

SACCOS to be connected into core banking system

By Correspondent Mary Kadoke

UMOJA Switch and UBX Tanzania have signed a two year Memorandum of Understanding (MoU) with Credit Co-Operative Union League of Tanzania (SCCULT), the umbrella organization for Saving and Credit Cooperative Organizations; to introduce a joint Core Banking System that will be available to all SACCOS across the country.

The signing event highlighted 'Going Digital' held over the weekend in Dar es Salaam by endorsing German Sparkassenstiftung for International Cooperation (DSIK) as a funder to the project.

Marius Siebert, German Sparkassenstiftung for International Cooperation (DSIK) Deputy Country Director representing the German Sparkassen Finance said the platform will provide a landmark to inclusive finance and foster poverty alleviation in the country.

"Today, we gather here to celebrate a significant milestone in the pursuit of financial inclusion and poverty reduction in Tanzania. UBX and Umoja Switch are entering into (MoU) with SCCULT, together, SCCULT and UBX/Umoja Switch will introduce a joint Core Banking System that will be made available to all SACCOS across the country," he said.

He noted: "These financial cooperatives play a crucial



Marius Siebert, German Sparkassenstiftung for International Cooperation (DSIK) Deputy Country Director, makes remarks at the weekend in Dar es Salaam at the signing of an MoU to introduce a joint Core Banking System that will be available to all SACCOS across the country.

role in promoting financial inclusion and driving economic development across the country. The introduction of the Core Banking System will enable SACCOS to better serve their members, improving access to financial services and facilitating economic growth at the grassroots level."

He further cautioned on not forgetting the true heroes of the story 'SACCOS members' whereas through embracing digitalization, they will have

access to a wide range of financial services at their fingertips on the aspects of saving, taking credit, and transactions.

Seronga Wangwe, UBX Tanzania Managing Director acknowledged stakeholders' concern on enhancing their customers relationship that has now given them a milestone to success.

"Relationship is very special in so many aspects as businesses. If we would not have Umoja banks includ-

ing community banks with only one office or branch years back when it started we wouldn't be where we are today. So we know the advantage of having small customers because we have seen the benefit," he said.

According to him, the digital space will wave out members who complain SACCOS not having an accurate system, hence UBX took it as a challenge as fintech in finding how best they can solve the problem

in the community.

Hassani Mnyone, SCCULT Executive Secretary said paperwork raised lots of questions from SACCOS members stressing that the initiative will now bring a total transformation from paper work to digital platform.

"Today's formalization will totally change savings mobilization to digital and at some point provides unanswered questions," he said.

Miriamu Malima, Umoja

Switch Chief Executive Officer said their aim as a company is to facilitate SACCOS' stakeholders system that will assist in running their daily activities.

"Having technology experience with 18 financial institutions, we are aware of what is available in the market and the technology progress. Therefore we are hoping that with the well-fixed technology, members will now have accurate reports," she said.