



ZoonA: A digital money transfer service transforming the financial and entrepreneurship landscape in Malawi.

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Uniterra is a Canadian volunteer cooperation and international development program that is jointly operated by World University Service of Canada (WUSC) and the Centre for International Studies and Cooperation (CECI). The program supports inclusive economic development to benefit women and youth in 14 countries across Africa, Asia, and the Americas. Uniterra works with key private, public, and civil society partners to facilitate growth and change in those markets that impact the marginalized. The following case study explores how Uniterra volunteers supported the expansion of a Southern African company, ZoonA, into Malawi, which offered employment and skills training for young entrepreneurs while providing a much needed service to communities across the country.

Malawi More than half of the population does not access any form of formal financial service, due to cost and accessibility barriers¹. As a result, transferring money between individuals is often done physically, a process which can be time-consuming, costly, and dangerous.

Meeting a need

A mobile-based African start-up, ZoonA aims to make money transferring easier for unbanked and low-income individuals across Southern Africa. Although there were two electronic payment services in Malawi prior to ZoonA, they had limited presence, particularly in rural and remote areas. They also primarily target people with a bank account and a mobile phone number, making their services difficult to access for many Malawians.

ZoonA's previous experience in Zambia enabled them to expand quickly across the country, including underserved rural communities. Moreover, their money transferring service does not require the client to have a bank account. All that is required is a piece of identification. Now, more than 110,000 clients in Malawi use ZoonA on a regular basis. Already with 375 locations across the country, they have additional expansion goals on the horizon. As of May 2016, approximately \$1.4 million USD had been transferred through the service.



Andrew Kafumbata, 27, is a civil servant living in Lilongwe. He used to send money to his sister and grandmother in the southern region of Malawi through a bank, but since December 2015 he uses ZoonA three times per month on average. Kafumbata says he chooses to use ZoonA to avoid frequent long queues and limited hours of operation at the banks. Using ZoonA also helps Kafumbata's sister who would previously have had to travel 20 km to find a bank, but can now easily find a ZoonA agent in her neighborhood.

¹ Access to Financial Services in Malawi: [Policies and Challenges](http://www.finance.gov.mw). (n. d.). Retrieved June 15, 2016 from: <http://www.finance.gov.mw>

Opportunities for employment and skills development

A rapidly growing company, Zoono also supports youth by creating opportunities for them to become entrepreneurs by enabling them to operate as independent money transfer agents who earn an income on each transaction. Zoono provides the agents with business and technical training as well as support through the provision of business management tools and access to a call centre for quick problem resolution. In a country where a loan interest rate sits around 42 percent, most Malawians are not able to access credit to start their own business. Zoono fills this gap by providing its agents with interest-free capital finance, in addition to financial management skills training to help them run their business efficiently. Zoono's business model has proved to be successful in empowering youth and women to become entrepreneurs and improve their lives. Some agents have even created additional jobs in their community by expanding their businesses and managing multiple Zoono booths.



When Getrude Phimba became a Zoono agent two years ago, she thought it was “just a job.” The 21 year old was happy to be doing something to keep herself busy and out of the house. She now earns the equivalent of more than \$900 Canadian a month and is the manager of three booths with three employees working under her. She hopes to continue to grow her business by hiring more employees and to eventually buy her own car and house.

The Uniterra difference

Uniterra provided support to Zoono's entrance into and expansion in Malawi in a number of ways:

1. The Program team facilitated early meetings with Malawian Government officials to aid in Zoono's registration and establishment in the country.
2. Facilitating its recruitment process by linking the company with a network of youth associations, private sector, and government regulatory bodies.
3. Providing training and capacity building for Zoono agents in anti-money laundering techniques and business management.

When Zoono first came to Malawi, it was both understaffed and lacked the capacity to train its new employees. Uniterra volunteer Rosina Mahlangu undertook the role of training Zoono agents. She also worked as a liaison between Zoono and the Reserve Bank of Malawi (RBM) to ensure that all registration requirements were met. This support offered by Mahlangu ultimately helped Zoono secure its permanent license. Jared Worley, Zoono Malawi Country Manager, noted: *“It was very, very, very important that we get a permanent license otherwise we would just get shut down... I think it was the resource support from a human capital perspective that really helped us.”*

Today, Zoono continues to grow as a company and is now looking to open additional locations in Lilongwe, Blantyre, Mzuzu, and Karonga. Worley pointed out that Zoono's key focus is to *“help communities develop and thrive.”* Thanks to the initial help from Uniterra, Zoono has flourished into a fast-growing business with endless opportunities for women, youth, and their communities.

A key lesson for Uniterra relates to the speed of the relationship with Zoono. As a volunteer cooperation program, Uniterra has historically worked on the basis of long-term capacity building relationships with partners that can last for years and even decades. However, the first phase of the Zoono relationship lasted less than two years. Because Zoono's business model was already sound, Uniterra's primary role was facilitating relationships for the company within the Malawian market and providing short term capacity building and training support. Uniterra has learned that short term partnerships can be highly successful when a facilitation approach is used.

² The World Bank Monetary Indicators: <http://wdi.worldbank.org/table/4.15>