

FINAL EVALUATION: DIGITAL FINANCIAL SERVICES (DFS) IN SIERRA LEONE

The objective of the DFS project in Sierra Leone is to strengthen the financial sector and widen financial inclusion through promotion and provision of digital financial services.

OBJECTIVES



- Catalyzing fintech innovation



- Supporting improved regulation of fintech



- Dissemination of knowledge and best practices

CONCLUSIONS

- Significant increase in use of digital financial services and of financial inclusion in Sierra Leone, although it is not clear that this is due to improved regulation or of fintech innovation
- Improved regulatory framework, including types of tiered KYC and agent network guidelines supported by the project, should enable more stable and balanced growth in the sector
- DFS Sierra Leone project has shown diligence, flexibility and responsiveness in its highly valued support to the Bank of Sierra Leone
- DFS played an important role in generating basic sector level data through the Annual Supplier Survey
- The project's Theory of Change is valid, but incomplete.

FINDINGS

- ✓ Objectives closely aligned with government policy on financial sector reform, digital financial services and financial inclusion
- ✓ 4 innovation grant were provided from the Investment Facility for Innovation
- ✓ Significant contribution to strengthening regulator's institutional capacity to formulate and implement fintech regulatory framework
- ✓ Contribution of digital financial services to GDP growth is like to be negligible
- ✓ Unique views of publications, blogs and news on UNCDF website are relatively low
- ✓ With lack of human and technical resources at the Bank of Sierra Leone, it has proven difficult to make full use of TA and take forward the implementation of guidelines provided by the project

LESSONS

- TA in the drafting of the regulatory framework for DFS is useful, particularly in introducing the applying international experience in the local context
- By linking with financial institutions to partner with fintechs would bring innovation to market and commercialize products
- Supporting government capacity to collect, analyse and disseminate data relevant to financial sector
- Development partners should seek out opportunities to work with DFS providers to develop, pilot and prove a more diverse range of uses cases for DFS