

Making Access Possible
ANNUAL REPORT



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 team on the ground who tirelessly work on a daily basis with our government counterparts to ensure that the national financial inclusion policy is implemented and makes a difference to the lives of people. In the SADC region, FinMark Trust is UNCDF's implementing partner, working with Governments to implement the roadmaps. Also acknowledging the numerous donors who work with us regularly at country level.

A special thank you to the Government of the Netherlands for their continued contribution and support to the programme, without whom the achievements of this programme would not have been possible.

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ABOUT THE COVER

The cover design shows a network of all the aspects that contribute to sustainability and accessibility for better livelihoods. 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. The design emphasises reducing poverty through strong partnerships, calling out UNCDF's focus on Sustainable Development Goals 1 and 17 which are at the core of the work described in this report. The design illustrates and highlights a connected system of people, policy, resources and access with financial inclusion at the foundation of improving livelihoods. People are the central focus supported by strong research and followed through with a solid implementation and accountability agenda.

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



An exceptional MAP programme year during an extraordinary time

The year 2020 brought about unprecedented change in the ways in which we work, engage with each other and a renewed focus on poverty and inequality. 2020 also marked the 75th anniversary of the UN and a recognition of the renewal of multilateralism. The collaborative processes sort to address common problems, amid the 'pluralization of diplomacy' towards a polycentric international order.

All this demonstrates a world in which change is inevitable, and in which the inclusive growth agenda is increasing in importance especially to the extent it is able to provide new pathways out of poverty for households.

There remain deep rooted challenges to development, such as failure to address rising inequality, environmental degradation and finance gaps in important areas, especially in LDC's. Financial markets play a vital role in creating a sustainable future.

The achievement of the SDGs and ensuring no one is left behind is dependent on finance being channelled in an inclusive manner to micro and smaller enterprises, women and the poor and underserved segments of society. Public, private and blended financing contribute to financing SDG investments, but there is need for incentives for all actors to align with long-term sustainable development, and to maintain focus on the poorest and most vulnerable.

Access to finance for individuals, SMEs and Governments is necessary to support a number of SDGs, helping to facilitate secure payments including for basic services and trade; to smoothen cash flows; for financial protection; and to improve the allocation of capital. This has led to close linkages between financial inclusion, national objectives and the SDGs.

Many countries are increasingly placing the SDGs and an inclusive financial sector as key objectives in their national development plans, further underpinned by the G20 leadership of financial inclusion which highlights the ongoing relevance of the SDGs and nationally led financial inclusion efforts within this context.

The SDG's are now within a decade of reach and the setbacks experienced in 2020 also make the achievement of these goals more pressing than ever.

These changes, as always, continue to present new opportunities for rethinking our technical approach, and how to partner for greater impact, linking to real economic improvements and bettering the lives of those that are still left behind.

The context of unprecedented change during 2020 allowed for the perfect moment to reflect on and expand the Programme's technical thinking, and building on MAP's large evidence-base, in support of broader strategic drivers required for financial inclusion to contribute to more inclusive growth. Thus, the core focus of the MAP PMU in 2020 was on building the strategic knowledge products as the basis for evidence to inform implementation support, supporting UNCDF's shift in strategy, crystalizing the articulation of our new technical framework, evolving the data approach, improving our M&E approach and expanding the M&E footprint.

This resulted in 19 knowledge products produced for the year by the PMU (see Figure 1) in addition to continuing to actively work with Governments to implement their National Financial Inclusion Strategy/Strategies (NFIS/ NFIS's). Furthermore, MAP technical work is beginning to more closely define the relationship between financial inclusion and the real economy on the basis of consumer needs and usage.

As such, diving deeper into the evidence-base for new thematic areas linking financial inclusion to consumer needs and usage, significantly drove strategic thinking around the implications for more inclusive growth to meet the SDG's while also proving the robustness of our datasets and leveraging our data assets for academic research.



MAP technical work is beginning to more closely define the relationship between financial inclusion and the real economy.

FIGURE 1
MAP's 2020 knowledge products supporting financial inclusion



Deepening our understanding of financial inclusion for growth.



How can financial inclusion contribute more directly to the inclusion of poor individuals, households and small businesses?

Within UNCDF MAP countries, the programme is increasingly supporting governments to challenge economic, social and financial exclusion, towards the achievement of the UN 2030 Agenda.

Understanding consumers, their livelihoods and their daily challenges in the informal sector of the real economy, as they engage with financial mechanisms (whether formal or informal) to help them meet their economic and life needs, remains central to setting public policy and guiding market development for achieving growth that is truly inclusive. The most pressing question for financial inclusion now is how it can contribute more directly to the inclusion of poor individuals, households and small businesses in the benefits of economic growth, linking to the 2030 Agenda, and how it can do so in addition to its existing contributions to development (improved welfare via the financial benefits that increased financial inclusion generates).

From the outset, MAP's version of financial inclusion, by positioning people and their livelihoods at the centre, has emphasised the overlap of financial inclusion and inclusive growth.

The MAP technical framework posits that financial inclusion can drive growth in specific economic sectors – thereby contributing to broader economic objectives; can help secure access to resources such as basic services and infrastructure, education and healthcare – thereby allowing the poor to invest and participate actively in human capital formation; and can enable people to access income-earning opportunities, increase their income, do more with their current level of income and/or build their assets – thereby improving welfare.

The programme therefore deepened its focus on the research supporting the links between financial inclusion and the real economy as the engine of inclusive growth. Foremost in breaking new ground in technical thinking was the MAP Global Insights series Volume 3. This Volume of the Insight Series explores the role of financial inclusion in the context of an inclusive growth agenda, using inclusive data as the evidence base. Furthermore, the linkages between financial inclusion at the micro level of individuals, households and small businesses, and macroeconomic growth are explored and tested. The evidence demonstrates the crucially important intermediation role of financial inclusion, along with its role in firming the social contract towards inclusive growth.

The series develops the case for four new technical frameworks and analytical lenses that builds on the programmes intellectual assets. These frameworks provide useful new approaches to target vulnerable groups and



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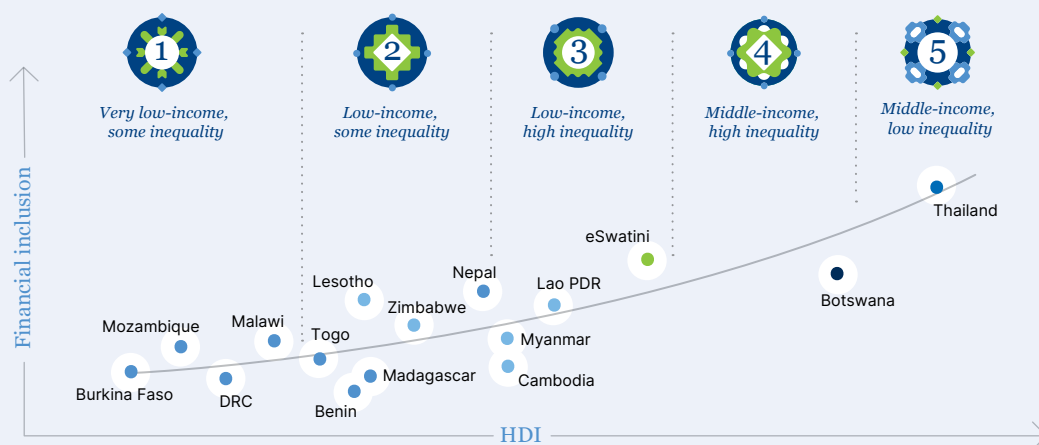
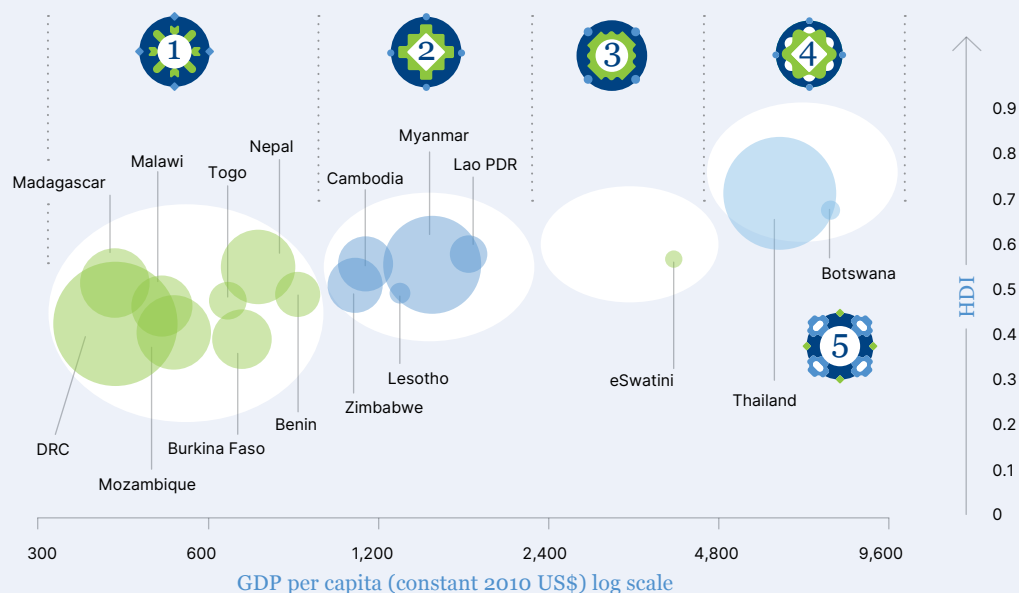


FIGURE 2
Clustering 16 MAP countries, based on HDI, GDP per capita and financial inclusion

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, providing a conceptual and analytical tool for supporting development interventions. The MAP country clusters are ranked from least to most enabling inclusive growth context, and help to inform programmatic interventions for development by casting light on existing levels of market development/sophistication.

ensure, through financial inclusion, that no one is left behind in economic development and access to basic services and infrastructure.

The volume offers new ways to group countries based on their level of inclusive growth (see Figure 2), and suggest key pathways for governments to address the real needs of their populations, including the most vulnerable groups, but also to identify and support the most productive ones (see Figure 3). This approach requires inclusive livelihoods data, and linking countries' macro-level objectives such as inclusive economic growth with their micro-level financial and real economic objectives, with a focus on increasing citizens' access to resources and income-earning opportunities.



Increased vulnerability



SOURCE OF INCOME



AGE

GEOGRAPHIC LOCATION

GENDER

Some target markets contain a **LOWER CONCENTRATION** of demographic factors that typically result in greater exclusion.

Some target markets contain a **HIGHER CONCENTRATION** of demographic factors that typically result in greater exclusion.

Applying a demographic lens using factors that typically result in greater exclusion highlights vulnerabilities regardless of income source.



Increased access to resources



Aspiration and education

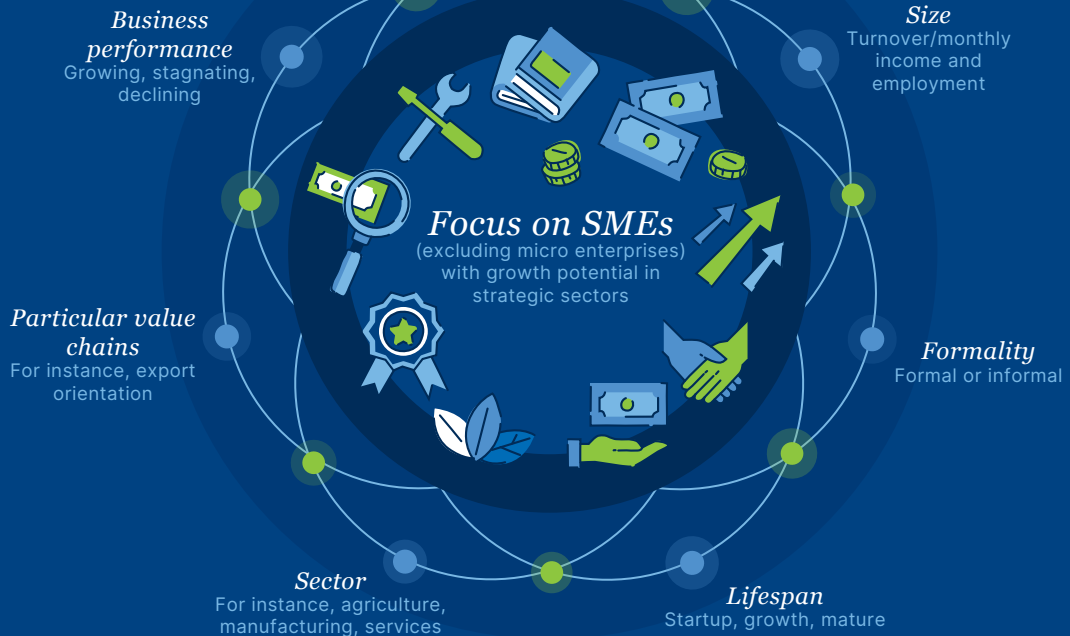


FIGURE 3

MAP's vulnerability lens overlaid with the target market lens and MSME approach, to ensure no-one is left behind and support growth

Making implementation work through small proof of concept demonstration pilots



MAP relies on proof of small concept projects to gain a better understanding of how policy development and implementation works.

MAP relies on proof of small concept projects to gain a better understanding of how policy development and implementation works, how it links to the ground, and what drives successes and failures. This links closely to improving our understanding of market improvement and development, and how successes can be scaled by the market and other players. MAP therefore continues to run a series of proof of concept projects, as well as other activities like monitoring and evaluation of financial inclusion and data capacity building at a regional and country level. The current portfolio of proof of concept projects are outlined below.

Savings and interest on mobile money

Implemented in four countries (eSwatini, Lesotho, Malawi and Zimbabwe), this pilot aims to facilitate the payment of interest on mobile money which is intended to incentivise usage and supports diversification of the financial sector. This project aims to work with the respective governments in the SADC region to adopt the requirement for interest on savings on mobile money. Mobile Money guidelines has to date been adopted in Botswana and eSwatini, while Zimbabwe has gazetted regulations to pay interest on mobile banking and Malawi has already affected the payment of interest on mobile money balances.

Issues experienced to date include low interest rates which does not add sufficient incentives to save, which led to a suggestion to conceptualise other incentives for usage apart from interest on savings. Economic conditions can also impact on this initiative, like in the case of Zimbabwe, where hyperinflation as well as the current ban on mobile money has hampered progress on this project.

Risk Based Approach (RBA) to Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT)

Implemented in four countries (Botswana, eSwatini, Madagascar and Zimbabwe), RBA offers an alternative method of customer due diligence in order 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. The project is still at the consultation phase in Botswana, but in eSwatini and Zimbabwe, it has progressed to the consultant identification and appointment stage.

Notable movements to date include a request by the Ministry of Finance in eSwatini for capacity building in this space, while a notable impediment has been that Ecocash (Zimbabwe) is being sued by the regulator for fuelling parallel market rates - which is envisaged to slow down the use of mobile money.



A Risk Based Approach offers an alternative method of customer due diligence in order to encourage uptake and usage of formal financial services and extend inclusion to the informal market.

Digital financial identity (DFI)

Implemented in Botswana and Lesotho, the DFI project aims to leverage technology and innovation to develop a digital financial identity that can be used to extend the reach of financial services to those who are currently only able to engage with informal financial services due to hurdles created by traditional KYC requirements. The broader goal is to develop a SADC digital financial identity. Once a regional digital financial identity has been agreed between two countries it needs to be piloted to see if it's fit for purpose. In Lesotho, the pilot has progressed well (six FSPs now participating) and customer verification on the Department of Home Affairs system is already being done by three FSPs. Vodacom is conducting the most verifications per month, which runs into 90,000 and above. In Botswana, the Bankers Association of Botswana has developed a pilot plan for KYC digitisation for the commercial banks. In Zimbabwe, RBZ also approved the DFI project, but project commencement will be considered post COVID-19 lockdowns.



DFI project aims to leverage technology and innovation to develop a digital financial identity that can be used to extend the reach of financial services.

Credit information sharing (CIS)

Implemented in four countries (Botswana, Lesotho, eSwatini and Zimbabwe), this project aims to narrow information asymmetries that may exist exist between the information requirements of FSPs and the information availability from consumers.

This initiative will support credit information sharing and credit assessment models developed and pilots running in selected countries to support existing consumer support initiatives.

Progress has been slow this year, as government focus and funding has been on the pandemic, but some notable movements include the implementation of the new CIS regulatory unit in eSwatini, which is progressing, as well as a new data layout being formally adopted in the country. However, legislative changes and the dual nature of supervision (FSRA and Central Bank) is creating delays in further progress. In Lesotho, an MOU was developed between the association and the regulator, which is awaiting signature. In Botswana, funding reallocated to COVID-19, as well as development of new legislation has slowed implementation of the credit information association structure, but is expected to gain momentum in 2021. In Zimbabwe, the strategy has been adapted to support the regulator directly, given the failure of the association itself to gain momentum. This approach has already been successfully adopted in Lesotho and eSwatini.

ADLA remittances (Shoprite)

Implemented in eSwatini, Lesotho and Zimbabwe the ADLA (Authorised Dealer in foreign exchange with Limited Authority) Remittances project aims to reduce the cost of sending remittances cross boarder across

selected regional corridors. It also endeavours to reduce cash handling through digitisation on the receiving end, such as receiving remittances through a mobile money wallet. This leverages the DFI by providing non-traditional ways for KYC ultimately making formal financial services such as mobile money more accessible to consumers. Lesotho continues to be a success (given that this has been in operation for a number of years now), while the pilot is running smoothly in eSwatini as well, and being explored in Zimbabwe. This project is highly contingent on collaboration and agreement between various stakeholders in the ecosystem with envisaged results possibly taking longer than planned to realise. The learnings from the Lesotho pilot as well as the work in eSwatini are enough to pilot this work in other corridors. In eSwatini, COVID-19 has driven consumers towards increased use of formal remittance channels.



The income Support Fund for SADC Migrant Families was aimed at supporting over 8000 beneficiaries on a monthly basis for a three-month period, during the Covid-19 lockdown.

SASSA social security payments

Implemented in South Africa, through a partnership with UNDP, the project aimed to assist the Government of South Africa by conducting research and analysis to inform proposed pilots aimed at fostering inclusive growth and lowering poverty, particularly for women and the youth, by improving the efficiency of and increasing returns derived from social grant payments. The project was also aimed at demonstrating a working collaboration as a country platform between UNCDF, UNDP and other UN organisations. Although the project was affected by the pandemic, ie. the restrictions imposed under lockdown included movement limitation which impacted the planned focus groups which were meant to be part of the analysis for the project, the pilot project was successfully concluded in 2020, and a second follow up project is being planned for 2021.

The South African social protection system is well advanced in comparison to those in other developing economies. It was a key driver of financial inclusion and the project has potential to further support by allowing other countries, particularly within the SADC region, to learn from SA.

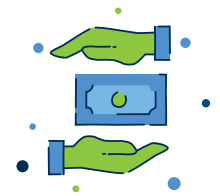
Basic income for remittance receiving families during COVID-19

A new pilot project was implemented during the year in an effort to provide short term relief (in the form of a basic income) to migrant families, dependent on remittances during the COVID-19 pandemic, by setting up an Income Support Fund for SADC Migrant Families. In partnership with a number of providers, lead by MAP partner, FinMark Trust, remittance providers and central banks, remittance activity data (customer and supply side data) was used to identify recipients based on their regular remittance activity on a monthly basis to families, and to assess those that are most vulnerable. The fund was aimed at supporting just almost 9,000 beneficiaries in Zimbabwe, Malawi, Mozambique, eSwatini and Lesotho, on a monthly basis for a three-month period.

Continued technical innovation on financial inclusion, for growth and poverty reduction

The programme generated technical innovation on multiple fronts in 2020. Developing a shorter diagnostic refresh methodology, more deliberately incorporating updates in digital innovation and product uptake in the relevant markets, linking financial inclusion and inclusive growth and, adopting a shorter, cheaper data collection methodology using new mobile technology, rolling out a new diagnostic framework for financial inclusion relating to basic services in the form of clean energy and enhancing our understanding of the close linkage between financial inclusion and climate change, especially for poor households. By unpacking the market realities and consumer livelihoods context, this diagnostic more explicitly developed the business and investment case for better clean energy investments as a contribution to the climate change agenda and poverty alleviation, and consolidating the consumer needs framework linking economic needs to financial needs within the context of existing consumer spend thus exposing opportunities for national investments to more explicitly advance financial inclusion.

The MAP refresh initiatives, both Consumer and MSME, are multi-country initiatives that support financial inclusion, achieved 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. With three MAP Refresh diagnostics completed in 2020, and 5 more refreshes already being kicked off for completion in 2021, there is clearly still strong demand for financial inclusion strategy diagnostics in the participating countries.



This diagnostic more explicitly developed the business and investment case for better clean energy investments as a contribution to the climate change agenda and poverty alleviation.

The MAP Consumer refresh reports and roadmaps provide important input into the respective country's NFIS's and related implementation progress.

An improved FinScope MSME methodology was implemented which allowed for surfacing of a higher number of MSMEs especially those operating informally. FinMark Trust in collaboration with the National Statistics Office of Malawi and GeoTerralmage, used geospatial data modelling to improve the old methodology. This was to identify the EAs that possibly contain MSMEs, incorporating a number of datasets and spatial analysis techniques to allow for the most accurate results. The new approach achieved 85%-100% of those EAs having the highest probability of having MSMEs across Malawi.

Measuring NFIS progress

Although on its own, policy change does not immediately make a difference to the lives of people, it is important for government to track policy implementation and its impact. In order to assist governments with the implementation of new policies, M&E therefore remains a key focus for the programme, built on a solid foundation of data.

In the second half of 2019, the programme started to engage ASEAN regional bodies on replicating the SADC financial inclusion M&E initiative (which started in 2018). In 2020, nine ASEAN member states were effectively onboarded, trained, and assisted in their data collection and report development on the implementation of their NFIS – including the development of a regional guidance note. The ASEAN Regional M&E report was officially endorsed at the 2020 ASEAN Finance Ministers Meeting by the ASEAN Working Committee on Financial Inclusion (WC-FINC).

It is heartening to note that UNCDF's technical methodology on policy implementation and reporting was valued even in non-MAP countries, who were willing to contribute and use their own data for the report compilation.



MAP also assisted national governments to do an assessment of the degree to which National Financial Inclusion Strategies had been implemented.

LDC countries continued to receive strong technical support from UNCDF to build build new capacity to implement their respective NFIS's.

In SADC, the M&E process was also successfully replicated for the third year in a row, now including five countries, with further interest and engagement from another two (to be included in 2021), and the intention is to continue this initiative in both regions for 2021, possibly expanding to West Africa in the medium term, depending on data availability and political buy-in.

At a country level, MAP also assisted national governments to do an assessment of the degree to which NFIS's had been implemented in each respective country, and the subsequent impact of financial inclusion initiatives, linking to the country and regional M&E. These workshops provide the opportunity to highlight the data that should be collected and made available for the M&E reporting and serves as a South-South learning and collaboration opportunity.

Climate change, poverty and the role of poor countries

A strong focus of the SDGs is an attempt to address the root causes of poverty and inequality within and between countries. Few of the SDGs, however, can be classified as a prerequisite for human development to the degree that access to energy can. In order to eradicate poverty, hunger, and human indignity, people need access to resources or basic services, which in turn allow them to access greater opportunities.

Countries in turn need to create more and better opportunities, by growing enterprise, and creating enabling infrastructure. With half the population (or more) often deriving their income from agricultural activities in MAP countries, it is worth exploring clean energy and off-grid solutions both as a climate mitigation response as well as alleviating poverty for those most in need.

High levels of poverty in these countries as well as the extensive use of biomass energy for cooking are by far the largest proportion of the population usage highlighting that energy usage and expenditure is intrinsically woven into financial inclusion, poverty and climate change. Making progress towards the SDGs requires the ability to deal with both these issues concurrently.

The clean energy diagnostic series and summary report highlighted the commitments countries made to reduce climate change, in relation to their contribution to global emissions and their per capita emissions.

Financial inclusion, as well as the data and diagnostic assets of the programme can play a role in catalysing investment for continued expansion of clean energy sources – given the vast gap between demand and supply of energy in these countries – especially since these very countries are also substantially exposed to climate change phenomenon like droughts, floods and severe weather conditions.

Surprisingly, the five SADC countries included in the series were found to be contributing less than 1% of global emissions, while already being largely dependent on clean energy sources.

Renewable electricity output versus CO2 emissions by country

Malawi

91%

RENEWABLE ELECTRICITY OUTPUT
(% OF TOTAL ELECTRICITY OUTPUT)¹



1,298

CO2 EMISSIONS (KT)²

0.08

CO2 EMISSIONS
(METRIC TONS PER CAPITA)³

0.04%

SHARE OF GLOBAL
EMISSIONS (2012)⁴

Mozambique

86%

RENEWABLE ELECTRICITY OUTPUT
(% OF TOTAL ELECTRICITY OUTPUT)¹



7,943

CO2 EMISSIONS (KT)²

0.29

CO2 EMISSIONS
(METRIC TONS PER CAPITA)³

0.73%

SHARE OF GLOBAL
EMISSIONS (2012)⁴

Madagascar

55%

RENEWABLE ELECTRICITY OUTPUT
(% OF TOTAL ELECTRICITY OUTPUT)¹



3,905

CO2 EMISSIONS (KT)²

0.16

CO2 EMISSIONS
(METRIC TONS PER CAPITA)³

0.22%

SHARE OF GLOBAL
EMISSIONS (2012)⁴

Lesotho

100%

RENEWABLE ELECTRICITY OUTPUT
(% OF TOTAL ELECTRICITY OUTPUT)¹



2,512

CO2 EMISSIONS (KT)²

1.21

CO2 EMISSIONS
(METRIC TONS PER CAPITA)³

0.01%

SHARE OF GLOBAL
EMISSIONS (2012)⁴

eSwatini

47%

RENEWABLE ELECTRICITY OUTPUT
(% OF TOTAL ELECTRICITY OUTPUT)¹



1,155

CO2 EMISSIONS (KT)²

1.04

CO2 EMISSIONS
(METRIC TONS PER CAPITA)³

0.01%

SHARE OF GLOBAL
EMISSIONS (2012)⁴

1) World Bank Development Indicators 2019 (2015 data used); 2) World Bank Development Indicators 2019 (2016 data used); 3) World Bank Development Indicators 2019 (2016 data used); 4) Based on INDC submitted by each country in 2015, as summarised at: <https://www.carbonbrief.org/paris-2015-tracking-country-climate-pledges>

COVID-19 and Programme Delivery

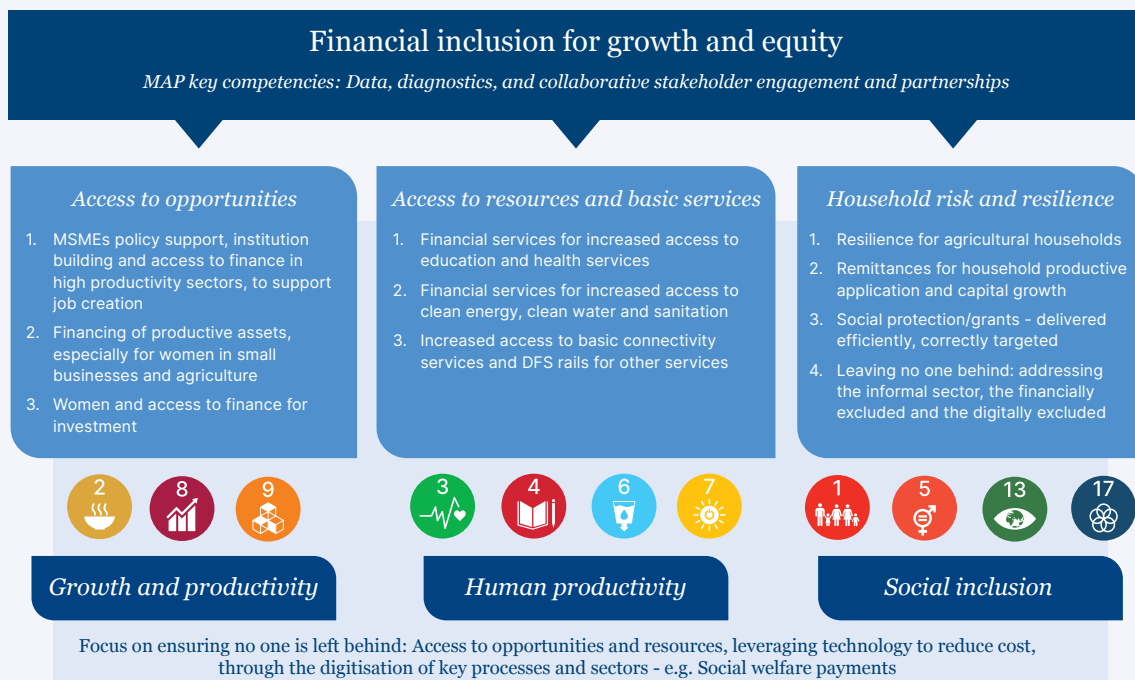
COVID-19 has resulted in a series of lockdowns across all MAP regions; this has inevitably resulted in limited movement and minimal face to face engagement. For the MAP in-country projects, this has resulted in a shift in engagement methodologies, and an inevitable slowdown in some activities that require face to face engagement, especially on the part of governments, who had to deal with more pressing issues. We also reimaged how traditional data collection and research can be undertaken remotely and how we can continue to engage with country level stakeholders with the same level of closeness without physical proximity. Inescapably, delivery timelines have had to be adjusted to accommodate country level responses to COVID-19. Despite these challenges, stakeholders remain committed to financial inclusion, and there remains opportunity to redesign projects so that they are more responsive to economic recovery plans and government priority areas.

Towards the next phase of implementation

The Programme's combination of research, policy formulation, data and analysis combined with strong stakeholder support has allowed for a clear focus and articulation of linking financial inclusion and financing as a key enabler to the SDGs. This positions MAP perfectly for the next phase of implementation (2021 to 2023), which leverages the programmes traditional strengths of data, research and stakeholder engagement, but ushers in a new era of cross agency and partner collaboration for implementation, as well as increased focus on generating real improvements in people's lives.

FIGURE 4

MAP's refocused technical approach to support the SDGs



Our new technical framework calls for financial inclusion in support of growth and equity, to facilitate access to opportunities, resources and basic services in addition to helping households manage their risk and resilience.



2

Partnerships for implementation



FinMark Trust continues to work towards reduced costs for Cross Border Remittances.

In 2020, FinMark Trust continued to operate as a key technical implementation partner within the SADC region. This partnership has achieved notable strides since its formation and continues to pursue improved livelihoods for the poor within the region. Going forward, FMT and UNCDF continue to pursue areas of common interest in support of shared strategic objectives, as well as mandates dictated by respective funding sources in support of financial inclusion for inclusive growth.

The partnership draws on FinMark Trust's pivot to Financial Inclusion 2.0 which endeavours to ensure more direct contribution to real sector outcomes, particularly economic growth, employment and other sustainable development goals. Related to this, FinMark Trust recently welcomed a £10 million commitment from UK Aid to initiate a new phase of financial sector development in SADC over a five year period from 2020–2025, where financial inclusion plays a key role.

In this regard, five areas have emerged as offering the best opportunity for FinMark Trust to support economic growth and the jobs agenda in the region, expand access to basic services and to help secure a sustainable future.

These include the development of agriculture processing and development of agriculture value chains, building on their expertise in micro, small and medium enterprises (MSMEs) to develop the capacity of enterprises in the light manufacturing and services industries and supporting youth development and employment.

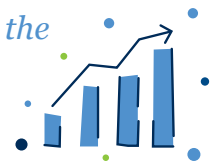
FinMark Trust continues to work towards reduced costs for cross border remittances, to facilitate formalisation and digitisation for informal traders, to expand inclusive digital financial services, to increase access to basic and financial services, and build integrity in the region to support sustainability of the financial systems.

As a member of the Financial Sector Deepening (FSD) Network, FinMark Trust continues to work towards addressing the financial barriers to achieving the Sustainable Development Goals.

Through a comprehensive and integrated approach to financial market development in Africa, the FSD Network helps build inclusive financial systems which enable inclusive growth, access to basic services, and the building of sustainable futures.

Through these three themes, the Network emphasises job creation and income generation for low-income groups, and the provision of services such as education and health to vulnerable and underserved groups.

FinMark Trust's commitment to the region is further exemplified through managing the implementation of the Support to Improving the Investment and Business Environment in the SADC Region (SADC SIBE) program which is funded by the European Union (EU). This program which will also be a key contributor to enhancing the role of financial inclusion for growth.



The SADC SIBE program which is funded by the European Union, will also be a key contributor to enhancing the role of financial inclusion for growth.



Country implementation by region

The following provides an overview of country level progress which aim to provide a summary of the projects and related progress which are submitted to the MAP PMU on a monthly basis.

SADC Region

Progress in the first half of the year was concentrated in eSwatini, Malawi and Zimbabwe, although Botswana has seen an increased number of financial inclusion related activities taking place and regulations being passed in the second half of the year.

COVID-19 has expedited in-country focus on some activities that had been stagnant, most notably the approval of a collateral registry, and a budget has been allocated to the operationalisation of the Botswana Data Risk Sharing Association (BODRA). Additionally, the Payments Systems Strategy 2020-2026 has highlighted KYC digitization as one of its priority areas and offers opportunity to extend this work to the Digital Financial Identity initiative in Botswana.

The MFED commenced with the revision of the AML/RBA strategy during the third quarter. Lastly, the mobile money guidelines which came into effect during the first quarter are currently being implemented in earnest. Inversely, Zimbabwe has experienced several challenges since June 2020, due to unfavourable external factors, which have resulted in an unfavourable environment for several projects, and activities have decreased significantly as a result.

During the year, we expanded the MAP Consumer Refreshes, which aims to update the national policy frameworks with new evidence and data.

Three MAP Refresh diagnostics were conducted in SADC (in Malawi, eSwatini and Zimbabwe) with two more already underway for completion in 2021 (Botswana and Lesotho).

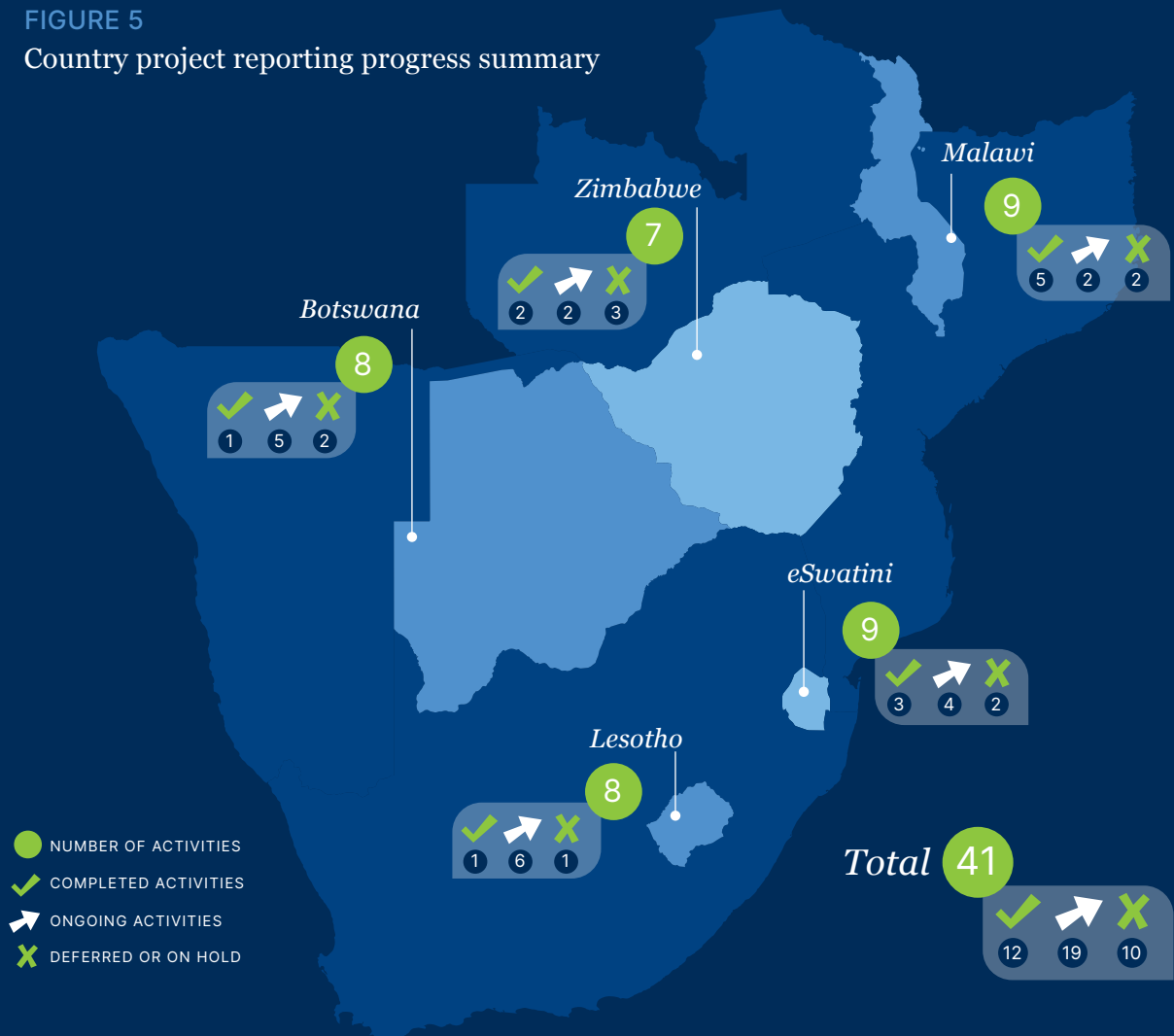
The Malawi refresh was completed first, and the recommendations were incorporated into the Consolidated MSME and Consumer Action Plan for Malawi, while the process of incorporating the recommendations into the M&E Framework for the Financial Sector Technical Working Group is still ongoing. The review of the NFIS, based on the refresh will commence in 2021, and a launch of the roadmap is also planned for 2021.

eSwatini and Malawi also completed a MAP MSME diagnostic in 2019 and 2020 respectively. In Malawi, the roadmap's implementation was planned to commence during the second quarter of 2020 but was derailed due to COVID-19, although a stakeholder workshop for implementation remains on the agenda.



In Botswana COVID-19 has expedited in-country focus on some activities that had been stagnant, most notably the approval of a collateral registry.

FIGURE 5
Country project reporting progress summary



Botswana

Since January 2020, Botswana has made notable strides in regulation and policy related to financial inclusion. Relaxing of lockdown restrictions in Botswana has resulted in several projects also being expedited in the second half of the year. The FinScope Consumer Survey, funded by the Ministry of Finance, is currently underway with the official launch scheduled to take place in April 2021.



Relaxing of lockdown restrictions in Botswana has resulted in several projects also being expedited.

The Ministry of Finance and Economic Development (MFED) has approved the Attorney General Chambers' legal draft of the the Credit information Sharing Bill and has since embarked on a national awareness campaign for the bill. This comprises workshops facilitated by the MFED's financial inclusion team. The Credit Information Sharing Bill was expected to be brought before Parliament in the November session.

This has been further delayed and is now expected to be presented in the July 2021 session. The establishment of a credit information sharing association (BODRA) has also been delayed due to lack of funding, however, this has since been resolved; BPW 300,000 (USD 27,000) Pula has been set aside by the Ministry of Investment, Trade and Industry for the operationalisation of BODRA.

A notable achievement has been the establishment of the financial inclusion working group in the Ministry of Investment, Trade and Industry's Department for Co-operatives Development.

This working group will be key to achieving the financial inclusion 2.0 initiatives. Members of the working group comprise the Ministry of Investment, Trade and Industry's Department for Co-operatives Development, MFED, Bank of Botswana, BODRA, and the Non-Bank Financial Institutions Regulatory Authority. Discussions are currently underway to extend the invitation to other relevant regulators and associations.

Lead by government, the Consumer literacy project has been delayed due to COVID-19 restrictions; the project included nationwide workshops which can no longer take place due to movement restrictions between zones. The project has been moved to 2021 with the hope that restrictions will be eased.

eSwatini

COVID-19 has required that attention be focused on a smaller set of high impact projects that support the Kingdom's economic recovery efforts.

As such several projects have been halted, and projects that required in person consultations are yet to restart. However, some activity, as it relates to financial inclusion, has restarted. The Ministry of Finance held a workshop aimed at resuscitating the credit reporting component of the World Bank's Financial Deeping Implementation Plan.



Despite the constraints caused by COVID-19, several projects are ongoing in eSwatini.

The Central Bank piloted the Cross-Border Remittance project. There are over 20 Shoprite shops sending money to 20 approved stores in eSwatini at a maximum fee of R25 (USD 1.67) for amounts up to R5000 (approximately USD 333). Despite challenges, the MAP Consumer Refresh and Roadmap was finalised and will be validated by a panel of stakeholders prior to publication.

The NFIS mid-term review was also initiated. It is envisaged that the MAP Refresh and Roadmap will inform the implementation of the NFIS over the next two years. As it relates to payment of interest on mobile money wallets, the maximum amount that can be held in a mobile money wallet has increased from R25,000 to R50,000 (USD 1,667 to USD 3,333) further compelling the payment of interest on mobile money balances. All banks have good working relationships with mobile money operators, particularly MTN. The Central Bank and Ministry of Finance requested capacity building in the area of Risk Based Approaches to AML/CFT. In response to this, FinMark Trust supported a review of the National Risk Assessment report. This report will be finalised and presented to the Central Bank.

The need for Digital Financial Identity has become more urgent due to COVID-19. Although there is buy in from relevant stakeholders, discussions have come to a standstill due to COVID-19.

Progress has remained slow on the Credit Information Sharing exercise. This is due to the requirement to make amendments to the legislation to enable compulsory sharing of credit information. The new data collection layout has been finalised, while engagements with the Central Bank and industry partners are outstanding; we are awaiting clearance from the Ministry of Finance for the consultations to proceed in view of changes made in the legislation which need approval from parliament.

However, the sitting of parliament has been delayed due to COVID-19. The Credit Bureau Unit comprising three staff members was scheduled to undergo training in Namibia, the training was however halted until further notice due to COVID-19.

Lesotho

Efforts to encourage the use of mobile money wallets are ongoing; the Central Bank has continued to explore other ways to incentivise usage outside of interest on mobile money. As such, the regulator is keen to engage with stakeholders from other countries where other incentives have been leveraged.

The Digital Financial Identity project has made notable strides since its inception; most recently, the Central Bank confirmed the implementation of a pilot and its roadmap. The pilot is currently underway with a planned completion in March 2021. This pilot is overseen by a steering committee comprising the Ministry of Finance, the Financial Intelligence Unit, the Ministry of Home Affairs, the Central Bank of Lesotho and FinMark Trust. The Ministry of Home Affairs has drafted MoUs with the financial service providers who have shown interest in participating in the pilot. Additionally, the Ministry has also facilitated testing of the platform interface with local banks, as well as insurance and telecommunication companies. Six FSPs had been granted permission to participate in the pilot. Since this approval, three FSPs have conducted digital verifications. Vodacom has recorded the highest number of verifications followed by Econet and FNB.



The Digital Financial Identity project has made notable strides in Lesotho, since its inception.

An MoU between the regulator and the Credit Providers Association of Lesotho was drafted, currently awaiting approval by the Central Bank, envisaged to be approved in the first quarter of 2021.

The 2020 Finscope Consumer Survey is currently underway, funded primarily by the Ministry of Finance and the Central Bank. The main project stakeholders include the Ministry of Finance, the Central Bank and the Bureau of Statistics. Notably, the Bureau of Statistics has taken the role of the research house during this iteration of the survey. It is envisaged that the project will be finalised towards the end of the first quarter in 2021. Lesotho's last national financial inclusion survey was in 2011.



The Reserve Bank of Malawi requested Banks and Mobile Money service providers to reduce fees applicable on various transactions .

Malawi

Two major projects were in progress during 2020. The first was the finalisation of the MAP MSME Malawi project with stakeholder validation and approval of the document. The final reports were presented virtually to the Ministry of Finance, Ministry of Industry, the World Bank, DFID, the EU and UNDP. A more formal launch is scheduled to take place with a focus on a drive towards implementation of the MAP MSME Roadmap.

The second project is the MAP Consumer Refresh. Several key stakeholders, comprising financial services providers, regulatory institutions and other enabling organisations were engaged to provide input into the assessment of the Malawi financial services sector.

Supply side data was collected from various financial services providers, consolidated and analysed to facilitate the compilation of a diagnostic report and updated roadmap to support the development of the National Strategy for Financial Inclusion. The MAP Consumer Refresh has been completed and currently awaiting targeted dissemination by the Ministry of Finance.

Malawi commenced with the payment of interest on mobile money in 2019 and it is envisaged that this will drive increased uptake and usage of mobile money especially as a platform for savings.

Additionally, the Reserve Bank of Malawi requested Banks and Mobile Money service providers to reduce fees applicable on various transactions including transfers between bank accounts and mobile money wallets and wallet to wallet transfers for mobile money to encourage digital payments in the wake of COVID-19. In order to facilitate tracking and analysis of uptake and usage of mobile money as well as payment of interest on mobile money, FMT will be consolidating and reviewing data that will be shared by the Reserve Bank on a regular basis. Between January and June 2020, two MNOs (Airtel and TNM Mpamba) already reported paying MKW 527,530,298 (approx. USD 689,582) to 2,456,292 recipients.

Zimbabwe

Since June 2020, the economic challenges in Zimbabwe have been further pronounced with hyperinflation and related food and fuel shortages. In May, the Zimbabwe National Statistics Agency reported a year-on-year hyperinflation of 785.6% as measured by all item's CPI.

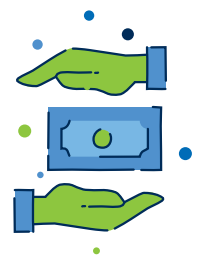
The economic situation has inevitably required that we reconsider the projects to be prioritised with attention focused on those projects that are most immediately responsive to the socio-economic challenges currently experienced in Zimbabwe.

The MAP Consumer Refresh and Roadmap has been completed; validation by key local stakeholders will be conducted prior to publication. The MAP Refresh is envisaged to inform the development of National Financial Inclusion Strategy (NFS2), the midterm review of which is ongoing. Technical assistance to the Reserve Bank of Zimbabwe's (RBZ) Financial Intelligence Unit (FIU) commenced in June 2020. Progress was however hampered by COVID-19 as well as by changes to the project scope at the request of RBZ. Specifically, the project entails the training of non-bank financial institutions on how to implement the Risk Based Framework on AML/CFT relating to developing and refining supervisory processes and practices.

Both the FinScope MSME and FinScope Consumer are considered invaluable data sources for the analysis and comprehension of financial inclusion in Zimbabwe, having been implemented with Government since 2008. There are efforts underway to secure funding to undertake both surveys in the foreseeable future. The National Treasury committed to funding 100 percent of the local costs related to the FinScope Consumer which has been submitted to the national budget for consideration.

We have continued to work for the payment of interest on mobile money wallets; in June 2020 the Government gazetted the SI 65a 2020 (Savings and Interest) Regulations which are intended to enforce the payment of such interest. There are ongoing efforts to operationalise the regulations, with draft guidelines being finalised. Efforts towards operationalisation of the regulations may be impeded by the inflationary environment. Further to this, the ban on mobile money agents and the very stringent limits of mobile money transactions is also expected to negatively impact the operationalisation. Additionally, mobile money operator audits have recently commenced. Considering the inflationary environment, there has been limited activity in the credit market, specifically as it relates to extending credit to consumers. As such, interest in the credit information sharing initiative has dwindled.

It was concluded to postpone the National Financial Inclusion Forum to a date when the MAP Refresh and the internal review of the NFIS 1 by the RBZ has been finished as these programmes are important to inform the forum.



Both the FinScope MSME and FinScope Consumer are considered invaluable data sources for the analysis and comprehension of financial inclusion in Zimbabwe.



Considering the inflationary environment, there has been very limited activity in the credit market.

DRC and Madagascar

Due to external factors, DRC and Madagascar have proven challenging, however we continue to engage with country stakeholders and other potential partners to strategize a way forward in 2021.

With the support of the MAP Programme, the National Financial Inclusion Strategy (2018–2022) has been rolled out in Madagascar under the guidance of the MAP steering committee chaired by the Treasury department of the Ministry of Finance and Budget. To provide ongoing support to develop a data management framework to support the MAP National Financial Inclusion Policy monitoring and evaluation framework, an initial data management framework workshop was planned to support key stakeholders in generating the relevant data that covers the measurement domains. The workshop objective was to work with the country teams to explore the data deficits to identify what to include in this report.

However, COVID-19 halted planning to have a face-to-face session, which is typically conducted over a 2-day period. We are currently exploring modalities of conducting the workshop through virtual means. The core template used for the MAP M&E report was translated to French and shared with the Ministry of Finance and Budget for review. Madagascar is currently developing a web portal using RegTech to facilitate reporting for regulatory and supervisory objectives. Overlaps between the web portal list of indicators and those in the MAP M&E template have been identified and the data is being collated.



An initial data management framework workshop was planned to support key stakeholders in generating the relevant data that covers the measurement domains.

The MAP DRC National Roadmap (2016–2021) has been rolled out under the guidance of the MAP Coordinating Committee co-chaired by the Ministry of Finance and the Central Bank.

It has also been distributed to 40 Journalists (national and local Radios, TV channel, Newspapers) within a capacity building workshop on “Communication leadership and development” (hosted by UNDP). However, validation of the draft National Financial Inclusion Strategy document was unfortunately postponed, as validation meetings by the key stakeholders was not possible due to COVID-19 quarantine measures. The Ministry of Finance did however indicate their willingness to continue with this process once the situation allows. Some progress was also made on M&E reporting. Agreement was reached from the Central bank, to do training on M&E data collection and reporting. Although the training was delayed due to COVID-19, the Central Bank reiterated their interest to organize an online webinar on data collection and roadmap M&E.

The core template used for the MAP M&E report was already translated to French in preparation for the data management framework workshop with stakeholders, and shared with the central bank as the data aggregator. The training and engagement around M&E is expected to continue in 2021, with the intention to include DRC in the SADC 2021 M&E report.



The Central Bank reiterated their interest to organize an online webinar on data collection and roadmap M&E.

ASEAN region and Nepal

Financial inclusion gained renewed interest in central banks in Asia, especially during the pandemic. As a result, 2020 was a significant period for financial inclusion as a policy agenda to keep the economy moving. In general, after preparation of national financial inclusion strategies, countries have moved towards implementation and to conduct refresh diagnostic on financial inclusion.

Three MAP Refresh diagnostics were kicked off in Asia in 2020 (in Laos, Cambodia and Nepal), for completion in 2021, which confirms the strong demand for financial inclusion strategy diagnostics.



*The Lao PDR
Financial Inclusion
Roadmap
2018–2025 lays
out the national
priorities.*

Lao PDR

Despite low rates of infection, Lao PDR was still affected by lockdown measures and reduced trade. Nevertheless, significant movement occurred during the year in the financial inclusion space. The financial inclusion roadmap, which was approved in 2019, was planned for launch in 2020, but due to lockdown measures, the launch event could only happen in January 2021.

UNCDF supported the Bank of Laos (BoL) to bring the Roadmap to full implementation through a formal launching event of their first endorsed national financial inclusion policy, as well as resource mobilization for priority interventions. BoL printed the Lao PDR Financial Inclusion Roadmap (2018-2025) in both English and Laos languages.

BoL has also worked internally in setting up a dedicated unit to function as a secretariat for financial inclusion committees to support implementation of the Roadmap, and introduced an M&E framework for the Roadmap.

BoL also participated and successfully submitted tracking indicators and a financial inclusion narrative report towards the regional ASEAN monitoring report 2020, with the assistance of UNCDF.

UNCDF engaged BoL to conduct a financial inclusion mobile tracker survey, to provide an update on the 2015 roadmap indicators, which will be completed in the first half of 2021. A presentation on the mobile tracker survey statistical sampling and methodology, financial inclusion data metrics and field implementation was made to BoL and Lao Statistics Bureau. The survey implementation was delayed due to COVID-19, and originally planned for completion at the end of 2020. UNCDF is also launching a diagnostic refresh that will leverage the results of the mobile tracker survey to update the Lao PDR roadmap in 2021.



UNCDF worked with the National Bank of Cambodia to bring the Roadmap to full implementation.

Cambodia

Similar to Laos PDR, Cambodia enjoyed lower rates of infection than many parts of the world, but was equally affected by lockdowns and reduced economic activity and trade. Nevertheless, significant progress was achieved, based on a workplan very similar to that of Laos PDR. UNCDF worked with the National Bank of Cambodia (NBC) to bring the Roadmap to full implementation through a formal launching event as well as resource mobilization for priority interventions. However, the formal launch event is yet to happen due to restrictions on public gatherings.

NBC has also established a financial inclusion unit within NBC to support implementation of the Cambodia Financial Inclusion Strategy (2018-2025), and is setting up internal processes and formats to support implementation of the strategy.

An exercise on availability of data for the monitoring and evaluation indicators for the Roadmap was done together with the National Institute of Statistics. This support also coincided with support to NBC to develop regional financial inclusion indicators, and to collect the data for this indicator framework, in support of the ASEAN Working Group on Financial inclusion's 2020 financial inclusion report (also supported by UNCDF).

A low-cost mobile tracker survey to update diagnostics on financial inclusion is in implementation with NBC and UNCDF is supporting this initiative as well as a refresh diagnostic that will coincide with and leverage the mobile tracker survey data, envisaged to be completed in 2021.



An exercise on availability of data for the monitoring and evaluation indicators for the Roadmap was done together with National Institute of Statistics.

Myanmar

In contrast to Laos PDR and Cambodia, Myanmar experienced a far higher case load of COVID-19. As a result, its growth rate is expected to plummet in 2020, from almost 7% to near 0%. Government responded by unveiling its COVID-19 Economic Relief Plan (CERP) on 27 April 2020, designed to include a set of comprehensive response measures tailored to address the immediate demands posed by COVID-19.

The Myanmar Financial Inclusion Roadmap (2019–2023) was finalized, and approved by the Cabinet on 19 March 2020, following on prior approvals including endorsement by the Inter-Ministerial Steering Committee (IMSC) in June 2019, and approval of the Economic Committee of the Cabinet which is chaired by the State Counsellor Daw Aung San Suu Kyi on 27 February 2020. After some delays, both versions of the Roadmap report (English and Myanmar version), and the Roadmap summary were formally published and printed, and is currently awaiting distribution.

The IMSC has become active after the approval and has started internal discussions to implement the Roadmap. After the initial IMSC meeting held in September 2020, it was decided to strengthen and reorganize the roadmap implementation structures in line with the current Roadmap process (e.g., strengthen and reorganize IMSC members and Pillars Working Groups).

The ToRs for the Working Groups for the five pillars of the Roadmap have been finalized, and both the revised IMSC and Working group structure and membership was formally approved by government on 7 December 2020. A Roadmap Action Plan and M&E framework have also been completed, and is now pending feedback from government.

In the meantime, a video clip on the Roadmap which shows the development process and introduces different pillars of the Roadmap was prepared and circulated among stakeholders to raise awareness.

The financial inclusion secretariat is also spearheading the development of a Digital and Financial Literacy Strategy, and recently helped prepare and organize discussions among stakeholders on an advanced draft of the Strategy. Similar to Lao PDR and Cambodia, Myanmar also participated in the regional M&E and financial inclusion report exercise, developing their indicator framework and collecting and submitting data for the 2020 report.



Myanmar's growth rate is expected to plummet in 2020, from almost 7% to near 0%.



The Inter-ministerial Steering Committee has become active after the approval and has started internal discussions to implement the Roadmap.

Nepal

Dependent on tourism and remittances, Nepal was especially hard hit by the effects of global lockdowns and economic downturns, in addition to also experiencing far higher case numbers of COVID-19.

Given the international travel restrictions and fall in discretionary disposable incomes worldwide, tourism receipts in Nepal are projected to decline by 60 percent in 2020 resulting in a loss of foreign currency earnings worth US\$400 million.

Similarly, the fall in remittances is likely to range between 15 and 20 percent this fiscal year. The cumulative impact of trade, tourism and remittance shocks – as well as the negative economic externalities they trigger in allied sectors has the effect that Nepal's projected pre-COVID-19 GDP growth rate of 8.5 percent will plunge to well below 2.5 percent in 2019-2020, and severely constrain a rebound in 2020-2021. Both formal and informal MSMEs are hit hard as they tend to have low cash-to-asset ratios.

An additional development was that the Central Bank has introduced a merger policy. As a result, the number of Banks and Financial Institutions are declining gradually. Nevertheless, in the last fiscal year a total of 4.5 million new bank accounts were opened. The total bank account numbers are now more than the population due to multiple bank accounts per person, but the Central Bank estimates that 61% of the population have bank accounts in formal financial institutions. Mobile banking customers have also increased significantly in recent months – nearly 12 million people use mobile banking in Nepal.

Nepal Rastra Bank (NRB) has activated the High-Level Financial Inclusion Roadmap Implementation Committee and a Financial Inclusion Unit was established within the Microfinance Promotion and Supervision Department of NRB. NRB also planned to update its financial inclusion data set, Roadmap and Action plan. The dataset will be updated based on an agreement between NRB, World Bank and UNCDF to use World Bank's Livelihoods survey data to update the Financial Inclusion Roadmap and Action Plan.

UNCDF and World Bank worked together to finalize the survey questionnaire. The launching of the survey was affected by the pandemic, and is now due in the first half of 2021, pending Government approval of movement of the survey workers. UNCDF will be providing a refresh diagnostic leveraging the updated datasets and work has commenced.



Both formal and informal MSMEs are hit hard as they tend to have low cash-to-asset ratios.



The dataset will be updated based on an agreement between NRB, World Bank and UNCDF to update the Financial Inclusion Roadmap and Action Plan.

NRB has also prepared a Financial Literacy Strategy in 2020, which was reviewed and commented by UNCDF. Improvements in the Nepal Financial Inclusion Portal at NRB was done to link it to financial inclusion policy making.



The West African focus up to 2021 has been to generate the data and diagnostics, and set up the coordination structures.

West African region

The West African region is still in the coordination and evidence phase of implementation, so the focus has been to generate the data and diagnostics, and set up the coordination structures necessary before going to institutional arrangements and then the implementation phase. Brief summaries of the latest status for each of the three countries are provided.

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. The communication is still pending for approval by the council of Ministers. A lot of discussion had been held in the meantime, especially regarding the leadership of the process which is between the Ministry of Finance, the Ministry of Planning and the Ministry of social affairs and microfinance. The Ministry of planning will ensure the elaboration of the document under the technical knowledge of the Ministry of Finance and the Ministry of Social affairs and microfinance

Togo

Following public approval of the NFIS document on 20 December, 2019, the NFIS is pending adoption by the council of Ministers. A draft of the NFIS indicators has been discussed with national stakeholders.

Burkina Faso

The implementation of the roadmap is on-going by different donors. Four thematic working groups are being set up by the Government to follow up the implementation of the NSFI - (i) Digital Finance, (ii) Agricultural Finance, (iii) Regulation, (iv) Traditional financial products and services. A national committee has been set up to coordinate donors' activities and follow up resource mobilisation as announced by donors during the NSFI round table.



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Efficiently delivered and well leveraged programme

The shift in delivery approach for the period, as well as a reduced calendar for in person engagements, have resulted in significant cost savings this year, which has enabled us to focus resource allocations, expectations of project delivery within the MAP portfolio countries, and for the PMU at a global level.

The delivery noted this year was achieved while spending only 35% of the budget allocation for the year. These cost savings will be reallocated to support increased in person engagements for the remainder of the programme period, once it is safe to do so again, and to support alternative approaches to engagement and dissemination in the interim, as well as further investing in countries for implementation.

The MAP Programme's multi-partner approach to implementation has been very successful in ensuring coordination and collaboration towards a singular vision around national financial inclusion policies. Through its partnership with FinMark Trust, the programme secured co-funding commitments of USD 890,000 in 2020, including USD 334,000 from national governments. This co-funding is almost double the actual expenditure of the programme for 2020.

Additional co-funding was leveraged in the case of Nepal, where the World Bank is co-funding a new financial inclusion survey (to the order of USD 300,000), and in the case of the ASEAN M&E workshop, which was co-funded by the Government of Cambodia as well as the 8 other participating ASEAN governments.



The delivery noted this year was achieved while spending only 35% of the budget allocation for the year.



Adaptive implementation based country context

Along with the overall level of financial inclusion, the activities and milestones at a country level provides a snapshot of current engagement, progress over time, and the differences in activities and approach across countries.

MAP's country level engagement and work can be categorised into four distinct stages. Each of the MAP implementation countries falls into one of these stages at any particular point of time, while progressing to subsequent higher stages over time.



Countries in the third phase are currently undergoing a series of diagnostic and data refreshes.

The first stage of policy implementation relates to setting up coordination structures and developing the evidence base.











The second stage of implementation involves the roadmap approval process and setting up the institutional arrangements necessary for implementation.

The third stage, which is the implementation of the roadmap tends to kick in once the roadmap is approved. Countries in the third phase are currently undergoing a series of diagnostic and data refreshes, in order to keep the evidence base relevant and up to date. This will remain a key anchor and catalyst for local coordination and action around financial inclusion.

The last stage would be project closeout, which is effectively the transfer of the coordination and support functions, when we exit a country.

Stages of implementation, inclusive growth clusters and activities and milestones per country

This table gives an overview of the categorizations, the level of financial inclusion and the stage of implementation across countries. It provides a high level summary of the nature of country level activities and milestones, defined by the countries for their implementation.

		FINANCIAL ACCESS	GROWTH STAGES*			
			2018	2019	2020	
INCLUSIVE GROWTH CLUSTER	 DR Congo	46%	3	3	3	PoC implementation, data collection for national M&E.
	 Malawi	49%	3	3	3	Consumer refresh and MSME refresh complete. PoC projects underway.
	 Madagascar	58%	3	3	3	PoC implementation, data collection for national M&E.
	 Togo	59%	2	2	3	Roadmap approved, adoption by council of ministers pending. Indicators developed.
	 Burkina Faso	60%	2	3	3	National committee for donor coordination and thematic working groups established.
	 Benin	82%	1	1	2	Roadmap introduced to council of ministers, awaiting approval. Institutional arrangements ongoing.
	 Nepal	83%	3	3	3	Data and diagnostic refreshes underway, PoC underway, coordination in place.
	 Myanmar	70%	3	3	3	Roadmap update documents finalised. PoC Projects continuing.
	 Cambodia	71%	2	2	3	Data and diagnostic refreshes underway, preliminary implementation proceeding.
	 Lao PDR	74%	2	2	3	Data and diagnostic refreshes underway, implementation structures in place.
	 Zimbabwe	78%	3	3	3	Consumer refresh complete, PoC implementation, stakeholder coordination in place.
	 Lesotho	82%	3	3	3	Data and diagnostic refresh initiated. PoC projects and stakeholder coordination ongoing.
	 eSwatini	87%	3	3	3	Consumer refresh complete, MSME diagnostic complete, roadmap implementation and PoC for MSME financing underway.
	 Botswana	76%	3	3	3	Data and diagnostic refresh initiated. PoC projects and stakeholder coordination ongoing.

* STAGE 1 Coordination and evidence base: Scope = define problem; identify stakeholders; determine scope; examine components; assess options. Milestones = FinScope completed; diagnostics completed; base lines set.
 STAGE 2 Institutional arrangements: Scope = prepare organization; set action plans; develop budgets. Milestones = institutional arrangements in place with stakeholders; roadmap approved.
 STAGE 3 Implementation: Scope = monitor process; report progress; manage change. Milestones = proof of concept projects implemented; country M&E implemented



Contribution to UNCDF results and SDGs

The programme achieved substantial results in 2020, directly impacting 2.5 million consumers.

By leveraging a combination of improved financial products, piloting products in five countries, raising external public and private funds for investment into MSME's and supporting multiple public, private and non-governmental institutions all contributed to advancing the financial inclusion agenda as it relates to people's lives and livelihoods.

Two new pilot projects were implemented: a replication of the very successful Lesotho remittances pilot into new corridors in the region, and a new pilot project to provide a basic income to migrant families, dependent on remittances during the covid pandemic, supporting almost 9,000 migrants were key contributors to market change.

Providing data and diagnostic related training to stakeholders from a broad selection of countries strengthened capacity and enabled learning and sharing.

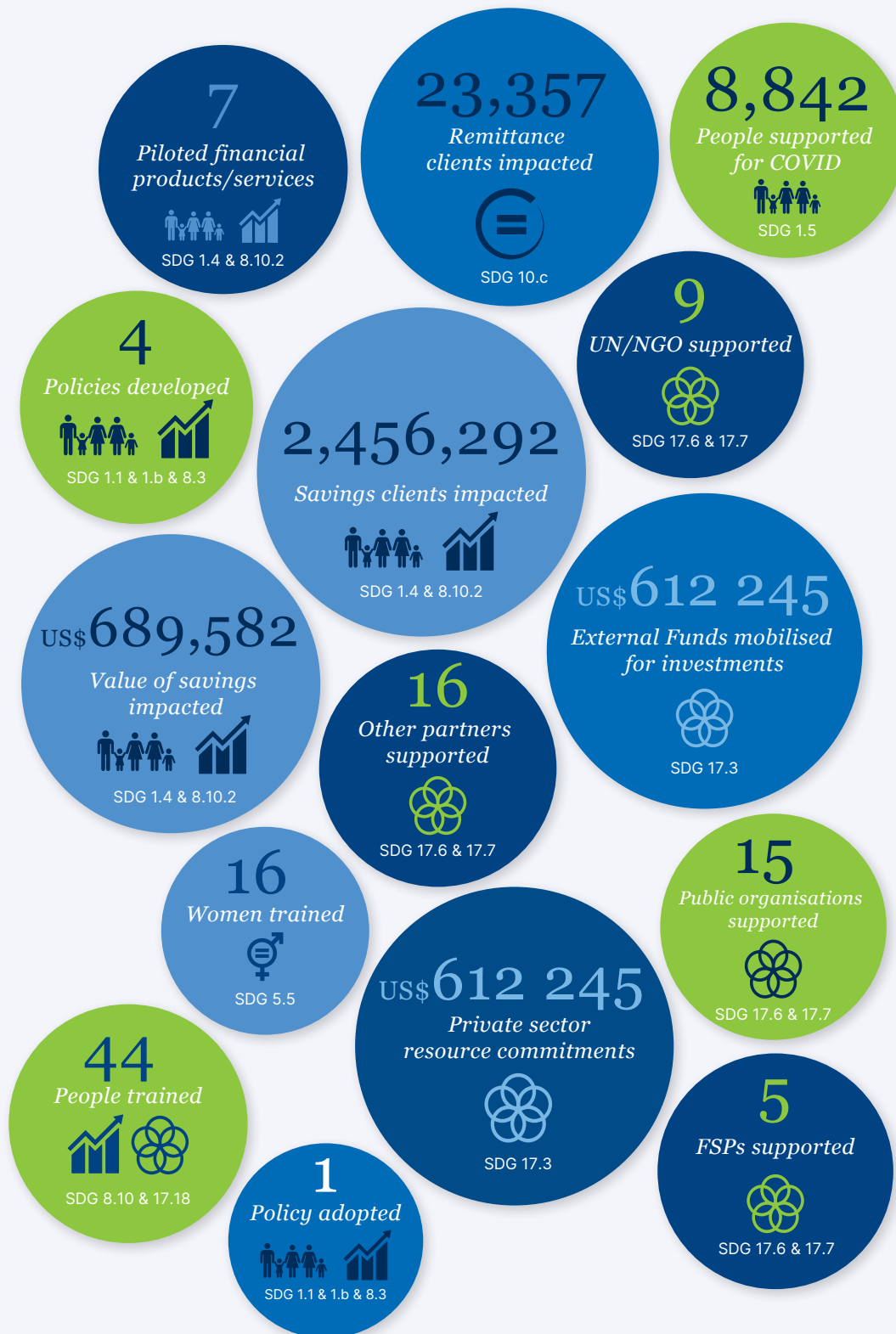
The Programme's combination of solid research, policy formulation, data and analysis combined with strong stakeholder support has allowed for a clear focus and articulation of financial inclusion as a key enabler to the SDGs at a country level.

Furthermore, the solid basis of research, evidence and national Government support ushers in a new era of cross agency collaboration for national roadmap implementation.



A new pilot project was implemented to support almost 9,000 migrants by providing a basic income to migrant families who were dependent on remittances during the covid pandemic.

FIGURE 7
MAP's UNCDF internal results reporting 2020



The increased focus on generating real improvements in people's lives strengthens MAP's contribution to UNCDF's internal results and reporting framework for the SDG's.



1
No Poverty



17
Partnerships

