



## THE MAKING ACCESS POSSIBLE PROGRAMME

*Making Access Possible (MAP) is a multi-country initiative to support financial inclusion through a process of evidence-based country diagnostic and stakeholder dialogue, leading to the development of national financial inclusion roadmaps that identify key drivers of financial inclusion and recommended action. Through its design, MAP seeks to strengthen and focus the domestic development dialogue on financial inclusion. The global project seeks to engage with various other international platforms and entities impacting on financial inclusion, using the evidence gathered at the country level.*



## PARTNERING FOR A COMMON PURPOSE

*Our thanks to the efforts of the teams on the ground who work tirelessly daily with our stakeholders from government counterparts, the private sector, NGO's and sister UN organisations to ensure that the national financial inclusion policy is implemented and inclusive financing makes a difference to people's lives*

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Acknowledging the numerous donors who work with us regularly at country level and a special thank you to the Government of the Netherlands for their continued contribution and support to the MAP programme, without whom the achievements of this programme would not have been possible.

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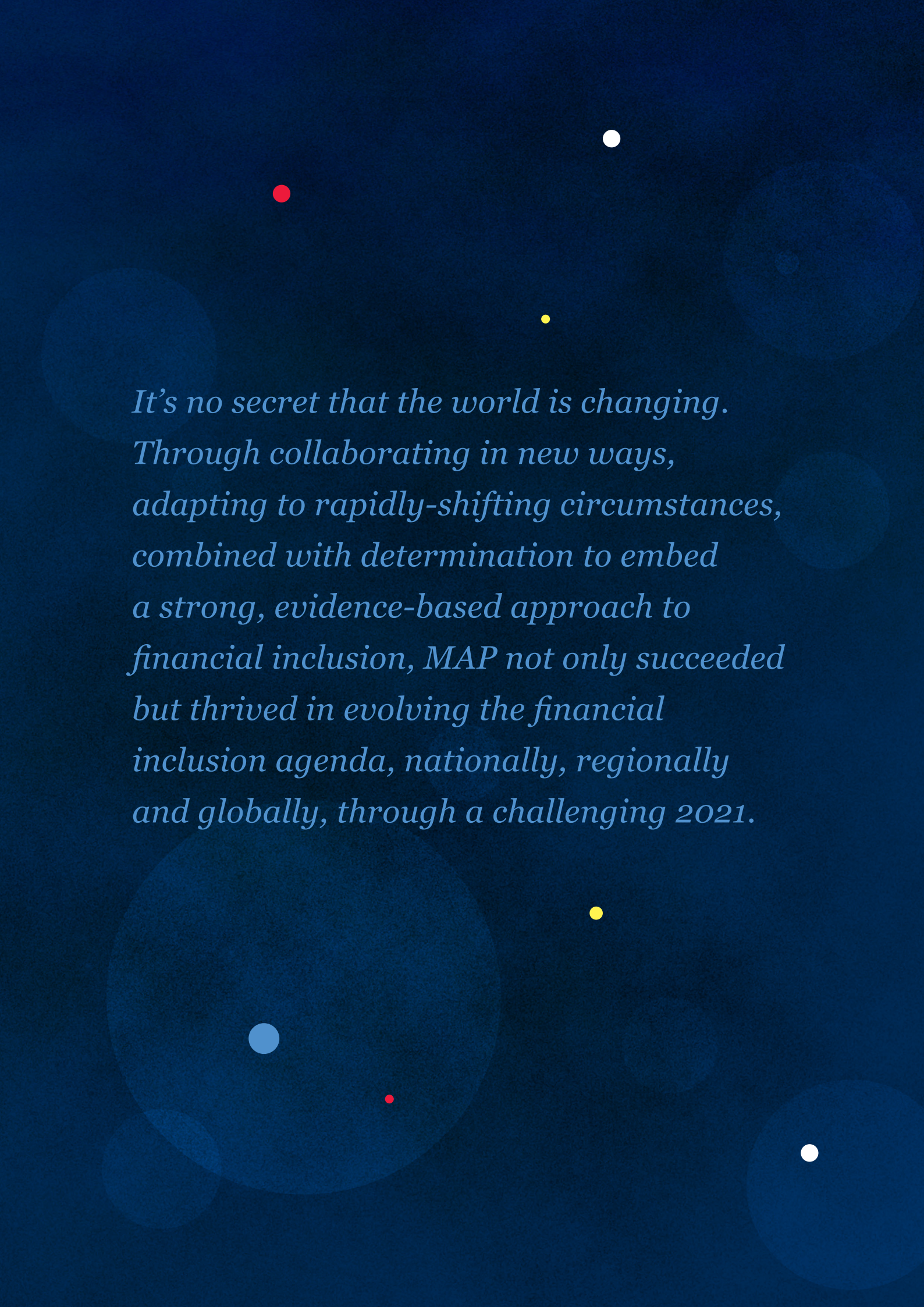
Layout and Design: [www.hybridcreative.co.za](http://www.hybridcreative.co.za)

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## ABOUT THE COVER

The cover design illustrates a spiral process that exists naturally to unite society when we follow a common goal. It is a picture of hope, showing human conversations and support as pivotal, with people central to the solution. The artwork features iconography developed for the MAP series, representing a visual summary of the research and knowledge outputs towards financial inclusion supporting improved livelihoods.



*It's no secret that the world is changing. Through collaborating in new ways, adapting to rapidly-shifting circumstances, combined with determination to embed a strong, evidence-based approach to financial inclusion, MAP not only succeeded but thrived in evolving the financial inclusion agenda, nationally, regionally and globally, through a challenging 2021.*



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# AGAINST ALL ODDS

*Recalibrating in an  
incomparably fluid and  
dynamic environment*

*Another year of uncertainty marked by periodic lockdowns due to a resurgence of cases and the emergence of new variants of the Covid virus, but also one of increasing vulnerability for households giving rise to civil unrest in the form of mass protests and enduring political instability in many of the MAP countries.*

Seven MAP countries experienced major political protests during 2021, and eight countries experienced unrest, if the ongoing political situation in Mali is taken into account. 2021 also continued to demonstrate a move towards populist sentiment and active denial of a sound, robust, stakeholder-led evidence-base.

Together with rising inequality, stagnating growth and political deadlocks, the social upheavals experienced in 2021 raise red flags pointing to a lack of trust in the ability of institutions to solve complex social and economic issues. Left unchecked this can lead to a disintegration in the value-systems that underpin institutions and thus a breakdown in the social contract.

Working towards our vision of financial inclusion as a pathway out of poverty inches closer to reality on the ground is a key contributing pillar to the social contract.

**EVIDENCED BASED, COUNTRY LEVEL INTERVENTIONS FOR SUBSTANTIVE ENGAGEMENT.** As governments were increasingly under pressure to focus on economic recovery and job creation to address increasing social vulnerabilities, there was a need to readjust our programme implementation timelines based on realities on the ground. These changes made the MAP Programme an invaluable asset at country level to enable debate and separate fact from fiction.

*Despite the turmoil, 2021 saw an increase in delivery on the ground compared to 2020, evidenced by programme expenditure increasing over 90% from 2020, and with almost 100% of the budget for 2021 spent by end of year.*

As a result of savings, the entire original budget for 2021 has been reallocated to 2022 activities, and we expect expenditure to rebound entirely to pre-pandemic levels.



## ANTI-GOVERNMENT PROTEST IN MAP COUNTRIES



### BENIN

#### *Re-election protests*

POLITICALLY MOTIVATED

START

APRIL 2021

DURATION

ONE WEEK

AT PEAK

>1,000 PEOPLE



### BURKINA FASO

#### *Jihadist violence protests*

POLITICALLY MOTIVATED

START

JULY 2021

DURATION

STILL ACTIVE

AT PEAK

>1,000 PEOPLE



### DEMOCRATIC REPUBLIC OF CONGO

#### *Electoral commission protest*

POLITICALLY MOTIVATED

START

OCTOBER 2021

DURATION

ONE DAY

AT PEAK

>10,000 PEOPLE



### MALAWI

#### *Cost of living protests*

ECONOMIC AND POLITICALLY MOTIVATED

START

NOVEMBER 2021

DURATION

STILL ACTIVE

AT PEAK

>10,000 PEOPLE



### ESWATINI

#### *Pro-democracy protests*

ECONOMIC AND POLITICALLY MOTIVATED

START

JUNE 2021

DURATION

FOUR MONTHS

AT PEAK

>5,000 PEOPLE



### MYANMAR

#### *Coup protests*

POLITICALLY MOTIVATED

START

FEBRUARY 2021

DURATION

STILL ACTIVE

AT PEAK

>100,000 PEOPLE



### NEPAL

#### *Parliament dissolution protests*

POLITICALLY MOTIVATED

START

DECEMBER 2020

DURATION

TWO MONTHS

AT PEAK

>10,000 PEOPLE

**FINANCE FOR INCLUSIVE GROWTH.** As MAP governments increasingly grappled with enabling inclusive growth, the Programme had to locate financial inclusion within the broader financing agenda for inclusive growth. Encouraging more inclusive finance is desperately needed, with a strong emphasis on sustainable finance options to reach the low-income market via financial inclusion.

*MAP increased its focus on new analysis and data methodologies in financial inclusion within the context of inclusive finance to build on its robust technical frameworks.*

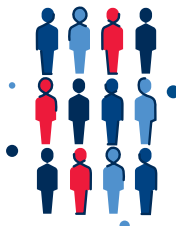
Furthermore, developing enabling partnerships at multiple levels to facilitate financing on areas with the most need and the potential for the largest impact to purposefully create pathways out of poverty was a key focus. The MAP Refresh Series served as critical inputs to the INFF's especially in elevating the importance of financial inclusion within the context of the domestic financing agenda and ensuring that it is embedded in higher stakeholder mechanisms at country level within the context of the SDG's. This was especially useful in Lesotho and Cambodia, with active INFF processes.

**STRENGTHENING THE BASIS FOR FINANCIAL INCLUSION ON THE GROUND.** MAP continued to strengthen the basis for financial inclusion in countries, by actively supporting NFIS implementation in 14 countries in Africa; in the Southern African Development Community (SADC) and West Africa regions; as well as in Asia. MAP conducted five new financial inclusion refresh diagnostics in Botswana, Lesotho, Nepal, Cambodia and Laos, to track market growth and ensure evidence-based decision making, with the intention to feed into updated National Financial Inclusion Policies that kicked off in each of these countries. In support of the refreshes, MAP generated three new financial inclusion datasets (Botswana, Lesotho and Cambodia), including a new mobile survey methodology (Cambodia), with SADC-based NGO FinMark Trust financing the SADC datasets. The programme also provided technical input and review to two NFIS's in West Africa (Mali and Guinea Bissau), based on country requests from Government.

**PARTNERSHIPS TO EXPAND THE DATA ASSET BASE.** The programme is also prepared for two upcoming datasets (Nepal and Laos), leveraging a strategic partnership with the World Bank livelihoods unit in Nepal, and replicating the new mobile data collection methodology in Laos and Cambodia. Furthermore, MAP engaged with the World Bank and BCEAO to establish partnerships for data collection in West Africa, given the dearth of livelihoods data to adequately undertake M&E frameworks for policy accountability or determine market movement in financial inclusion for the low-income market, in order to catalyse private sector investment.

**ENABLING ACTION AND IMPLEMENTATION OF FINANCIAL INCLUSION AS A POLICY PRIORITY.** MAP replicated the Monitoring progress in financial inclusion M&E series in 2021, with eight participating ASEAN Member States and four SADC countries, providing a crucial regional governance mechanism for financial inclusion, and enabling national government accountability on implementation at the regional level. In addition, through development of the West Africa Status of financial inclusion baseline scoping report, MAP constructed an updated view of financial inclusion implementation progress across seven WAEMU states, which will be used to inform country and regional engagements in 2022.

**MAP'S DATA ASSETS CONTINUE TO YIELD VALUE.** MAP's data assets allow for an evidence-based perspective on bringing the real and the financial economy closer through financial inclusion. To further understand the depth and relevance of its data approach and asset base, MAP undertook a detailed scoping of current financial inclusion data availability. Consultations with key data units in the multi-lateral and other partners generating financial inclusion livelihoods data, revealed that MAP currently holds the largest database of livelihoods based financial inclusion data globally.



*This remarkable asset can be used for expanding market investments as well as policy implementation and is a key feature in unlocking the public/private sector development nexus to enable implementation of the SDGs.*

**A NEW AGENDA FOR FINANCIAL INCLUSION.** With change comes new opportunity. While inequality increased, the pandemic also revealed that more countries are able to support their own inhabitants, through financing for sustainable development linked to the SDG's. Given that the MAP programme document ended, 2021 provided the opportune moment for honest reflection on the programme's activities, achievements and technical focus to date, in order to inform and advise the necessary strategic adjustments going forward. This meant that in addition to the technical delivery of programme activities, a large part of the year was focused on updating and innovating new and additional technical tools for MAP Phase 2. Both the country and the financing context of financial inclusion has changed, so too must an approach to financial inclusion evolve to more actively working on an inclusive finance for growth agenda to reduce inequality sustainably.

At the same time, a revised approach should take into consideration the technological (r)evolution, and the potential for digital finance to address inequality further exacerbated by Covid. Ultimately, this should allow us to continue to amplify financial inclusion and its related services as a policy agenda item, but with an increased focus on enabling growth to alleviate poverty and reduce inequality.



## Keeping the focus on the vulnerable and low-income through financial inclusion.

The programme used its deep financial inclusion evidence-base to ensure focus on the vulnerable and the low income by elevating and maintaining financial inclusion as an agenda item within high level global policy dialogues.



*In response to the COVID-19 pandemic, the UN Secretary-General along with the Prime Ministers of Canada and Jamaica called for the United Nations to set policies to address the health, social, economic and financial crisis, to speed an inclusive recovery and better prepare for a sustainable and more resilient future.*

Six clusters of focus were put together and ILO was tasked with developing the “financing a socio-economic response” cluster (2). MAP provided inputs for UNCDF to embed financial inclusion in the inclusive recovery work and ensured that financial inclusion and by extension financing for the low-income remains a priority.

**A MUTUAL LANGUAGE AMONGST GLOBAL STRUCTURES ON FINANCIAL INCLUSION.** MAP provided technical input on the relevance of financial inclusion in developing countries to the G20 roadmap on Sustainable Finance, through UNDP who serves as the secretariat for the G20 on this. By embedding social inclusion in the roadmap, within the context of poverty alleviation and the low-income, MAP has ensured that the key issues facing developing countries is included on the agenda.

This also links to the GPFi work on financial inclusion thus ensuring that the two Global structures on financing and financial inclusion speak to each other on the technical parameters of financial inclusion as it relates to the global finance agenda.

**CREATING ACCOUNTABILITY FRAMEWORKS FOR THE PRIVATE SECTOR TO INVEST IN THE LOW-INCOME SEGMENT.** MAP worked with the IFC Sustainable Banking Unit to provide input on financial inclusion and the low income into the Global Poverty Progress Report 2021. This has been critical in defining the conceptual linkages between sustainable finance and financial inclusion.

Together with the G20 input on financial inclusion, and the IFC Global Poverty Progress Report, this sets up the technical basis for better embedding financial inclusion within the ESG frameworks – creating stronger accountability frameworks for the private sector to invest in the low-income segment.

## Staying relevant and fit for purpose: Technical innovation on financial inclusion

MAP's key analytical tools, the primary product market lens; the target market segmentation tool; the SME segmentation tool; the country clustering tool; and the economic needs and financial usage tool (see MAP Interim Activity update 2021), continues to grow in relevance to support policy implementation and enable more inclusive growth in the low-income segment for developing countries. However, we are experiencing a need for more data tools that fit the requirements and demands of stakeholders in the changing environment to better enable inclusive finance. By leveraging the MAP datasets and combining country knowledge and feedback, the following new tools were developed last year and are in the process of field prototyping before full roll-out:

### 1. DETERMINING THE ROLE OF FINANCIAL INCLUSION IN INCLUSIVE GROWTH.

MAP methodised nine "pillars" for inclusive growth to assess the extent to which countries have the key elements and structural underpinnings for an enabling inclusive growth ecosystem. In combination with our needs analysis, MAP identified that financial inclusion plays a role in seven pillars to facilitate progress. These include pillar two to five (access to resources and basic services), pillar seven (redistribution/social grants) and pillar nine (unemployment and income inequality), in addition to being a central component of pillar eight – financial sector development.

*Importantly, while financial sector development at a macroeconomic level is crucial for economic development over time, over the short and medium term it is financial inclusion that can meaningfully impact on people's ability to participate in the benefits of growth.*



**FIGURE 1** Inclusive growth pillars and relevance for financial inclusion

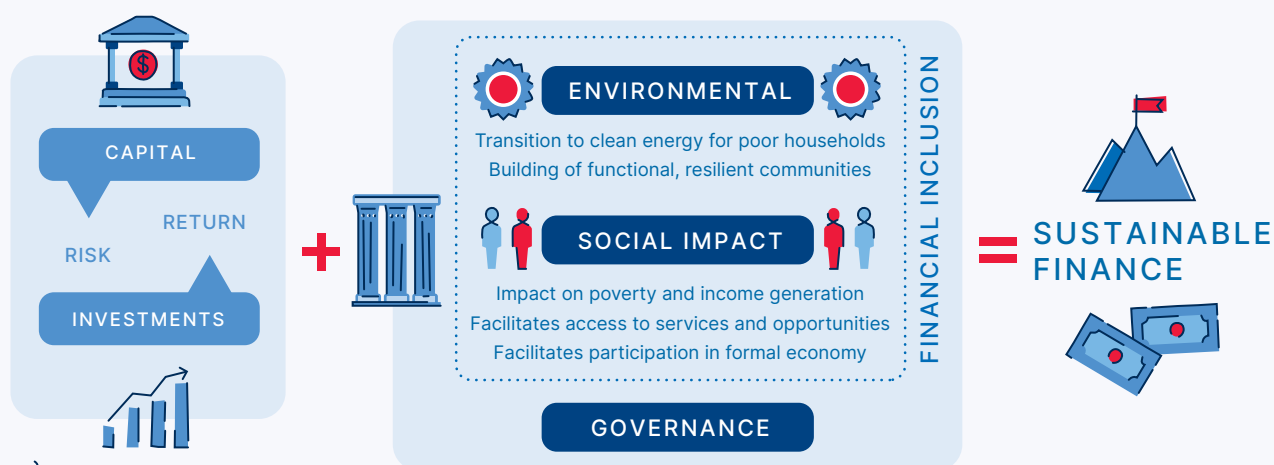


These pillars are critical to inform systematic thinking on financial inclusion and pathways to growth to address the SDG's, and is already being adopted through MAP's engagements at country level (through the Refresh Series influencing new/updated NFIS development and INFF engagement in the context of domestic financing) and at regional level (through the M&E).

**2. UNPACKING THE "SOCIAL" IN ESG FRAMEWORKS FOR BETTER PRIVATE SECTOR FINANCING.** Sustainable finance attempts to ensure that decisions made in the financial sector, as well as capital flows supports environmental and social objectives, while also enabling growth that lead to improving the livelihoods of all people (and in particular the poor), while decreasing the impact of climate change on the environment. Initial data mapping from the programme's livelihoods datasets illustrate that financial inclusion speaks strongly to the social criteria of sustainable finance. By facilitating access to resources, basic services and opportunities for the most excluded segments of society, financial inclusion facilitates social mobility and ensures that no one is left behind in the transition to a low-carbon, green economy.

Putting into effect the social criteria in ESG frameworks, through financial inclusion, enables achievement of the environmental goals of sustainable finance. The sustainable finance research using the ESGs as the data lens is another piece of technical work from the programme that is proving to be exceptionally relevant for various engagements. In partnership with the IFC, MAP is exploring the linkages between financial inclusion and sustainable finance within the context of ESG principles as it relates to the SDG's for the Global Sustainable Banking Network that the IFC hosts.

**FIGURE 2**  
Preliminary framework for financial inclusion supporting sustainable finance through the ESGs




**INCLUSIVE SUSTAINABLE FINANCE IS NECESSARY FOR A STABLE FINANCIAL SECTOR**  
*Households spend money on basic economic needs, which utilize financial mechanisms, mostly utilizing informal financial services*

**3. DIGITAL FINANCING TO REACH LOW-INCOME COMMUNITIES.** Despite remarkable progress in the financial inclusion agenda, large informal segments of the population remain excluded from the formal financial system and as a result many financially-excluded individuals and firms are found in the informal economy.

Delving into the shared economic and social space to investigate the lived reality on the ground to create self-generating pathways out of poverty requires a deep dive in community centres, universities, schools, markets and other communal spaces where citizens seek to make their livelihoods and see themselves as co-creators of an inclusive future in partnership with Government and the private sector. It is imperative that this forms the basis of financing interventions into low-income, local, and often rural communities to enhance the flow of capital where required.

High level linkages and the potential for digital finance, especially with its potential to reach large masses at low cost, were analysed within the context of our private sector engagement with Standard Bank as well as our technical analysis for Rabobank (see Burkina Faso example).



*The in-depth technical learnings from the market conceptualisation and feedback became the conceptual basis to further develop the data collection methodology and analytical framework to increase digital finance interventions.*

We are undertaking data collection to better understand local economic activity at a community level with an explicit focus on the informal market and the potential for digital finance interventions to serve local communities' financing requirements, working with local community structures.

By understanding local informal economic activity at a detailed community level will enable better identification of digital finance needs and thus enable more efficient partnerships to facilitate and increase financing to reach the low-income segment in the informal sector that can increase financial inclusion for growth.



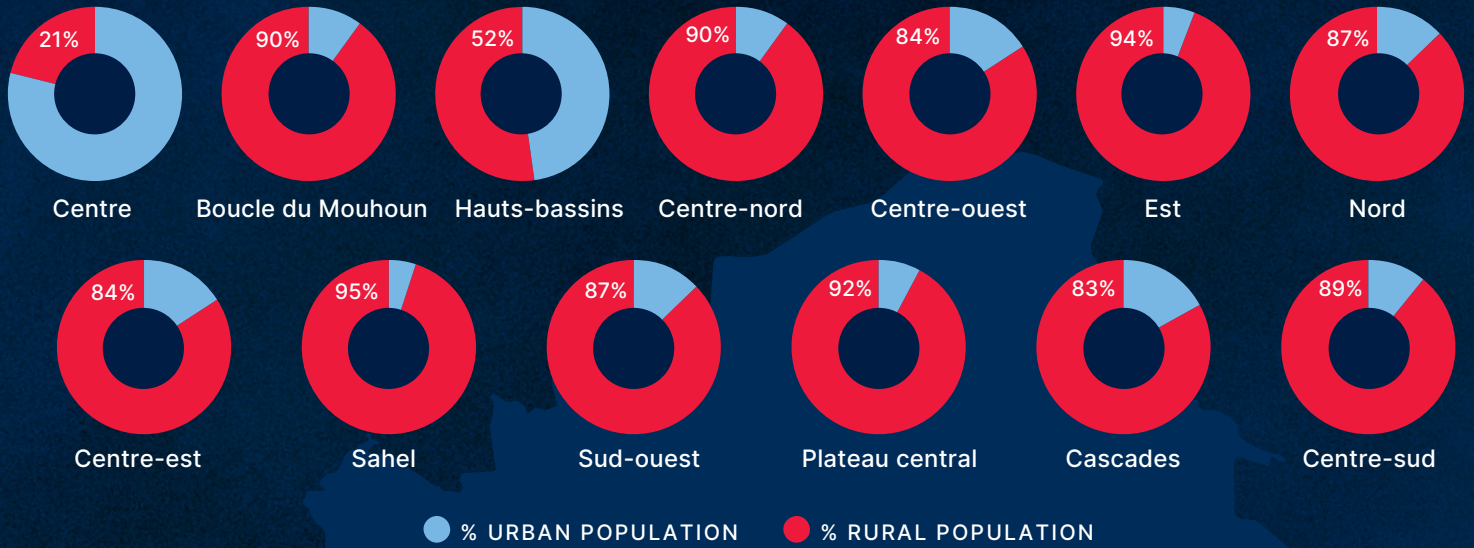
# HOW TO REACH RURAL ADULTS IN BURKINA FASO

*in communities where they live, work and worship*



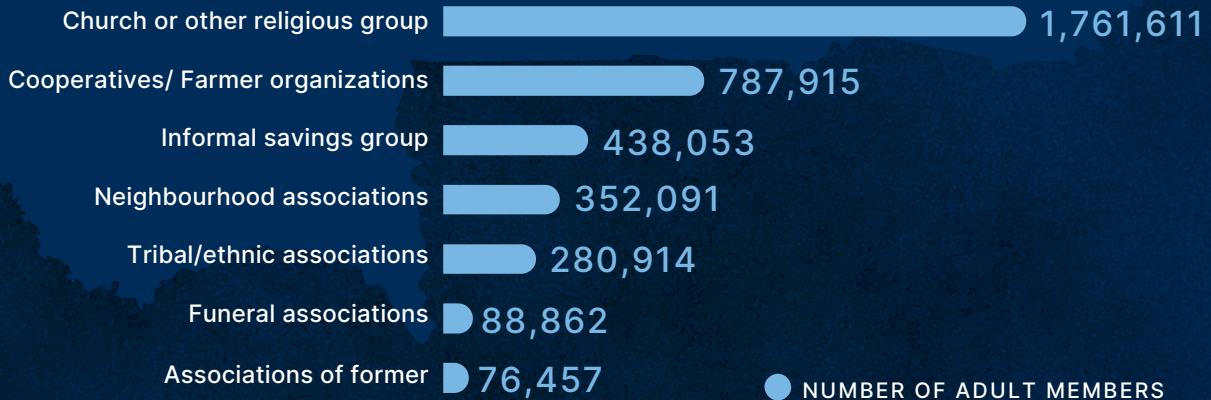
*Despite low incomes in rural areas, the potential for market expansion if technology can leverage community structures and partnerships*

## BURKINA FASO HAS A YOUNG POPULATION WITH ONLY TWO URBAN REGIONS



*80% of households are rural and depend on farming*

## ADULT MEMBERSHIP OF INFORMAL GROUPS IS SIGNIFICANT



*Churches reach almost 1.8 million people 77% of which are in rural areas*





# HOW TO REACH RURAL ADULTS IN BURKINA FASO

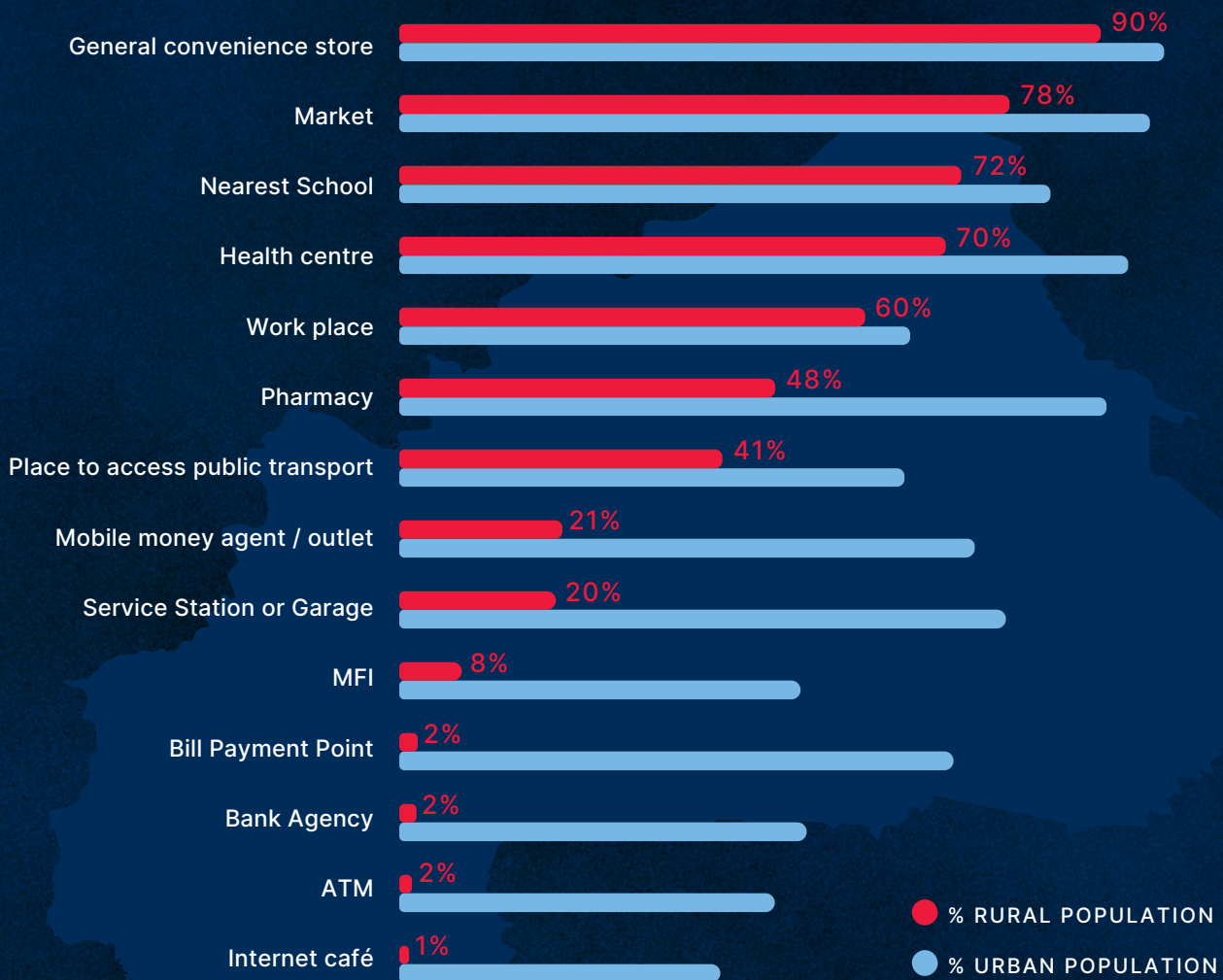
*in communities where they live, work and worship*



*To grow the current market, financial services need to reach people where infrastructure does not yet exist.*

## RURAL INFRASTRUCTURE IS VASTLY DIFFERENT WHEN COMPARED TO URBAN

Comparing distribution points less than 30 minutes away

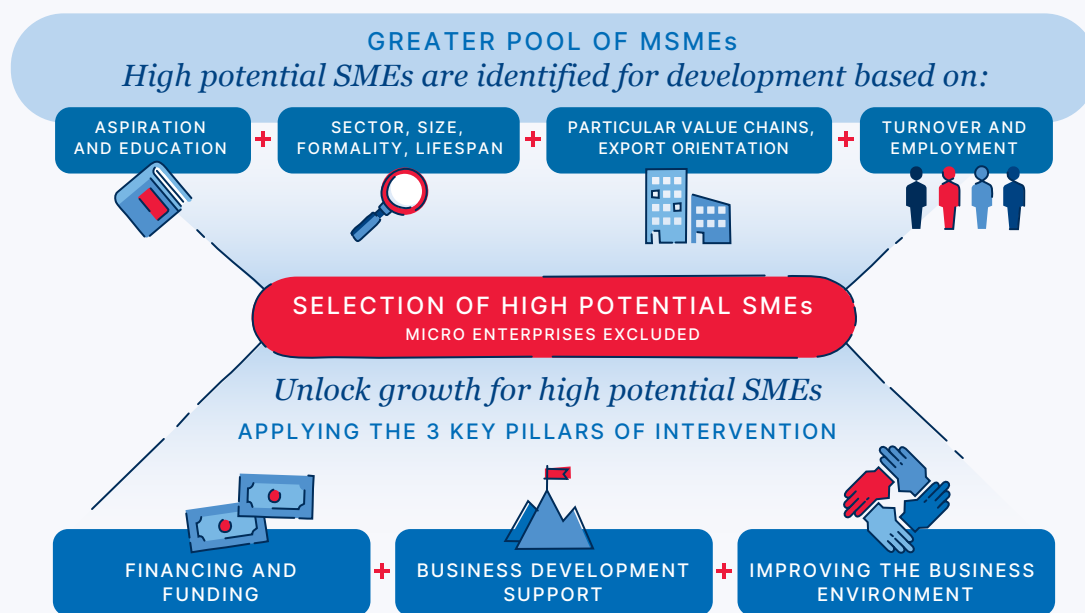


*A third of high income adults and more than half of existing formal financial services users are already in rural areas*

## 74% OF RURAL ADULTS USE MOBILE PHONES



**FIGURE 4** MAP MSME segmentation methodology



Source: UNCDF

**4. FACILITATING A HEALTHIER AND SMARTER INVESTMENT ECO-SYSTEM FOR**

**THE LOW-INCOME.** MAP developed the analytical framework to more clearly identify SME financing needs for growth, which became the basis for the first investor series toolkit to better enable inclusive growth investments. The SME market analytical framework in particular was developed to provide further context and nuance on SME activity with the objective of more clearly and deliberately identifying SME's that can support inclusive growth nationally – by sector, segment and size to encourage investments for growth by the private sector. The MSME Investor Toolkit, finalised in 2021 is the first of the series and three more planned for 2022, based on current work.

**5. A FRAMEWORK TO RE-ESTABLISH THE SOCIAL CONTRACT BY UNPACKING THE DRIVERS OF INEQUALITY.**

Inequality is driving social instability, particularly in LDC's, where people are desperate for jobs and a stable source of income. In this context, it is essential to determine self-generating pathways out of poverty, locating finance as the lubricant necessary to grease the wheels of growth and reduced inequality. Working with the Pardee School of International Relations at Boston University, which had done early thinking around the commons framework and its application to technology and financial inclusion, MAP is co-developing a technical note on the global economic commons and the role of inclusive financing, using the programme's data and evidence as the technical basis. The resulting conceptual framework is envisaged to become a key contributing piece to academia and their understanding of low-income markets and the role of inclusive finance in growth and development to spearhead increased global thinking in multiple fora on this, including potentially the Secretary-General's report on "Our Common Agenda".

## MAP UN partnerships to accelerate financial inclusion implementation

**IDENTIFYING UN AGENCIES THAT COULD ACCELERATE AND ENHANCE IMPLEMENTATION.** More and more, we are recognising the urgency of deeper focus on the ground to implement policy and facilitate increased finance for both activities and investments in financial inclusion so that countries can start seeing economic growth and engage with how the low-income and vulnerable can benefit. Thus, MAP progressed in building the partnership basis to identify more national partners and UN agencies that could accelerate and enhance implementation and effectively become the implementing agency for financial inclusion at country level, working in collaboration with Government and other stakeholders. This was most progressed at a practical level with country teams in UNDP Eswatini and UNDP Lesotho.

**LEVERAGING TECHNICAL EXPERTISE FOR BROADER UN APPLICATION.** MAP provided technical input to UNDP, UNFPA and UN Women on inclusive growth and generating pathways out of poverty for the low-income using financial inclusion for their new Strategic Framework. UNHCR also requested MAP's technical input on financial inclusion for their recently published technical note on Cash-disbursements and access to formal financial services. The MAP approach on financial inclusion has been included in UNOSSC's publication on IPOA, in preparation for LDC V in Doha, 2022.

**LOCATING FINANCIAL INCLUSION IN LARGER AGENCIES TO AMPLIFY ATTENTION AND FOCUS.** Following MAP's strategic input on financial inclusion in the new UNDP Strategic Framework, work was undertaken with UNDP's Inclusive Growth Unit, to explore co-implementation globally for financial inclusion. Financial inclusion falls within the context of Signature Solution 1 in the new UNDP Strategic Framework 2022 – 2025. Similarly, MAP is exploring financial inclusion and ESG frameworks with UNDP's finance sector hub (Africa), as well as potential areas of collaboration on their newly launched insurance and climate change facility under the ambit of reducing risk and increasing resilience in low-income communities.

*This increased collaboration within the UN system allows for cohesion and a coordinated focus at a country level on financial inclusion to ensure that it benefits the low-income by working with multi-level stakeholders and avoiding unnecessary duplication of financial inclusion interventions with precious donor funding.*





## A coordinated vision and a common language: Advancing collaboration to increase financing for the low-income

### ENHANCING FINANCING AT COUNTRY LEVEL USING MAP'S TECHNICAL EXPERTISE.

The programme has also spent considerable time building collaborative financing partnerships to encourage better provisioning of finance to the low-income market, in ensuring that the nexus between Government, private sector and development functions optimally and effectively. To support this increased focus at country level, MAP has been involved in key discussions with larger private sector and financing partners for collaboration to enhance financing at country level using MAP's technical backing, data and analytical capacity for the low-income market. This is bearing positive results to ensure that financial inclusion and driving financing at the bottom of the Pyramid remains on the agenda for the post-Covid world:

- MAP has agreed with Standard Bank, operating in 18 African countries, to partner in parallel funding commercially-viable SMEs for growth, in partnership with UNDP. The aim of this is to explore opportunities to collaboratively solve issues in the segment with the aim of increasing access to finance for MSME's, in support of inclusive growth in Africa. This is also under the auspices of the African Free Continental Trade Agreement to encourage increased regional trade and enable growth – where Standard Bank and UNDP are signatories. Standard Bank has pledged USD 75m to the AU to support SME financing for growth. Combined with MAP's financial inclusion roadmap's, coordination capacity and relationships in Africa, this will facilitate a more cohesive view of financing for inclusive growth nationally and regionally.
- MAP supported Rabobank with in-depth data analytics on cooperatives and MFI market characteristics with a particular focus on digital channel development in Togo, Burkina Faso and Benin to structurally improve cooperatives to expand their role in advancing financial inclusion, beyond MFI's, in the region.
- MAP has extended its bank pricing database for the low-income market to stimulate financial sector innovation and market competition, and to determine cross-country differences in bank product pricing aimed at the low-income market. Together these are key determinants of consumer take-up of financial products and market activity to stimulate financial sector innovation. This builds on the 2016-2018 datasets and further updates the data from 2019-2021. With updates planned for 2022 – 2023, this will provide a detailed longitudinal dataset of bank-based pricing for financial services that aim to serve the low-income from 2016-2023 in total. Working with the technical oversight and engagement of the IMF, it is envisaged that this will form the basis of more detailed and in-depth engagement around pricing, competition and market stability in low-income countries.



# 2

## MAP PHASE 2

*From grouping  
countries to clusters*

*The MAP programme has been a frontrunner in driving an evidence-based initiative and embedding a regional dynamic into its financial inclusion work with countries, in acknowledgement of the power of neighbours, regional dependencies and political economies.*

However, the longer MAP has operated, with increasingly rich datasets allowing for comparison between countries and between the same target market segments across countries, the more the programme has been able to hone its methodology and codify its practice – beyond political and economic groupings, towards people and their context, by design with the explicit aim of more purposely looking at inclusive growth options.

With this evolution, new and powerful technical lenses for viewing patterns of data coming out of the participating countries have emerged. The target market segmentation remains the core analytical tool in the MAP approach which allows for a more detailed and informed basis of key segments and vulnerabilities that need addressing to create pathways out of poverty. Yet new tools like the country cluster tool provides a powerful lens to determine where countries are at in the growth and development journey, thus making it more practical and reasonable to meet countries where they are at in terms of planning activities on the ground.

Over the course of 2021, using an inclusive growth lens, MAP has been able to cluster countries in terms of commonalities related to financial inclusion in the context of inclusive growth, further honing the work from the Insights Series, Volume 3. The five MAP clusters are not regional, however, but are rather a conceptual and analytical tool for supporting development interventions. Thus, the regional operational and implementation focus of the national financial inclusion strategies remains, for building relationships, sharing cross-border initiatives, common currencies and the like, while the clusters help to inform programmatic interventions for development by casting light on existing levels of market development/sophistication. Going forward, the MAP programme will focus its activities and reporting on the country clusters as the basis of reporting.

## FIGURE 5 MAP country clusters

*The 16 MAP countries were clustered on the basis of similarities in terms of the inclusive growth focus areas. The result was 5 distinct country types or clusters (non-MAP countries are in parenthesis):*





# 3

## ADVANCING FINANCIAL INCLUSION

*Building pathways  
out of poverty with  
people as the focus*




## SADC Region

*As an early adopter of MAP, financial inclusion and its potential to bridge the real economy and financing is an established feature in SADC.*

Thus, the Central Banks and Ministries of Finance increasingly deploy financial inclusion interventions to contribute to larger economic objectives, supported by digital interventions. In relation to this, recent market data is demonstrating the increasing use of informal financial services, possibly due to both Covid-19 as well as intractable and limited formal market opportunities.

The MAP Refresh Series emphasises the interplay between financial inclusion and inclusive growth (especially through SMEs and agriculture), access to basic services (energy, health and education), and improving household resilience, as well as gender equality, in support of policy-level country efforts on the same. With the publication of Botswana and Lesotho in 2021, five SADC refreshes have now been concluded. This comes at an opportune time, as the NFIS's of four of the five countries ended by the end of 2021 (Zimbabwe NFIS 2016 – 2020, Botswana NFIS 2016 - 2021, Malawi NFIS 2016 - 2021, and Lesotho NFIS 2016 – 2021), while the Eswatini's NFIS implementation period ends in 2022. Stakeholder engagements to feed the refreshes into NFIS revisions has therefore been an ongoing priority.



*In all countries, using financial inclusion as a driver for real economic growth and ensuring that it supports job creation and better livelihoods for all, especially the vulnerable, has been prioritised by Governments for NFIS revisions, based on the refresh findings.*


In Zimbabwe, the Central Bank is currently working on the second iteration of their NFIS, although awaiting a new FinScope consumer dataset due in 2022. Both Botswana and Lesotho received new FinScope datasets (2020 and 2021) as part of the MAP refresh, and Botswana is now in the process of redesigning its National Financial Inclusion Working Group, which include the process of determining Ministerial roles and responsibilities. Although Eswatini's NFIS is still due to be reviewed (ending 2022), some of the issues identified in the refresh are already being addressed through new pilot projects, like the Enterprise Supplier Development (ESD). Going forward, Eswatini has secured funding through SIBE (see box below) to fund a new NFIS, and findings from the MAP refresh will inform progress and development of the new strategy. Malawi has set up a governance structure to coordinate financial inclusion, and included the Ministry of Finance, Economic Planning, and Development (MoFEPD), the Reserve Bank of Malawi (RBM), the World Bank and other donors undertaking projects in this area. Malawi also secured funding from the SIBE project to review and update the NFIS from 2022–2026.

## SADC SIBE

The Southern African Development Community (SADC) Support to Improving the Investment and Business Environment (SIBE) Grant is entering its second year of implementation in 2022. The SIBE is funded by the European Union, which formally appointed FinMark Trust as the technical implementation partner to the SADC Secretariat to support the development of the broader investment, taxation, business, and financial inclusion environments across the 16 SADC member states. The regional SIBE project provides a funded platform to crowd in key stakeholders such as the SADC Secretariat, the SADC CCBG, and other donors.

The 2021 SADC Financial Inclusion Monitoring and Evaluation report was the fourth annual iteration, and included data collected from five SADC governments (Botswana, Eswatini, Lesotho, Malawi and Zimbabwe). After completion of the report we have continued to engage with respective governments to assess their respective National Financial Inclusion Strategies. Regional M&E indicators have also been developed as part of the SADC Financial Inclusion Strategy, which were integrated into country level MAP programmes, to track progress and enable region-wide diagnosis, and policy recommendations. Going forward, financial inclusion will be monitored across countries in the region as part of the SIBE project.

During 2021, MAP established a formalised relationship with the UNDP country offices of Lesotho and Eswatini, and is expanding its relationship with the private sector and international financing institutions to allow for increased partnerships for financing country level product development, proof of concept and innovation collaborations, especially at community level. It is envisaged this will deepen the financing base for financial inclusion interventions beyond the traditional donor community and public sector financing by allowing an array of different partners to collaborate on initiatives that focus on the low-income market. MAP plays a key role in facilitating more inclusive finance.



*In addition to these broader engagements, a few of our legacy flagship country level projects contribute to regional financial integration and the National Financial Inclusion Strategies continue to deliver practical results:*

**NEW AVENUES FOR SAVINGS - INTEREST ON MOBILE MONEY.** Following the adoption of mobile money guidelines by Botswana and Eswatini, the gazetted regulations to pay interest on mobile banking in Zimbabwe, and the payment of interest on mobile money balances in Malawi in 2020. Malawi is still the only country that pays interest on mobile money balances.



*A key challenge remains low interest rates which does not add sufficient incentives to save and further research is being conducted in this regard by partners.*

**FINANCIAL INTEGRITY – A LIGHTER REGULATORY APPROACH TO PROMOTE FINANCIAL INCLUSION.** Risk Based Approach (RBA) pilots continue to be implemented in four countries, i.e. Botswana, eSwatini, Madagascar and Zimbabwe, and proposes an alternative method of customer due diligence in an effort to encourage uptake and usage of formal financial services and extend inclusion to the informal market in developing countries who may not have the required KYC. An assessment of RBA implementation was conducted and completed in 2021, with a focus on the impact of the shift to a risk-based approach to AML/CFT on financial inclusion and remittances. It revealed that RBA adoption by Remittance Service Providers is low and mostly driven by non-banks rather than commercial banks.

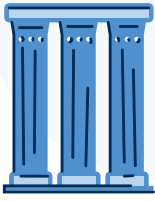
**BUILDING A DEEPER CREDIT RECORD THROUGH INFORMATION SHARING.** We continue towards our efforts to improve credit information sharing in our focus countries. Lesotho continues to hold quarterly credit association meetings with the regulator. Botswana's Ministry of Trade continues to champion a credit working group and acts as a custodian for the Botswana Data and Risk Sharing Association (BODRA), wherein efforts towards improved credit information sharing are located. In 2021, a draft six-month action plan was developed for the Association, and the Credit Information Sharing act was passed in Parliament in July 2021.



*The Ministry of Finance and Economic Development is currently in the process of establishing the regulations to implement this Act.*

**DIGITAL FINANCIAL IDENTIFY PILOTS WERE CONDUCTED IN LESOTHO.** This entails testing the efficacy of financial service providers digitally verifying customer information through the National ID system which has digital functionality. Through the pilot, mobile network operators have managed to improve and standardise their clients` identity in the database from passports or letters from chiefs, to a national ID. The post pilot assessment reveals that the level of engagement by commercial banks has been low with API integration yet to be enabled.

## West Africa Region



*The MAP programme has been working in the West African region for the last five years, specifically supporting the Governments of Togo, Burkina Faso and Benin in developing their national financial inclusion policies.*

The programme's work in the region is younger than in the other two regions, and therefore has had less traction overall. Furthermore, due to the pandemic, as well as a lack of coordination capacity and technical depth in the region, UNCDF's MAP work has slowed considerably.

Thus, prior to commencement of any further work, a detailed mapping of the status of national financial inclusion policies was required. MAP conducted a scoping exercise on the status of NFIS development and implementation specifically in seven, West African Economic and Monetary Union (WAEMU) countries, which was concluded at the end of 2021. These countries are primarily Francophone, managed by a single Reserve Bank (BCEAO). The scoping research provides a baseline to determine which activities to further financial inclusion will be necessary for West Africa going forward.

Well established regional and country level governance and coordination structures provide a solid basis for financial inclusion, which the MAP programme can potentially leverage for collaboration. However, the research identified a desperate need for an evidence base – especially in non-MAP countries. Thus, NFIS implementation and M&E accountability in most or all of the countries reviewed would not be possible given this lack of data.

**MAP STATUS IN EXISTING COUNTRIES.** In Benin, the roadmap for the elaboration of the NFIS based on FinScope results has been introduced as a communication along with the corresponding budget at the council of Ministers in Benin. In Togo, following public approval of the NFIS document on 20 December, 2019, the NFIS is still pending adoption by the council of Ministers. A draft of the NFIS indicators has been discussed with national stakeholders. In Burkina Faso, the implementation of the roadmap is on-going.


**ESTABLISHING NEW RELATIONSHIPS TO DEEPEN FINANCIAL INCLUSION FOCUS.** Given the nascent stages of West African markets, increased focus on providing coordination, increasing the evidence base and setting up institutional arrangements is required to fully ground financial inclusion and focus financing for the low-income market.



**DEEPENING THE DATABASE - LEVERAGING LSMS SURVEYS.** Despite the development of a NFIS in a number of countries since MAP, a large proportion of these have been developed without representative livelihoods data and as a result, there is a dearth of livelihoods data to adequately undertake any M&E frameworks on the policy or determine market movement. We have been in discussion with the World Bank on deepening collaboration around livelihoods data collection, whose surveys are currently planned in Niger, Mali, Burkina Faso, and Senegal. The implementation of the World Bank LSMS surveys have been significantly delayed due to COVID-19. When conducted, it will allow us to capitalise on the evidence-base already being expended by the World Bank, with the intention of establishing long-term data capabilities in the region.

**INCREASING REQUEST FOR MAP SUPPORT TO NFIS ENGAGEMENTS.** During 2021, MAP was asked by the UNCDF West Africa regional team to provide assistance to the Government of Mali and UNDP Guinea-Bissau for their respective country NFIS engagements. In Mali, MAP reviewed and provided input on the draft NFIS, which was shared with the Government of Mali. Discussions are underway with partners to commence MAP in Mali pending political clarity and security stability. In Guinea-Bissau, MAP provided a technical framework and implementation approach for financial inclusion to UNDP to engage with the Presidency in Guinea-Bissau.

WAEMU operates at both a country level and a regional level, through the single currency and a common economic zone providing a much larger economic opportunity for growth, sharing characteristics in language, culture and approaches. It's large untapped market make it particularly attractive for business. Combined with the potential of digital technologies, this provides new momentum to determine and define how to better embed more inclusive growth, in achievement of the SDGs. The region is encapsulated by thousands of small businesses, who make their living daily.



*Going forward the MAP programme will take into consideration the policy environment, institutional mechanisms and market factors in determining how best to engage in the region.*

The scoping work will be followed by the formulation of a regional plan for MAP engagement with Government and donors on financial inclusion for application in a selection of countries, taking into account MAP's increasing focus on sustainable development, inclusive growth, and linking to the Integrated National Financing frameworks and domestic financing agenda. This will guide the programme's technical interventions and better inform how to engage with the Ministries of Finance/Central Bank on financial inclusion in West Africa, and avoid wasteful duplication of resources, with other activities on the ground.



## ASEAN Region

*Three Financial Inclusion Refreshes were successfully completed in 2021 in Cambodia, Lao PDR and Nepal. With their conclusion the programme has now conducted full diagnostics as well as refresh diagnostics in all four programme countries in ASEAN.*

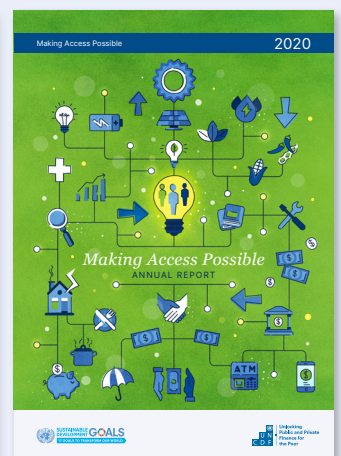
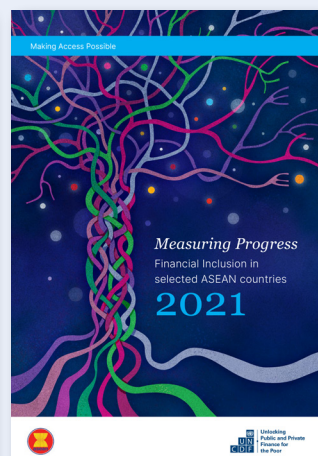
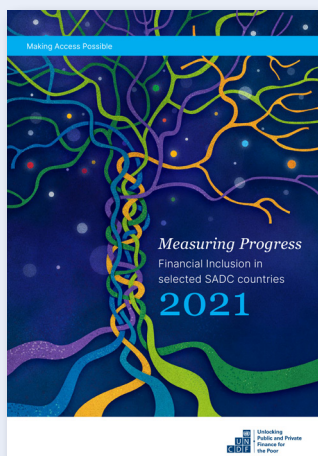
Following these two sets of diagnostic work which has built a significant foundation for financial inclusion in key LDC's in ASEAN, the MAP programme concluded its work in the region in 2021 and is in the process of wrapping up final outstanding activities focussing on closure and hand-over planning to other agencies and Governments – providing the tools for an inclusive growth policy agenda towards financing in Cambodia, Laos, Myanmar and Nepal and the ASEAN secretariat.

**MAP MOBILE SURVEYS.** Since 2020, MAP has engaged the Central Banks of Cambodia and Lao PDR to undertake national surveys using mobile methodology. The Financial Inclusion Mobile Market Tracker methodology reduces the cost of indicator collection by about 75%, using multi-mode data collection. Kick-off meetings and various consultations were undertaken by the MAP team and the respective Central Banks and statistics bureaus of Cambodia and Lao PDR. In Cambodia, the mobile survey has been successfully completed and the findings were presented to the Central Bank and Statistics Office for approval. In Lao PDR, some issues were faced, causing delays of the survey to Q1 2022 with no additional costs.

**ACCESS TO FINANCE SURVEY.** In Nepal, UNCDF will assist the World Bank to do demand side analytics for NRB once the Access to Finance survey becomes available. The original FinScope questionnaire for MAP Nepal has been used as the basis for the Access to Finance survey to compare the changes on access to finance over time. After significant delays due to COVID19, the survey has just been launched. UNCDF will do analysis of the Access to Finance survey data as it becomes available, which will also assist in determining the usage of alternative datasets.

**ASEAN 2021 MEASURING PROGRESS REPORT.** In collaboration with the ASEAN Working Committee for Financial Inclusion (WC-FINC), the MAP programme has completed the ASEAN 2021 M&E report. The 2021 report builds on the successful collaboration established in 2020 which led to the publication of the Measuring Progress 2020: Financial Inclusion in selected ASEAN countries flagship [report](#). WC-FINC Co-Chairs and the participating member states requested the focus of the 2021 M&E report to include expanding the linkages between financial inclusion and inclusive growth and real improvements in people's lives, which reaffirms the implementation lens for measuring the ASEAN Economic Community Blueprint 2025 as well as the contribution to the SDGs at national and regional level. The ASEAN 2021 M&E report is scheduled for formal approval at the Senior Level Committee by the ASEAN Member States in February 2022 and will be published shortly after.

**SUPPORTING FINANCIAL INCLUSION**  
*MAP's 2021 technical products*



# Financial inclusion supporting the financing of the SDGs

*The financing agenda, where financial inclusion plays a key supporting role, contributing to specific SDGs will play an increasing role going forward, and MAP will leverage its stakeholder and country platform approach to identify investment ready opportunities and crowd in stakeholder funding and implementation technical support in facilitation of the global goals.*



## *No Poverty*

Access to basic and financial services; build resilience and reduce vulnerability to shocks; social protection systems



## *Zero Hunger*

Double agricultural productivity and incomes of small-scale food producers, including financial services access



## *Good health and well-being*

Enable universal health coverage, including financial risk protection and quality health-care



## *Quality education*

Enable increased access to primary, secondary and tertiary education for all



## *Gender equality*

Women's rights to economic resources, including financial services



## *Clean water and sanitation*

Enable universal access to safe and affordable drinking water



## *Affordable and clean energy*

Enable universal access to affordable, reliable and modern energy; increase share of renewable energy



## *Decent work and economic growth*

Formalisation and growth of MSMEs through access to financial services; strengthen domestic financial institutions



## *Industry, innovation and infrastructure*

Access of small-scale industrial and other enterprises to financial services, including credit, integration into value chains and markets



## *Reduced inequality*

Reduce transaction costs of migrant remittances to less than 3% and eliminate remittance corridors with costs higher than 5%



## *Climate action*

Resilience and adaptive capacity to climate-related hazards and natural disasters (local implementation aspects)



## *Peace and justice*

Reduce illicit financial flows; country owned results frameworks and planning tools



## *Partnerships*

Mobilise financial resources from multiple sources; global partnership for Sustainable Development; availability of high quality, timely and reliable data disaggregated

