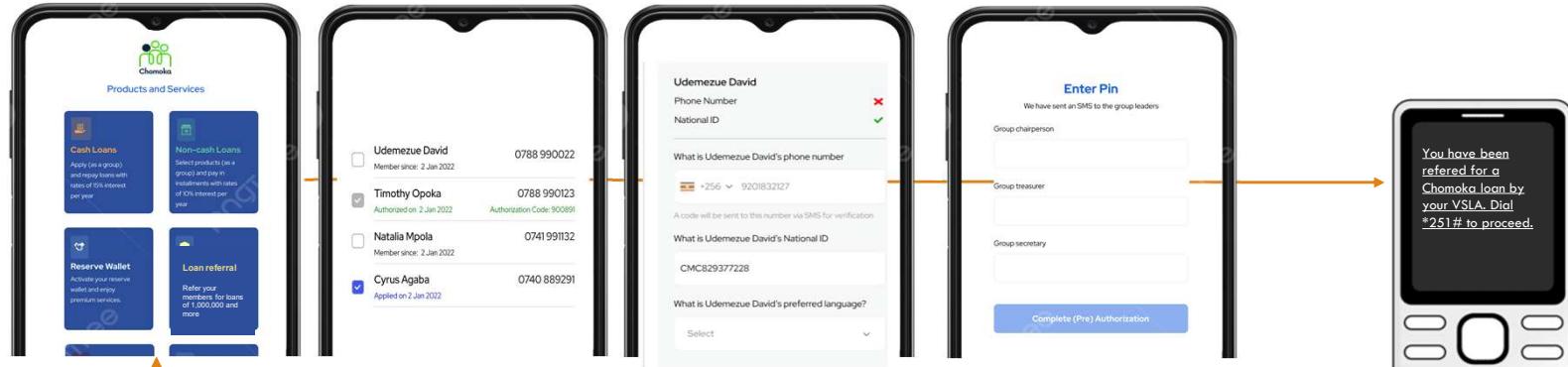


- Liberty Community Finance
- Centenary Bank
- DFCU Bank
- Tropical Bank
- Housing Finance Bank
- Yetu Credit
- Panda Cash
- Mogo
- ABC Capital Bank
- etc



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Onboarding



Sign-up



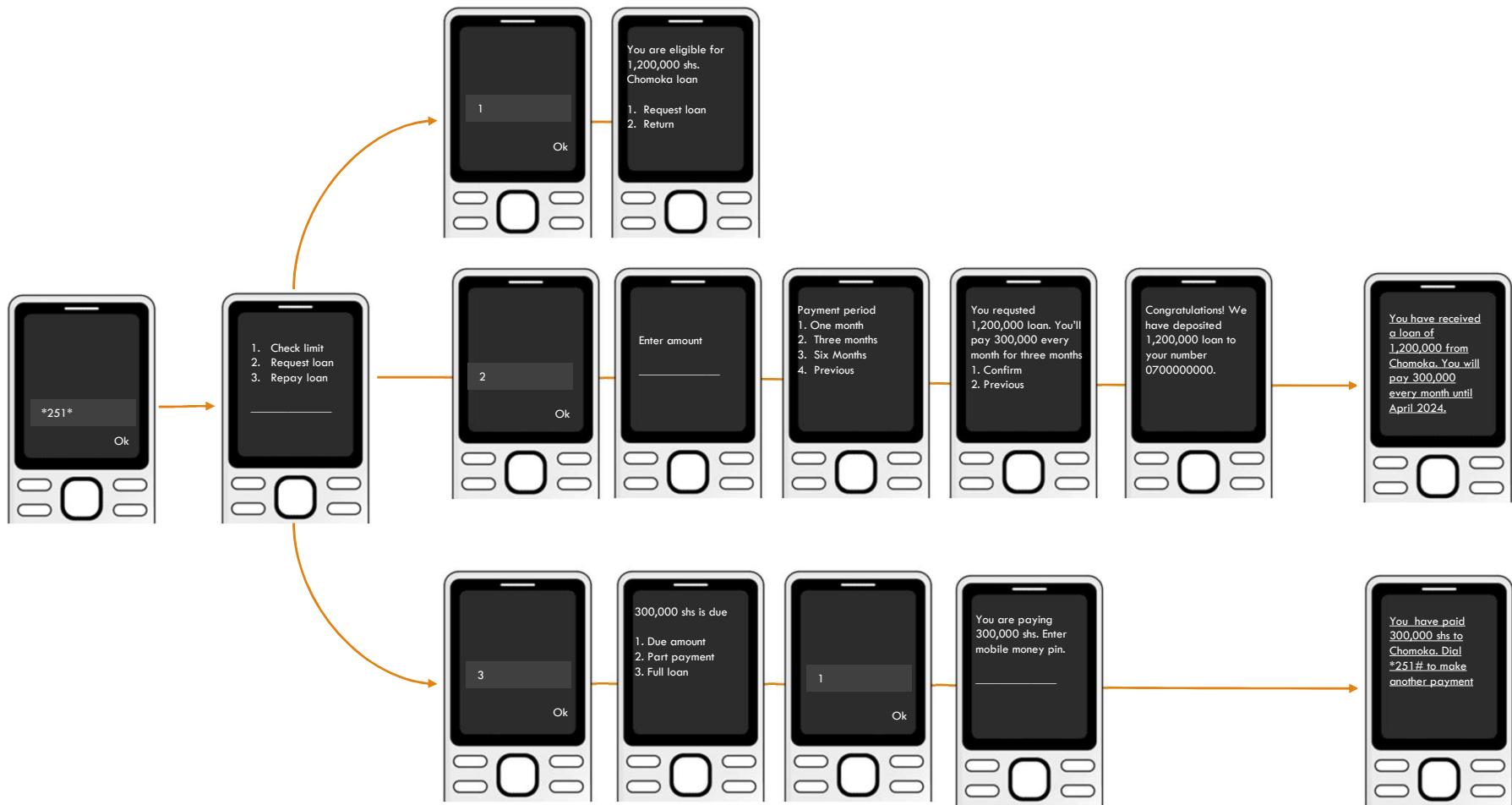


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Confirm eligibility

Loan request

Loan repayment



Lessons Learnt

Lessons Learnt

- **Group guarantee builds trust and reduces default risk**

The group-lending model remains effective—peer accountability helps ensure repayment discipline, though strong monitoring is still required.

- **Digital loan processing improves efficiency**

The digital nature of MyChomoka loans shortens turnaround time for disbursements, which members appreciate. However, delays caused by mobile money connectivity or system downtime affect trust in the product.

- **Financial and digital literacy gaps still exist**

Some groups and members need more training on loan terms, repayment schedules, and the consequences of default, as misunderstandings sometimes cause arrears.

- **Affordability and pricing remain sensitive**

While members value quick access to credit, the cost of borrowing (interest and fees) significantly influences uptake and repayment. Transparent communication about pricing is essential.

- **Stronger support structures are required**

Continuous follow-up by DCEs and Ensibuuko staff helps reduce arrears. Where support is weak, repayment discipline slips.

GM0 To be added once I have the updated data.

Grace Majara, 2025-09-05T21:21:39.944

Thank You

