

MAP Global Insights Series
Volume 3 | Note 5 | 2020



Cracking the code

Opening up pathways out of poverty



The MAP Global Insights series - Volume 3

Making Access Possible (MAP) is a multi-country initiative to support financial inclusion through a process of evidence-based analysis feeding into a financial inclusion roadmap jointly implemented by a range of local stakeholders.

MAP was initiated by the United Nations Capital Development Fund (UNCDF) and developed in partnership with FinMark Trust and the Centre for Financial Regulation and Inclusion (Cenfri). In each country, MAP brings together a broad range of stakeholders from within government, the private sector and the donor community to create a set of practical actions aimed at extending financial inclusion tailored to that country.

The volumes in the MAP Global Insights series consolidate and synthesise the learnings from the MAP programme across MAP programme countries.

The authors of Volume 3 would like to thank those who gave input, reviewed the volume and provided invaluable comments: Many thanks to the Nova Economics team, led by Kay Walsh with Chris Reeders and Samantha Filby, for their substantive work on financial inclusion and inclusive growth, in an unpublished paper for UNCDF, 'A framework to illustrate the linkages between financial inclusion and inclusive economic growth' (2019). Thanks to the FinMark Trust team, and in particular Brendan Pearce, Nikki Kettles and Damola Owolade, for substantive insights on financial inclusion and the real economy. Thanks also to the FinScope team, led by Grant Robertson with input from Kingstone Mutsonziwa, Jaco Weideman, Obert Maposa, Bobby Berkowitz and Abel Motsomi, for their work on the evolution of livelihoods data and for working with us to link this to a real economic growth agenda. This volume also draws on and benefits from the work done by Cenfri as part of the MAP diagnostics to develop the needs framework, which was later expanded on by the Insights2Impact facility jointly implemented by Cenfri and FinMark Trust.

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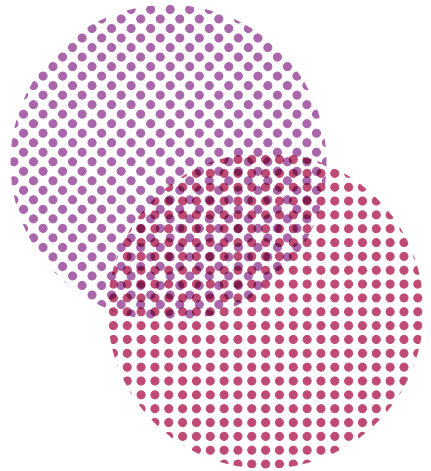
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About the cover

Note 5 operates as a collation of the previous 4 notes in volume 3 and the insights we can draw from them. The four icons have been pulled together into a Venn diagram, which presents the full pattern of information. Often, taking the journey of analysing a problem from multiple angles gives us a final perspective that is greater than the sum of its parts. After all, information means little without relation.

Responding to the new development agenda



The MAP programme balances twin objectives: improving consumers' livelihoods and well-being; and effecting market-level improvements through policy interventions and private-sector investments towards inclusive growth.

This volume highlights priorities and actions for governments and policymakers, the private sector, civil society players and development partners seeking to increase equality of access to resources and opportunities, which are perhaps the only real 'levers' over which governments and development institutions have direct and shorter-term control in challenging poverty and exclusion. The underlying challenge, though, will always be juggling the multiple and often competing objectives and dynamics of financial markets, public policy and consumer needs, in the quest for a common vision of the future. For this, governments require accurate diagnosis: detailed country data, multi-stakeholder conversations and seasoned market stewardship. These are key areas of MAP expertise.

Within UNCDF MAP countries, the programme is 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).



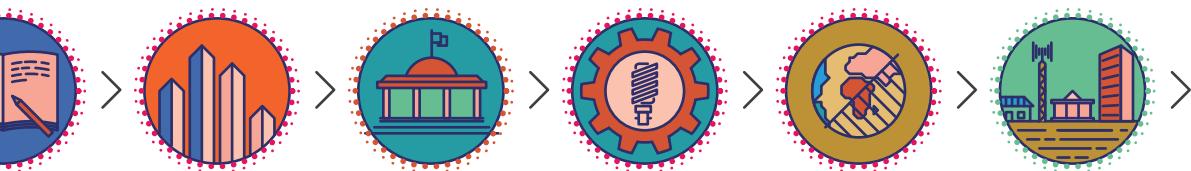
The evolution of access: a timeline of MAP's financial inclusion findings

The first volume (2015 and 2016) in the MAP Global Insights series focused on the question of delivering value through financial services as a way of contributing to the achievement of broader public policy objectives. Shifts in the global economic and social landscape were exerting pressure on governments and development donors to deliver on an expanded set of economic and social welfare objectives and indicators. At that time, and in parallel with the official coming into force of the UN Sustainable Development Goals (SDGs), the development community was already recognising a shift in focus to development that was sustainable and growth that was equitable and thus inclusive. In the MAP programme, there was increasing conviction that people's *financial* lives need to be viewed in relation to their economic lives and social contexts, and that positioning financial inclusion research and implementation accordingly would feed into the achievement of broader public policy objectives.

Since then, the need to accelerate progress on the SDGs has only increased – even as the world has continued to grapple with the complex realities of achieving the goals on time.

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 thinking is 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.

While Volume 1 focused on the programme's consumer findings as the anchor point for public policymaking, the second volume (2017) in the series zoomed out to unpack the MAP approach to making financial inclusion work, in the process challenging a number of enduring global financial inclusion development assumptions and constructs. While highlighting MAP's unwavering consumer-centric commitment, the volume strongly articulated that development organisations must play a supporting and enabling role to country government efforts to increase financial inclusion, growth and employment. This is achieved through providing robust, inclusive data and analytics, and engaging with governments and local stakeholders to act on that data. As focus areas for government attention and capacity building, MAP flagged the following for their particular potential for boosting financial inclusion impact: remittances, digitised payments and mobile money, savings mobilisation, micro-insurance, financial literacy, MSMEs, agriculture, gender and M&E.



The volume shared the thinking, strategies and processes that were enabling the MAP participating countries to deliver on financial inclusion aspirations and promises, and codified the operational approach the programme was taking in 18 countries, including 9 countries in which MAP was working with government to implement national financial inclusion roadmaps based on key learnings from the country-specific consumer data. Volume 2 emphasised the importance of *national ownership*, which the programme fosters through, among other things, seeking resonance between the research findings and existing government objectives, providing a platform and safe space for broad stakeholder engagement, drawing on the best available local expertise, and paying close attention to the local political economy.

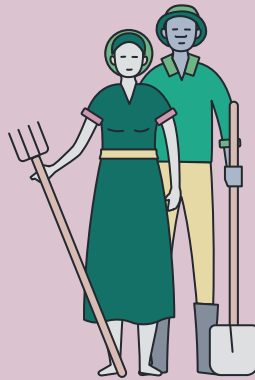
Volume 3 takes this further, considering how financial inclusion can be more directly linked to countries' national economic and financing agendas. The current volume emphasises the need for a granular understanding of the way individuals and households engage with financial services (whether formal or informal) in meeting four crucial economic needs: basic services and infrastructure, education, healthcare, and entrepreneurship. The notes in this volume thus focus on how to put financial services – and, more broadly, financial systems and markets – to work to promote a socially inclusive approach to economic growth: in the first instance, by focusing on 'the four crucial needs' from the perspective of individuals and households sustaining and empowering themselves; and, in the second, by creating enabling mechanisms at a structural level through improving access to these four crucial needs. This approach to financial inclusion entails co-shaping domestic financial markets, based on a sound grasp of consumers' real economic needs at ground level. It also entails appreciating the potential represented by 'people's money' – that is, existing individual and household expenditure – in helping governments fund investment using local financial systems.

Based on the programme's research and interventions in least developed countries (LDCs), the current volume presents a conviction that the MAP nations cannot rely simply on the free market to ameliorate livelihood and employment opportunities while achieving economic growth. Rather, by actively promoting the achievement of a set of desired *socio-economic* outcomes – increased social inclusion, increased access to opportunities (including jobs) and strengthened livelihoods (at the micro level), and inclusive growth and specific sector development (at the macro level) – a nation can increase its position of power in the wider world context while improving the well-being of its population. To this end, the notes in Volume 3 argue for complementing the existing financial inclusion focus on low-income individuals and households with a focus on *particular groups* that are key to linking improved livelihoods and inclusive growth. One of the groups is vulnerable population segments – i.e. the most excluded of the excluded – for whom MAP advocates challenging their economic, social and financial exclusion through increasing their access to resources. The other group is high-potential SMEs, for which MAP advocates targeted funding in support of industrialising the small-business economy, which should in turn increase employment opportunities for their fellow citizens.

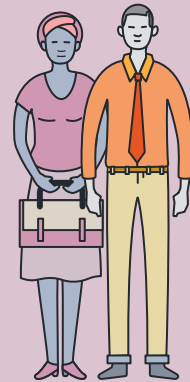
Four powerful, updated analytical lenses

From the outset in 2012, MAP's approach to financial inclusion has been distinguished by a consumer-centric (rather than provider-centric) approach, a focus on livelihoods rather than simple income levels, commitment to inclusive data and an evolving inclusive data agenda, and disaggregation of the country data into accurate target market segments by livelihood.

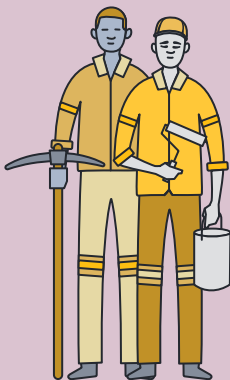
The five MAP segments are: farmers, self-employed, irregular earners, salaried workers, and dependants. The programme's inclusive data approach enables accurate and nuanced segmentation that draws in those that tend to be highly financially excluded and would thus otherwise remain invisible to policymakers.



Farmers



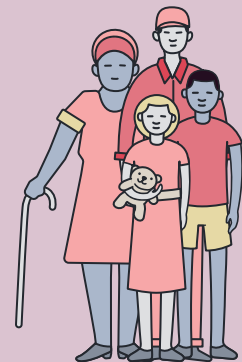
Self-employed



Irregular earners



Salaried workers



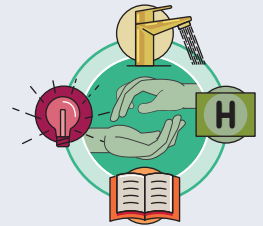
Dependants

In addition to target market segmentation, each note in the current volume focuses on one of *the four updated analytical lenses* that have evolved in the course of the programme's praxis and that support the shift in focus to financial inclusion contributing more actively to the broader development agenda. The lenses – inclusive growth, needs and usage, MSMEs, and vulnerability – continue to sharpen the programme's consumer focus, while allowing for additional ways to compare similarities between different countries as the basis for action:

- **Inclusive growth (Note 1):** The links between finance, economic growth and poverty are complex. However, low-income countries are mostly in the nascent stages of market development and thus, as MAP has found, developing their domestic financial markets requires an uncommonly sound grasp of consumers' real economic needs at ground level. MAP therefore applied an inclusive growth lens to 16 LDCs, the outcome being 5 country clusters based on commonalities related to financial inclusion in the context of inclusive growth.



- **Needs and usage (Note 2):** MAP's inclusive data allows the programme to understand poor consumers' financial priorities and choices – reflective of their economic needs – in great and accurate detail and as they link to consumers' activities in the real economy. The needs and usage framework, which includes a strong psychological element, helps MAP decode consumer priorities in terms of their individual as well as underlying communal and wider societal dynamics. These real needs of poor consumers also link to the ability of an economy to include the broadest possible portion of its population in the benefits of growth (i.e. shared prosperity).



- **MSMEs (Note 3):** Increasing the financial inclusion of entrepreneurial enterprises, so they might fulfil their potential to fuel their country's economic growth and create employment, requires more than the traditional 'spray and pray approach'; it calls for strategic, targeted financing and support for high-potential, high-impact small businesses. MAP's MSME methodology makes it possible to zero in on and target support to a tiny but still-viable percentage of small and medium-sized businesses. Application of the methodology rests on a granular understanding of: the composition, relevance and implications of entrepreneurial activity, the economic value added, the sectors involved, and their contribution to employment and livelihoods.



- **Vulnerability (Note 4):** MAP supplements target market segmentation with disaggregation of the data by *gender, age and geographic location* – which have been found to be additional, cross-cutting exclusion factors – in order to identify the most vulnerable: those historically excluded or marginalised, those living in poverty and those falling into poverty. While certain target market segments are by virtue of their livelihood source more vulnerable than others, the vulnerability indicators point accurately to unequal access to resources across target markets – within vulnerable sub-groups. Disaggregating the consumer segment data in terms of the vulnerability indicators highlights four groups that are more vulnerable and excluded than other sections of the poor: the elderly, youth, rurally based people, and women.





An unswerving and redoubled commitment to access and inclusion

The foundation of all of MAP's financial inclusion efforts is inclusive data: that is, data that is inclusive in design, both methodologically and socially by bringing in multiple stakeholder voices, participation and perspectives. MAP's research and data gathering, being first and foremost about the *consumer*, encompasses informal financial service providers, real-economy activity and the informal sector – the context in which the majority of people in the MAP countries earn a livelihood.

At the micro level: MAP helps increase access to resources and opportunities for individual consumers, households and small businesses. Financial inclusion policies and interventions meet poor individuals, households and communities without delay and where they are – often in

the informal sector of the real economy – to support them in fulfilling their economic and life needs and priorities. As people's access to resources such as basic services, education and healthcare, and to opportunities (e.g. a job or a small business) increases, so too does their access to the benefits of the wider society – along with increased likelihood of their contributing to and being included in the benefits of their country's economic growth.

At the macro level: MAP helps increase access to resources and opportunities on the part of governments and countries, so they can grow their markets, their economies and their influence on the world stage. Financial inclusion supports economically excluded countries to access pathways out of poverty, realise their inclusive growth aspirations and gain access to a confident voice and presence on the world stage. Financing and capacity gaps are greatest in

the countries with the least ability to close them; the MAP inclusive data affords a country's financial inclusion stakeholders a clear picture of existing market demand for services (both financial services and real-economy services such as education, healthcare and energy) as a business proposition. This provides a sense of the potential for existing national businesses to scale within this context or for new players to enter the market, and also of the business cases (for providers) and infrastructure investment requirements (for governments and investors) to expand supply to meet market demand.

The MAP inclusive data is the basis on which country stakeholders attempt to co-shape markets that will not only be more functional 'on the ground' – serving citizens' needs and aspirations – but also congruent with plans for national sector development and economic growth.

An inclusive growth lens and country clusters



Countries are not starting from an equal departure point, and neither are their consumers. In the context of a globalised world and an increasingly multilateral development agenda, countries need to know their own strengths and how they can contribute at the regional and global level – while understanding the priorities of their people and leveraging these priorities to help power national growth.

MAP's research across LDCs has found that, despite country variations and a wide range of economic needs, and regardless of low income levels, people consistently prioritise the four crucial needs; their engagement with financial services reflects this, as they draw on a range of financial mechanisms (most often informal) to support this expenditure. While governments have the difficult task of harnessing micro-level economic activity to help in the achievement of macro-level economic objectives, they are assisted in this by financial inclusion; through expanding access to appropriate formal financial services, particularly in relation to the four crucial needs, financial inclusion plays a much-needed intermediating role in the economy.

The MAP cross-country comparisons highlight a number of significant findings at the nexus between low-income target market needs and new opportunities for financial service provision. Note 1 identifies nine inclusive growth focus areas, six of which can be supported through financial inclusion efforts. The inclusive growth focus areas, as crucial aspects of the inclusive growth ecosystem, provide a helpful way to score or rank countries in terms of their progress towards inclusive growth. Scoring countries in this way produces five 'country clusters', ranked from least to most enabling inclusive growth context (with Cluster 1 representing least and Cluster 5 most – see Figure 1), as measured by the aggregated scores across 14 indicators.

With countries being at different stages of financial inclusion, and of economic development and market development more broadly, their needs and priorities differ, which suggests the need for differentiated financial inclusion interventions. Countries' levels of progress or investment in terms of the nine inclusive growth focus areas are assessed, which includes getting a sense of the extent to which, in terms of the *current* realities of their lives, the population has the potential to benefit from and contribute to inclusive growth. While opportunities to unlock inclusive growth through financial inclusion will necessarily differ per country, they will differ *substantially* between the clusters.

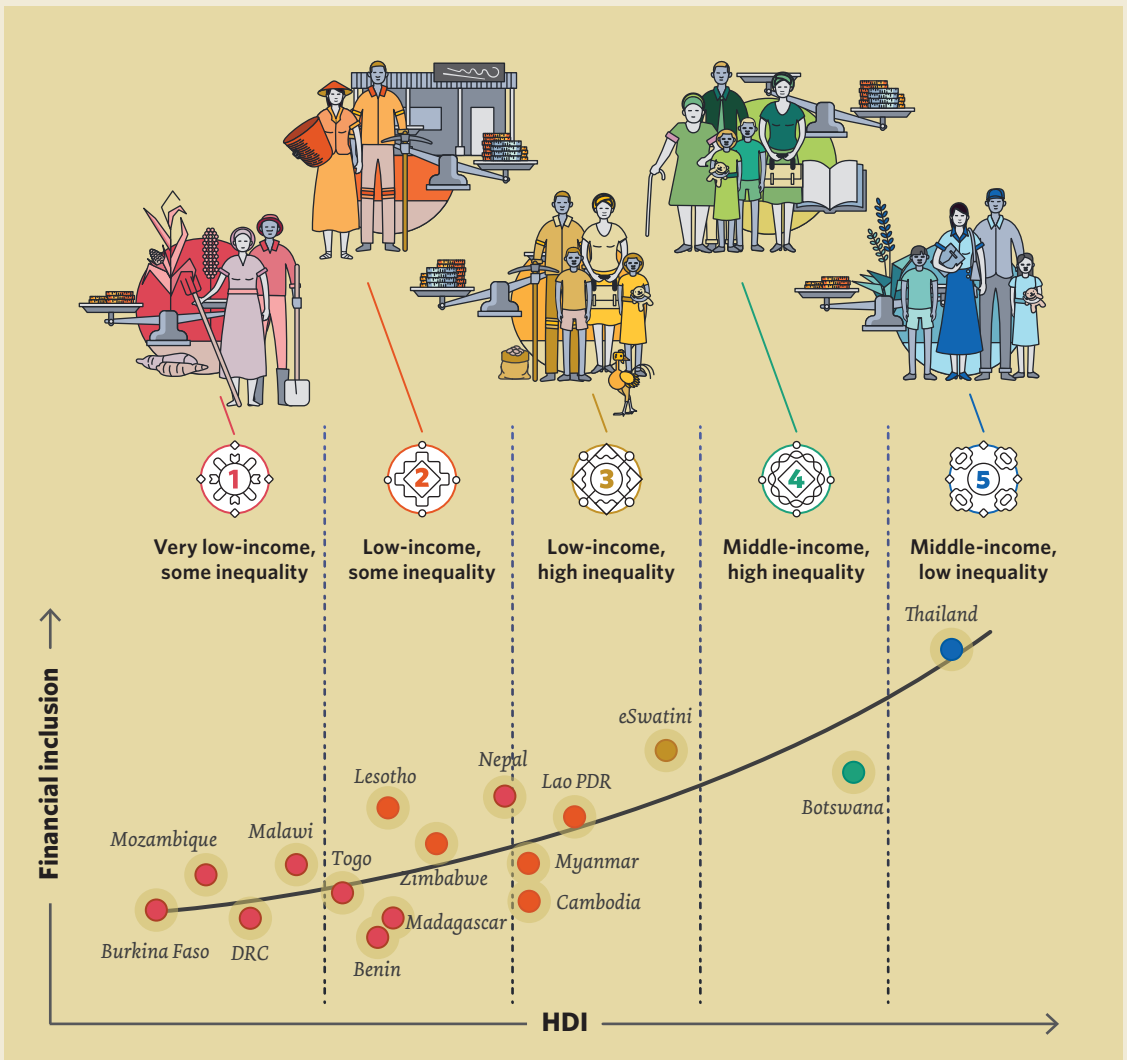
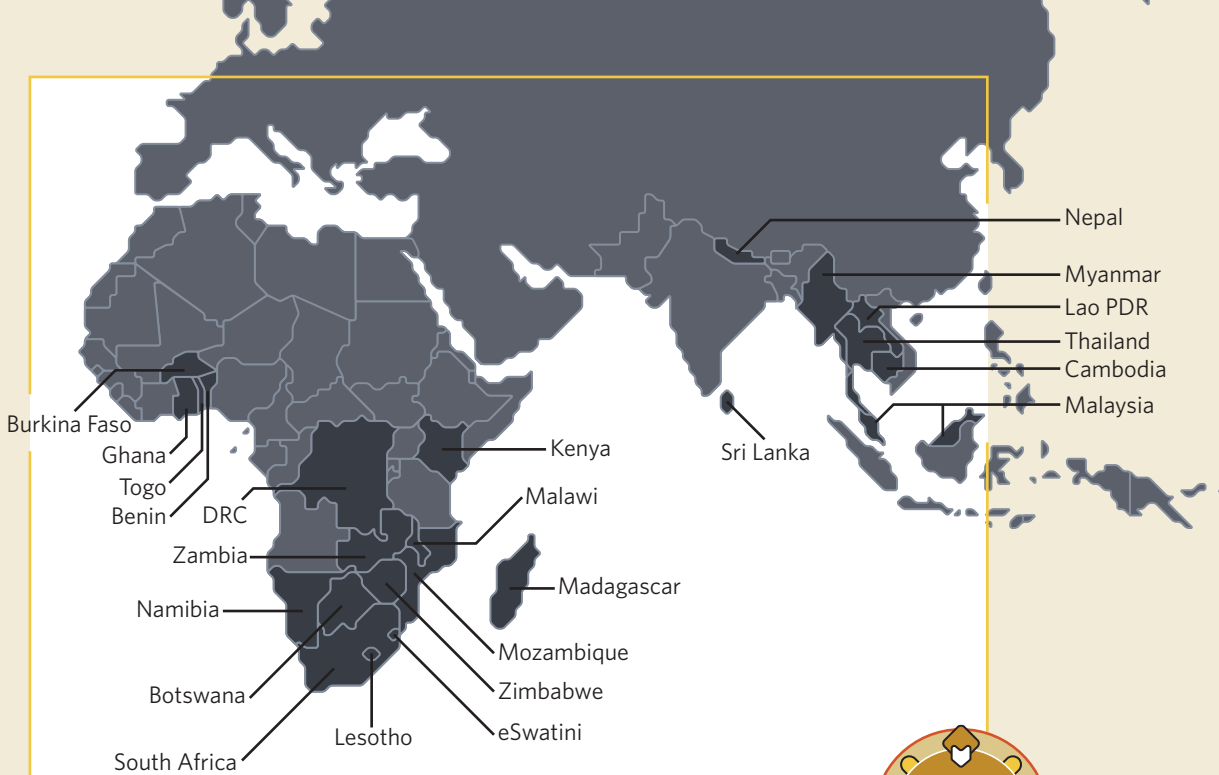


Figure 1: The MAP inclusive growth country clusters
 Source: Note 1 (MAP Global Insights series – Volume 3, 2020).

In most MAP countries, as the cluster analysis reveals, there are large pockets of poverty, meaning that the *majority* of the population are excluded from accessing resources and opportunities. In highlighting livelihoods differences across the five clusters, the country clustering provides insight into countries' microeconomic context and labour force composition, which are crucial considerations for financial inclusion interventions. The five country clusters are also a useful lens for grouping countries with similar development priorities and local developmental contexts, which further assists discussions around market development and policy interventions.

For MAP, the broader question is this: what is the ability of a country's low-income individuals, households and small businesses, given improved access to financial services, to further benefit from and contribute to the country's broader economic growth?



Financial inclusion levels as a mirror of inclusive growth. A country's level of progress towards inclusive growth (as scored on the inclusive growth focus areas) will often be mirrored in its levels of financial inclusion, including levels of access to and usage of financial services and products. For example:

- As countries that fall into Clusters 1 and 2, the DRC, Madagascar and Myanmar score low in terms of their inclusive growth context. They are relatively underdeveloped and their levels of financial inclusion are commensurately low; there is thus a strong need to establish a regulatory environment that is more supportive of financial inclusion and to focus financial inclusion interventions on increasing people's access to basic services and infrastructure.
- Compared to the DRC, Madagascar and Myanmar, Lesotho (another Cluster 2 country) and eSwatini (Cluster 3) not only score higher on inclusive growth context but score much higher on financial inclusion. The focus there could be on improving the *breadth* of financial inclusion (i.e. increase the number of people who use at least one financial product class, whether formally or informally) and/or the *quality* of financial inclusion (the value that people derive from the financial products and services they use).

As we see financial access across the clusters grow for the most part, clearly the next stage of focus will be on actual *usage* and *value* of financial services as they relate to people's lives, assisting people out of poverty and supporting people's capacity for self-determination.



A needs and usage lens

– highlighting gaps and opportunities

In researching financial services usage in a country, rather than relying on the more traditional, provider-centric view (usage in terms of the four financial product categories: payments, savings, credit and insurance), MAP foregrounds the consumer. The needs and priorities of the consumers in the MAP countries share similarities across countries as well as having distinguishing characteristics reflective of both the overall national macroeconomic context and country-specific social and communal values.

In the MAP needs and usage framework (see Table 1), economic needs underlie financial needs, thus reinforcing that demand for financial services only exists to meet people's economic needs. When a low-income individual, household or small business has a financial need, they resort to strategies to get money to meet that need; they use their ingenuity and the available financial mechanisms (or non-financial ones such as family or community support) to fund their priorities.

There is a discernible logic in terms of how consumers decide which economic needs to prioritise, with the decision-making criteria falling on related and often-overlapping continuums: periodicity, the amount of money involved, and the degree of formality/sophistication of the financial mechanism required. However, the same logic tends to lead to people resorting to alternative, less-efficient solutions and financial mechanisms to fulfil particular needs (e.g. shorter-term and more expensive credit for renovations, instead of mortgages). The use of less-than-optimal mechanisms to meet specific needs will tend to contribute to the hardship people experience in managing their daily lives, and likely keep them in poverty for longer than would otherwise have been the case had more efficient mechanisms been used; this is why a crucial aspect of the MAP needs analysis is identifying the gaps between consumer needs and the mechanisms available to serve those needs.

Applying the needs and usage framework in combination with the existing target market segmentation methodology provides very clear and nuanced views of how consumers are engaging with financial services (whether formal or informal) in pursuit of their economic and life needs. The livelihoods emphasis makes it possible to identify different segments' actual strategies-in-use for both surviving and attempting to close opportunity gaps in their daily lives and for the longer term. These insights support financial inclusion stakeholders in designing *evidence-based* policies and interventions to help different segments meet their economic needs and function more effectively in the real economy.

Consumer decision-making criteria

Maslow's hierarchy of needs

Economic needs

Financial needs

Low High High

Periodicity

Level of sophistication/formality of financial mechanisms required

Amounts of money involved

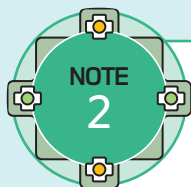
High Low Low



Table 1: MAP needs and usage framework (based on Maslow's hierarchy of needs)

Source: Note 2 (MAP Global Insights series – Volume 3, 2020).

By better serving the needs of low-income sectors, countries can include a broader portion of the population in participating in developing domestic financial markets, while unlocking new opportunities for financial service provision and real economic activity.



Interdependence. When poor consumers prioritise meeting particular needs over others, and find different ways to meet these needs (e.g. through informal financial mechanisms, less-than-optimal mechanisms etc.), what underlying values do their choices manifest? It is these values that are important for policymakers, government and financial inclusion development partners to understand if they are to better leverage these economic drivers for growth. Better understanding consumers' priorities also helps business and service providers identify pockets/communities/groups that present promising business cases for strengthening existing provision or enabling innovation. Thus, a well-functioning system that can enable inclusive growth partly requires financial service providers to understand how to meet consumers' real economic needs. And where the financially excluded do not immediately present viable business cases, identifying them enables government to determine and define better public-sector provision of services, based on need. Yet, the fact that there are large sections of a society without access to retirement savings, healthcare or education, for instance, is detrimental to that society – because the resulting ill effects are communal. In countries where a significant proportion of the population lack the means to access the four areas of crucial need, economic growth is hampered partly because the inability to meet those needs has undermining consequences that are also communal and societal.



An MSME lens

– focusing in on targeted financing for growth



In order to generate an income, people need to be able to access opportunities in the form of jobs (preferably formal) or entrepreneurship. Economic enterprise and entrepreneurship are at the centre of the real economy in MAP countries, which are characterised by having very small formal labour markets: the majority of the population earn a livelihood through owning a small business in the informal sector of the real economy.

MSMEs are recognised as being potential drivers of industrialisation, economic growth and employment generation and, at the micro level, as a crucial source of income and dignity for households (particularly low-income households). By virtue of its potential for capital accumulation and employment creation, entrepreneurship is also commonly put forward as a panacea for social exclusion. In MAP countries, however, entrepreneurship should be understood as intersecting with social exclusion, in that most people practise entrepreneurship out of desperation rather than aspiration. Entrepreneurship in these countries is more a symptom of poverty than a solution.

Thus, as a vital mechanism for employment creation, enterprise – in the traditional sense of those elements of the economy that provide the vast majority of jobs – is largely failing in the MAP countries. There is little evidence in these countries that entrepreneurs and their businesses, without significant support, are up to the task of driving large-scale national growth. Clearly too, in these countries the mechanisms of the market, left to their own devices, do not lead to a broad-based adoption of higher-end, value-adding activities.

Yet targeted support for entrepreneurship can indeed unlock opportunities. The question, then, is how to identify the sectors and businesses with the potential to promote industrialisation of the small-business economy and acceleration of economic structural transformation; how to identify those small and medium-sized businesses that, despite representing a tiny proportion of a country's entire MSME complement, would likely be sufficient to make a powerful impact and boost economic growth.

MAP segments countries' MSMEs in terms of a range of factors (see Figure 2) in order to identify this tiny pool of high-potential, high-impact SMEs to target for support. The identified SMEs are dubbed 'the missing middle' due to their customary exclusion from eligibility for funding support by virtue of their size: too large for micro finance, too small for conventional business loans.



Unlocking SME growth - the three main areas for intervention:



- 1. FINANCING & FUNDING**
- 2. BUSINESS DEVELOPMENT SUPPORT**
- 3. IMPROVING THE BUSINESS ENVIRONMENT**

Figure 2: Basis of segmentation for identification of high-potential, high-impact SMEs
Source: Based on Note 3 (MAP Global Insights series – Volume 3, 2020).

Beyond microfinance, beyond MSMEs, beyond poor households – to targeted SME support for economic development. While financial inclusion historically started out as provision of microfinance to MSMEs, this proved ineffective in supporting productive small businesses to contribute to countries' *economic growth*; it turns out that this longer-term goal requires a fundamental distinction to be made between supporting livelihoods and supporting productivity and economic development.

Broad-based livelihoods support continues to be absolutely crucial, and ongoing financial inclusion efforts aimed at survivalist MSMEs continue to be of the utmost importance, given that these businesses rely on a mix of business and personal income and financial mechanisms to meet their needs. (However, the same approach can be applied to these businesses as is applied when targeting the support and improvement of livelihoods for households.)

But for entrepreneurship support to power economic growth, development has two critical roles to play in LDCs: keeping the growth focus by being extremely selective in identifying which SMEs to support; and targeting these enterprises with support that is highly differentiated and hands-on to the point of being almost bespoke.

Financial inclusion to expand opportunities. It is for this reason that the MAP MSME methodology shifts the entrepreneurship support narrative and focus from the vast ocean of MSMEs in any particular LDC to a very small and differentiated pool of SMEs identified as high impact and high potential. This methodology favours higher-productivity sectors and prioritises value addition to raw materials, sustainable industrialisation, exports, and job creation – thereby promoting the expansion of opportunities.





A vulnerability lens

– a clear focus on the most excluded

MAP's financial inclusion work over more than a decade has brought home very powerfully that much of the power and the potential of *financial* inclusion lies in its ability to expose and challenge *economic* and *social* exclusion.

MAP's consumer emphasis and inclusive data commitment are instrumental in shining a light on the most excluded population groupings within and across countries. Inclusive data provides line of sight of the entire market activity in a particular country, in the process helping to accurately map the landscape of exclusion: complex relationships between formal and informal market activity are highlighted, consumers' choices and behaviour as they strive for better livelihoods are detailed, and barriers to inclusion are brought into sharp relief.

Accurately identifying the most vulnerable population segments makes it possible to start charting pathways out of poverty.

Given increasingly sophisticated and complex market and political landscapes, governments' reliance on high-quality, representative data for decision-making and action increases the relevance of the resulting policies and interventions. While MAP segments country populations by livelihood (farmers, self-employed etc.), the inclusive data enables accurate and nuanced disaggregation, highlighting, for instance, that certain segments such as farmers and irregular earners are, by virtue of how they earn their livelihoods, inherently more vulnerable than others.



AGE



GENDER



LOCATION

Differences in demographic characteristics such as gender, age, geographic location, place of residence, disability, race, ethnic background, religion, migration status, nationality and socio-economic status are often the basis for exclusion; where this is the case, people's social mobility is reduced, their productive participation in the economy is impeded and their likelihood of contributing to or sharing in the benefits of growth is undermined. The three topline indicators MAP uses for disaggregation – age, geographic location and gender – are considered the most critical demographic indicators for exclusion. Taking data on these additional exclusion factors and overlaying it on the target market segments highlights that vulnerability is not limited to specific segments: in other words, while some segments are characterised by generally high levels of vulnerability, it shows up in the other segments in vulnerable sub-groups (see Figure 3).

Using the MAP vulnerability indicators for access to resources (e.g. skipping a meal, forgoing medical treatment, and not sending a child to school, as responses to shortage of money) reveals that across the MAP countries in

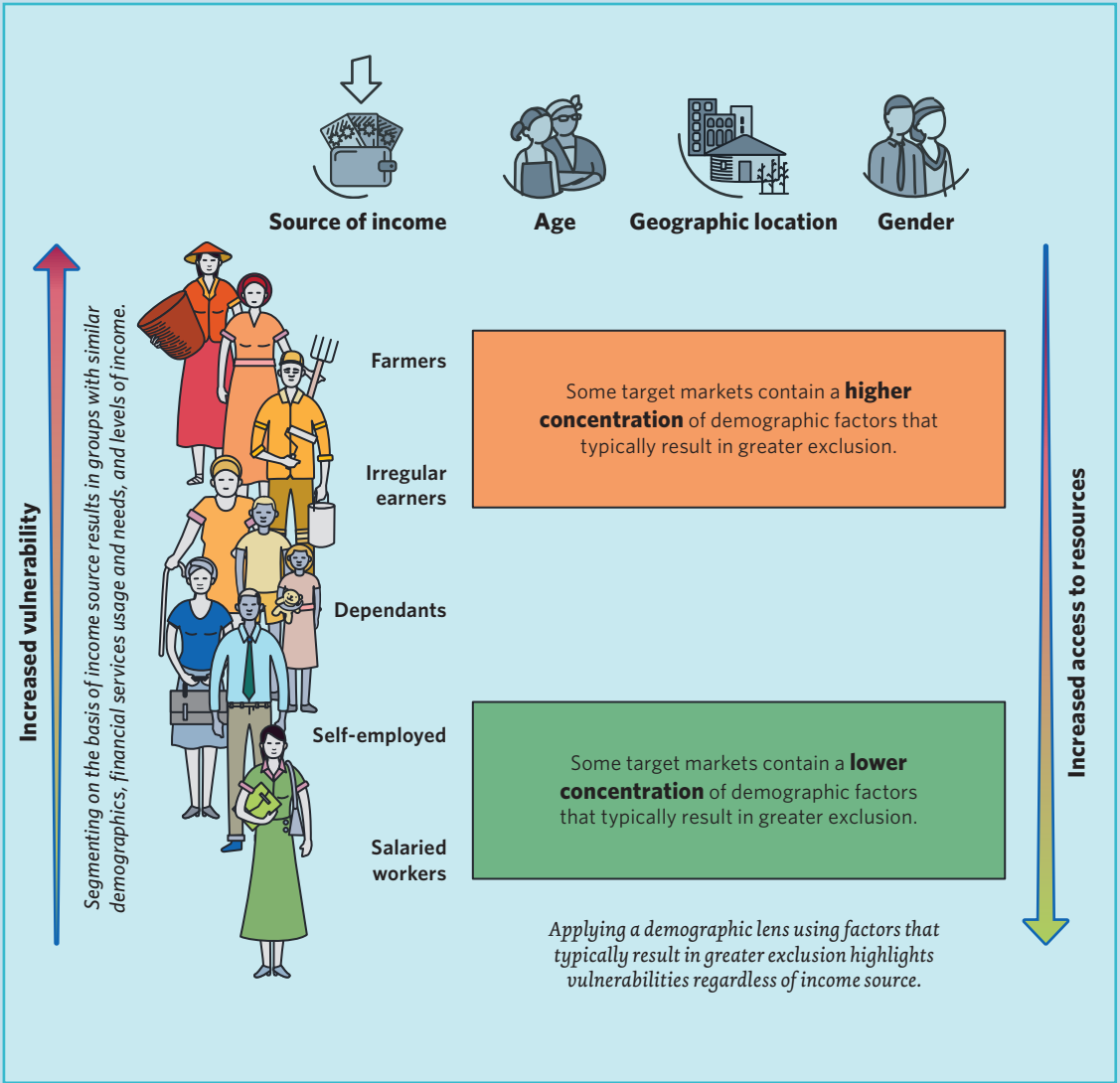


Figure 3: Demographic indicators highlight vulnerabilities within target market segments

Source: Note 4 (MAP Global Insights series – Volume 3, 2020).

general, when it comes to accessing resources and opportunities the odds are stacked against four particularly disadvantaged demographic groups: the elderly, youth, rurally based adults, and women.

Given that most of the MAP countries have majority youth populations, that generally half or a little more of the population are female, and that MAP country populations are mainly rurally based, the groups identified by using the vulnerability indicators represent large cohorts of people.

Inclusive data – who benefits?

Inclusive data is fair and representative. In a data-saturated world, consumers have come to expect personalised service and an informed understanding of their lives by politicians and commercial entities alike. Accurate quantification and segmentation build public trust in data and in the institutions of government and society. Seeing their realities reflected rather than simply seeing ‘averages’ gives the public hope of improving their prospects for the future. In turn, inclusive data is instrumental in helping governments and the private sector deliver improved consumer protection and value.

Inclusive data makes the ‘invisible’ visible. This allows for targets to be set and the public to hold government accountable. Inclusive data provides transparency and consequences to government decision-making, with interventions to improve the situation being monitored and taken seriously, and with corrective action where necessary. Inclusive data thus plays a harmonising role in terms of people’s perception and experience of being included.

Inclusive data ‘counts people in’. When inclusive data is harnessed to improve people’s inclusion in resource provision, their ability to ‘be counted’ also improves because data is usually skewed towards the formal sector (i.e. those that are already socially included), which leaves the majority – those in the informal sector – locked out.

Inclusive data supports stakeholders in co-shaping markets. Inclusive data affords governments, providers, investors and the development community full insight into market demand, and helps quantify the addressable market for selling services – both financial services and real-economy services such as health, education and energy – as a business proposition. This provides an understanding of the potential for national businesses to scale within this context, while allowing insight into the business cases (for providers) and infrastructure investment requirements (for governments and investors) to expand supply to meet market demand.

Inclusive data helps reveal how people invest in meeting their own needs.

Consumers, including the poor, spend their own money on increasing their social mobility and improving their prospects for the future: they start small businesses (entrepreneurship) in order to access opportunity, and they use financial mechanisms, whether formal or informal, to access resources in the form of education, healthcare, and basic services such as electricity, water, communications and the like. In other words, at the micro level people self-fund increased access to resources, in the process contributing to government’s achievement of these macro-level objectives.



‘Herding cats’? Implications for policymakers, market players and donors

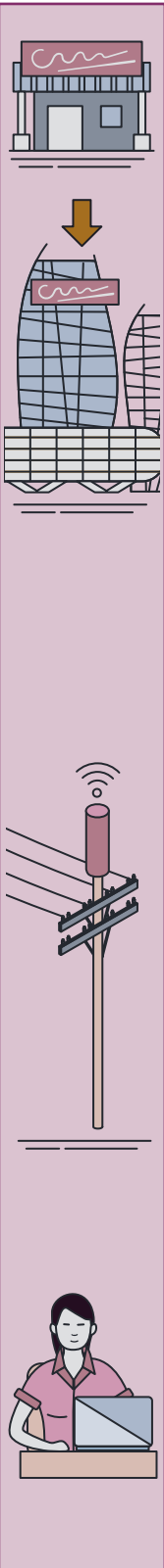
At the centre of markets and policymaking alike are *people*, without whom neither the private sector nor the state need exist. Increasing social and economic inclusion requires rethinking how markets and the state engage with individuals and households, small businesses and communities in their lived realities.

MAP’s work confirms that governments and households are often working to achieve the same objectives – but they are not helping each other do so. Although governments and households alike want more equitable conditions, where all citizens can access the same opportunities if they put in the effort to do so, the odds are stacked against both to achieve this. Particular groups of households face more barriers to accessing the resources needed to realise opportunities – resources such as basic services/utilities, an education and healthcare. And governments struggle to raise capital or generate investment in these resources. The limited pool of available formal jobs or viable small business opportunities is also problematic for both.

However, governments and consumers alike also do what they can to achieve their goals. Governments have made much progress in the areas of education, healthcare, and basic services and infrastructure (e.g. energy) in the past decade. And households are not simply waiting for government; they make plans to use the means at their disposal (often including a portfolio of formal and informal financial mechanisms) to access resources, or they get to work themselves to generate an income – in the informal sector.

Targeted, evidence-based interventions for growth

It is clear there is a huge burden on the state and private sector to unlock more productive opportunities. In MAP countries, a large proportion of the population are dependent on others for their income, or are stuck in low-productivity sectors such as small-scale/subsistence farming or informal small business ownership. The fact of vast numbers of MSMEs in any MAP country calls for differentiation in terms of support: for survivalist MSMEs, broad-based livelihoods support and ongoing financial inclusion efforts continue to be of the utmost importance; but for those SMEs identified as high potential, further differentiation is needed, informed by granular data related to each enterprise’s realities on the ground.



Kickstarting the engine of the real economy. This far more targeted and hands-on approach than traditionally adopted by small business capacity-building efforts necessitates new partnerships and new business and operating models. Since the vast majority of MSMEs, and even SMEs, are in the informal sector, the policy ‘levers’ that government would customarily rely on to support and spur economic growth (e.g tax and import subsidies) are of limited usefulness in the MAP markets. However, getting interventions in this area right, informed by an evidence-based approach, can pay off immensely for governments. Typically, transitioning only 1% (SMEs) of the entire pool of informal MSMEs in any given LDC to the formal sector through focused and ongoing support could have substantial and far-reaching impact, both on the formal employment market and in terms of the value added to GDP.

Financial inclusion in these broader terms – as a mechanism to support real economic activity from the ground up – entails putting the financial sector to work more effectively to support achievement of a country’s longer-term development goals (e.g. development of specific sectors, creation of jobs, improving incomes) through serving the needs of entrepreneurial enterprises and real economic sectors. In this broader guise, financial inclusion requires aligning activities within and between sectors with the country’s macroeconomic goals, which in turn means developing the partnerships needed to achieve longer-term development objectives in specific sectors. This necessitates, among other things, increased focus by development partners on strengthening local ownership of proposed financial inclusion policies and interventions, and creating links between different government departments and other domestic stakeholders to address complex and overlapping issues.

Investing in access to resources ‘beyond the citadel walls’. In LDCs, investing in improving access to resources to a large extent implies investing in physical infrastructure because access to education, healthcare and energy all require proximity to such infrastructure (e.g. schools, hospitals and clinics, electricity grids). While these countries do have infrastructure, it is usually more concentrated and better developed in urban areas. MAP classifies this as the ‘citadel economy’ – where everyone within urban areas is ‘safe’ behind the walls, while those beyond the walls, in the outer reaches, are mostly left to fend for themselves. Given the large proportions of the population residing in rural areas in MAP countries, infrastructure investment in rural areas – to improve proximity and quality – is perhaps the single biggest lever these governments have to improve access to resources for vulnerable groups.

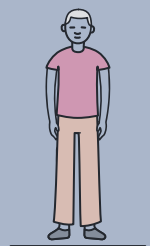
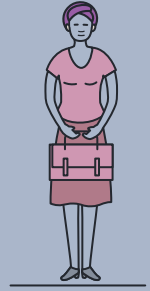
Including more women requires a longer-term, multidimensional approach – but shorter-term impact can be achieved on education and entrepreneurship. The greater exclusion of women on all fronts is evident from the data. Given that women face additional, gender-related constraints, increasing inclusion for women requires a multidimensional approach to dismantling barriers to participation. Such an approach includes, for example, advocacy and education to challenge gender

stereotypes and discriminatory cultural norms, and where necessary the introduction of enabling policies, regulations and legislation. But such strategies take time. More immediate strategies could include investment in family planning education to empower women to hold off on starting a family until an older age and, in the area of financial inclusion in particular, targeted educational financing for women, and investment in the identification of and support for female entrepreneurship.

Support to women pays broader social dividends. MAP's inclusive data highlights that there are broader social benefits when providing support and welfare benefits to women. For instance, women tend to spend more of their income on family needs like healthcare, food and education. This also shows up from an MSME perspective, where women entrepreneurs invest less of their business profit back into the business, tending rather to channel it towards funding household needs; this suggests a market for affordable productive credit targeted at women. As the data shows, women also tend to have more dependants, and thus support to women has a significant impact on women's dependants too. Increasing support for women in accessing resources and opportunities therefore potentially yields a multiplied dividend in terms of social impact more broadly.

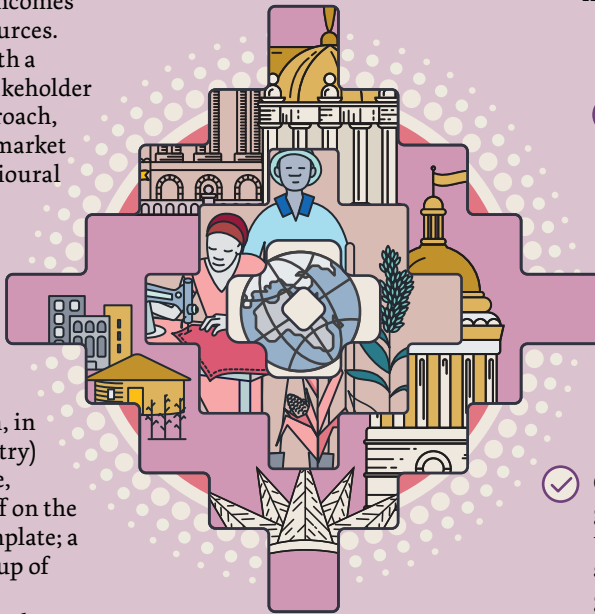
The elderly – targeted social protection, including health support. The fact that vulnerability is more concentrated in elderly people (i.e. the same vulnerable person will experience multiple vulnerabilities) is, in a sense, good news for social protection programmes because targeted support can alleviate many of the existing vulnerabilities in this group. The incomes of the elderly also affect a broader group of vulnerable people, as older people contribute to educational expenses, look after grandchildren, send money to family, and often live with family in vulnerable households where they contribute to household expenses. Nonetheless, the elderly remain the group with the highest health risks; thus, better support on access to healthcare could significantly improve this segment's risk mitigation while freeing up more disposable income to fund access to other resources.

Youth – educational finance to the individual or their family required to address youth unemployment. Youth are in part still dependent on their households for financial support. In other words, household income can still provide access to things like education (where young people are still studying), and young people tend to have better access to healthcare (in addition to being in better health in general) and utilities than their income would imply. Youth unemployment remains one of the biggest issues MAP countries face, however, with governments urgently needing to increase employment and income-earning opportunities commensurate with the high volumes of young people needing to enter the labour market. Further improving education and skills development could help alleviate this to some extent. The fact that parents and grandparents (and often older siblings) foot most of the educational bill of the youth – mostly falling back on alternative sources of financing such as informal savings and credit – implies that educational finance to either the youth or their family could unlock access to resources for a broader group of family members.



The MAP commitment to inclusive data

- ✓ The programme's main data-gathering tool is the FinScope Consumer Survey, with its strong livelihoods component and emphasis on market accessibility. It is very robust in terms of its ability to provide in-depth, nationally representative data on individuals' life stages, attitudes, incomes and livelihoods sources. This, combined with a comprehensive stakeholder and sampling approach, provides detailed market and human-behavioural perspectives.
- ✓ While MAP gathers data on country context, political economy, the regulatory environment and the supply-side perspective of providers, its inclusive data remains steadfastly consumer-centric. Positioning the consumer at the centre supports complex, accurate target market segmentation and disaggregation; this keeps financial inclusion policies and interventions focused on those in need.
- ✓ MAP supports governments and national statistics offices to build capacity for inclusive, evidence-based decision-making and draws on its financial inclusion expertise from work in 16 UNCDF MAP participating countries to inform the investment agenda.
- ✓ The level of data granularity is high; the programme is able to disaggregate by age, geographic location, gender, and income and livelihoods information.
- ✓ MAP's approach is stakeholder driven, in that local (in-country) stakeholders shape, inform and sign off on the data collection template; a representative group of institutions at the country level thus take ownership of and have influence over the data agenda and the wider financial inclusion efforts.
- ✓ Conventionally, data gathering is skewed towards the formal sector; MAP, however, gathers both formal and informal sector data.
- ✓ On the basis of local ownership and leadership, MAP collaborates with country governments, policymakers, financial service providers and other relevant financial inclusion stakeholders to agree on financial inclusion policy changes, interventions and innovation.
- ✓ MAP data gathering on financial services usage is 'agnostic', focusing on how low-income consumers actually use products irrespective of providers' intended product usage.
- ✓ Data collection focuses on a wide population sample (using national statistics offices as well as comprehensive country surveys).



A new investment agenda – co-shaping markets, partnering for growth

A unique aspect of the SDGs is that they are targeted at governments, the private sector and civil society collaborating for a shared solution.

Against a global backdrop of increasing inequality and growing urgency to achieve the SDGs, MAP continues to see that its proven approach to evidence-based policymaking, informed by inclusive data, is relevant not only for achieving financial inclusion impact but also in support of a broad set of SDGs in enabling inclusive growth. Now, more than ever, a key task of financial inclusion is to design policies and interventions that support the poor to reduce precariousness and increase control over their fortunes. Given the shortening timelines to the SDG 2030 deadline, as well as the current regression in progress on global development indicators, there is more urgency than ever to bring everyone along.

The need to mobilise capital for investment. In most LDCs (particularly Cluster 1 and 2 countries), the use of credit for accessing education, property and productive assets is very limited, which illustrates how capital is largely misallocated in the retail and even small-business markets in these countries. The use of less-than-optimal mechanisms, by a large enough proportion of the population, deprives that market or economy of the additional benefits (externalities) that more optimal mechanisms may have produced (such as mobilising capital for investment). With financial inclusion increasingly emphasising the role of national financial systems as enablers for or lubricants of the real economy, policymakers need to take a long-term view with regard to nurturing inclusive markets that can lead to growth.

Developing physical and human capital. LDC governments and development partners need to focus on putting financial sectors to work in supporting economic growth; where financial resources are mostly mobilised merely to fund further financial resources, this serves to disintermediate finance and investment as sources of support and growth for productive sectors and activities in the real economy. In other words, the financial sector needs to contribute to building the physical and human capital available in the economy and/or support innovation in the methods of production (technology), which in turn could contribute to future growth in productive opportunities.

A workaround world. Despite current and increasing global hardship, consumers – and particularly low-income consumers – come up with admirably ingenious and practical ‘workarounds’, accessing financial services (often informal) to enable them to meet their economic and life needs. In reality, though, workarounds and ‘making a plan’ are often not sustainable. What is needed is for government, in collaboration with other financial inclusion stakeholders, to design policies and interventions targeting improvements at the structural levels of the economy and the financial sector, the intention being to offer the population integrated and sustained – rather than piecemeal – access to resources and opportunities.

Governments leveraging 'people's money' to support growth. When low-income consumers spend money to meet their economic needs, in the process, even if individual household expenditure is modest, considerable financial and capital resources are mobilised. The problem is that such expenditure, because it is mostly flowing through informal channels, cannot be leveraged by governments (e.g. as investment capital) as a mechanism for growth. But by being more intentional governments can co-opt households into sharing the work of improving access to resources, leaving households better off in the process. By the same token, a more deliberate role by governments in shaping the development of the economy, taking into account the realities for the majority of households operating in the informal economy, can in the process of increasing employment opportunities for households also contribute to economic growth.

Balancing small business with the structural composition of the economy. The picture presented of small businesses in the MAP countries suggests that if such enterprises are to play their part in the engine of growth that is the real economy, they will need appropriate servicing and support, including financing. Conceptualising entrepreneurship-support interventions requires understanding both the realities of entrepreneurship on the ground and the structural composition of economic activity, in order to determine the larger driving forces and processes at work in a country and the structural modifications likely to boost livelihoods and growth alike.

Moving SMEs beyond 'making a plan' to better structured finance. SME owners rely on a range of their personal financial mechanisms to meet their business needs. In addition to drawing on personal savings, SME owners obtain loans in their personal capacity, using their collateral, in order to fund sunk costs and operating expenses. In other words, there is a fundamental interconnectedness between business and personal financial services; younger, informal and smaller SMEs, in particular, rely on these to fund business operations or investment. The market has typically struggled to serve SMEs, even those that are clearly high potential and high impact. Existing funding models – small business credit markets and banks alike – are for the most part incompatible with smaller-scale credit needs of SMEs. It is also expensive for SMEs and funders to find each other. Typically, funders too are not supporting growth of the missing middle SMEs. Diversifying financial products to service the missing middle – including incubation and nurturing through government support so as to make such enterprises credit and investment worthy – is an important element of the structural transformation of developing economies.

Actively linking to the four crucial needs. As a way of improving the operating environment for SMEs, interventions could make use of existing capital and economic activity by linking to the four crucial needs, thereby focusing on developing the sectors that speak directly to the needs of small businesses and households alike: healthcare, education, utilities, and the infrastructure required to support SMEs (e.g. ICT infrastructure, transport infrastructure, and business support services).

Digital and the power of new technology in the financing agenda. The ascendancy of digital finance, in drastically modifying the size and shape of the financial sector and broadening the number of financial sector players, has contributed to redefining the role of financial services as being more a facilitator of activity in the real economy than a sector in its own right. While not in itself the panacea, technology has powerful roles to play, including flagging real economic growth activities ‘closer to the ground’, improving delivery of innovative, tailored financial products to specific target market segments (e.g. SMEs, youth), increasing information availability for small businesses and other consumers, and as a communication/feedback channel for smaller funding activities.

Ongoing and healthy evolution. In the work of co-shaping markets, the differing departure points of countries need to be acknowledged. The MAP inclusive growth country clusters indicate that some countries are ahead in terms of growth, inclusion and access to financial services. In such countries (and globally too this is increasingly the case) the financial inclusion focus can shift from access, to usage and quality/value. How exactly, and to what extent, financial services are contributing to the achievement of economic and financial goals – whether at the micro or macro level – will depend on whether the financial services and wider financial system successfully meet the different levels of economic need in the real economy (formal and informal sectors).

Balancing competing interests for a sustainable model of cooperation and collaboration. Moving from the ‘billions’ to the ‘trillions’ needed to make the SDGs a reality and to make a lasting positive impact for generations to come, requires coordinated, multilateral partnerships. Country government efforts to enable domestic capital through formally mobilising their populations’ existing expenditure as a mechanism for growth need to be combined with support from the global financing system, together with support from the development system – bringing together international financing institutions, public-sector funding and private financing as they relate to the realities of citizens’ needs and aspirations.

The notes in this volume have highlighted that countries, communities and households are connected by and enmeshed in complex, intertwined systems – including but not limited to economic, social and financial systems at different levels. The intricacies of these different systems interact to create intractable problems. Tackling these systemic problems and creating new, large-scale social and economic opportunities requires cooperation and collaboration: by multifaceted actors, in multiple sectors, and on the basis of a shared long-term vision supported by a deep evidence base. Such partnerships are complex and challenging. Given the unavoidable discomfort of balancing competing interests and being prepared, where necessary, to cede some control, such partnerships call for high levels of trust between the different partners, as well as clarity on the dangers of *not* engaging. Only through partnerships of this calibre will it be possible to more equitably balance private success and public benefit – sustainably.

MAP GLOBAL INSIGHTS SERIES VOLUME 1

The MAP Global Insights series Volume 1 consolidates and synthesises the learnings from MAP across the six MAP pilot countries. Volume 1 was the first of the MAP Global Insights products, and comprises five thematic cross-country notes, based on the initial round of findings from the country diagnostic studies, which were conducted in Thailand, Myanmar, Swaziland, Mozambique, Lesotho and Malawi.



NOTE 1 unpacks the target market segmentation approach that is central to the MAP methodology of putting the client at the core of the analysis. Note 1 provides a window into the emerging cross-country segments, and the implications for providers, policymakers and donors in this regard.



NOTE 2 explores the shift in financial inclusion measurement away from focusing solely on access to more closely match the realities of how adults live their financial lives and explores the policy implications of moving away from a linear, one-dimensional view of financial inclusion.



NOTE 3 looks at the nature of informal financial services. It shows that it is the local nature of these financial services, rather than their informal nature, that makes them valuable for the majority of consumers in these countries.



NOTE 4 considers the gap between ownership and usage of bank accounts. The note queries whether bank accounts are always the appropriate product for increasing customer welfare, and argues the need for a paradigm shift away from focusing on ownership to a focus on usage in the context of a wider, systems approach.



NOTE 5 focuses on cash as a payment instrument to explore the largely undiminished popularity of cash. The different payment needs of consumers are introduced, analysed and compared with regard to the use of cash versus digital instruments.



NOTE 6 draws together the findings from this volume of the Global Insights series. It shows that the MAP evidence calls for a rethink of conventional financial inclusion assumptions, based on a consumer decision-making framework that emphasises economic incentives, cost and value.

MAP GLOBAL INSIGHTS SERIES VOLUME 2



The MAP Global Insights series Volume 2 looks at the thinking, strategies and processes that have enabled national delivery in financial inclusion, and codifies the operational approach taken in the 18 'MAP countries', including 9 where the programme has been working with governments to implement the national roadmap on financial inclusion. Key learnings using the country-specific consumer data drive the national implementation approach at country level.



NOTE 1: More bread on the table: The promise and the potential of financial inclusion. In a changing and uncertain global order, financial inclusion – with its close linkage to the real economy – promises to become a means of supporting growth and contributing to poverty eradication. Using detailed consumer data, this note demonstrates the potential for financial inclusion to play a stronger role in lessening vulnerability to poverty, keeping up with shifting national demographics, nurturing small business growth and addressing food security challenges, among others.



NOTE 2: Humanising data: The MAP toolbox for fine-tuning and calibrating national metrics and optimising consumer delivery. Applying the MAP data analysis tools to the extensive consumer data gathered in-country enables accurate understanding of actual consumer behaviour and needs, both country-specific and in terms of patterns identifiable across developing countries. Findings from the use of the MAP tools have challenged a few of the conventional financial inclusion assumptions, in the process contributing to the global pool of financial inclusion metrics. The tools are central to supporting government and stakeholders in evidence-based decision-making towards smart, consumer-focused solutions.



NOTE 3: 'Begin at the beginning': Giving development initiatives political teeth and boosting government capacity to deliver on the SDGs. The single greatest challenge facing development is turning research and strategies into implementable solutions: improvement initiatives that deliver a positive impact. This note unpacks how the MAP programme is working with governments and development partners to boost countries' capacity for self-determination and delivery on the national financial inclusion roadmap vision and promises, in the process accelerating inclusive growth and making progress towards the UN 2030 Agenda for Sustainable Development.



NOTE 4: There and back again: Harnessing data, developing collaborative platforms and enabling governments to deliver on the SDGs. This concluding note pulls together the power of the consumer data, its role in driving improvement interventions at country level and the importance of the MAP platform in bringing together country governments and stakeholders in evidence-based decision-making. Picking up on the key findings from the consumer data in other notes in Volume 2, this note also provides insight into the systematic operational approach of the global MAP programme and reiterates the efficacy of the MAP approach in working with governments to deliver on the SDGs.

MAP GLOBAL INSIGHTS SERIES VOLUME 3

The MAP Global Insights series Volume 3 explores the role of financial inclusion in the context of an inclusive growth agenda, using inclusive data as evidence base. The volume explores the linkages between financial inclusion at the micro level of individuals, households and small businesses, and macroeconomic growth. The evidence demonstrates the crucially important intermediation role of financial inclusion, along with its role in firming the social contract, towards inclusive growth.



NOTE 1: Financial inclusion through an inclusive growth lens. This note presents MAP's five 'country clusters', derived from countries' ranking on a set of inclusive growth indicators. Financial inclusion helps formalise the large proportion of informal expenditure while increasing consumer access to resources and opportunities, thereby supporting governments' responsibility for boosting inclusive growth while demonstrating progress on the UN SDGs.



NOTE 2: Next-generation segmentation: Building inclusive societies based on differentiated consumer needs and values. In pointing out that peoples' economic needs, and how they go about meeting them, reflect their personal values in the wider context of social and societal values, the note argues the role of inclusive financial services in increasing economic inclusion (especially of those in the informal sector of the real economy) and social mobility.



NOTE 3: The millions and billions...and the 1%: Targeting funding to spark the real economy's engine. The MAP MSME methodology, informed by the need for a longer-term productivity and growth emphasis, argues for a more active role by country governments in supporting the small pool of SMEs with the potential to grow and become engines of the real economy, creating better linkages with the larger financing system.



NOTE 4: Inclusive data for a world that counts: Enabling multisectoral collaboration for challenging exclusion. Inclusive data highlights how a lack of access to resources – particularly basic services and infrastructure, education and healthcare – preserves the status quo of inequality and exclusion, making it harder for vulnerable groups to access opportunities and chart pathways out of poverty.



NOTE 5: Cracking the code: Opening up pathways out of poverty. In pointing out that peoples' economic needs, and how they go about meeting them, reflect their personal values in the wider context of social and societal values, the note argues the role of inclusive financial services in increasing economic inclusion (especially of those in the informal sector of the real economy) and social mobility.

About UNCDF

UNCDF is the UN's capital investment agency for the world's 47 least developed countries (LDCs). With its capital mandate and instruments, UNCDF offers 'last mile' finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. This last mile is where available resources for development are scarcest; where market failures are most pronounced; and where benefits from national growth tend to leave people excluded.

UNCDF's financing models work through two channels: savings-led financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localised investments - through fiscal decentralisation, innovative municipal finance, and structured project finance - can drive

public and private funding that underpins local economic expansion and sustainable development. UNCDF financing models are applied in thematic areas where addressing barriers to finance at the local level can have a transformational effect for poor and excluded people and communities.

By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to SDG 1 on eradicating poverty with a focus on reaching the last mile and addressing exclusion and inequalities of access. At the same time, UNCDF deploys its capital finance mandate in line with SDG 17 on the means of implementation, to unlock public and private finance for the poor at the local level. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile, UNCDF contributes to a number of different SDGs and currently to 28 of 169 targets.




**Unlocking
Public and Private
Finance for
the Poor**

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SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



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