

‘Gateway to Financial Innovations for Savings’: Program Overview

Bankable Frontier Associates (BFA) has been retained by Rockefeller Philanthropy Advisors (RPA) to manage RPA’s special project called the “Gateway to Financial Innovations for Savings” (GAFIS). GAFIS is funded by the Bill & Melinda Gates Foundation. GAFIS will seek to promote useful savings behavior among poor households by leveraging certain gateway-type products or cash flows which may support the development of small savings by regulated deposit-taking institutions.

Gateway products are those which leverage existing or new formal financial flows to poor households, or other existing formal financial relationships with poor households, to develop viable formal savings products on the back of the initial flow/relationship. Examples of these are savings accounts linked to:

- (i) payments under government-to-person (G2P) or conditional cash transfer programs that are paid through financial institutions;
- (ii) remittance inflows;
- (iii) policies which encourage or require entry-level bank account offerings to the poor; and
- (iv) an established transactional account platform.

Each of these tends to bring large numbers of poor people to the gates of the formal financial system, but, alone, may not result in useful savings within that system. GAFIS will encourage intentional development of savings products in order to benefit poor customers in a sustainable way and also learn more about which gateway products serve as effective platforms for viable small savings.

Specifically, over a three year period, GAFIS will support five carefully selected financial institutions to develop new savings products linked to existing gateway flows or products. GAFIS will provide a tailored mixture of market research support throughout the product cycle, technical assistance for demand and supply side support to each, peer-support among partners, and grant assistance.

Through a very careful and limited search, BFA is presently scouting for opportunities and seeking dialogue with potential partner institutions which satisfy the criteria below. We expect that five core partners will be selected by mid 2010 (with capability to act sooner if opportunity is time sensitive), although others may be able to participate as associate partners in peer network opportunities.

Criteria for GAFIS Core Partner Institutions

- Regulated deposit-taking institution (capable of taking savings deposits);
- Sufficient capacity and existing size to be able to scale (generally more than 200,000 clients and/or widespread branch network, with ability to accept less in exceptional circumstances);
- Demonstrated commitment to low-income market through mission and current client base or clear intentions;
- A Gateway-linked product already launched or in pipeline under consideration, so that the time to develop and rollout the product is compressed (e.g., ready to launch at scale within 15 months).

These institutions must be active in a developing country.

If you know of a financial institution which may qualify, or wish further information of what we are intending, please contact Jeff Abrams of BFA at jabrams@bankablefrontier.com.