



 **Fundación Capital**

LESSONS FROM THE 2018 PILOT PROGRAM

PROJECT REPORT

JIJENGE

PROMOTING FINANCIAL INCLUSION AMONG SMALLHOLDER FARMERS IN TANZANIA

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1. Executive Summary

Supported by the Bill and Melinda Gates Foundation and in partnership with Mercy Corps Agrifin Accelerate, Fundación Capital implemented a pilot program in 2018 to promote financial inclusion among smallholder farmers in Tanzania. With tablet-based training in an app called Jijenge, and a tablet rotation methodology implemented by local facilitators, 541 farmers (41% women) completed training with Jijenge during a period of eight weeks in 10 villages of the Rungwe district in the Mbeya Region. This pilot was implemented with 10 facilitators and 30 tablets. Multiple partners cooperated in the roll-out: Mercy Corps Agrifin Accelerate promoted advisory, linkages, and M&E support, Rungwe Smallholder Tea Growers Association (RSTGA) endorsed the project and sensitized farmers, and CRDB, the financial services partner, shared account activity data and trained facilitators on how to onboard farmers onto SimAccount.

Jijenge's development was inspired by an edutainment concept and developed with a human centered design approach that focused on the target population's needs and preferences. It was implemented through small group trainings led by the facilitators, after which 94% of participants opted to repeat Jijenge training in their homes, often with their families. Users reported high satisfaction with the training methodology, no demographic group struggled with or rejected the tablet technology and some early results show that participants started to recognize:

- - Budgeting as a key tool to manage finances
- - Savings as an effective way to achieve personal and business goals
- - SimAccount as a safe alternative to save money (compared with other informal savings options).

41% of users adopted CRDB SimAccount following the training. Account usage has not yet commenced, but is expected by January 2019, farmers will start to receive payments via their accounts.

Fundación Capital proposes scaling the program with adjustments based on the positive findings.

2. Background

Over the past seven years, Fundación Capital has been investing in supporting an inclusive finance environment by taking a systems-level approach, working with national governments to encourage asset building at scale for families living in poverty and extreme poverty. Through its initiatives it has contributed to the design, development, and adoption of national strategies for both financial inclusion and financial education, improvements in cash transfer payment processes, digitization of cash transfer payments, and advancement in customer experience and service programs. This has been achieved through formalized technical cooperation agreements with public and private sector partners, with Fundación Capital bridging the worlds of social protection and the formal financial system, and helping governments incorporate and improve their cash transfer programs to promote inclusion.

Combining market research techniques and human centered design approaches, Fundación Capital has developed different digital solutions which promote financial capabilities, and stimulate access and use of formal financial services. One of these is LISTA (Logrando Inclusión con Tecnología y Ahorro / Achieving Inclusion with Technology and Savings), an initiative which incorporates an interactive tablet-based app delivered via peer-to-peer networks in rural and urban areas in Latin America. To date, half a million people have been trained with it. Preliminary results of the Impact Evaluation of this program suggested an overall improvement of 56% in financial capabilities and a 53% improvement in financial performance.

This success has inspired similar frameworks internationally. Since 2015, Fundación Capital has been active in Africa (Tanzania and Mozambique), supported by key partners such as the Skoll Foundation, the Bill and Melinda Gates Foundation, the International Fund for Agricultural Development (IFAD), Irish Aid, (United Nations Capital Development Fund (UNCDF) and Swift Foundation. Inspired by the experience of LISTA and supported by the Bill and Melinda Gates Foundation, the design of a new tablet-based financial capabilities application known as Jijenge began in Tanzania. It focused on promoting the uptake and usage of formal financial services by the poorest households, including cash transfer recipients and smallholder farmers.

Leveraging Mercy Corps' partnership with CRBD to promote access to and usage of a particular product (SimAccount), as well as enabling bulk payments to smallholder farmers under the AgriFin Accelerate Program, Fundación Capital adapted its tablet-based financial capabilities application to include contents about SimAccount.

For the pilot with Mercy Corps Agrifin Accelerate, modifications were made to the Jijenge app to provide a more SimAccount-focused user experience for the coffee and tea farmers. Adaptation included product education content to complement

enrollment into SimAccount, which is new in Tanzania. It is a product where users can open a bank account through a simple feature phone and conduct transactions via USSD, without needing to enter a bank branch or use a banking app requiring a smartphone. SimAccount provides a unique value proposition by operating on all of the major networks, and offers banking features not available through MNOs mobile money products, such as fixed deposit accounts, where account holders can “lock away” funds for a future date, and cannot access them until that date. There are also group accounts where a group of people with same financial goals are empowered to open a group account and save their money together, whilst keeping visibility of the group funds and guaranteed transparency and participation on group funds should there be a need to access these by any of the members. Apart from that, SimAccount offers payment methodology directly to farmers mobile accounts and many more.

3. Designing an initiative to foster financial capabilities among smallholder farmers: Jijenge



Based on research and co-creative methodologies, Fundación Capital adapted “Jijenge” in collaboration with Mercy Corps Agrifin Accelerate, CRDB bank and Rungwe Smallholders Tea Growers Association (RSTGA). Following this, an eight-week pilot was implemented in which local leadership and local facilitators were trained to facilitate the tablet rotation amongst 600 coffee and tea smallholder farmers.

The main characteristics of Jijenge

- **The app development of Jijenge is based on the concept of Edu-tainment**, where users can learn in a gamified environment and acquire financial capabilities through an entertaining app.
- **Jijenge has been carefully designed to cover the needs of users with low literacy levels.** Through a human-centered design approach the app design process for Jijenge considered users needs, particularly the low income population such as smallholder farmers and social safety net beneficiaries.
- **Delivery approach of Jijenge.** The implementation of Jijenge is based on a Peer-to-Peer Model where facilitators are in charge of the introduction of tablet learning through small group trainings, and implementation of rotational household learning. Users have the opportunity to take the tablet home for a couple of days to use at their own pace. This allows for engagement of the learning to reach other household members such as spouses and children.
- **Jijenge offers rapid access to information regarding output.** Through the back-end data collected by the app, Jijenge offers information about most reliable project outputs, inter alia, number of users, number of completed modules, total time spent on the app and financial knowledge (through responses in financial health games).

The contents addressed by Jijenge are grouped in two main categories and expected outcomes:

Financial Capabilities	SimAccount Use
<p>Content Transmitted: information about how to use a mobile phone for financial transactions, how to interact with an agent, and an introduction to savings and budgeting.</p> <p>Expected outcomes: to improve awareness of and trust in the financial ecosystem including the products and services as well as improve technical capacity and financial skills of the user.</p>	<p>Content Transmitted: information about the value proposition of investing in opening and use of an account accessed via a mobile phone.</p> <p>Expected outcomes: to promote more interest in the uptake and interaction of SimAccount. As well as, to promote digital financial inclusion through accessing and interactions with SimAccount.</p>

4. Project Outputs

In two months and with 10 facilitators (one per village), 541 people were trained on Jijenge.

Between October 15 and December 15 2018, Fundación Capital and Mercy Corps Agrifin Accelerate implemented the Jijenge pilot in ten villages of the Rungwe district in the Mbeya Region. Due to limited time, the target was set at 600 farmers to be reached by the pilot.

The facilitators, who were recruited with the support of the local tea and coffee farmer societies had the role of sensitizing the farmers and introducing the pilot within the communities. They also coordinated the trainings at small group level where the tablets were introduced for the first time, as well as at the household level, where they were responsible in the rotation of the tablet from one household to another. The facilitators were also able to sign up users for SimAccounts following the training.

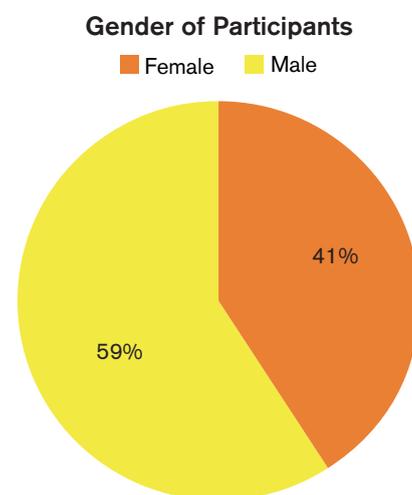
Each facilitator had 3 tablets and was responsible for training 60 smallholder farmers over the two-month period. Small group trainings involved about 7 members per session, each group meeting up to 3 times for approximately 2 hours per session. Following the group training, each participant had the chance to carry the tablet home for a period of one day where they could do independent learning with other members of the household.

The findings of the pilot are outlined below. Results were compiled from different sources of information, combining both qualitative and quantitative data: i) forms (filled by facilitators) to monitor the implementation, ii) backend data which is the automatic data provided by the app and shows the interaction between participants and Jijenge, and iii) a process evaluation using qualitative techniques¹ to observe the performance of the implementation.

4.1. Participant Demographics

Participants of the pilot were smallholder farmers from the local tea and coffee associations. The main source of income for these farmers is their coffee/tea production, but they carry out a diverse set of economic activities which provides for a continuous flow of income. The income from coffee is concentrated in two harvests per year, while tea is harvested on a weekly basis and payments are monthly.

At the beginning of the pilot, “inclusive targeting” was defined, both with a gender balance and an age balance from a range of age groups. With the completion of the pilot, of the 541 participants reached, the 41% are women and 59% are men.



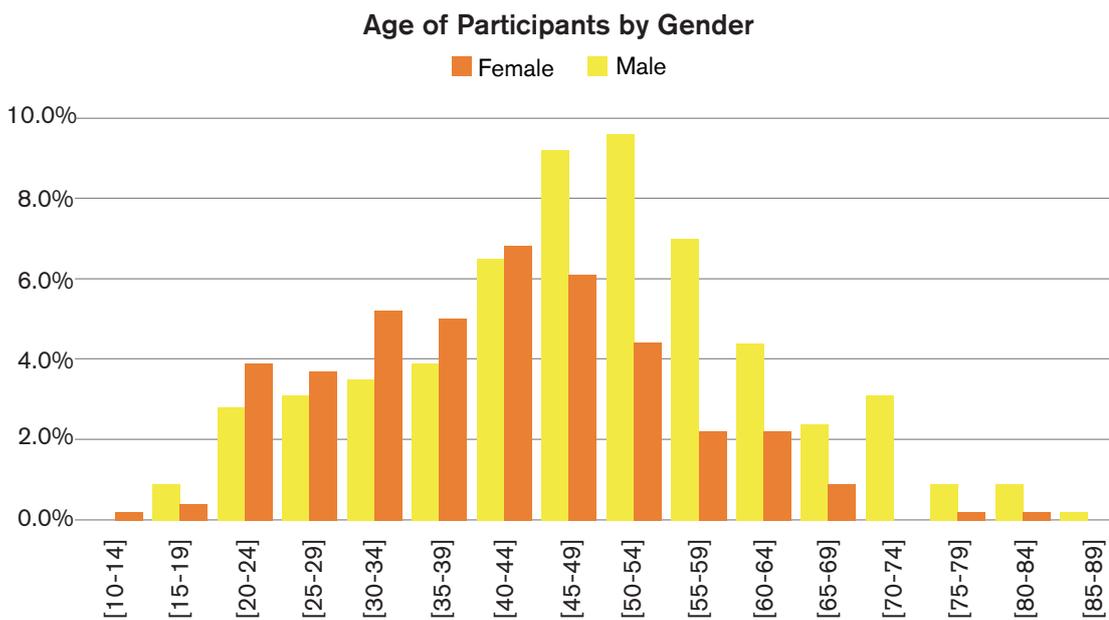
1. Fieldwork done in 5 villages: Kisajilo, Syukula, Balongwe, Kagwina and Mpanda. The activities conducted were: 1 focus group discussion with leaders of tea and coffee association (RSTGA office), 2 focus group discussions with women farmers, 2 focus group discussions with male farmers, 2 interviews with facilitators, 1 interview with a CRDB representative and 2 observations of users interacting with tablets.



A smallholder farmer working at a tea plantation in Syukula Village.

The median age of participants is 45 years, 69.5% participants are between 30 and 59 years of age, 15.5% are 60 years of age or older while 15% of participants are under 29 years of age.

Until the age of 44, female participants are more numerous than men. From the age of 45, the number of male participants exceeds that of women.



4.2. Interaction with Jijenge

“With Jijenge you can learn on your own time and you can repeat the lessons again and again and the messages transmitted are consistent, it is much more practical. . .”

Group interview with leader of Farmers' Associations, Rungwe



The tablet-based training was well received. Participants appreciated this new and innovative method of learning, which moves away from the tradition face-to-face format of learning. For all, it was the first time that they had received training via a tablet. Some of the reasons mentioned for this acceptance were:

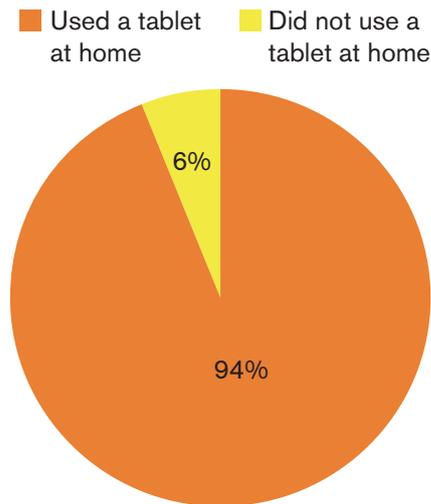
- Jijenge offers stories with examples which helped participants better understand the concept/messages and better apply them for practical purposes. Participants found the content, stories and characters of Jijenge relatable.
- Use of the tablet guaranteed the consistency of the message that was being transmitted, irrespective of the facilitators' performance.
- Through the tablet, participants were able to share the learning experience with other family members.
- Jijenge is a flexible tool, adaptable to different participants with different learning processes - people are able to repeat the training as much as they want.

“With the tablet you can see the things with more reality - you can see the *actual* things. . .”

Group interview with leader of Farmers' Associations. *Rungwe*

Consistent, easy and intuitive user experience was perceived during the trainings. Participants were comfortable even with the self-learning approach during the household rotation of the tablets, as learning is interactive and audio instructions are easy to follow. Also participants are connected as they relate to the stories and characters in Jijenge. Due to the acceptance of the tablet-based training and the strong user experience, 94% of participants opted to repeat the training at home following the group training.

Household Rotation



4.3. Content Assimilation and Some Early Results

“Jijenge means personal development...”

“Jijenge is about how to develop yourself from one step to another... it is also learning how to save - having a plan...”

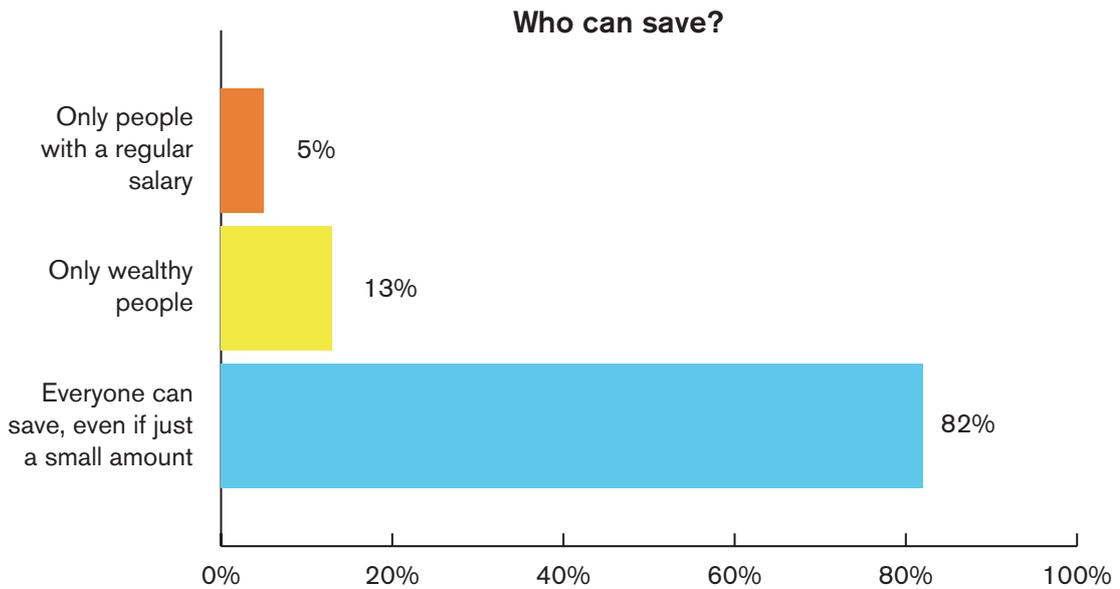
“With Jijenge I learned that saving through a SimAccount is better because we avoid the temptation to spent the money... Even is possible to save with small amount of money”

Focus Group Discussion with smallholders trained with Jijenge. Mpanda Village

Deep content assimilation linked with early behavioural changes in the participants are clearly observable. Some of the most notable results were:

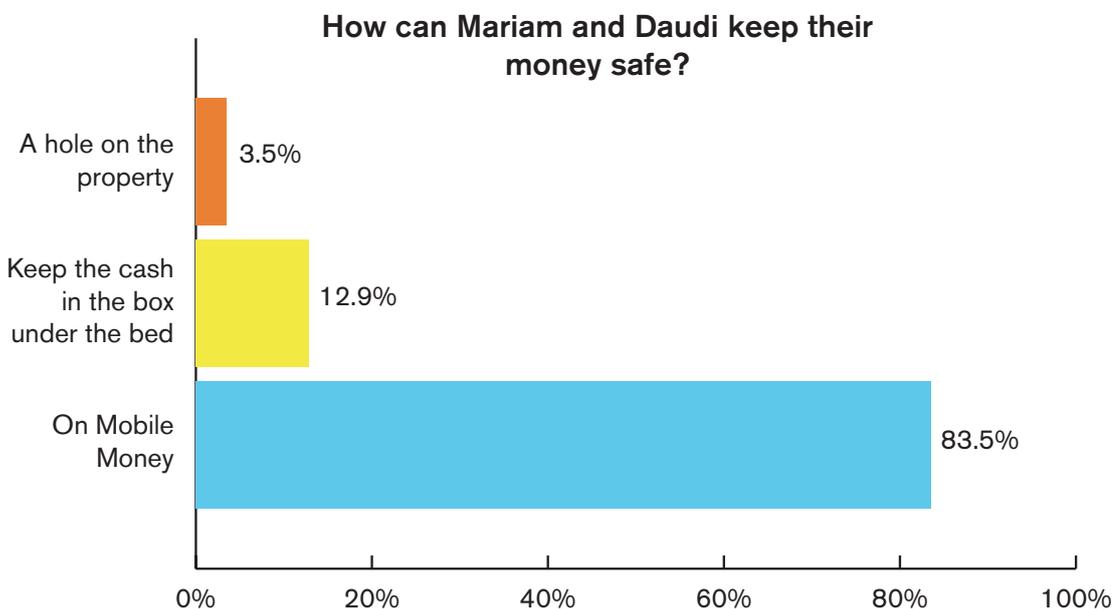
1. Recognition of budgeting as a key tool to manage financial resources at home and also in business. Some participants started to use some budgeting tools in their own businesses or in their personal finances.

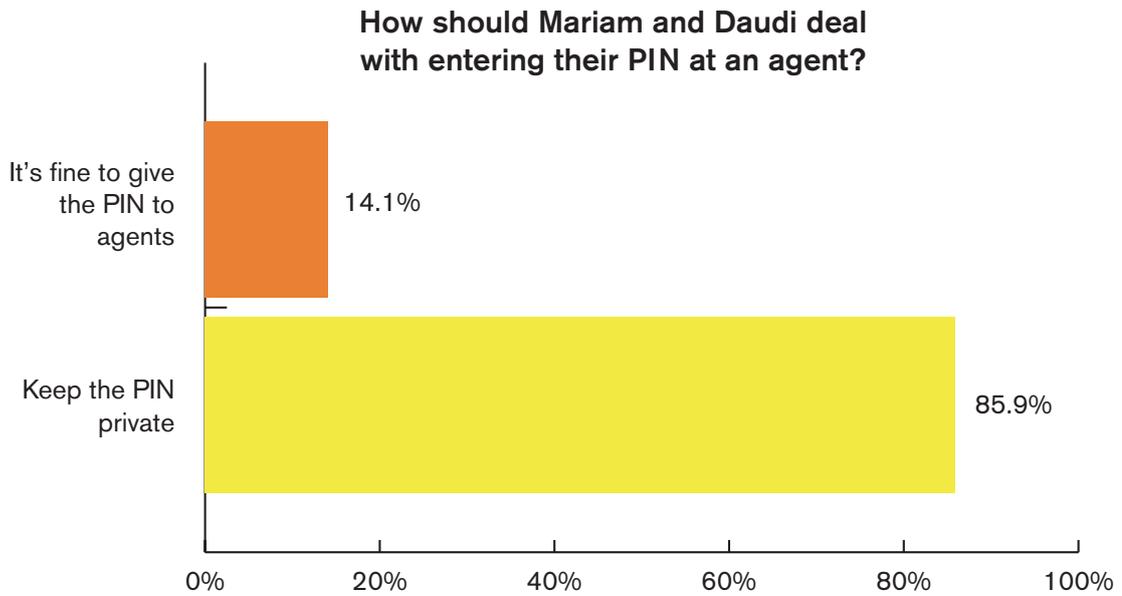
2. Recognition of savings as a way to achieve personal and business goals. Based on backend data analysis, more than 80% of the participants were able to recognise that savings can be done with small amounts of money. After the training, people discovered that everyone can save money, regardless of their income level. For instance, as was registered in the back-end, more than 80% of users recognized that everyone can save, even if only small amounts of money.



3. Participants recognized the product (SimAccount) as a safe way to save money compared with other alternatives. People identified SimAccount as a very convenient product and associated it with the concept of safety and practical benefits such as time management and money savings. Placing of agents for SimAccount closer to the communities was noted to be convenient as it allows for low transaction fees as they save on transportation costs.

Trainees identified key security measures involved in having a formal account. For instance, 85.9% of the users recognized the importance of keeping the SimAccount pincode private. Backend data analysis also indicated 83.5% of users identified the option of keeping money in a mobile wallet as the safer way of keeping money, compared to keeping it at home:





4. Enrolment in digital account after Jijenge training. Out of the 541 trained participants, a total of about 223 (41%) were enrolled into SimAccount following completion of the Jijenge training. SimAccount had been promoted to these farmers in the past, however no training was done during that period.

The current analysis is focused on observing possible changes around content assimilation and some early results (e.g. usage of the accounts). Analysis of the performance of these accounts will be undertaken using administrative data from CRDB, in order to observe behavioural changes.



5. Addressing the financial inclusion gap among smallholder farmers

Perhaps the main challenge in this pilot was the promotion of a financial product within a mainly rural setting. However, the most isolated villages far from the cash collection centers (coffee and tea production payments) are the most likely to benefit from digital payments because with the use of SimAccounts they avoid transportation costs currently incurred during collection of their payments in urban centers. Below are some recommendations from the learnings of the pilot.

5.1. Recommendations regarding the Financial Digital Ecosystem

The following recommendations are more related to marketing strategies of CRDB bank:

An integration of different actors in digital ecosystem is crucial for the adoption and use of SimAccount. It is important to consider other actors who are part of the current process of manual payments/cash payments: for instance, community leaders that have been supporting farmers in the current cash payments process. With the introduction of digitised payments, these individuals feel at a disadvantage. It is therefore key to consider possible solutions in which they are integrated into the ecosystem, such as them being agents or possible facilitators. It is also important to think about how to integrate other possible actors that could potentially feel at risk with the promotion of SimAccount via the financial capabilities application, such as saving and credit cooperatives (SACCOS).

Pay farmers via SimAccount to drive account activity and provide stronger incentives for uptake. Plans for the registered farmers to commence receiving payments via their accounts has not materialized. Due to this administrative challenge that is beyond the program, the influence of uptake within the communities has slowed down. However, future payments are expected to be paid digitally; via SimAccount as the bank and other stakeholders are working towards mitigating the current existing challenge.

Increase agent coverage. Another crucial challenge is linked to the low presence of agents/wakalas in most of the villages, especially those located in most rural and isolated settings. This has made many farmers reluctant to register for the product because they have concerns over costs and time they might incur to access the services. Therefore, development of a strategy to spread more agents within the villages is necessary.

5.2. Recommendations regarding the Implementation Ecosystem

A condition for successful implementation is to have engaged facilitators.

From the pilot, one lesson learnt is the need to ensure facilitator engagement. Relevant engagement is in terms of having the correct knowledge/information that they can transmit and reinforce among their communities - both regarding technical and more socially-inclined matters. One of the more frequently asked question at enrollment stage, was regarding account ownership. Some of the women were under the impression that the account would be owned by their male counterpart, which needed clarification.

An initial sensitization from community leaders increases attendance. During the pilot, there was a small window in which sensitization was done. In most cases, community leaders understood the pertinence of Jijenge but did not have enough time to sensitize the communities, which led to some implementation challenges such as the lack of encouragement of women to enroll into the training, as well as participants' vague understanding of the training applicability in relation to digital payments.

People need more time to interact with tablets. Due to limited time, the current pilot implemented household tablet rotation for one day in each household. Most participants expressed the need for more time to allow better interaction whereby they can repeat and digest contents in their own time - which in the case of most women is only after they have completed their daily chores.

Trainings must be flexible, and take into consideration existing gender inequality and the farmers' availability. Due to socio-cultural dynamics and a gender inequality in household roles, women are usually in charge of more activities including childcare, household chores, and caring for crops, while men are mainly involved in distribution and selling of produce. It is therefore important to carry out training during hours in which women are also able to attend. Implementation times should consider a schedule that suits both genders, especially for group training.

It is also important to consider gender dynamics while promoting tablet rotation. From the pilot, findings indicated, women were less likely to share the training with their husbands but shared with children. Men on the other hand, were more likely to retain the learnings, however those over thirty were more likely to share the learning experience. Due this dynamic, it is important to reinforce a strategy of tablet rotation in the homes, where regardless of gender, the app is shared with all family members, including children and partners.

Consider a "territory approach". During the implementation the amount of tablets (30) was insufficient to cover the totality of the targeted number of participants and their households. This limited the time period in which a tablet could be retained within a household for the full independent learning experience. An average of 20 households per village received the tablet under the rotation approach, this however excluded a majority of the population. Expansion of the pilot into a possible rollout

would certainly require more tablets and more time for the participant to effectively complete the training at their own pace.

Bundle Content. Farmers' feedback encouraged the need to bundle content to not only include financial literacy training, but other content such as entrepreneurial training and information on effective access to agriculture inputs.

Add additional content to address key user questions, especially around SimAccount functions and transaction costs. The major concerns among farmers are regarding SimAccount fees. Most of the people perceived the fees as very expensive without being able to comprehend on the value proposition. In addition to the tablet-based training, printed guides should be disseminated to further promote the diffusion of the information.

5.2. Recommendations regarding the App/Jijenge Ecosystem

Creation of new contents linked with agribusinesses. Participants also expressed demand for more content including agribusiness, animal husbandry and entrepreneurial content. An integration of Jijenge along with the livelihoods application; Jifunze Biashara will enrich the training with entrepreneurial content.

6. Jijenge's scale-up potential

In Tanzania there is a potential for scale of digital forms of training considering the high levels of illiteracy. In a recent ecosystem study on the supply and demand for digital financial services in rural Tanzania, AFA found that:

Though many products exist to help smallholders save money, few actively encourage good savings behavior, indicating a need for financial literacy training with the objective of demonstrating the usefulness of formal savings products.

Financial inclusion is correlated with mobile literacy: those who able to send or receive text messages are significantly more included (71% financially included) than those who are unable to do so (30%). This creates opportunity for scaling of financial capabilities training to bridge both financial inclusion and gender gap with women still being the main segment left behind.

Under the Jijenge pilot, approximately \$32,000 USD were invested in modifying the application to suit the end user, implementation, and process evaluation. The estimated cost of serving one farmer during the pilot came to approximately \$60 USD. In a scale-up scenario reaching 10,000 farmers through digital solutions, the cost of serving one farmer is estimated to reduce to \$6.17 USD. When compared to our previous experience of using paper-based curriculums at a cost of \$25 USD per participant, we see significant savings. Furthermore, the rotational nature of the initiative provides the opportunity to indirectly reach other non-targeted beneficiaries, technically reducing the cost per farmer further.



Approximate Cost per Farmer in Pilot Program
\$60 USD



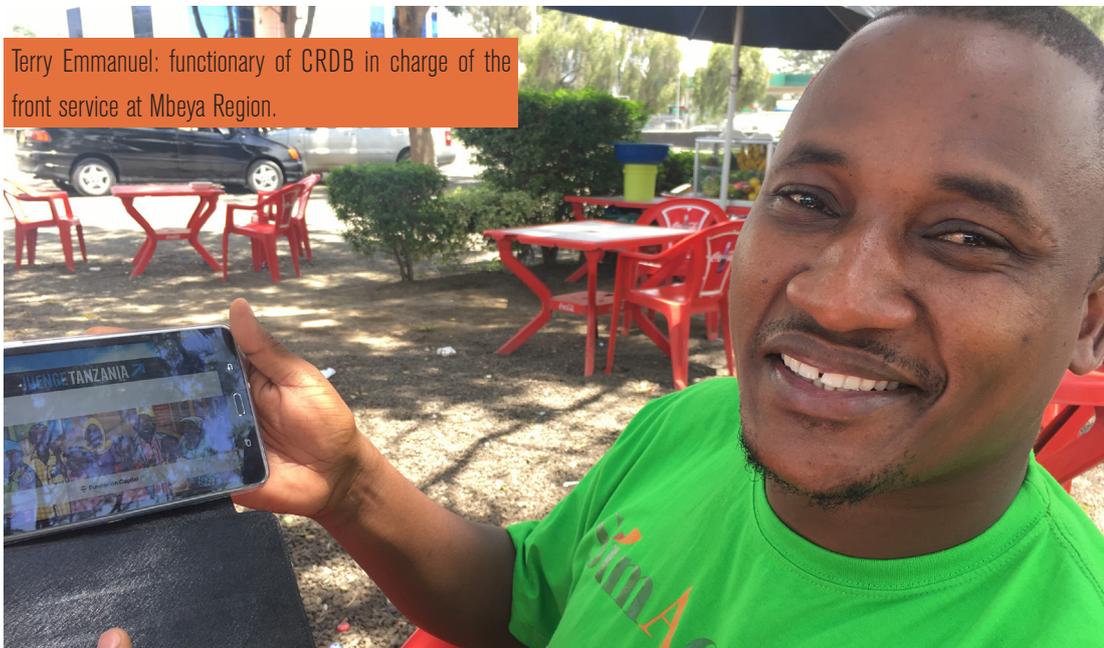
Approximate Cost per Farmer in Scale-Up Program (10,000 farmers)
\$6.17 USD



Approximate Cost per Farmer with Previous Paper-Based Curriculum
\$25 USD

Once the initial cost of the app development is covered, subsequent investments are solely in implementations. Compared to traditional methods of teaching, tablet-based training as an independent learning approach significantly increases feasibility of large-scale implementation.

7. Conclusion: Using a cost-effective digital solution to promote financial inclusion in Tanzania



Terry Emmanuel: functionary of CRDB in charge of the front service at Mbeya Region.

This pilot outlined how to offer digital financial services (CRDB's SimAccount), complemented by a strategy of financial capabilities promotion and a digital training (Jijenge) aimed to promote the access and use of financial products.

Beyond financial capabilities and in order to accelerate bridging the financial inclusion gap, it is important to consider a holistic approach of bundling content for the promotion of enrolling and engaging with formal financial services.

From the learnings of the pilot, it is evident that Jijenge is an innovative and effective solution to promote financial inclusion among vulnerable segments of the population including smallholder farmers, women and even the youth.

Authors: Mwimbe Fikirini, Mauricio Romero, Collins Marita, and Happy Mathew. **2019**