



World Council

Field Officer Banking Tool



In order to address the twin problems of access to financial services for individuals in rural areas and economic viability for financial institutions to service more remote areas, WOCCU has pioneered the use of **Field Officer Banking**. This approach is unique and innovative because it:

- Disrupts the traditional banking approach of having customers come to financial institutions, which is mal-adapted for the rural poor, to having representatives come to them.
- “Leapfrogs” traditional banking approaches through the use of mobile digital technologies, enabling financial products to be administered and dispensed in remote locations.
- Transforms what can often be an intimidating and confusing interaction into one that is local, community-based and tailored to individual needs.

The use of Field Banking Officers drastically increases the number of marginalized people who can access financial services by:

- Bringing financial services directly to unserved and underserved rural populations, thereby eliminating the transportation and opportunity costs of travel. This particularly helps the most vulnerable groups’ including women, minorities as well as internally displaced people and refugees.
- Making servicing the rural poor economically viable for financial institutions by eliminating the need for dedicated brick and mortar branches and through the use of digital technologies.
- Offering services that are adapted to financial situations of lower income and rural people.



Field Officer conducting a transaction in Colombia



Background

The transaction and opportunity costs of accessing financial services are often prohibitive for the rural poor. For most, the cost and time required to travel to urban areas, where financial institutions are located, outweigh the benefits. In addition, financial products are often poorly adapted to their needs, the administrative processes can be onerous and the setting itself can be intimidating. At the same time, financial institutions cannot sustainably locate brick and mortar branches in poor areas with low population densities.

The Innovative Methodology

The concept behind Field Officer Banking is to bring “branchless” banking services to unserved and underserved populations. In order to ensure this approach is beneficial and sustainable for all parties across a variety of contexts, WOCCU has developed the following **core principles**:

INNOVATION	CHALLENGE	SOLUTION
Field officers provide services to the rural poor locally	Going to urban areas to access financial services is too costly and time consuming for the rural poor	<ul style="list-style-type: none">Field officers make regular (at least 1x/month) visits to rural areas to offer financial services
Branchless banking ensures financial sustainability	Locating branches in poor rural areas is unprofitable for financial institutions	<ul style="list-style-type: none">Field officers provides services to groups in order make each visit cost effectiveGroups are sized between 11-30 participants, enough that sending a field officer is financially viable, but capped to avoid lengthy wait timesHigh volume of transactions makes approach sustainable even with smaller than average transaction sizes
Leveraging mobile & digital technologies	Manual record keeping is inefficient and prone to errors and fraud	<ul style="list-style-type: none">Customer information is input directly into an electronic device, eliminating the need to input field notes again in the officeDevices are linked directly to financial institutions and encrypted so information is preserved even in areas with low connectivityMobile printers issue receipts for transactions increasing transparency and trust
Hiring field banking officers with strong ties to the community	Financial institutions can be uncomfortable and confusing spaces to navigate	<ul style="list-style-type: none">Transactions occur in a familiar environment & in a group setting, increasing comfortGreater opportunity to learn about financial servicesField officers can operate more effectively in areas they are familiar with
3rd party points of services set up	Many rural populations lack access to even the simplest types of financial transactions	<ul style="list-style-type: none">Where, regulations permit, sets up convenient points of service, usually in a local store, for day to day transactions such as deposits, withdrawals or paying bills
Adapted financial services for low income clients	Many financial services are inaccessible or poorly adapted to the rural poor's needs	<ul style="list-style-type: none">Accounts that can be opened with just a few dollars: low initial balances are made viable through a higher volume of accounts openedMicro loans with less onerous and more flexible approval processesMicro-insurance products to protect against natural disasters, health emergencies & small business temporary closure



Impact Snapshot



Colombia

Overview

In Colombia, Field Officer Banking was first implemented country-wide from October 2011 to February 2016. The currently ongoing program, which started in April 2016, focuses on 7 departments near the Venezuelan border which received a large influx of refugees. Over the course of these projects, WOCCU has helped 20 credit unions and 2 banks implement field officer programs which they are now managing independently.

By the Numbers



Total number of people who gained access to financial services as of August 2019:

500,000



Number of people for whom this was their first ever use of formal financial services:

377,000



Number of points of service set up:

117



Percentage of active accounts in field officer program:

95%¹



Percentage of active accounts in Colombia:

30%



Average monthly savings when opening an account:

\$7



Average monthly savings after 2 years:

\$30²

¹ Data collected from all 20 participating Credit Unions for 2011-16. Active Accounts are defined as used at least once within a period of 3 months.

² Data collected from all 20 participating Credit Unions for 2011-16



Following the program's success in Colombia, WOCCU is piloting the Field Officer Banking program in Haiti. **So far, the program has reached nearly 1,000 rural beneficiaries in the Northern region, in partnership with our credit union partner Caisse Fraternite Populaire.**

