

### Company Profile

Cash Plus is the largest independent money transfer company in Morocco, specializing in national and international money transfer and payment of utility bills. Active since 2004, the company aims at providing affordable financial services to its 1.1 million low-income, mainly unbanked, customers. Cash Plus offers its clients a wide portfolio of products, including:

- *National money transfers:* Customers send and receive money through the Cash Plus network in the country;
- *International money transfers:* Customers receive their money transfers sent through Western Union and MoneyGram;
- *Utility bill payments:* Customers pay their utility bills in the Cash Plus point of sale locations; and
- *Phone recharges:* Customers purchase telecom top-ups in the Cash Plus stores.

The Cash Plus network consists of 1,200 points of sale, which makes it the second-largest network in Morocco with a market share of 34% in international transfers and 12% in national transfers.

### The Challenge

Although the banking sector has made significant progress in Morocco in the past years, it remains difficult for low-income individuals to access banking products. Two important factors that limit low-income individuals' access to banking products include:

*Geographical locations of banking network:* The size of the banking network has increased significantly over the past years; however, it has had little impact on the overall banking rate since new branch openings were focused on big cities. Casablanca, the main economic city, accounts for nearly 30% of the total banking network of the country; while the banking rate in rural areas remains at six percent. The lower rural banking rate is due to non-availability of bank branches in remote areas.

*Perception of traditional banks:* There is a general perception that traditional banks develop all their products, including marketing campaigns, primarily for businesses and high net worth individuals and do not serve the needs of low income individuals. Moreover, services provided by banks are perceived as expensive and include features which are not relevant for low-income people.

Cash Plus management, in consultation with its existing customers and partners, decided to address the unmet financial needs of low-income unbanked clients by launching a prepaid card solution. The idea of a prepaid card came out of a study that Cash Plus conducted with its clients. The study found that low-income individuals were facing challenges in: (i) receiving money transfers from abroad; and (ii) processing their transactions as they were not able to do any electronic payment and had to carry huge amounts of cash, sometimes over long distances.

### The Sustainability Innovation Grant (SIG)

In May 2016, Cash Plus was awarded a \$80,000 CAD Sustainability Innovation Grant (SIG) from Global Affairs Canada through a project managed by Mennonite Economic Development Associates (MEDA). The company planned to invest \$378,838 CAD in matching funds to implement the SIG activities. The main purpose of the grant was to expedite the launching of a prepaid card solution for low-income individuals.

The company believes that the new product (i.e. prepaid card) will enhance its clients' access to basic financial products such as savings and electronic payments, with the same level of security and efficiency that traditional banks offer. Once operational, the clients will be able to fill in their card with cash or by routing a national or international transfer either on the Cash Plus mobile application or at a point of sale location. Once the card is filled, the customer will be able to use it for online payments, payments in stores and cash withdrawal in any bank automated machine. In addition, the prepaid card will be fully integrated in Cash Plus' network with features such as bank account-to-card or card-to-cash transfers. These features will make the product more attractive than services offered by traditional banks.

Cash Plus believes that in addition to providing an affordable financial solution to low-income individuals, the initiative will also improve the company's business performance as it would open new market opportunities for the company to serve nearly 12 million unbanked Moroccans.



## SIG Impact

The SIG initiative (i.e. prepaid card) has not been launched yet due to delay in establishing a regulatory framework by the Central Bank of Morocco. However, Cash Plus has finished designing the solution and its various features, including a direct link to its mobile application and to future payment accounts. It has also drafted its future marketing campaign around three main mediums:

- Social media
- Points of sales marketing; and
- Flyer distribution

Cash Plus believes that once operational, the SIG solution will create enormous value to low-income individuals by allowing them to move away from cash-based transactions and enable greater financial inclusion. Clients will be able to perform electronic payments, increasing their access to public and private services.

**Improved Data Collection and Monitoring:** As part of the SIG contract with MEDA, Cash Plus identified a set of key performance indicators (KPIs) specific to the project (i.e. prepaid card). In addition, the company also reported on a few sustainability KPIs related to job creation, quality of jobs, gender diversity, contribution to local economy and environmental sustainability. As a result of the SIG initiative, Cash Plus established an internal reporting system and was able to capture and monitor data related to ESG. The company reported increased knowledge in measuring ESG-related data and used the information for decision making during management meetings.

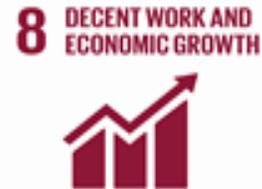
*The emphasis on reporting on gender/environment was good as it renewed our focus. (Cash Plus Management Team Member)*

*Our internal reporting processes are weak and the reporting requirements challenged us to improve them. (Cash Plus Management Team Member)*



## Sustainability

Release of the prepaid card is core to the Cash Plus strategy of offering affordable banking products and services to its clients. The prepaid card, therefore, is fundamental for the company's future growth in developing financial products and services for low-income individuals. In the process of launching the prepaid card solution, the company has created an interim product (i.e. payment card) that its customers can use to pay at grocery stores. The card would be launched in 2018. Cash Plus's sustainability initiative contributed to the Sustainable Development Goal # 8: Decent Work and Economic Growth.



## Lessons Learned

The Central Bank of Morocco has yet to finalize a regulatory framework, which has delayed the launch of the prepaid card solution for low income individuals. The company learned that the project implementation plan should have been long enough to accommodate the time needed in obtaining regulatory body's approval. However, Cash Plus was able to use the information and expertise gained in the process of developing the prepaid card to launch another payment card option that does not require Central Bank approval. The company has also started exploring other options, including partnering with banks and using their existing platforms to launch its product.

