



Financial Inclusion in SADC

Mbabane, Swaziland

December 2017

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FinMark Trust

FinMark Trust Vision and Mission

FinMark Trust Vision.

A world in which all people are able to utilise affordable, quality financial services offered by a range of service providers to improve their lives, and where inclusive financial markets contribute to economic growth and prosperity for all people.

This vision will be achieved within the context of a philosophy which puts customer value at the centre, particularly vulnerable groups such as women and youth, i.e. seeking to always understand what the needs and livelihood strategies of the poor are and to design interventions to support these strategies. The definition of the poor used by FMT is those who live on less than \$1.25 per day.

FinMark Trust Vision and Mission

FinMark Trust Mission.

FMT is an independent centre of excellence for financial inclusion research, advocacy and implementation facilitation that achieves its purpose by:

- Providing technical and policy support to financial inclusion, regional financial integration, and harmonisation initiatives in the SADC region to further the overall vision of financial inclusion for the poor in the region
- Supporting national governments (within a regional financial inclusion programme context) by facilitating stakeholder driven financial inclusion programmes and supporting their implementation by conducting financial inclusion diagnostics, developing country roadmaps and implementation activities
- Providing data and analysis that enables policy makers and financial service providers to better understand the financial needs and behaviours of the poor to enable the provision of suitable quality financial services
- Playing a catalytic role to make financial markets accessible, sustainable and inclusive by promoting and supporting innovation in the financial sector particularly using digital platforms.

FinMark Trust Strategic Objectives and Programmes

South Africa Financial Inclusion
Programme

FinScope



Insight2Impact (izi)



SADC Financial Inclusion Strategy

SADC Making Access Possible
Programme (MAP)



Cross Border Remittances

FinMark Trust summarised in a Video

https://youtu.be/4IL_xqU9QaY

What is FinScope?

FinScope

- The FinScope survey is a research tool which was developed by FinMark Trust. It is a nationally representative survey of how individuals/businesses source their incomes, and how they manage their financial lives, attitudes and perceptions, financial behaviour, etc.
- FinScope was the first reputable “currency” to comprehensively measure financial inclusion
- FinScope is a key ingredient in the ‘The Making Access Possible (MAP)’ which is a diagnostic and programmatic framework to support expanding access to financial inclusion in partnership with the UNCDF
- The FinScope survey is dynamic and the content is evaluated by a number of stakeholders including the private sector, NGOs and Government to ensure that the most relevant consumer data is collected.
- FinScope Consumer Surveys have been completed in 29 countries. This allows for cross-country comparison and sharing of findings which are key in assisting on-going growth and strengthening the development of financial markets globally and regionally (SADC, Non-SADC Africa & ASEAN)
- Micro, Small and Medium enterprises (MSME) FinScope survey have been implemented in 8 countries

FinScope Consumer Footprint

29 countries (14 SADC, 8 non-SADC Africa, 7 Asia)



FinScope MSME:

South Africa, Zambia, Tanzania, Malawi, Zimbabwe, Mozambique, Lesotho Swaziland

- Repeat cycle
- First cycle
- Potential first cycle
- ▲ Underway

Why FinScope is important?

- Assist in establishing credible **benchmarks** and indicators of financial inclusion and financial capability and **track progress** through repeat surveys
- Providing **evidence-based** information that can be used by a range of stakeholders, including the following:

Policy makers

- Highlighting opportunities for policy reform to drive the financial inclusion agenda

Private sector

- Providing insights into market obstacles to growth and opportunities for innovation in product development and delivery

Donors and NGOs

- Supporting the development of interventions /programmes to increase financial inclusion in specific regions or population groups

Current FinScope initiatives in SADC

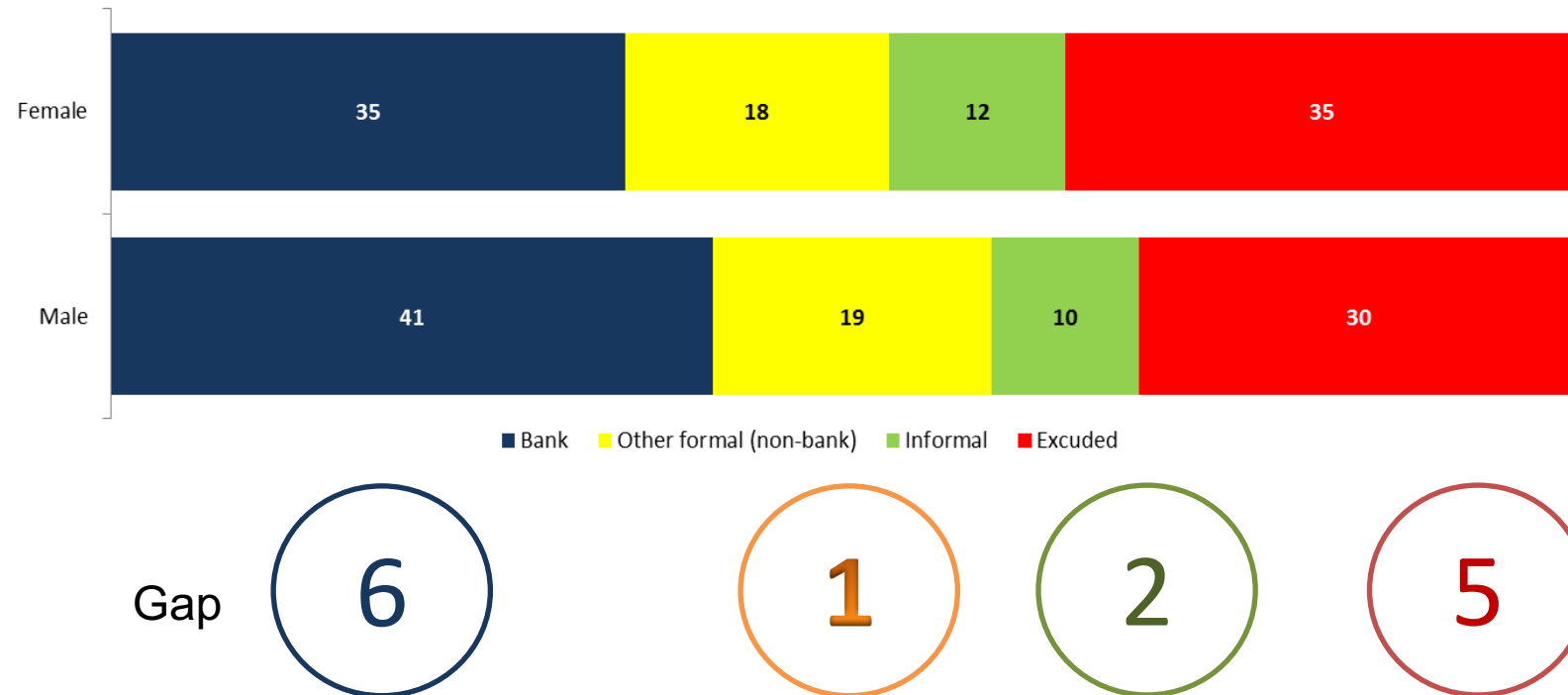
FinScope initiative in the SADC region

- SADC Finance Ministers' resolution on FinScope implementation
- Surveys in 4 SADC countries [Namibia (Consumer), South Africa (Consumer), Swaziland (MSME) and Tanzania implemented by FSDT].
- Piloted a booster sample for Child financing in South Africa (12-15 years)
- FinScope data publicly available on data portals (izi & UNCDF)
- More FinScope MSME surveys being requested
- Continue collaboration/partnerships with different stakeholders
- Continue improving the FinScope instrument and approach

FinScope Insights

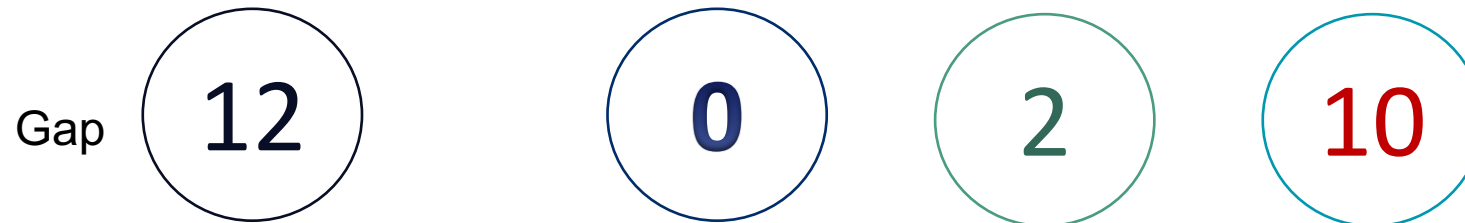
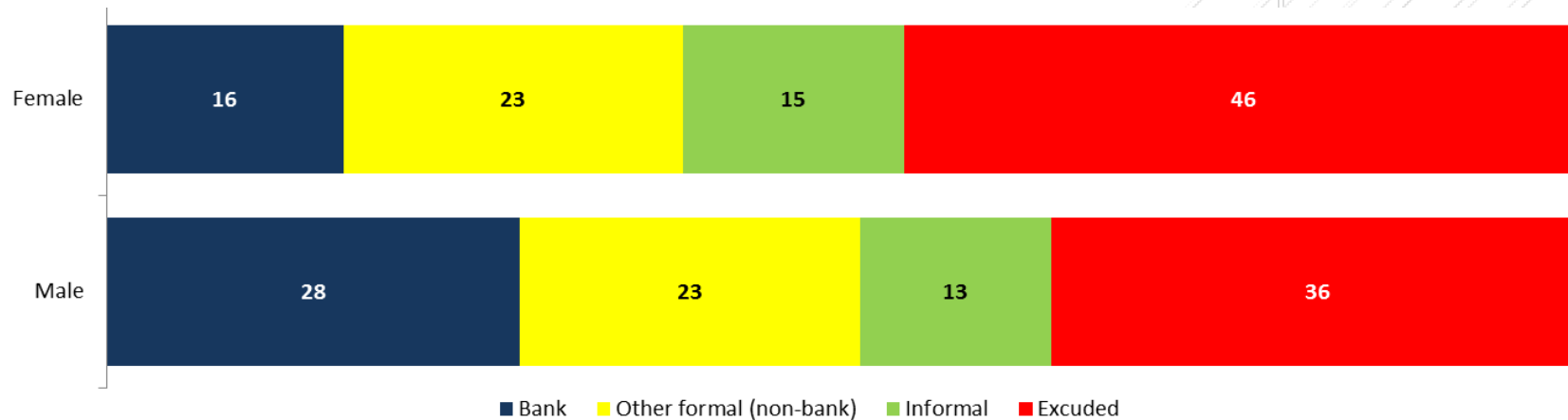
FinScope Policy Papers - Gender

Access Strand by Gender in SADC (including South Africa)



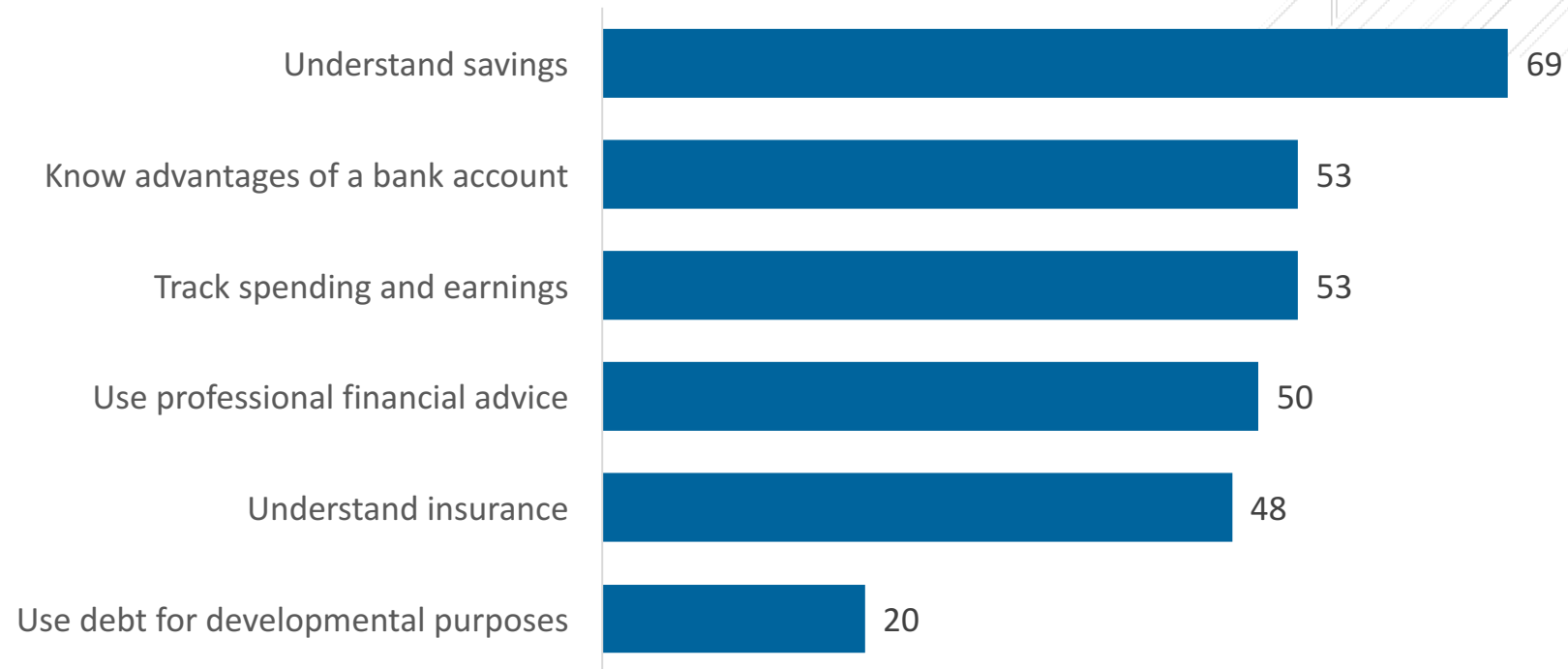
FinScope Policy Papers – Gender (contd.)

Access Strand by Gender in SADC (excluding South Africa)



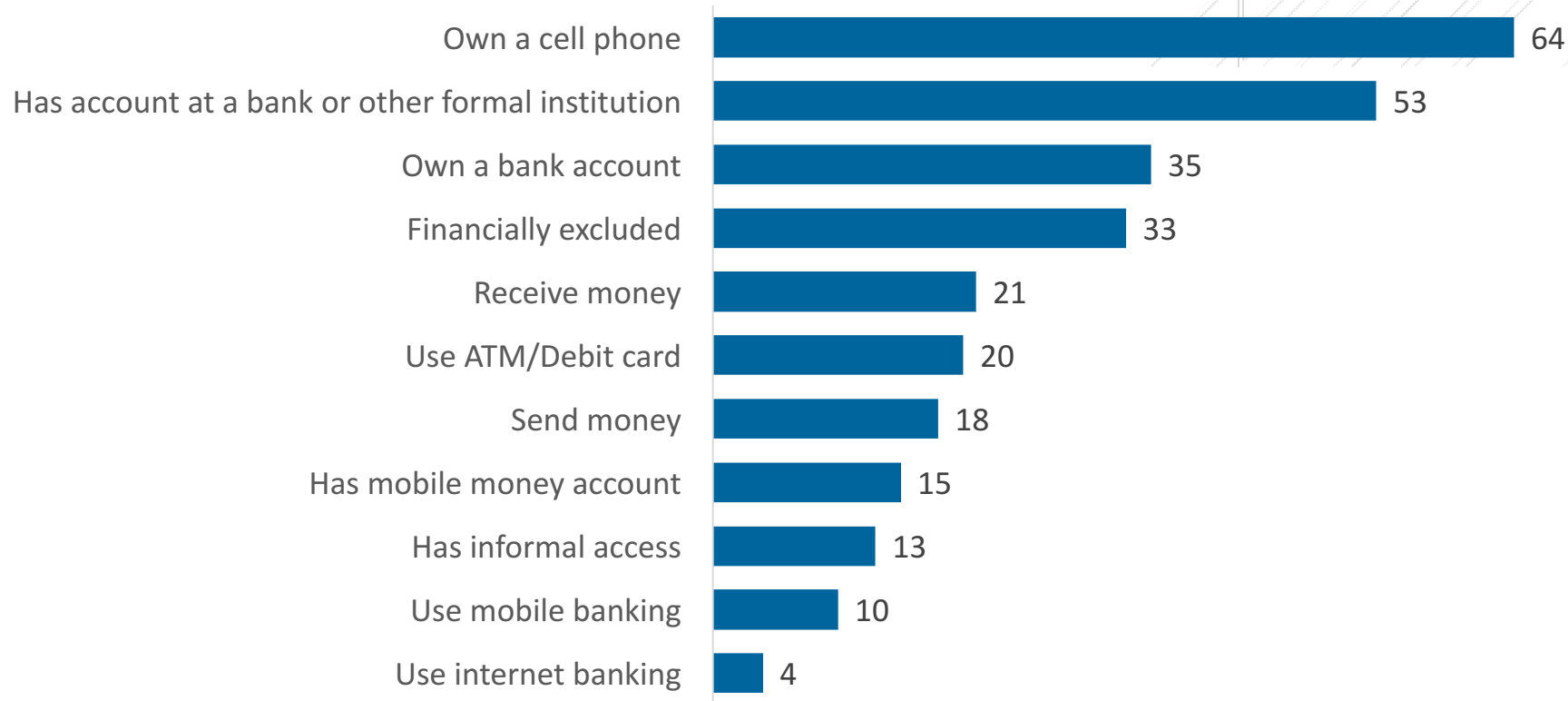
FinScope Policy Papers – Financial Literacy

Proportion of adults in SADC that



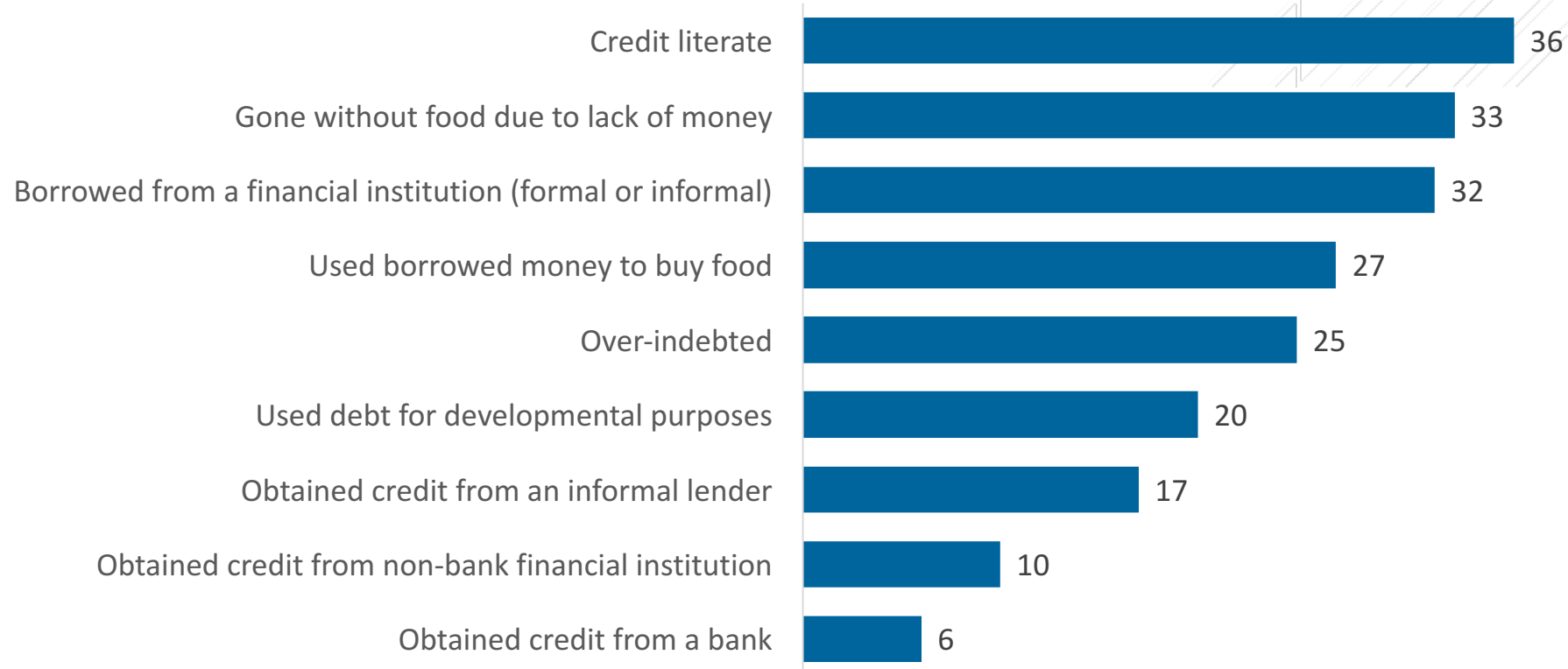
FinScope Policy Papers – Digital Financial Services & Other Services

Proportion of adults in SADC that



FinScope Policy Papers – Credit

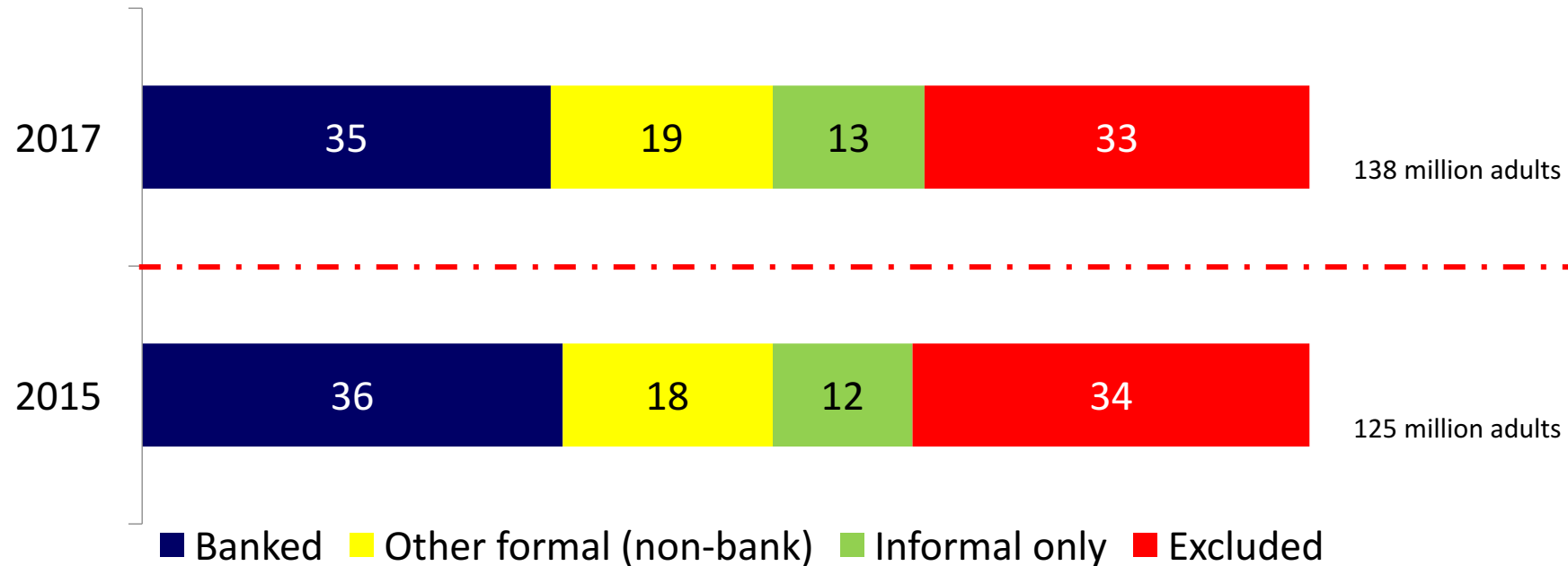
Proportion of adults in SADC that



SADC Financial Access Strand

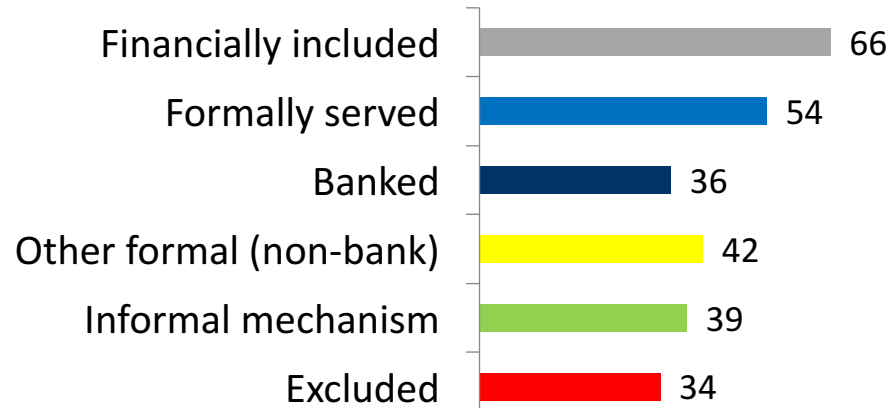
3 SADC countries implemented FinScope Consumer surveys since 2015

Madagascar, Seychelles, South Africa

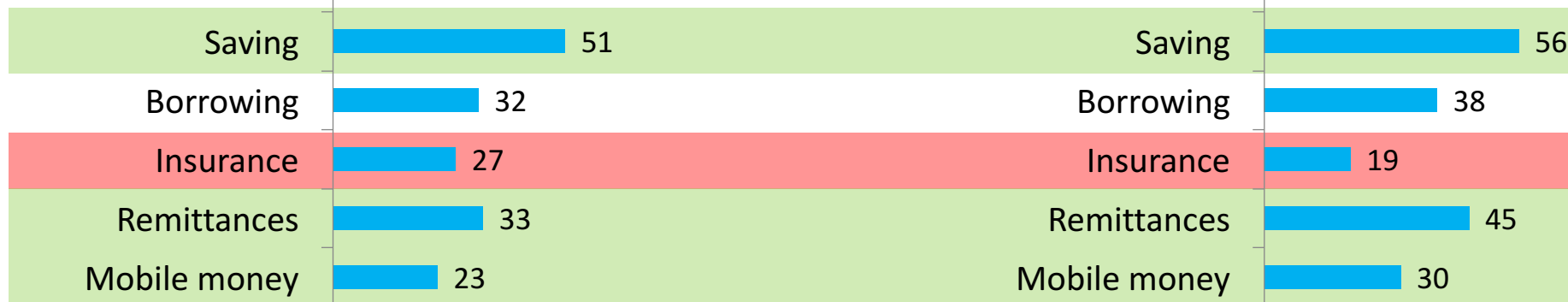
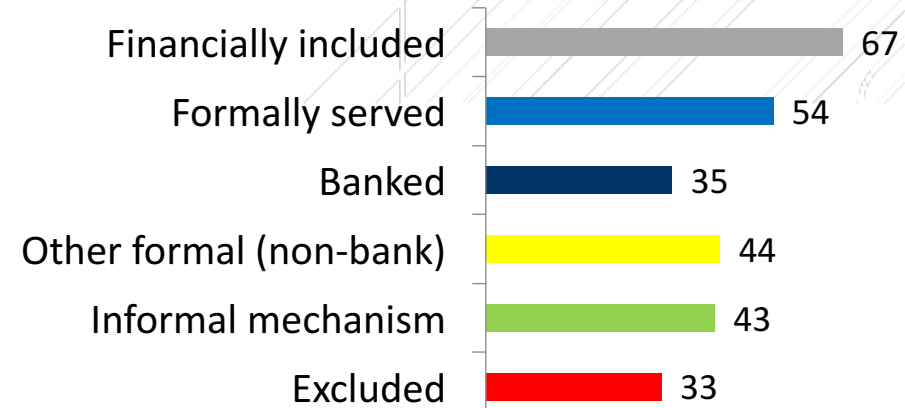


Where is the growth or decline?

2015



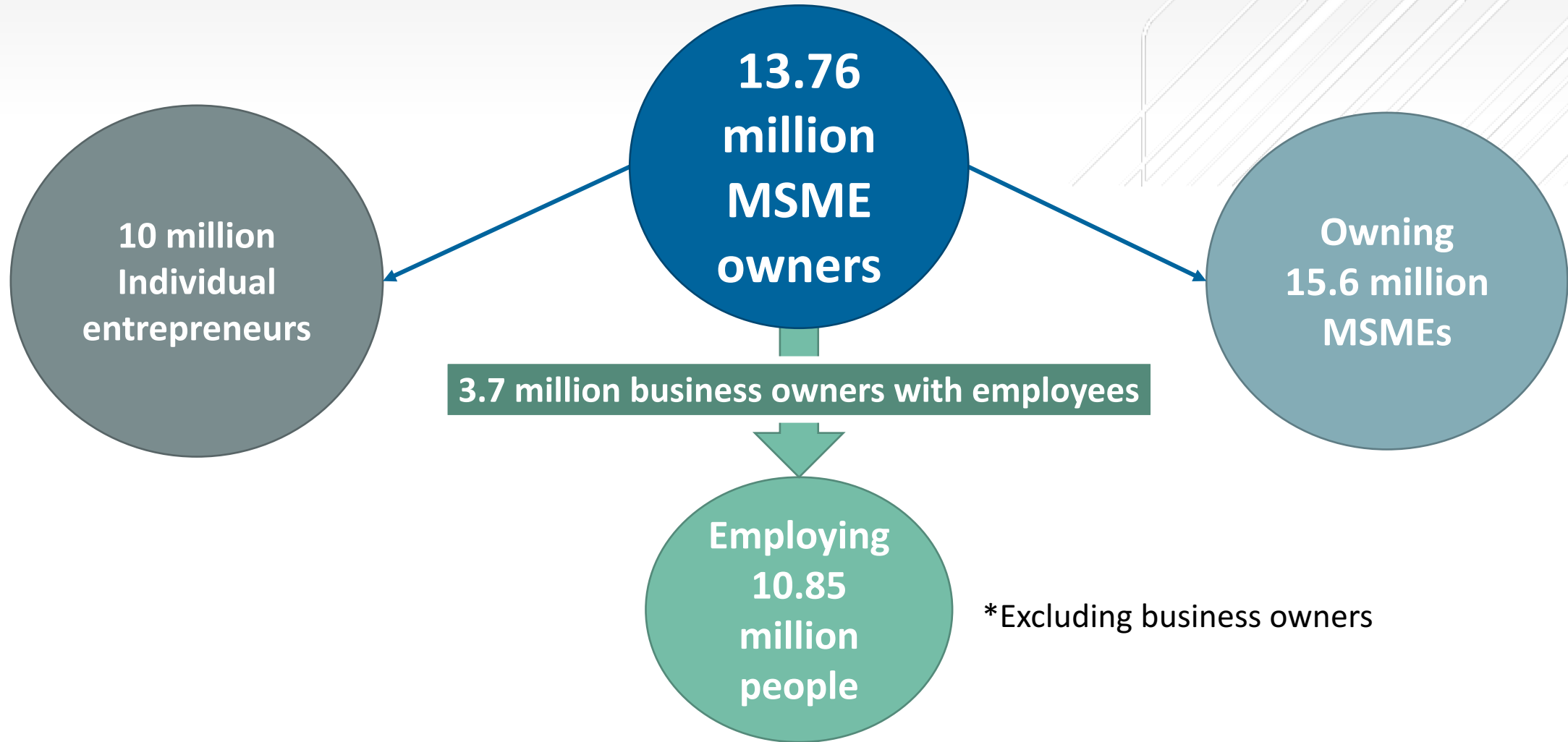
2017



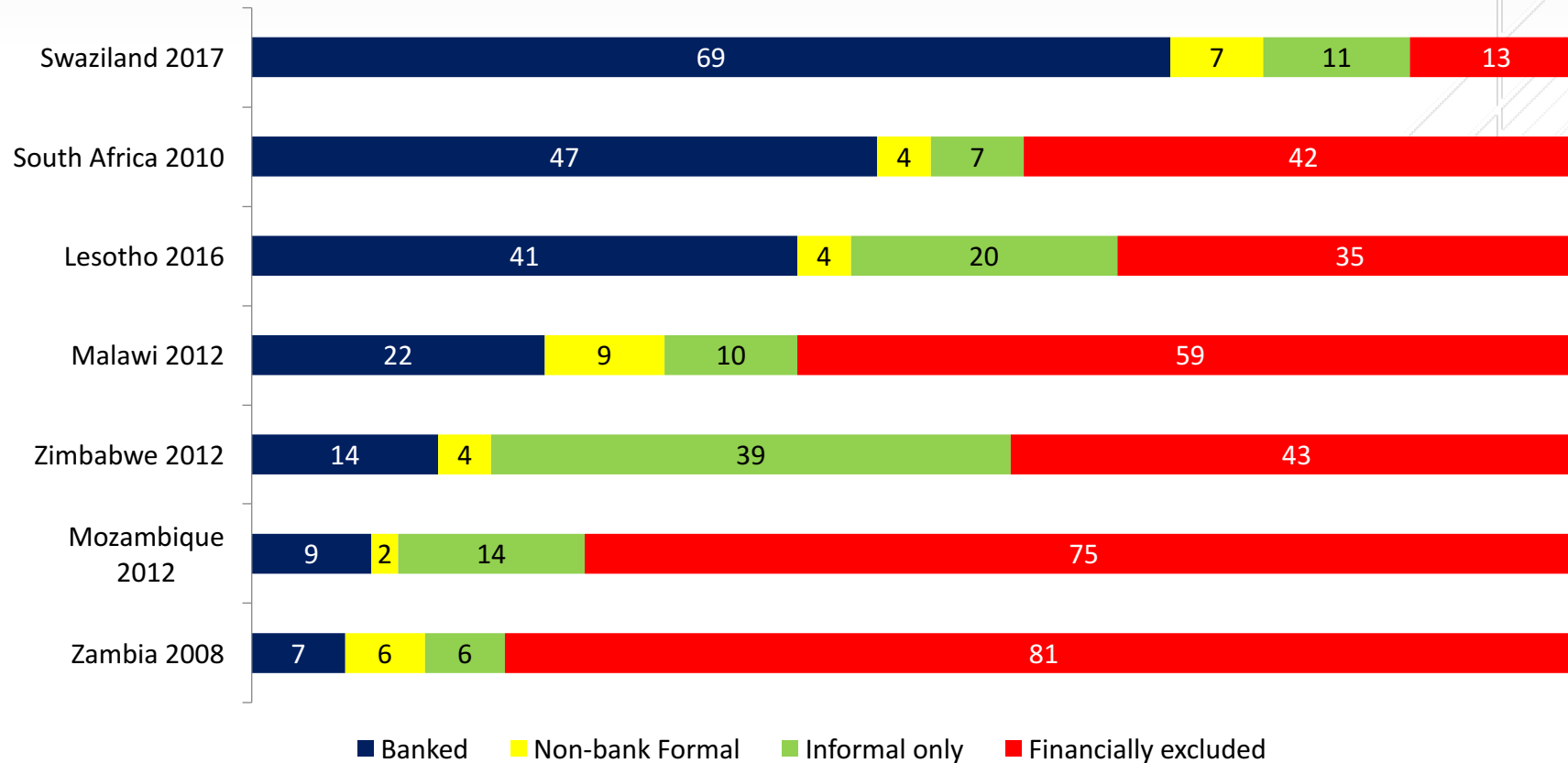
FinScope MSME Studies in SADC

Studies done on MSMEs in SADC

Lesotho, South Africa, Mozambique, Malawi, Zimbabwe and Swaziland



MSME Financial Access Strand



Key Barriers

- Access to finance
- Lack of enough clients
- Access to markets

Key Take-Outs

Key take-outs

- More females are excluded from financial services and this leads to their exclusion from social and economic activities
- Financial literacy is critical in financial inclusion
- Mobile money is an important driver for financial inclusion
- Over-indebtedness is mainly driven by the lack of credit literacy and borrowing from multiple sources
- Most small businesses owners use own capital to finance start-ups

Areas of Collaboration

- **MSME:** MSME360° – a new programme of FMT that focuses on the promotion of MSMEs through a demand and supply-side diagnostic leading into a roadmap and implementation plan. Currently being implemented in Swaziland together with the Micro-Finance Unit
- **State Institutions:** Role played by state institutions in Financial Inclusion – continued collaboration with SADC Secretariat, local Ministries of Finance, Central Banks e.g. MAP methodology
- **FSPs:** Continued collaboration with FSPs
- **FMT is ready to partner with Development Finance Institutions (DFIs).** Budget allocated for this project and details are still being discussed and will be finalised soon.



Thank you
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