



# Mobilising internal finance within a forest and farm producer organisation

A case study of the Masopo Women's Club of Choma, Zambia



Access to Finance Case Study 3: Zambia  
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## Acronyms

CAZ	Cotton Association of Zambia
FFF	Forest and Farm Facility
FFPOs	Forest and farm producer organisations
FISP	Farmer Input Support Programme
Zanaco	Zambia National Commercial Bank
ZMK	Zambian kwacha (currency)

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Cover photo: Masopo Women's Club having their savings meeting (left) and Masopo women mobile banking booth (right) © Fostina Ngulube

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## Summary

In Zambia, women in general face a variety of challenges in business development. One major challenge is their lack of access to finance to boost their individual businesses. This is mainly due to their lack of property ownership, which acts as collateral to access loans from financial institutions. Having access to finance is important as it allows women's businesses to grow, thereby improving their livelihoods through increased revenues. One solution is for women to become organised in a club savings and loans scheme.

The Masopo Women's Club is a formally registered female-dominated forest and farm producer organisation (FFPO) with a total membership of 34 members, of whom 29 are women and five are men (including four youths). The club is located 20km from Choma town along the Lusaka–Livingstone Road. It is based in the Siakacheka community in the Choma chiefdom of Choma district, Southern Province. The purpose of the club is to improve the livelihoods of its members. Its mission is to be the best provider of forest and agricultural products in the nearby Siachitema village.

The club is involved in a number of activities for resource mobilisation aimed at enhancing access to finance. These include a regular weekly savings and loans scheme and a mobile money transaction businesses that is run in partnership with the Zambia National Commercial Bank (Zanaco) and two mobile money service providers, Airtel and MTN Money.

The club initially only had 27 members who were involved in basket and bushel making. In September 2020, with support from the Cotton Association of Zambia (CAZ) and the Forest and Farm Facility (FFF), the club was assisted to develop a constitution to govern their club and savings and loans scheme. Then in October 2020, with the support of CAZ and the Zambia National Forestry Commodities Association under the FFF programme, the club became Zanaco Xpress agents and began to operate a mobile money business.<sup>1</sup> This partnership enabled the club to generate profits through commissions made on mobile money transaction that then could be reinvested into its members' other enterprises. The club soon expanded to link to two other companies offering mobile money services, Airtel Money and MTN Money. Having a larger customer base allowed the club to increase the number of transactions and hence profit it could make.

Financing from the mobile money business has had a positive impact on the club's members. Most members have been able to build new houses, others have increased their livestock, and all now have guaranteed funds available every year to pay their fees to the government's Farmer Input Support Programme (FISP) that provides farmers with subsidised farming inputs. This has helped to improve the livelihoods of the Masopo Women's Club's members.

As a multiple investment mechanism, it has also helped to mitigate risks for its members. In 2020, there was a serious drought in Zambia. The club experienced few negative impacts because its members had multiple sources of income from different enterprises and were not only dependent on farming. This is particularly important as it has helped to build climate resilience and acts as a form of risk management.

The most important impact of this financial mechanism is that it has improved livelihoods and brought about financial inclusion. It has also enabled its members to better take care of each other's social needs and well-being through its social fund, as well the needs of other vulnerable community members. This was especially important for community members during the COVID-19 pandemic when the country was in lockdown and travel was prohibited, as people were able to access their finances within their own communities.

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<sup>1</sup> According to Zanaco's website, 'Zanaco Xpress is a partnership with a large number of agents in urban and rural areas through which Zanaco customers can deposit cash into a Zanaco account or can withdraw money from their own account at Zanaco. In this way, Zanaco further expands and strengthens its distribution network and our clients can deposit and withdraw cash at any nearby agent.' See [www.zanaco.co.zm/personal-banking.php?p=79](http://www.zanaco.co.zm/personal-banking.php?p=79)

## 1 Introducing the Masopo Women's Club

### 1.1 The Masopo Women's Club's vision and mission

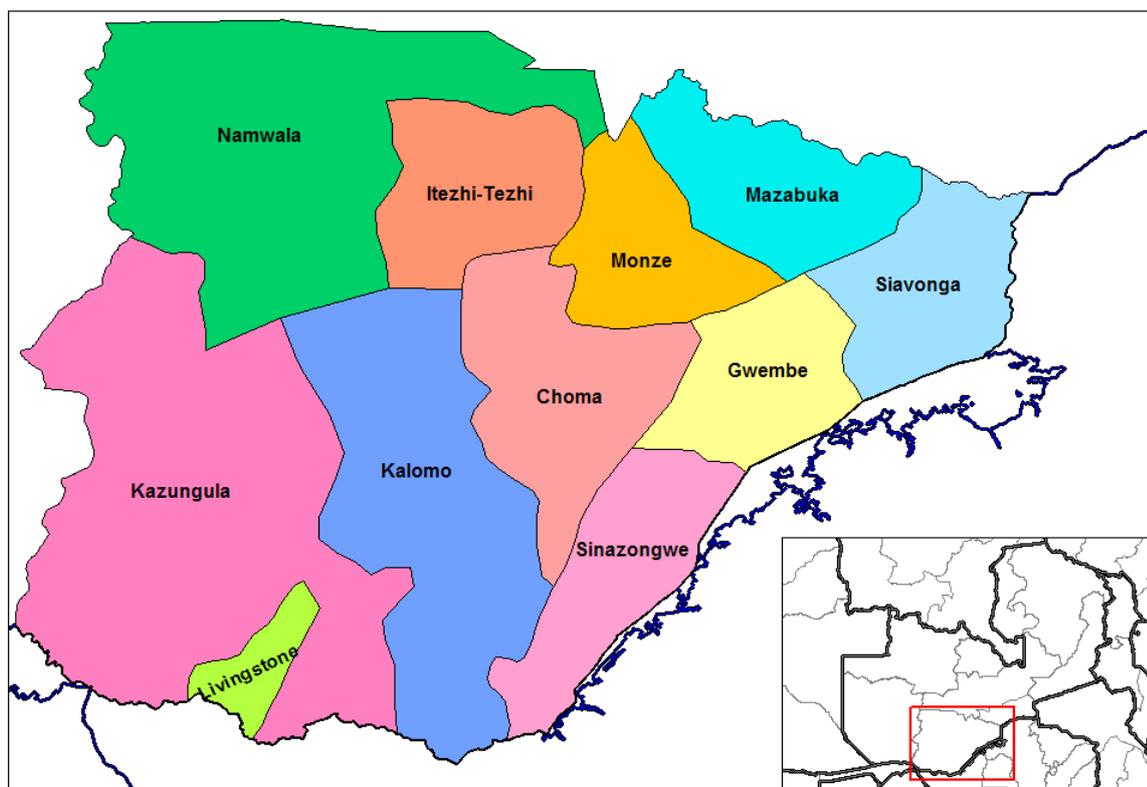
The Masopo Women's Club is a formally registered female-dominated forest and farm producer organisation (FFPO) with a total membership of 34 members (29 women and five men, including four youths). Its members are involved in making baskets and bushels, village banking, running a Zanaco Xpress money booth, agroforestry, managing 10 hectares of community forest and small livestock production.

The purpose of the Masopo Women's Club is to improve the livelihoods of its members and its mission is to be the best provider of forest and agricultural products in Siachitema village. The club's objectives are to:

- Improve the livelihoods of club members
- Increase members' self-dependence
- Promote regular savings
- Promote discussions among club members around improving livelihoods
- Support orphans and vulnerable children in the community
- Lobby for resources from movements and non-governmental organisations (NGOs)
- Promote bushels and basket weaving
- Train club members in how to run a viable and sustainable business, and
- Promote tree planting.

### 1.2 Where the Masopo Women's Club is located

The club is located 20km from Choma town along the Lusaka–Livingstone Road. It is based in the Siakacheka community in the Choma chiefdom of Choma district, Southern Province.



**Figure 1. Map showing the location of Choma district, Southern Province, Zambia**  
Source: Wikipedia

### 1.3 Financial mechanism used by the Masopo Women's Club

The Masopo Women's Club currently operates two types of financial mechanism: a savings and loans scheme for its members and mobile money businesses.

### 1.3.1 Savings and loans scheme

Most members do not have easy access to formal banking services, so the club's savings and loan scheme offers them an alternative within their own community that enables its members to make weekly savings in an organised and systematic way. Each member earns compound interest on their savings at a rate of 10% each month. For example, if a member saves 1,200 Zambian kwacha during a six-month cycle (saving 200 Zambian kwacha a month), with compound interest their savings would be worth 1,697.43 Zambian kwacha at the end of the cycle, meaning that they will have made 497.43 Zambian kwacha in interest during that time. The savings scheme runs in six-month cycles, after which the accumulated savings and profits from the interest repaid on loans are redistributed to members at a share-out meeting. How much each individual member receives is based on how much they saved during the six-month period. Members can then invest their savings in their own individual enterprises. Most members also use this money to pay for the government's FISP programme to help farmers acquire farming inputs at a subsidised price.

The scheme also enables members – as well as other trusted community members – to take out small loans from those savings (repaid at a monthly interest rate of 10% for club members and 20% for non-members). The payback period for loans is a month.

The savings and loan scheme means that the club builds its own fund through efficient savings and the interest made on internal lending. The methodology builds on traditional practices by adding new ideas and systems to increase the benefits to members. Members save for a variety of purposes, including:

- Increasing the capital base available for the club's businesses as well as individual member's businesses
- Investing in start-up businesses or expanding other income-generating activities, such as mobile banking businesses
- Providing a financial cushion/financial security to safeguard against unforeseen and foreseen risks and emergencies
- Providing for social needs (health services, education, funeral costs, holidays, marriage, festivals)
- Acquiring property or assets (houses, cattle, farms)
- Investing to earn interest or make a profit
- Upgrading social or wealth status, and
- Taking out loans with no ambiguity in terms of paper work.

There are several advantages of the savings and loans scheme:

- The scheme provides a reliable source of credit for its members
- The cost of borrowing is decided by the members and may be lower than the interest rates offered by banks
- How much a member can borrow is dependent on the conditions set by the constitution of the club
- Money is used locally as it is given out to members to meet their business and personal needs
- The scheme enables members to expand their farming businesses
- Members learn the culture of borrowing and making repayments, and
- The scheme provides a basis for members to work together as a team and support each other.

However, some members have also observed disadvantages, which include:

- Some elite members who understand the scheme better dominate the club. More training is needed for all the members to understand the system.
- Loss of funds can cause suspicions.
- The scheme requires commitment in terms of time (the club meets every week on Tuesdays).
- The size of loans available is based on what each member has saved.
- At the beginning of the six-month savings cycle the demand for funds is higher than the amount already saved.

The savings and lending scheme is based on the following principles:

- Money saved will be borrowed by members of the club at an agreed interest rate
- Members who borrow money from the scheme must make repayments over an agreed period at an agreed interest rate

- Members must be committed to saving, lending and repaying their loans
- Clubs and individuals will set objectives, which will be achieved throughout the savings and internal lending process, and
- The decision on how to use the profits is made by members themselves.

The club meets every Tuesday to make their savings. The minimum amount is 20 Zambian kwacha and the maximum is 50 Zambian kwacha per member per savings account. However, members can have up to three savings accounts, enabling them to save between 60 and 150 Zambian kwacha per week. While members make weekly savings, the interest on loan repayments and on savings are calculated on a monthly basis. During the six-month savings cycle, the club collectively saves around 20,000 Zambian kwacha.

The village banking and the mobile banking business are conducted separately. However, if the club has any leftover money that has not been borrowed following a savings meeting, the money is transferred to the club's mobile money business to be used as a float to generate interest. This extra money is recorded to have been taken there to increase profits as the money is used for customers to make cash withdrawals from their accounts. At the end of the day, the money is then returned to the club treasurer but the mobile banking business retains any profits generated during the day. This allows the members to gain additional interest on their savings funds.

The scheme also has a social fund and each member pays 2 Zambian kwacha every week. With 34 members, the club saves a total of 1,632 at Zambian kwacha during the six-month savings cycle. The social fund is used to support club members for example in times of sicknesses, to cover funerals costs or to support vulnerable members of the community. Whatever money is left over in the social fund is never shared out at the end of the six-month cycle but remains in the coffers to cater for social needs. As agreed in its constitution, all club members are eligible for access to the social fund and members do not need to repay social funds they have received. As the club meets weekly, members are always aware of each other's well-being and when a member requires assistance and a motion to render help is discussed during the meetings.

### 1.3.2 Mobile money banking services

The other financial mechanism operated by the Masopo Women's Club within the community is a mobile money service, which promotes financial inclusion. Mobile money businesses are profitable in Zambia because of the high penetration rate of mobile telecommunications.<sup>2</sup> The Masopo Women's Club makes 1,500–2,000 Zambian kwacha per month from mobile banking transactions made within the community. The club offers mobile money services in partnership with three major banking partners:

- Zambia National Commercial Bank (Zanaco Xpress)
- Airtel Money
- MTN Mobile Money

For a mobile money business to be profitable, the business should be located in areas with high traffic such as markets, hospitals, schools or bus stations. This will increase the number of transactions conducted in a day and consequently profit. The Masopo Women's Club operates all three of its mobile money services from a booth located in the market. The club employs a youth from their community to run the business, who is also paid based on commissions made. For example, if business is good and transactions have made more than 2,000 Zambian kwacha a month, the employee gets paid about 600 Zambian kwacha. However, if the profit is below 2,000 Zambian kwacha the employee gets paid 400 Zambian kwacha.

The location of the booth allows customers to access any of the three services from the same place and also maximises the use of funds from the three businesses for transactions. Key to the business's success is having enough cash to act as a float that allows every customer to withdraw cash when required. If customers are unable to make a withdrawal, the business would lose out on the profits it could have made. Each of the three mobile money services has its own book for recording transactions which are signed by the customers.

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<sup>2</sup> There were 20.2 million mobile subscribers in Zambia in 2021 (Lusaka Times 2022). In contrast, less than 40% of the population in Zambia has a bank account.

A great advantage of mobile money transactions is that customers do not need access to internet services to withdraw or deposit funds. Mobile money transactions are available to any individual who has a phone number for communication with a particular network (Airtel or MTN sim cards). To access Zanaco Xpress mobile money, customers can have a phone number on any network but must also have a Zanaco bank account. For Zanaco Xpress, customers need to dial a code \*444# and follow the instructions (for example to withdraw cash or check the bank balance). For Airtel Money, customers must have a mobile money wallet with the Airtel mobile network, which is easy to open. Customers must dial \*115# to access this service. For MTN Mobile Money customers must dial \*303#.

### 1.3.3 Zanaco Xpress mobile money services

Zanaco Xpress partners with a large number of agents who operate in both urban and rural areas, enabling Zanaco customers to withdraw or deposit cash from their Zanaco account without having to visit the bank in person, which takes time and incurs travelling costs. The use of agents has enabled the bank to expand and strengthen its distribution network. Because Zanaco Xpress services are available locally, customers benefit from convenient access, lower travelling costs, extended opening times and shorter queues. Transactions are also much quicker and some agent outlets operate for longer hours and over the weekend.

The following services are currently provided by Zanaco Xpress: accessing mini-statements, balance enquiries, money transfers, withdrawing money from a Zanaco account (using a bank card and pin number), and depositing money into any account held at Zanaco (using your account number). Table 1 shows the transaction charges for making withdrawals (depositing money is free) – these charges are the commission the club earns per transaction. For example, if a customer withdraws 1,000 Zambian kwacha from their account, the women will conduct the transaction so that the money deducted from the customer's account first goes into the Masopo Women's Club's Zanaco account. The money is then taken from that account and given to the customer as cash. The club then makes a profit of 8.50 Zambian kwacha for that transaction.

**Table 1. Zanaco Xpress: commissions paid per transaction**

Amount withdrawn in ZMK	Commission per transaction in ZMK
0–150	6.50
151–250	7.50
251–500	8.00
501–1,000	8.50
1,001–2,000	9.00

### 1.3.4 Airtel Money mobile money services

The Masopo Women's Club can offer mobile banking services such as sending money to and receiving money from any mobile number in the country. International money transfers are also available. Customers with linked accounts can send money from their Airtel Money account to their bank account and vice versa, check their bank balance and mini-statements, and deposit and withdraw cash. The Masopo Women's Club makes a commission from withdrawal charges based on the amounts customers deposit or withdraw (see Table 2). The more transactions they perform in a month, the more commission they earn, similar to Zanaco Xpress.

**Table 2. Airtel Money: commissions paid per transaction**

Transaction type	Commission paid to business owner (ZMK)
Cash in	0.5% for all deposits made by the customer
Cash out	1.0% per withdrawal of 5–1,000
	10 per withdrawal of 1,000–3,000
	20 per withdrawal over 3,000
Charges for withdrawing or depositing money within Zambia	
1–150	2.50
150–300	5.00
300–500	10.00
500–1,000	20.00

1,000–3,000	30.00
3,000–5,000	50.00
5,000–10,000	100.00
Charges for Airtel international money transfers	
5–100	3.00
100–200	6.00
200–400	10.00
400–800	15.00
800–1,500	25.00
1,500–3,000	40.00
3,000–6,000	65.00
6,000–10,000	80.00

### 1.3.5 MTN Mobile Money services

Similar to Airtel and Zanaco Xpress, this service allows customers to send money to and receive money from any mobile number in the country as well as international money transfers. Customers with linked accounts can send money from their MTN Mobile Money account to their bank account and vice versa, check their bank balance and mini-statement, and deposit and withdraw cash.

Commission earned on MTN Mobile Money services in Zambia depends on the type of transaction. For example, for cash withdrawals the commission is 1% of the withdrawn amount before tax. For MTN Money deposits, the commission is 0.5% of the deposited amount before tax. Table 3 also shows the MTN Money agent's fees per transactions, depending on the amount of money withdrawn.

**Table 3. MTN Money: commissions paid per transaction**

Amount withdrawn in ZMK	Commission per transaction in ZMK
5–150	2.50
150–300	5.00
300–500	10.00
500–1000	20.00
1,000–3,000	30.00
3,000–4,000	50.00
4,000.01–5,000	70.00
5,000.01–10,000	100.00

## 1.4 How the club's financial mechanisms benefit its members

The savings and loans scheme has helped the club to support other income-generating activities and has also raised the capital required to start its mobile money business. The club has increased its profits as well as buyers for their businesses due to the increased investments in the businesses from the mobile money transaction businesses. The profits from these ventures is reinvested in the club member's various business such as making basket and bushels, rearing chickens and goats, and market gardening.

The club has been able to increase its profits as well the number of buyers its businesses sell to due to the increased investments from the mobile money businesses. Before the mobile money business, the club used to make 36 bushels and 16 baskets per week. After purchasing the raw materials, the products were sold at 25 Zambian kwacha each at Makalanguzu Market in Choma town. They also had an independent buyer in Livingstone district who bought from the club to resell and another in Lusaka. From these sales, the club made an estimated 3,200 Zambian kwacha per month. However, after investing in their mobile money business, the club was able to generate more profit, which was used to revamp the basket and bushels production business. The club was able to purchase more raw materials and now currently makes 144 bushels per month. These are sold at 25 Zambian kwacha each for small bushels and 50 Zambian kwacha each for larger ones. The club now has six different buyers for their bushels (in Livingstone, Lusaka and four from within Choma district). The club now makes an estimated 5,475 Zambian kwacha per month from the sale of bushels.

The club further makes 9,000–10,000 Zambian kwacha every three months from rearing chickens after an initial investment (borrowed from the mobile money business) of 4,500 Zambian kwacha for feed and 1,000 Zambian kwacha for purchasing chicks. Labour is provided by the members of the club.

The club further generates income by keeping of goats. It currently owns 15 goats from an initial investment in eight goats. The club sell the goats at 350 Zambian kwacha each after six months. Meanwhile, market gardening generates an income of about 4,000 Zambian kwacha after four months from local sales after an investment of about 695 Zambian kwacha for seed and chemicals for spaying) in a four-month period.

## 2 Origins and evolution of the Masopo Women's Club

### 2.1 Establishing the Masopo Women's Club

Initially, in 2015 there were five clubs registered as farmer clubs under the government's Farmer Input Support Programme (FISP). Each club consisted of individual businesses such as broom making, basket weaving and various other forest-based businesses. The five clubs then attended a training organised by the Choma Forestry Department and supported by the Forest and Farm Facility (FFF) on the various benefits of forest-based business. They learnt how to aggregate their products to improve their access to markets and about the benefits of doing business as an organised club. The meeting had a total of 73 participants from the five clubs. After the training, a total of 26 members from the different clubs, 22 women and four men, came together and formed one club.

The members formally registered themselves as the Masopo Women's Club for the purpose of starting forest-based businesses. All contributed an agreed membership fee of 50 Zambian kwacha. The club's aim was to make baskets and then aggregate their products to sell. The club put together 100 Zambian kwacha each to buy the raw materials for making baskets and bushels. However, to begin with, the products were of poor quality and failed to attract buyers. It also took a long time for the club to finally get a registration certificate because members from the other existing clubs could not yet see the future benefits of the newly formed Masopo Women's Club.

Then in 2016, the Masopo Women's Club had a six-day training with the Choma Forestry Department on market analysis and development (MA&D). Because of this training, the club narrowed their business focus to activities that would make them money after conducting an analysis in Choma on competitors running businesses similar to theirs, including the various patterns that were used in making baskets and bushels. They also learnt how to develop an enterprise development plan. The club was then formally registered in 2019.

The club was further empowered by the Choma Forestry Department when people from Binga in Zimbabwe came to Choma to provide a seven-day training course for the club members at Mochipapa Research Station on the different patterns of basket making and various designs for bushels. The club was also trained on the storage of palm leaves (used for making bushels and baskets) and how to dye palm leaves to give them colour (value addition). After the training, the club were able to improve their basket-making skills, which is when they also started to earn a better income from their business. The profits were shared equally among the members of the club.

The club later learnt about village banking from a member of the Peace Corps. However, they lacked enough information on how to run a savings and loans club properly and had not developed a formal constitution to guide them. The club was later linked to the Cotton Association of Zambia (CAZ) by the Forest and Farm Facility (FFF) to learn more about savings, and were then trained on how to run a savings and loans scheme. CAZ had been conducting village banking trainings among its farmers and so had experience of village banking initiatives.

In September 2020, the club was assisted to develop a constitution for their club and a proper structure for their savings and loans scheme. Then in October 2020, with the support of CAZ and the Zambia National Forestry Commodities Association under the FFF programme, the club became Zanaco Xpress agents and began to operate a mobile money business.<sup>3</sup> The club members were trained by Zanaco on how to run the mobile money service. The aim was to enable the club to generate profits through commissions that could be used in their various other enterprises. However, due to having a limited number of customers for this service, the club decided to also link to two other companies offering mobile money services, Airtel Money and MTN Money. Having a larger customer base allowed the club to increase the number of transactions and hence profit it could make.

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<sup>3</sup> According to Zanaco's website, 'Zanaco Xpress is a partnership with a large number of agents in urban and rural areas through which Zanaco customers can deposit cash into a Zanaco account or can withdraw money from their own account at Zanaco. In this way, Zanaco further expands and strengthens its distribution network and our clients can deposit and withdraw cash at any nearby agent.' See [www.zanaco.co.zm/personal-banking.php?p=79](http://www.zanaco.co.zm/personal-banking.php?p=79)

## 2.2 Sources of funds and how the mechanism has evolved

The club initially started the business offering Zanaco Xpress mobile money services using 1,600 Zambian kwacha borrowed from the member's savings and loans scheme. Later, this amount increased to 5,000 Zambian kwacha when the business expanded to include Airtel Money and MTN Mobile Money, using an additional 4,000 Zambian kwacha raised from the sale of baskets and bushels. Of this additional money, 3,400 was added to the initial investment of 1,600 Zambian kwacha to make 5,000 Zambian kwacha and the remaining 600 Zambian kwacha was used to buy raw materials for the baskets and bushels business.

The club treasurer initially kept the cash money on the club premises in a box. However, this meant that the cash was insecure. The club then opened its own bank account in 2020, for the purposes of using the account for its Zanaco Xpress mobile money transactions. However, having cash available is important because it is used as a float: although transactions are made electronically, cash is still required for customers withdrawing money and cash is taken when customers make deposits. The cash is then handed over to the treasury committee every day after business hours for safekeeping.

When the business first started operating with only Zanaco Xpress transactions, the commissions were very low due. Only a small number of transactions were made on a monthly basis, earning 200–300 Zambian kwacha in commission. Introducing Airtel and MTN money services increased the amount of commission earned because these services are widely used and are available to anyone with a sim card for these two mobile networks. With help from CAZ, the club reached out to Airtel and MTN and became registered as agents to operate the mobile money business. With these additional sources of income, the club increased its profits from commissions to about 800 Zambian kwacha per month.

After having improved in its various other businesses (making baskets and bushels, rearing chickens and goats, and market gardening) the club increased its float to around 10,000 Zambian kwacha which enabled it to make more money from commissions (the more the money that is available for transactions, the more profit you make). Currently, the mobile money business now has 35,000 Zambian kwacha to run the business (withdrawals and deposits). Commissions earned are now between about 1,500 Zambian kwacha for a slow month and above 2,000 Zambian kwacha for a better month.

## 2.3 How the Masopo Women's Club is managed

The club employs a community youth to run its mobile money transaction business, who is paid based on how much commission is made in a particular month. The operator maintains three separate record books (one each for Zanaco, Airtel and MTN) to record all of the mobile banking transactions made. These record books are then tallied with the bank statements at the end of the month to check the amounts are correct. At the end of each working day, the operator hands over the cash to the club treasurer, the amount of which also has to balance with the money in the bank account with inclusion of the recorded profits for that particular working day.

The money made from the mobile money business is invested back in the club's other business enterprises (although this does not include the 35,000 Zambian kwacha float used to operate the business). Although the mobile money banking business operates separately from the savings and loans scheme, any excess funds from the savings and loans scheme are invested in the mobile banking business. Any profits from these excess funds are then put towards covering mobile money transactions.

The savings and loans scheme is governed by the club's constitution and members of the club elect members to run the management of the scheme. The savings scheme has a total of seven elected leaders:

- The chairperson and the vice chairperson
- The secretary and the vice secretary, who are responsible for recordkeeping, including updating individual member's savings in their individual passbooks. Passbooks are updated at weekly savings meetings
- The treasurer, who is responsible for counting the money received during the savings meetings
- Two keyholders, who are responsible for safeguarding the savings cash box. The cash box is used for keeping the weekly savings. However, any cash not disbursed as loans at the weekly meeting is then transferred to the mobile money transaction business to be used as a float.

## 3 Impacts of the Masopo Women's Club on its members

### 3.1 Impacts on FFPO business operations

As outlined in Section 1.4, the financial mechanism has had a positive impact on the business operations of the Masopo Women's Club because the profits made by the mobile money business are reinvested back into its members' businesses, by enabling them to increase production and sales of their baskets and bushels. They are also able to purchase and raise more chickens and to buy more feed for them, thereby also increasing profits. Increased revenues also means that members are able to provide more nutritious and good-quality food for their families.

### 3.2 Impacts on internal relations with FFPO members

The club has greatly improved its internal relations as members take care of each other's well-being as well as the well-being of other community members through its social funds. Socially, the club helps each other when in need, for example by helping with hospital bills or funeral costs. The club's savings and loans scheme further ensures that all members are able to pay for their FISP package. The club is also acts as a platform for members to learn from each other, for example on how to make good investment decisions about using the money they save and earn. The members have regular weekly interactions where they share good practices from their individual experiences.

The money raised from the mobile money business pays the booth attendant and is also used to buy equipment and materials such as benches, chairs, tables and fencing for the garden project. The business has helped members by providing money to support children and other family requirements such as farming inputs. The club has also been taking care of the elderly and orphans. Six elders receive monthly support (four women and two men), including help with the provision of groceries and food. Twelve orphans are also being supported by the club (five boys and seven girls), which helps them with schooling requirements such as buying books, pens and school uniforms.

In particular, the financial mechanism has had a positive impact on the women and youth involved, because it means that there are easily accessible loans they can use for their personal development and to grow their individual enterprises.

### 3.3 Impacts on external relationships: banks, markets and government

The Masopo Women's Club has a good partnership with Zanaco as an agent operating a Zanaco Xpress mobile money business. This has brought about additional opportunities for the club, such as asking the bank to visit the community to conduct community trainings on how the Zanaco Xpress mobile money services operate and on how members of the public can open a Zanaco bank account. The club's initial partnership with Zanaco has also meant it was easy to secure its new partnerships with Airtel and MTN.

## 4 Future prospects for the Masopo Women's Club

### 4.1 Future plans

The club now wants to open two new booths. One will be to conduct mobile money transactions at Masopo School. This will enable them to target teachers and others around the school who have Zanaco bank accounts and subscribe to Airtel and MTN money services. The third booth will be located within the village so that elderly villagers – who cannot easily visit the market – can also take advantage of the mobile money services the booth can offer.

Opening these two new booths will enable the club to attract more customers and increase the number of transactions it can make, earning it more profit in commissions. The club is already making arrangements to open up these new booths – all they need is to build the new booths, purchase two smart phones and then employ two new booth operators.

The club members are also planning to register as mobile money agents with Indo Zambia Bank as some teachers and government workers in their area have Indo Zambia Bank accounts. The club has already had an initial meeting with the bank and a second meeting with the bank within the community is also planned, to help more community members open new bank accounts.

The club also wants to improve its savings and loans scheme by increasing the amount of money that members can save. Members have now seen the benefits of making regular savings and the club would like to increase the maximum they can save per week from 50 to 100 Zambian kwacha. This next step was prompted following a training on savings and loans the club conducted with support from CAZ. The training was aimed at demonstrating the benefits of saving to those club members who might not yet fully understand how the scheme works, and especially to new members who have not already taken part in a training on savings and loans schemes.

### 4.2 Prospects for replication

The savings and loans scheme mechanism can easily be replicated by another clubs. All they need is to be trained on how to develop a proper club constitution that governs how the club should operate the scheme. Developing its constitution played a key role in the Masopo Women's Club's success and growth.

The other important aspect to consider is how to demonstrate the benefits to each member by calculating the percentage of interest they would earn, because this is the most important aspect of the savings scheme. One of the key challenges faced by many savings clubs that another club would be likely to experience is that it can be dominated by a few members who understand the scheme better than others. It is important that all the members of the club are at the same level of understanding when it comes to the calculation of the interest they are to receive at the end of the savings cycle.

Replicating the mobile money transaction business is also easy. To do this, a club needs to have sufficient funds available to run the business, a good location for the booth that will ensure enough prospective customers to use the service, and a trusted person to operate the business. The other requirement is training on how to operate the business and this is usually done by the main service providers (for example, Zanaco Bank). However, theft is a major challenge that any club wishing to set up its own mobile money transaction business. Whoever is employed to operate the business must be trustworthy otherwise the club might end up losing money.

The other important factor is to develop a partnership with a bank by opening an account to conduct the banking transactions of the club. Having a bank account is a huge step towards having the bank offer you more financial services.

## 5 Main conclusions

A key characteristic of the Masopo Women's Club is that it is a multiple investment mechanism which can help to mitigate risks for its members. In 2020, there was a serious drought in most part of the country, including in Choma. The club experienced few negative impacts because its members had multiple sources of income from different enterprises and were not only dependent on farming. This is particularly important as it has helped to build climate resilience and acts as a form of risk management.

Another key lesson is the importance of being formally registered, and the various opportunities that come with this. Mobile money businesses such as Zanaco, Airtel and MTN only partner with individuals or clubs that are formally registered. One of the first requirements is to submit a Copy of Certificate of Registration from the Patents and Companies Registration Agency (Pacra) that has the mandate to provide business registration and intellectual property protection services.

Another important lesson learnt is to offer multiple financial services at the same location. This increases the number of customers and transactions which enables you to earn more commission. The fact that the Masopo Women's Club was able to diversify into offering mobile money services was a game changer. Profits from this enterprise were further invested in the club's other enterprises, thereby increasing their revenues by 40% from the original amount every year.

The most important impact of this financial mechanism is that it has improved livelihoods and brought about financial inclusion. It has also enabled its members to better take care of each other's social needs and well-being through its social fund, as well the needs of other vulnerable community members. This was especially important for community members during the COVID-19 pandemic when the country was in lockdown and travel was prohibited, as people were able to access their finances within their own communities.