

STRATEGIC PARTNERSHIPS SESSIONS

BEYOND INVESTOR MATCHMAKING

One of the main objectives of the Pesatech Accelerator program is to connect fintech startups in Tanzania to strategic partners globally, with an emphasis on those within the continent. The program has prepared activities that allow startups to explore potential partnerships with various actors in the fintech ecosystem on the continent to meet this objective. This activity report details some of the sessions we have had, lessons and recommendations.

2022



**PESATECH
ACCELERATOR**

BEYOND INVESTOR MATCHMAKING

VODACOM M-PESA SUPER APP

M-Pesa is Africa's first mobile payment service. Since its launch in March 2007, it has been a major financial inclusion driver which currently serves over 51 million customers and 465,000 businesses across seven countries on the continent.

In 2021, M-Pesa Africa launched the M-Pesa business super app which enables any business on the service to run a virtual storefront and provide their services to users through M-Pesa mini apps.

Pesatech Accelerator prepared a session between the program's startups and Vodacom Tanzania, one of the largest MNOs in the country, to explore the potential of a partnership through integration with M-Pesa as a payment gateway or via joining the M-Pesa super app.

Mobile Network Operators (MNOs) are among the key players in enabling the seamless delivery of fintech solutions in Tanzania, especially because of the substantial use of mobile money for transactions.

Vodacom Tanzania presented the M-Pesa super app - offering access to their rich network of users and a win-win for them and the startups to reach new markets and offer more value to customers.

Ten of the sixteen startups in the program were interested in joining the super-app and followed on with them to see how they could work together.





You can see more pictures of this session [here](#).

STRATEGIC PARTNERSHIP SESSION

CROSS-BORDER CONNECTIONS: MFS-AFRICA

MFS-AFRICA is a pan-African fintech company aiming at making borders matter less through innovative digital payment solutions.

The "Network of Networks" unlocks growth, progress, and prosperity, for people, businesses, and society, through access to impactful, affordable, and interoperable mobile solutions. MFS offers access to all by providing convergence and interoperability at scale in Africa, enabling their partners to scale their digital payment strategies without borders as a limit.

Pesatech Accelerator prepared a session between startups and MFS-AFRICA with the aim of facilitating a partnership that would allow the startups to scale with ease. At a glance, MFS offers access to the following:

400M

Connected mobile wallets

700+

Cross-border corridors

180+

MNO, MTOs and banks connected







VISA

Principal issuing member

MNO - Mobile Network Operator
MTO - Money Transfer Operator



During the session, MFS AFRICA presented the features below as the key offers they provide to their partners who join their enterprise portal for digital payments.

<p>REAL-TIME BULK PAYMENTS</p>  <ul style="list-style-type: none">• Make payments to any mobile wallet or bank account• Identity verification for mobile money• Automatic fee calculations & deductions	<p>INSTANT COLLECTIONS</p>  <ul style="list-style-type: none">• One-click setup across any mobile network;• Real-time notifications• Subscriptions, bulk and recurring collections• Send auto-reminders and reduce missed payments
<p>SIMPLE SETTLEMENT & INTERNAL CONTROLS</p>  <ul style="list-style-type: none">• Local settlement• Manage only one balance per country or per programme• End-to-end visibility and real-time data available for reporting purposes	<p>DATA PROTECTION</p>  <ul style="list-style-type: none">• Effective use of payments data to drive performance• Customize your analytics dashboards to suit your reporting and accountability needs• Bank-level encryption and back-up
<p>SYSTEM INTEGRATION & SUPPORT</p>  <ul style="list-style-type: none">• End-to-end payments management tools• Integrate seamlessly with a range of third-party enterprise systems• Ongoing partner support	<p>HIGH SECURITY</p>  <ul style="list-style-type: none">• Secure Payment Card Industry Data Security Standard (PCI-DSS) compliant data centres• Two-factor authentication; as many approval layers as sought• Administrator payment notifications

MFS offers a unique opportunity for startups to scale their solutions across the continent without the obstacle of bureaucratic red tape that comes with different regulatory authorities. Most startups expressed interest in this partnership, and conversations have begun.



You can see more pictures of this session [here](#).

Lessons and Recommendations

LESSONS



- Strategic partnerships take time and money to materialize. Partners often require startups to improve or develop some features so they may better fit in. Usually, startups lack immediate funds to do such developments, which delays the partnership from being actualized.
- Partnerships have to be mutually beneficial to be fruitful and sustainable. There are cases where startups enter into partnerships without clarity of any substantial benefit that the agreement offers; it may be because of the brand name of the corporate or desperation of difficult times instead of actual value.
- Startup-startup partnerships are also beneficial and can be as useful or even better than corporate-startup agreements. The critical issue is to fill in the gap and add value to the other party. Most programs overlook the importance and potential of such partnerships.
- More strategic partnerships are facilitated through events where key players in the fintech ecosystem interact with Pesatech startups than during one-on-one sessions with corporates. This was learnt through events such as the Fintech Happy Hour, and Sahara Sparks Digital and Financial Inclusion Meetup which resulted in strategic partnerships for the growth-stage startups in the program.

RECOMMENDATIONS

- Create more opportunities for startups to interact with, and showcase their businesses to key stakeholders in the fintech ecosystem in the country and beyond.
- Facilitate more startup-startup partnerships to enable more value creation within the program and the ecosystem at large.
- Partnerships may happen beyond Tanzania; exposing the Pesatech startups to ventures, startups, and corporates beyond the country may benefit them by expediting their scaling.



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