

FinScope
*Consumer
Survey
Highlights*



Burkina Faso 2016

Partnering for a common purpose

Making Access Possible (MAP) is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro- and small-businesses. The MAP methodology and process has been developed jointly by UNCDF, FinMark Trust and Cenfri to foster inclusive financial sector growth. At country level, the core MAP partners collaborate with Government, other key stakeholders and donors to ensure an inclusive, holistic process. MAP Burkina Faso represents a partnership between the Ministry of Economy, Finance and Development through the Permanent Secretariat for the Promotion of Microfinance (SP/PMF) and the UNCDF through its AgriFinance Programme co-financed by UNCDF, UNDP and the Government.

The FinScope survey is dynamic and the content is evaluated by a number of stakeholders including the

private sector, NGOs, developmental partners and Government to ensure that the most relevant consumer data is collected.

This pocket guide represents some of the key market data on financial inclusion. Additional deeper dives on key thematic areas can be found on the data dashboards on agriculture, youth and clean energy.



The cover symbol

Through the MAP programme, we hope to effect real change at country level and see the impact of financial inclusion on broader national growth and development. The cover graphic features a flower that symbolises growth and development while the circle represents inclusive growth. Each flower is an example of the successful growth in a unique environment. By combining the flower with the currency symbol of the West African Monetary Union, to which Burkina Faso belongs, we represent the characteristics of the country, linking financial inclusion with successful growth.



Introduction

Good macroeconomic stability and an improving political situation are creating a conducive environment for sustained economic growth in Burkina Faso. The prudential economic and monetary management have helped keep low inflation rates despite a challenging economic environment characterised by the decline of export products (gold, cotton) and political instability. With the improved political situation and efforts to create an enabling environment for increased private sector investment, the country is expected to resume strong economic growth and reduce the poverty incidence over the coming years.

Through the National Strategy for Financial Sector Development (SNSD), the Government aims to strengthen monetary policy, increase the efficiency of the banking system by improving financial intermediation and access to finance. The main challenge is to promote a diverse range of financial services that address risks to agricultural and micro-enterprises development.

In a more focused approach, the Burkinabe Government together with the MAP partners lead the implementation of MAP with the first step of implementing a FinScope survey.

Methodology

- According to the listing conducted by BERD/LESSOKON, the total adult population is estimated to be 10 million
- Nationally representative individual-based sample of the adult population aged 15 years and older at regional and urban/rural level
- Sampling frame and data weighting conducted by the INSD and weighted to the INSD Population Projections aligned to census data
- 5 066 face-to-face interviews conducted by BERD/LESSOKON (May 2016 – September 2016)

Survey objectives

The objectives of FinScope Consumer Survey Burkina Faso 2016 were to understand the adult population in terms of:

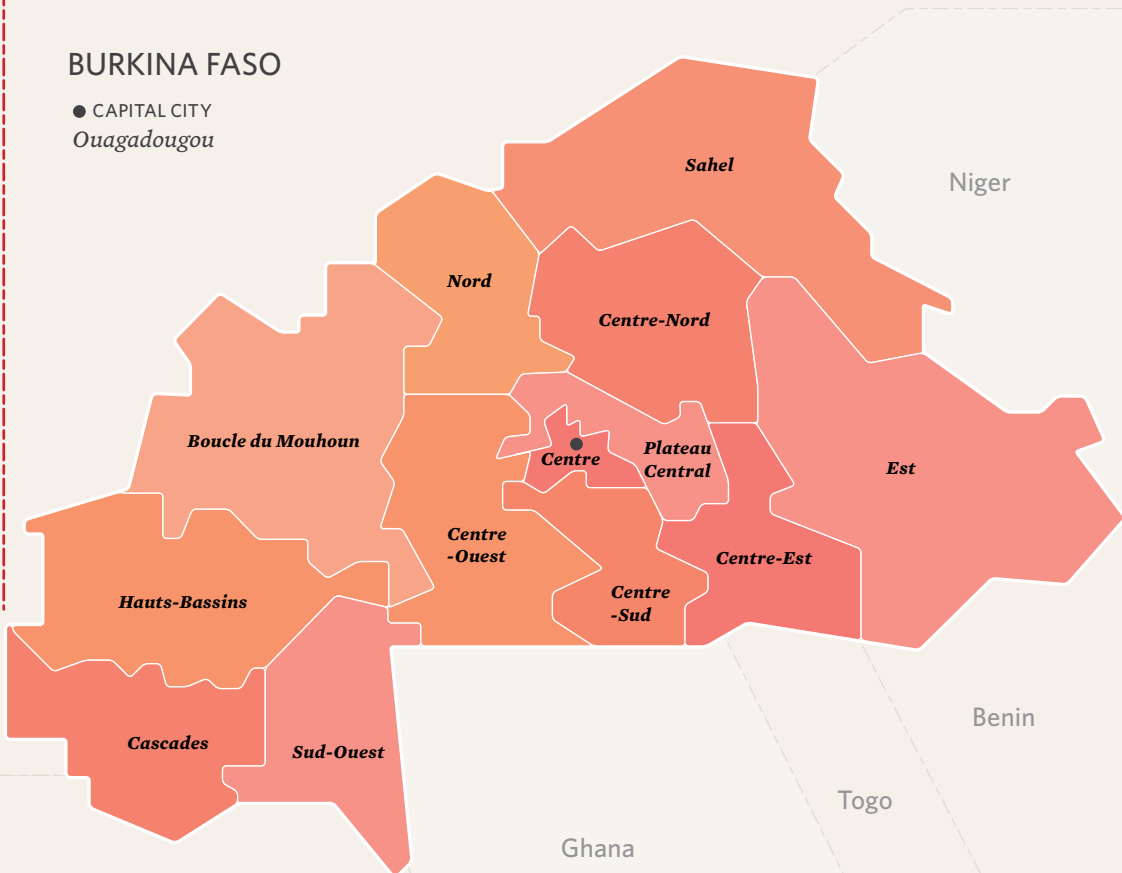
- Livelihoods and how they generate their income
- Their financial needs and demands
- Their financial perceptions, attitudes, and behaviours
- Their demographic and geographic distribution
- Current levels of access to, and utilisation of, financial services and products
- Drivers and barriers to the utilisation of, and access to, financial products and services

REGIONS OF BURKINA FASO

BURKINA FASO

● CAPITAL CITY

Ouagadougou



Niger

Nord

Sahel

Centre-Nord

Boucle du Mouhoun

Centre

Plateau Central

Est

Centre-Ouest

Centre-Est

Hauts-Bassins

Centre-Sud

Cascades

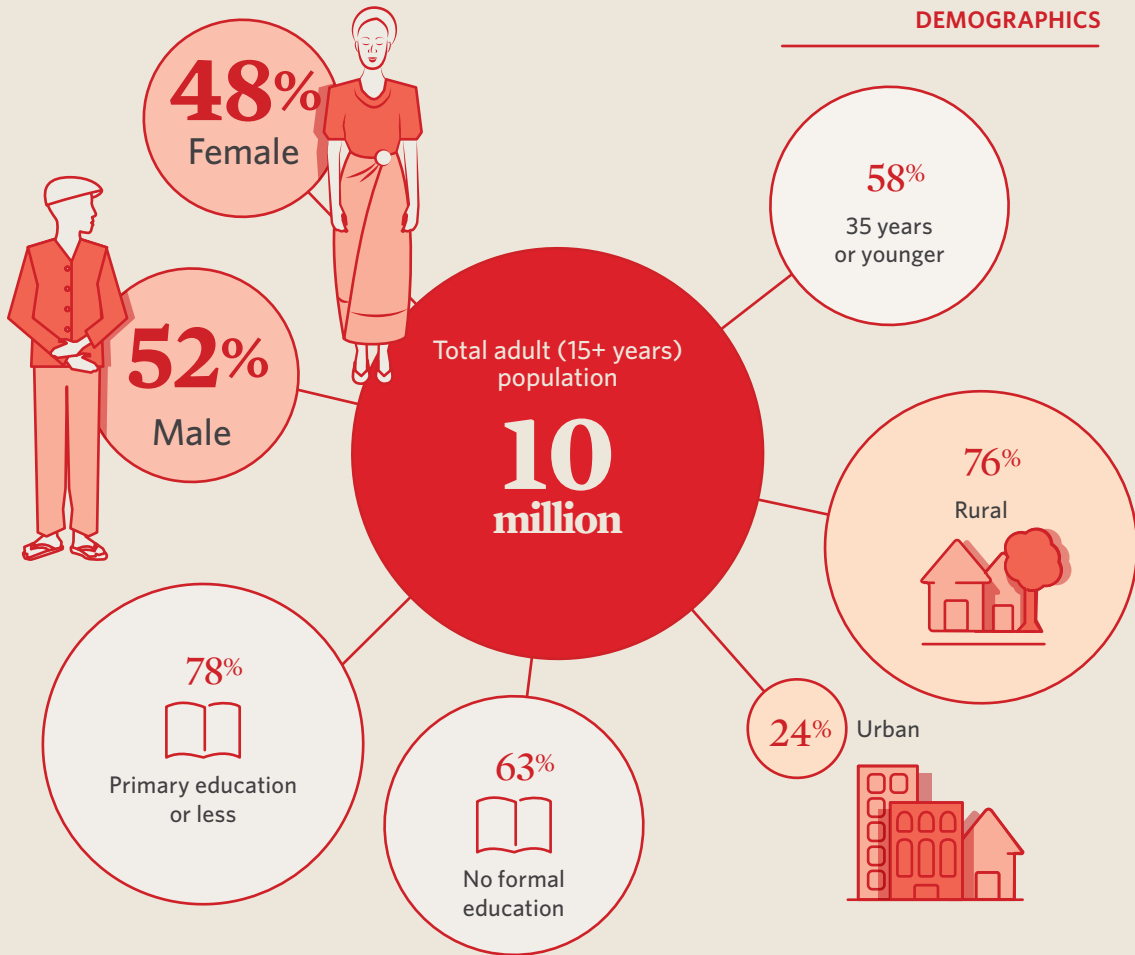
Sud-Ouest

Benin

Togo

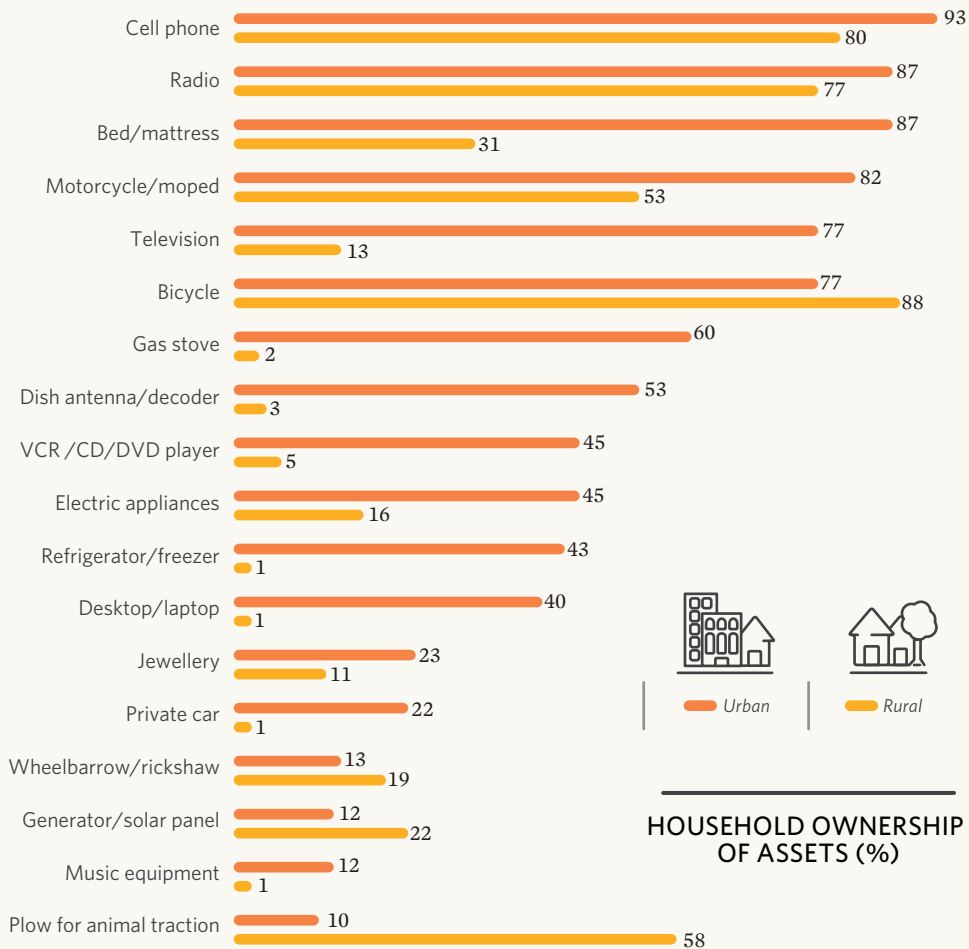
Ghana

Ivory coast



The gender distribution displayed above is obtained directly from the sampling frame. The actual Burkina Faso gender distribution is 52% Female to 48% Male. Overall, this does not change the findings.

DEMOGRAPHICS

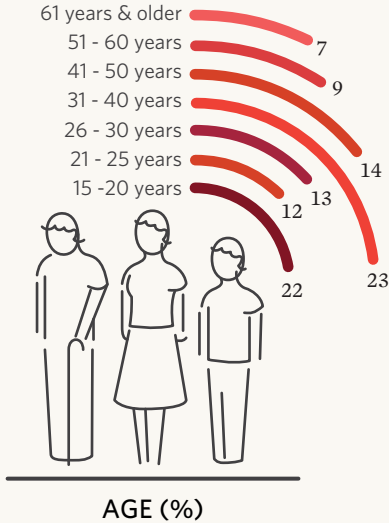


Urban



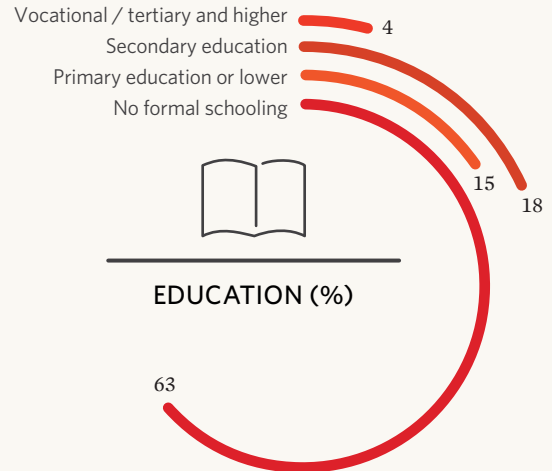
Rural

HOUSEHOLD OWNERSHIP
OF ASSETS (%)



- Adults with low educational attainments e.g. primary education or less are more prevalent in rural areas (88%) and rely mainly on agricultural activities or farming as a main income source (65%)

- Using 35 years and below for the youth group (58%), there are more youth who live in the rural areas (75%)

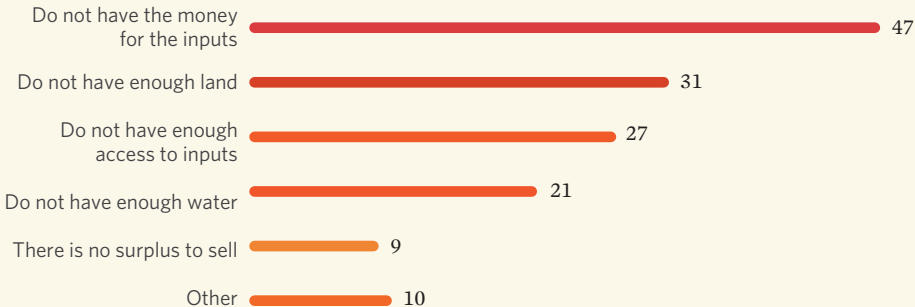


Agriculture



75% of Burkinabe households are involved in farming

- 9% of farmer households received formal training/ technical assistance mainly in agricultural, fishing and livestock techniques with most having had it free of charge
- Of those who are mostly consumption farmers and have considered commercialising, lack of inputs and land size cited as major barriers to commercialising



**BARRIERS TO
COMMERCIALISING (%)**



MARKET FOR THOSE SELLING CROPS/PRODUCE (%)

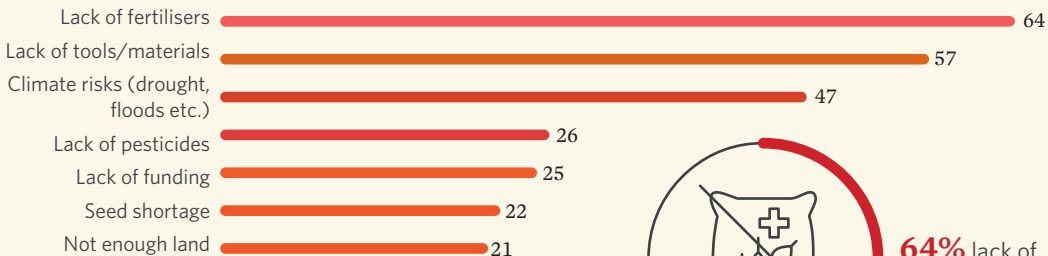


UNDERSTANDING PEOPLE'S LIVES

Agriculture



- The market place is the most popular channel for farmers to sell their produce
- 46% of farmer households are consumption farmers, 1% are fully commercial and 53% both consume and sell their produce



FARMING PROBLEMS EXPERIENCED (%)



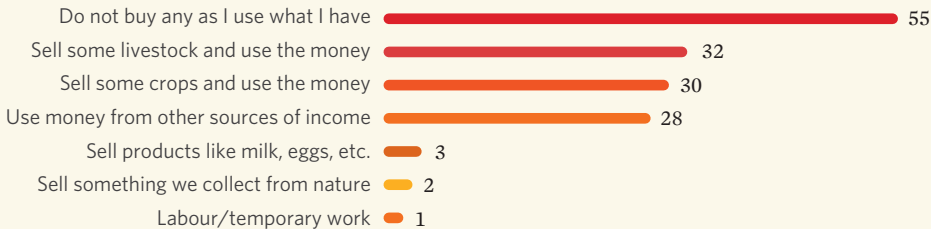
64% lack of fertilisers

Income/livelihoods

- Farming is very important to the Burkinabe with 75% of households being involved in farming corn (80%), millet (79%) and sorghum (74%)
- 8% of farmer households are in possession of a document for the land they farm on (title deed or petits papiers)



SOURCE OF FARMING INPUTS (%)

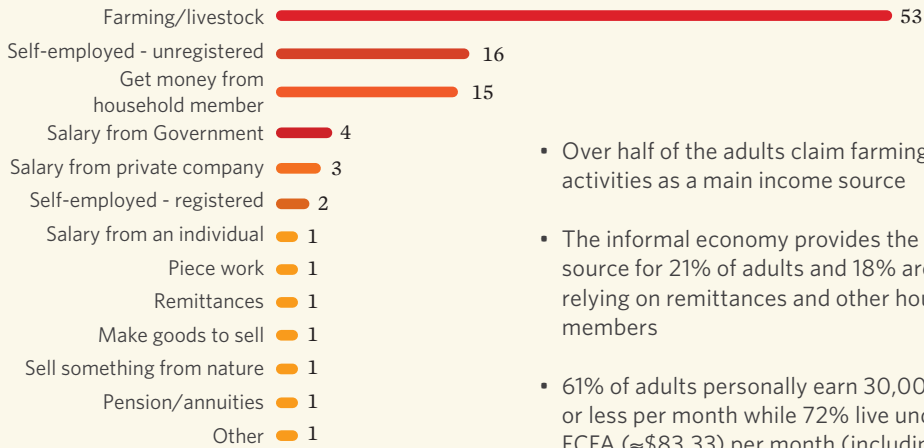
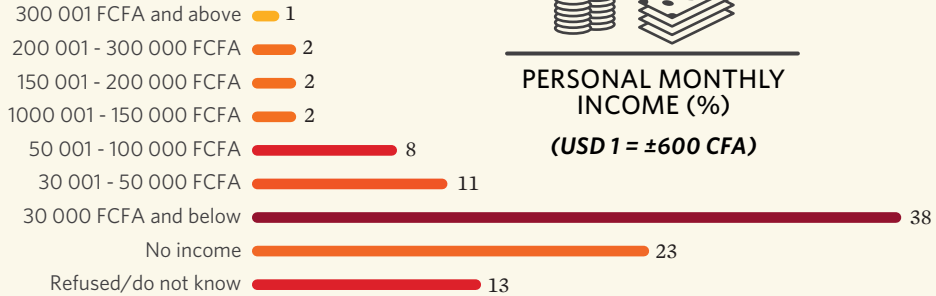


Income/livelihoods



PERSONAL MONTHLY INCOME (%)

(USD 1 = ±600 CFA)



PRINCIPAL INCOME SOURCE (%)

- Over half of the adults claim farming/farming activities as a main income source
- The informal economy provides the main income source for 21% of adults and 18% are dependents relying on remittances and other household members
- 61% of adults personally earn 30,000 CFA (≈\$50) or less per month while 72% live under 50,000 FCFA (≈\$83.33) per month (including 23% that claim to have no income)

Infrastructure accessibility

Adults using or aware of destination

Mean time taken to reach destination [minutes (')] |



Total



Urban



Rural



Grocery store

100%



Health centre

95%



Mobile money agent

40%



School

99%



MFI

25%



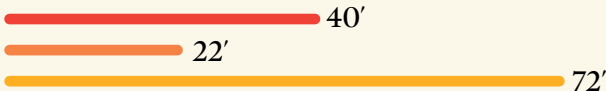
ATM

19%



Bank agency

22%



UNDERSTANDING PEOPLE'S LIVES



Walk



Cycle



Taxi



Bus



Car/motorbike

**Infrastructure
accessibility**

*Popular mode
of transport*

74%

20%

6%

30%

34%

1%

40%

48%

19%

40%

68%

21%

1%

10%

18%

21%

2%

1%

59%

18%

16%

1%

1%

64%

16%

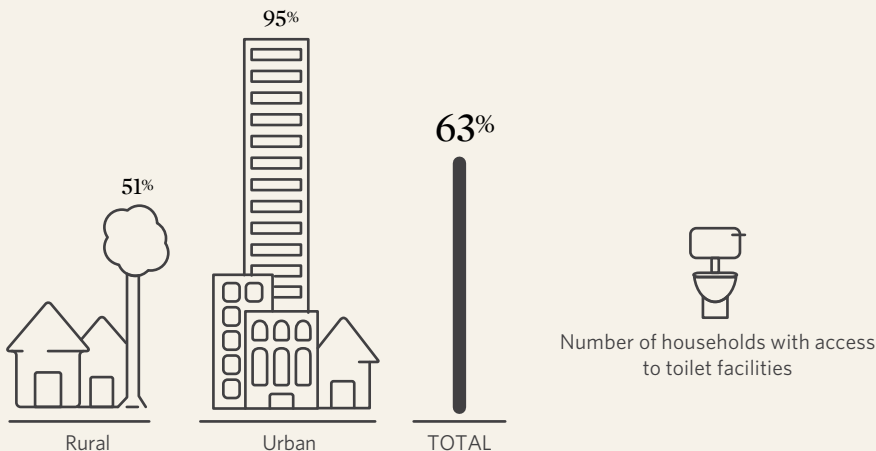
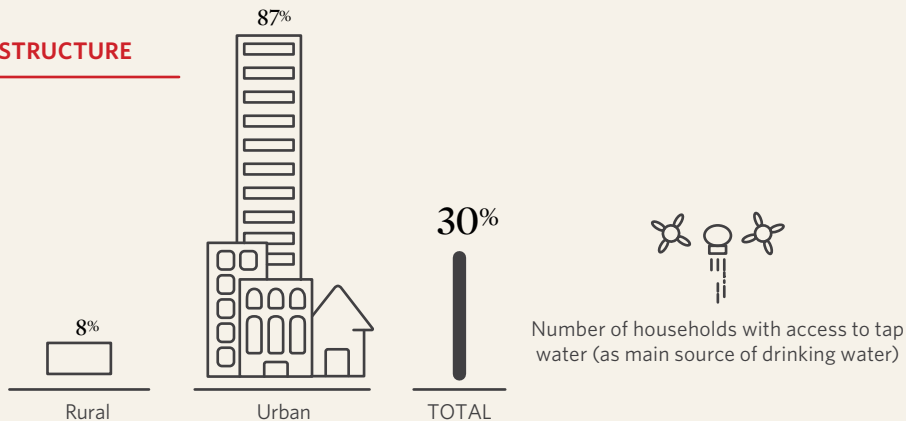
1%

1%

67%

Financial service access points are less accessible to adults without a car/ motorbike with the exception of Mobile money agents which are mostly located within walking distance

INFRASTRUCTURE

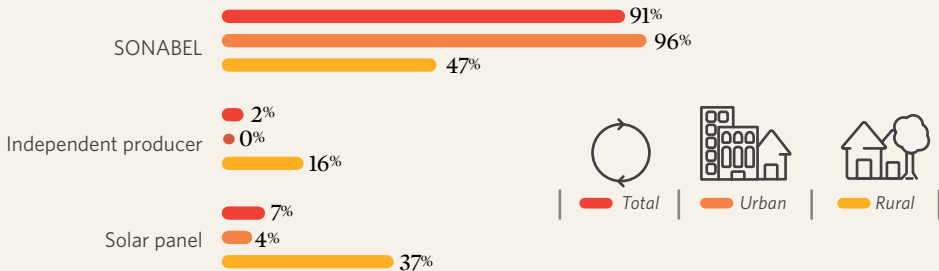
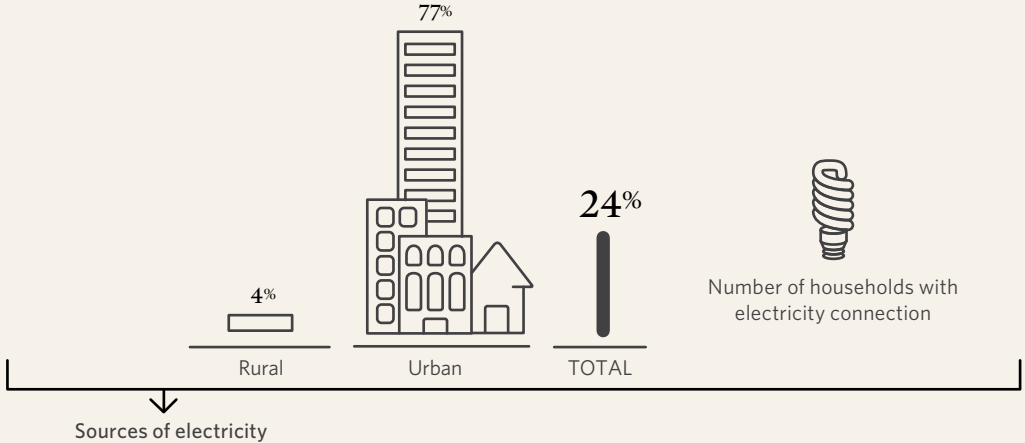


Type of toilet



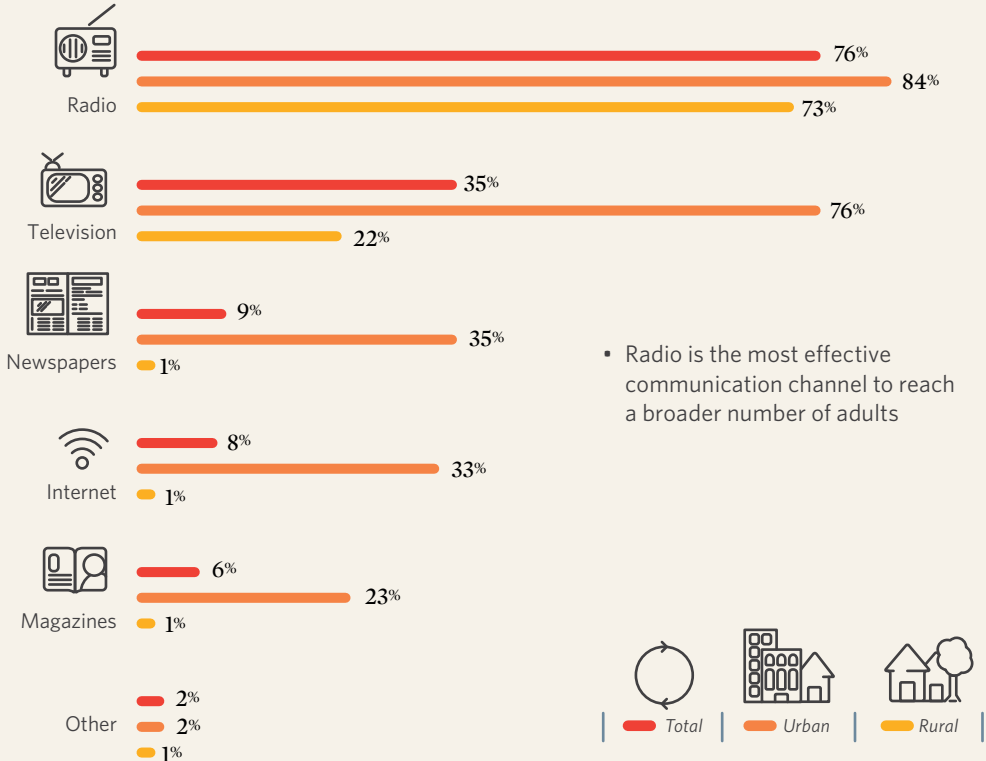
Infrastructure accessibility

Household level



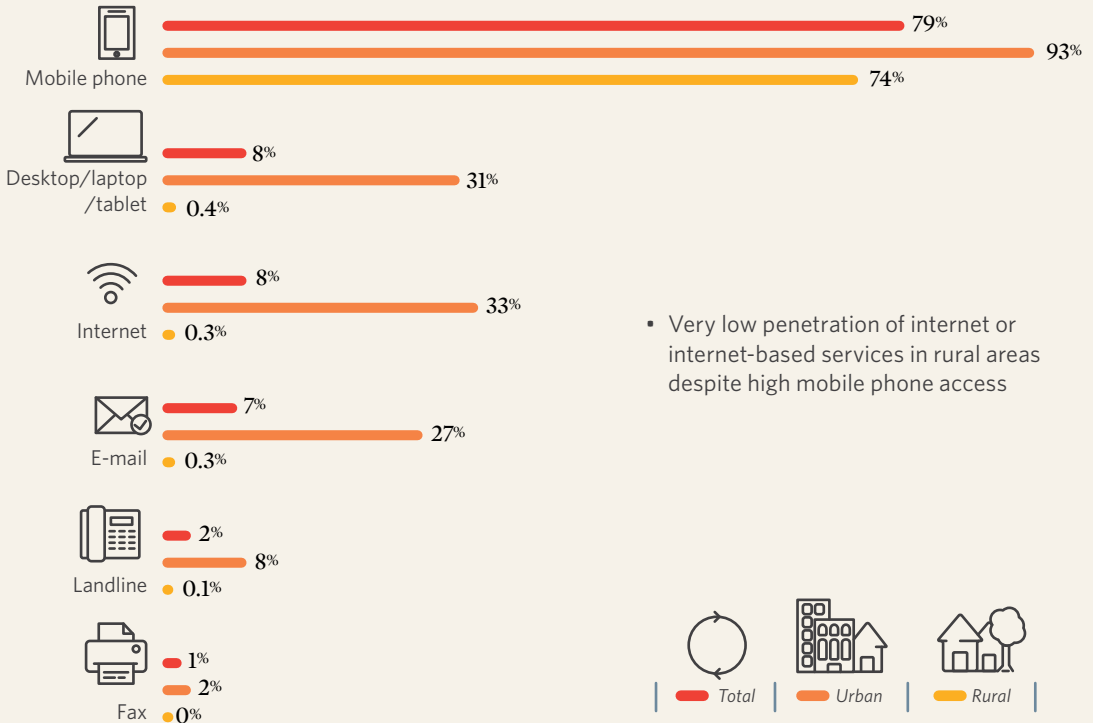
Communication and technology access/usage

Media access in past month



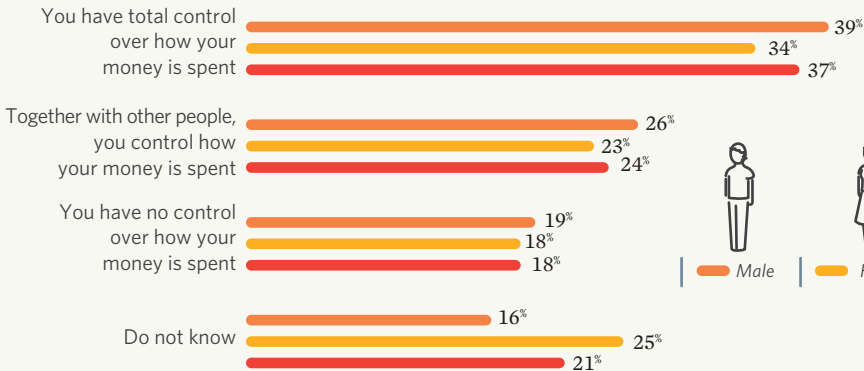
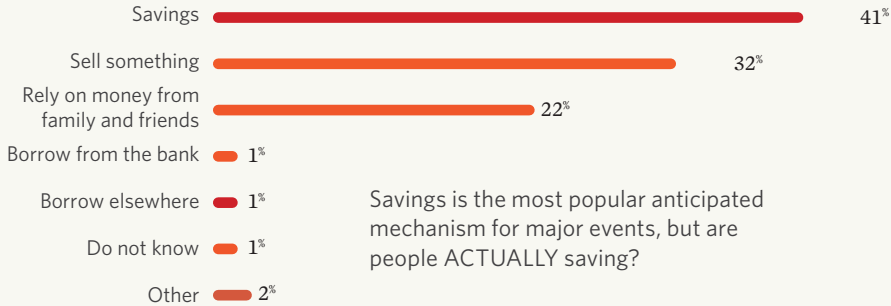
Communication and technology access/usage

Usage of communication device



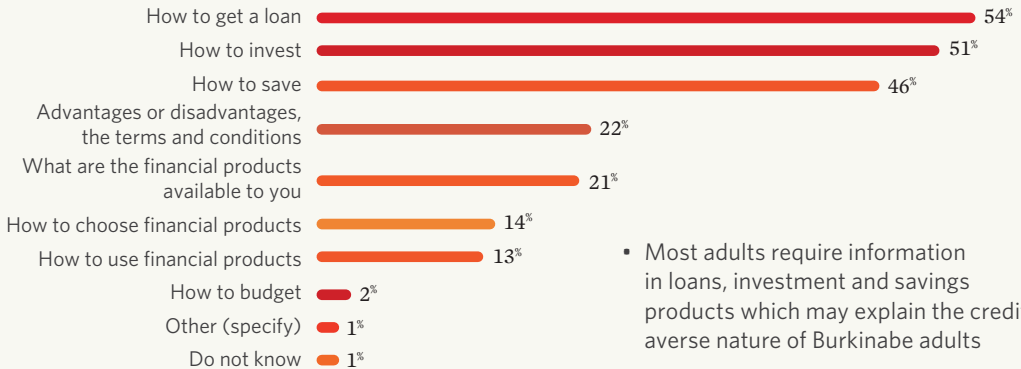
Planning for major future events and decision making

3.7 million (38%) adults expect a major event in the next 12 months



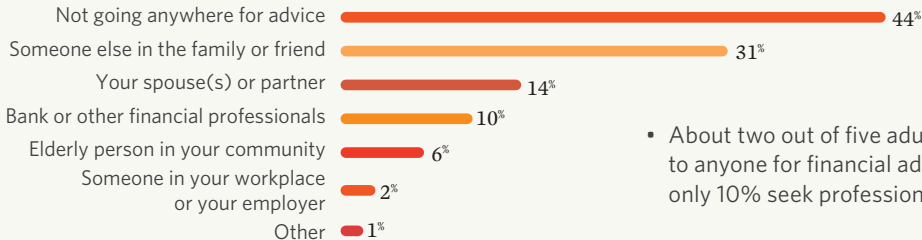
Desired financial education and financial advice

6.2 million (62%) needed more information about managing money



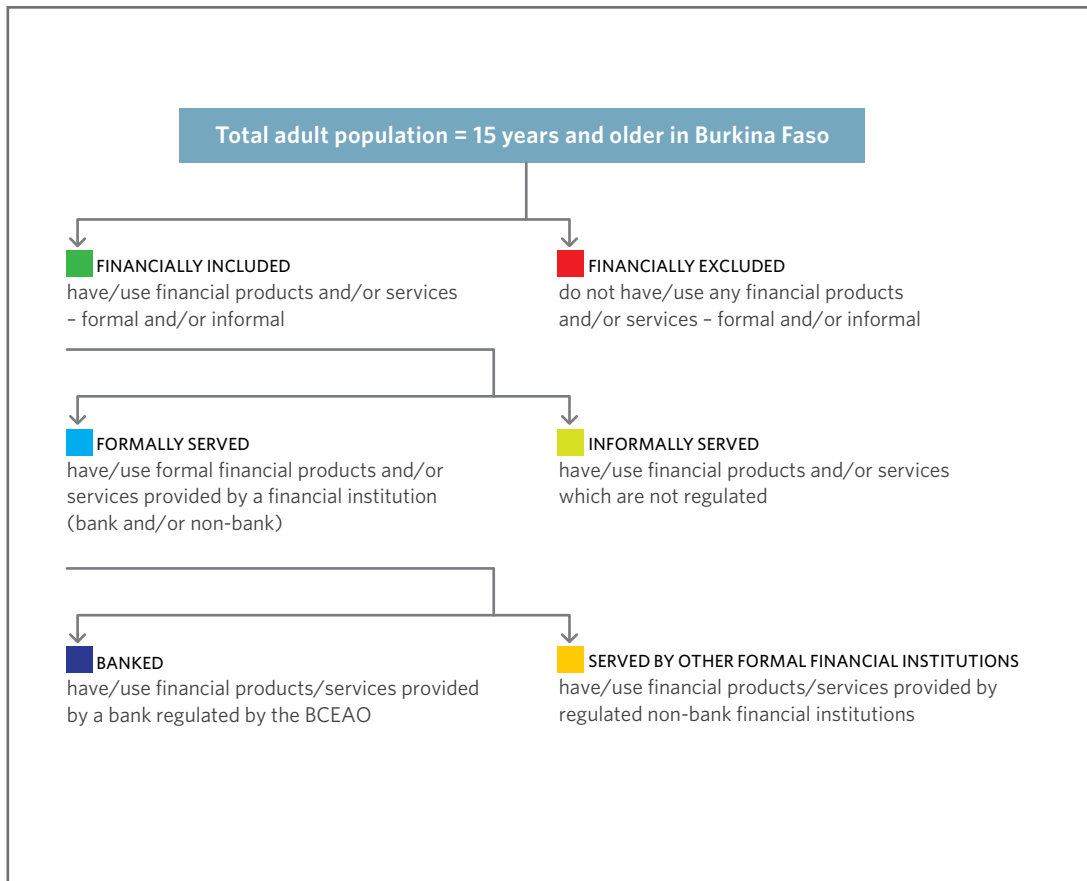
- Most adults require information in loans, investment and savings products which may explain the credit averse nature of Burkinabe adults

Source of financial advice



- About two out of five adults do not go to anyone for financial advice while only 10% seek professional help

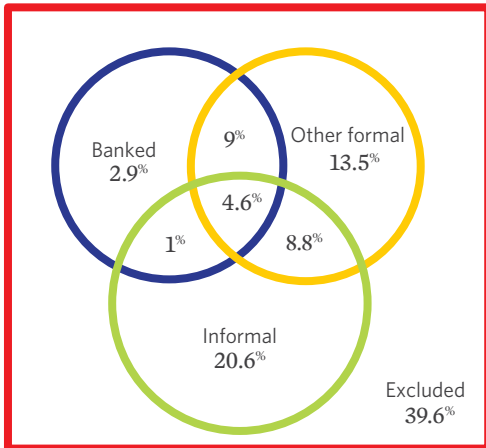
Defining financial inclusion by category



Formal' is a category classifying products or services as regulated or supervised by a formal institution like the Central Bank of West African States (Banque Centrale des Etats de l'Afrique de l'Ouest) or any other formal regulator/agency. The penetration levels presented in FinScope reflect current ownership or usage of products/services unless where specifically mentioned e.g. remittances. Hence, the penetrations of banks, MFIs or similar products may be under-reported

due to the current usage or possession of the product/service.

Duplicity may result in supply-side figures being inflated as FinScope reports on the number of adults rather than the number of accounts within or amongst the institution(s). Further, FinScope reveals access to products/services similar to 'active' account usage for comparability to supply-side data.

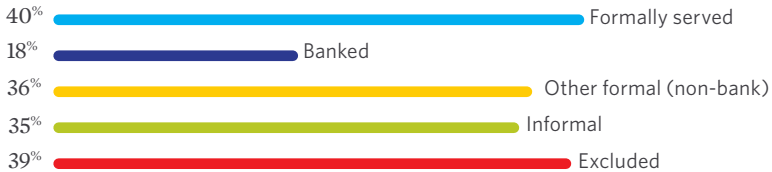


Note: Due to rounding off numbers of 'Banked' and 'Other formal' the 'Excluded' population is 39%

Overlaps

"Consumers generally use a combination of financial products and services to meet their financial needs"

- 3% of adults rely exclusively on banking services yet 14% rely exclusively on other formal mechanisms
- 14% use a combination of banked, and/or other formal and/or informal mechanisms to manage their financial needs, thus indicating that their needs are not fully met by the formal sector alone
- One fifth of the adult population ONLY rely on informal mechanisms such as saving in livestock, solidarity systems to cover funeral risk



- 40% of adults are formally served, including both banked and other formal non-bank products/services
- 18% of adults are banked
- 36% of adults have/use other formal non-bank products/services
- 35% of adults have/use informal mechanisms for managing their finances
- 39% of adults are financially excluded

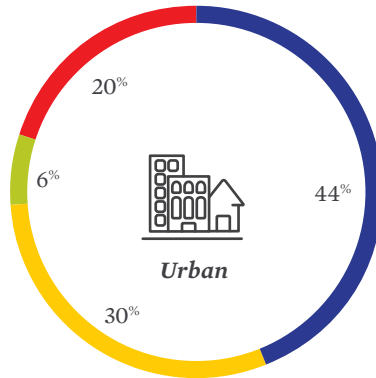
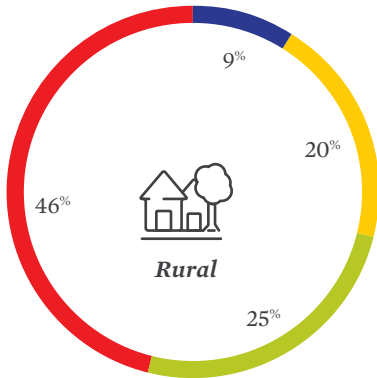
Overall Financial Access Strand



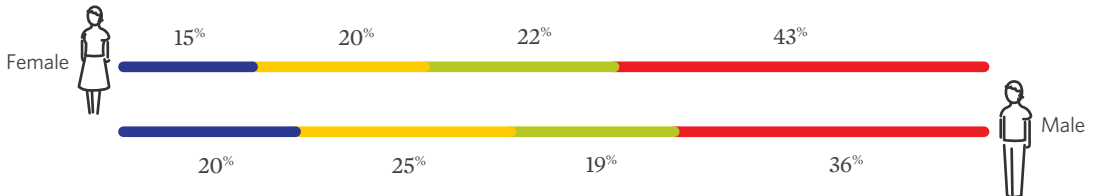
In constructing this strand, the overlaps in financial product/services usage are removed, resulting in the following segments:

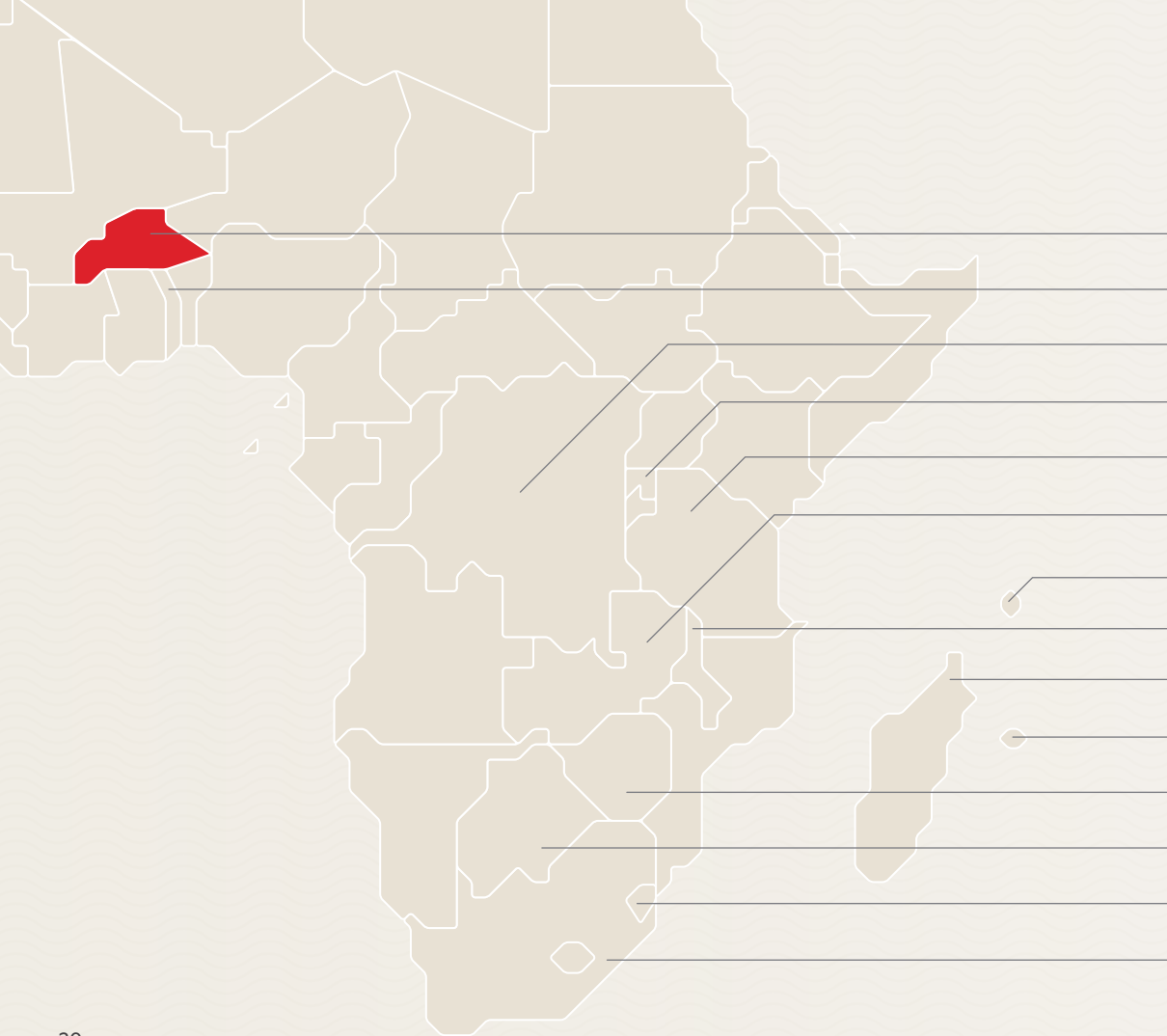
- Financially excluded adults, i.e. they do not use any financial products/services – neither formal nor informal – to manage their financial lives (39%)
- Adults who have/use informal mechanisms only but no formal products/services (21%)
- Adults who have/use other formal non-bank products/services but NO commercial bank products (22%) – they might also have/use informal mechanisms
- Adults who have/use commercial bank products/services (18%) – they might also have/use other formal and/or informal mechanisms

Access Strand by Location

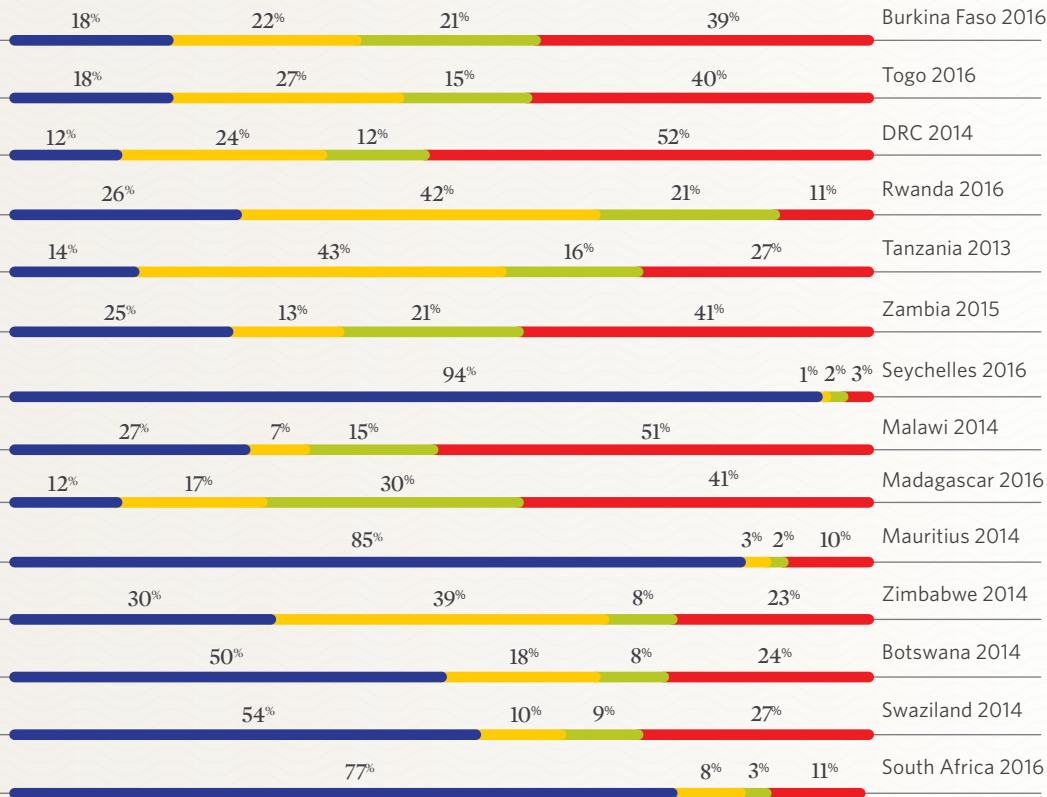


Access Strand by Gender





Country comparison of the Access Strand in Sub-Saharan Africa



Banked

Other formal
(non-bank)

Informal only

Excluded



Banking and MFI penetration

How many adults are banked and using MFIs?



Banked



MFI (current)

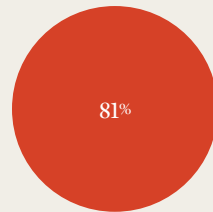
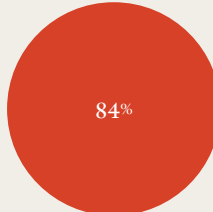
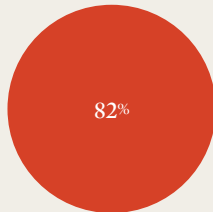


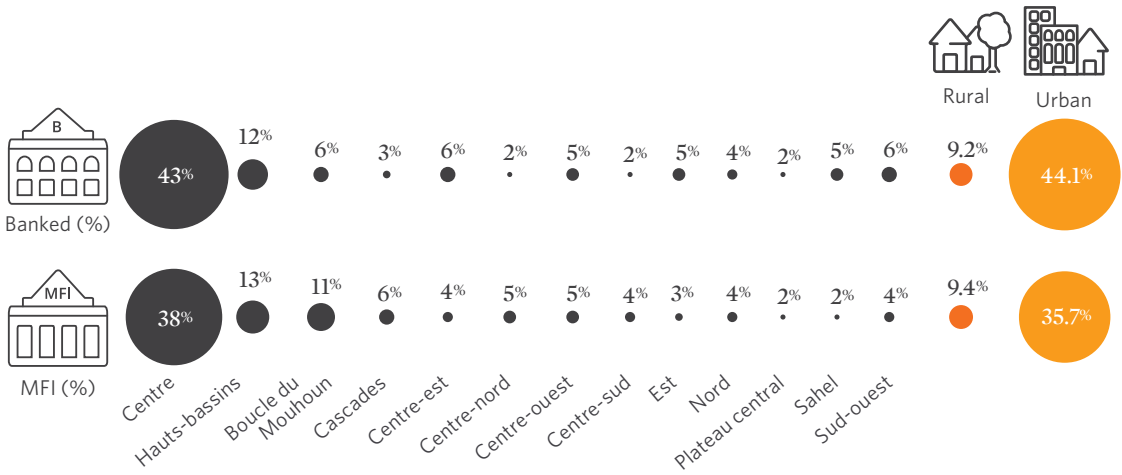
MFI (current & past)

Number of adults currently using product in Burkina Faso



Number of adults not using product in Burkina Faso



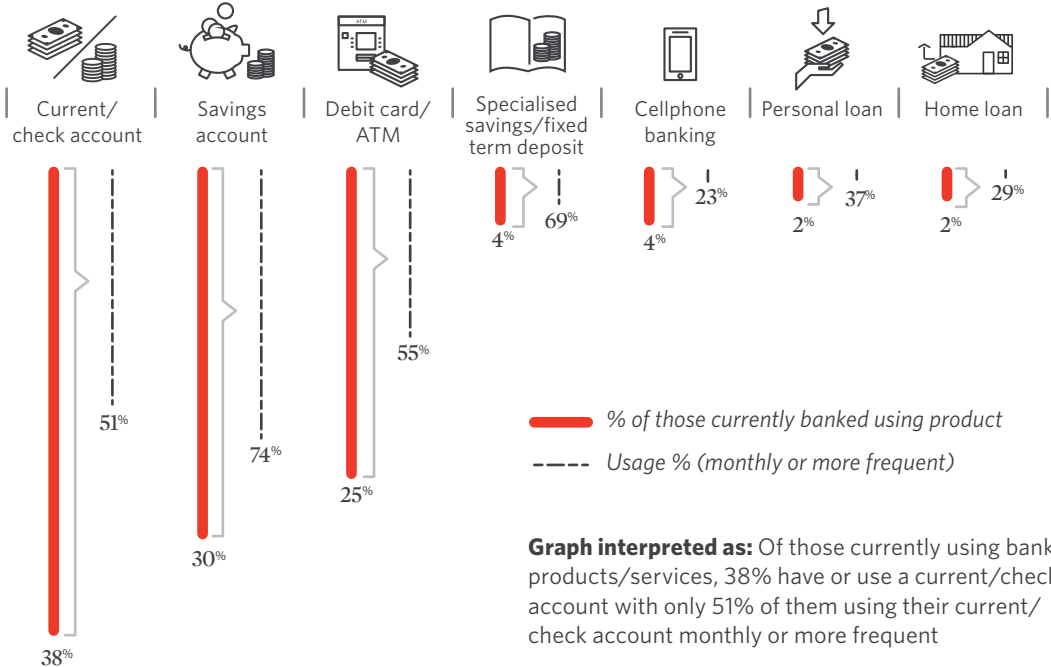


- Banked adults are predominant in the Central region as well as adults served by MFIs
- There is a higher proportion of adults with bank products in urban areas than MFI products. The penetration of MFI products in rural areas is slightly higher than bank products



Banking

What products/services are driving the banked?



Graph interpreted as: Of those currently using bank products/services, 38% have or use a current/check account with only 51% of them using their current/check account monthly or more frequent

- Although cheque accounts drive the bank products, usage of bank products is driven by savings products such as savings accounts or fixed term deposit accounts



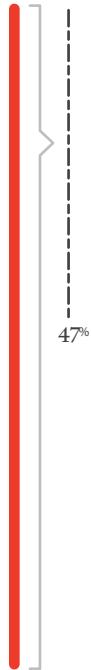
MFI

Bank and MFI access

What products/services are driving MFIs?



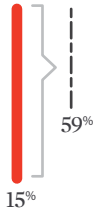
Savings account



58%



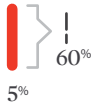
Current/
check account



15%



Equipment loan



5%

60%



Specialised savings/fixed term deposit



5%

67%



Cellphone banking



4%

32%



Debit card/
ATM



2%

47%



Personal loan



1%

72%

— % of those currently using MFIs

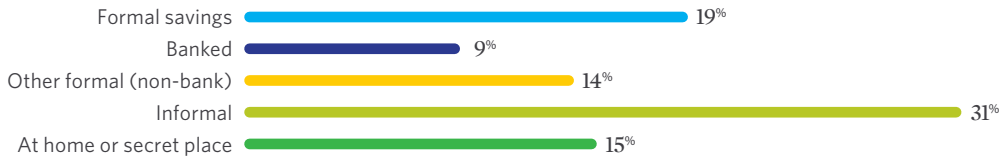
- - - Usage % (monthly or more frequent)

Graph interpreted as: Of those who currently use MFI products/services, 58% use MFI savings accounts with 47% of these using them monthly or more frequent



Savings and investments

- Informal is mainly driven by livestock



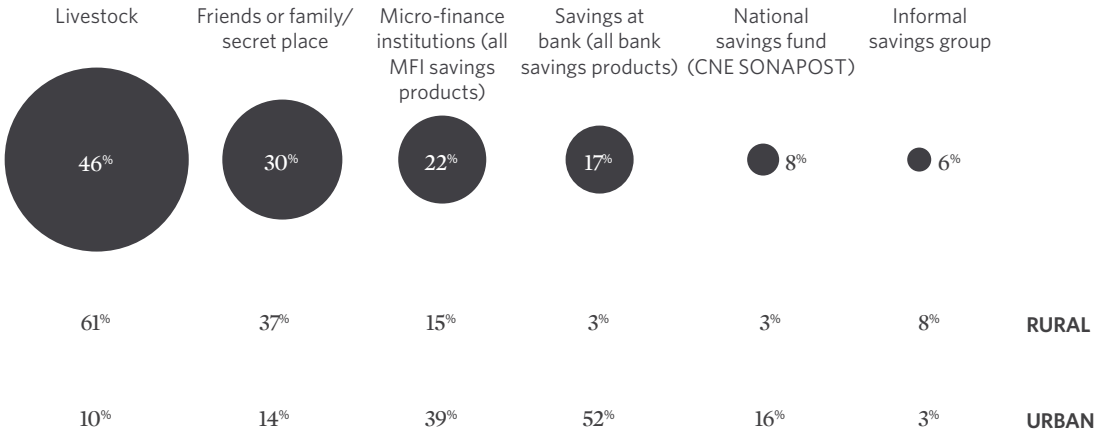
Savings Strand



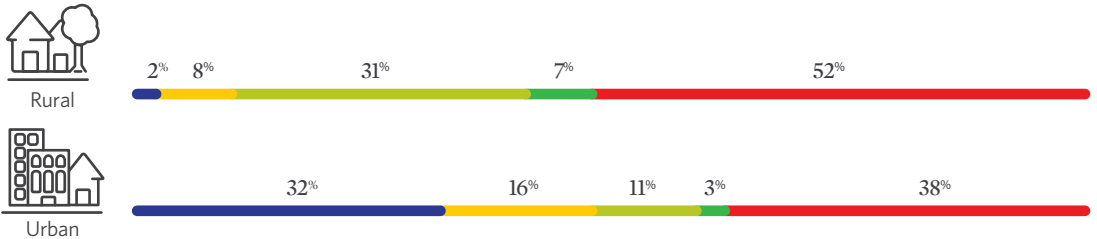
In constructing this strand, the overlaps in financial product/services usage are removed

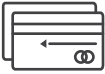
- 49% of the Burkinabe were not saving at the time of the survey
- 6% keep all their savings at home, i.e. they do not have/ use formal or informal savings products or mechanisms
- 26% rely on informal mechanisms such as savings groups (they might also save at home, but they do not have/use any formal savings products)
- 10% have/use formal non-bank savings products (they might also have/use informal savings mechanisms, but they do not have/use savings products from a commercial bank)
- 9% have/use savings products from a commercial bank (they might also have/ use other formal and/or informal mechanisms, or save at home)

Savings mechanisms (of those currently saving)

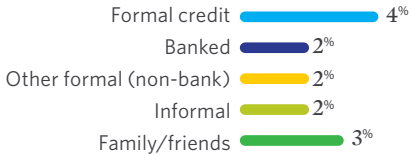


Savings Strand by area type





Borrowing and credit



Credit Strand

2% 2% 2% 3%

91%

In constructing this strand, the overlaps in financial product/services usage are removed

- 91% claimed not to borrow at the time of the survey, neither from friends/family nor from formal/informal financial services providers
- 3% borrow only from friends and family, i.e. these individuals do not have/use formal or

informal credit/loan products or mechanisms

- 2% rely on informal mechanisms such as informal money-lenders (they do not have any formal financial credit/loan products, but they might also borrow from friends and family)
- 2% have/use credit/loan products from other formal (non-bank) institutions, but

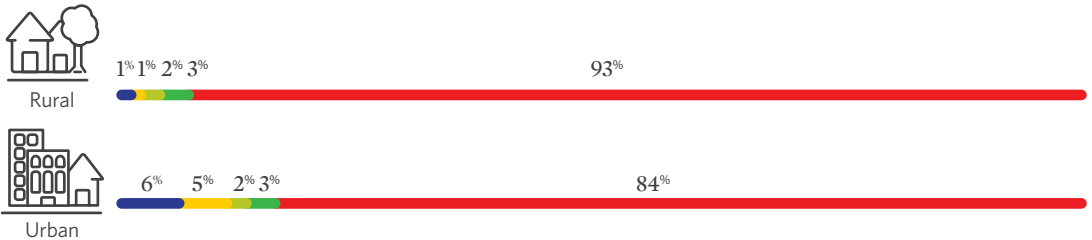
do not have credit/loan products from a bank (they could also use informal credit/loan products and/or borrow from friends and family)

- 2% of adults have/use credit/loan products from a commercial bank (however, they could also have other credit/loan products and/or borrow from friends and family but the defining characteristics are that they borrow from a bank)

Borrowing mechanisms (of those currently borrowing)

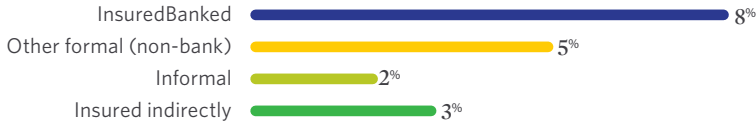


Savings Strand by area type





Insurance and risk management



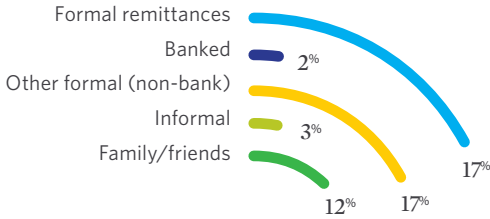
- Only 8% of adult Burkinabe have insurance and solidarity system (8%), are the popular products driving insurance
- 26% of Burkinabe adults experienced the loss of main income earner and 25% experienced drought, low rainfall, etc.
- The main barriers to insurance uptake despite a majority of adults stating that they face risk is income related as well as awareness and literacy of the benefits or even knowledge of insurance. Of those without any mechanism covering risk, almost half (45%) believe there are other ways to cover risk other than insurance
- Of those insured, the uptake of a motor insurance (35%), medical aid/health fund (21%), accidental or travel cover (12%)

Insurance Strand





Remittances



- 27% of adults received money while 18% sent money in the last 12 months
- More males sending money (20%) than females (16%)
- 32% of adults remitted within Burkina Faso and 9% remitted abroad

Mobile money

- 16% of adults own mobile money services while 30% use mobile money services implying usage by non-registered adults

Of those who use mobile money services (30%):

- 86% use it to remit
- 43% transact through mobile money (pay utility bills, buy airtime, etc.)
- 10% use it to keep money

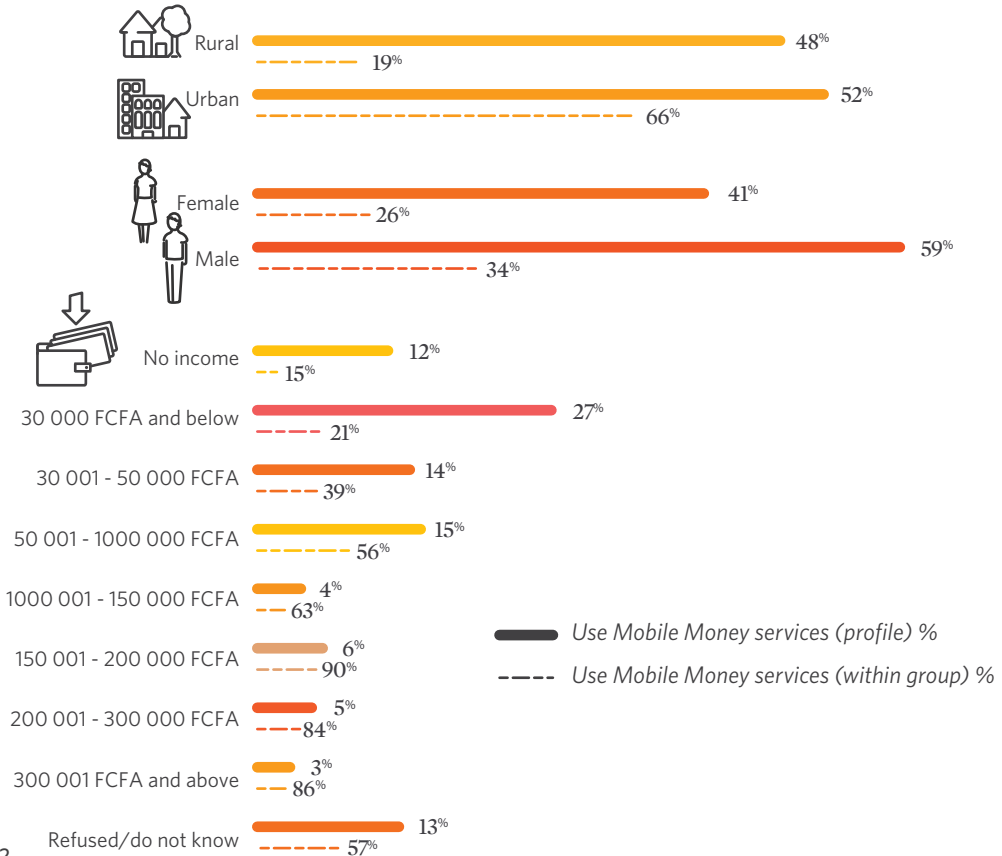
Remittances Strand



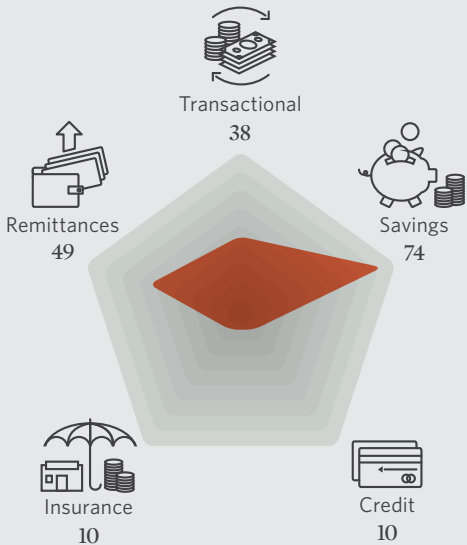


Mobile money

Graph interpreted as: 48% of mobile money users reside in rural areas versus 52% in urban areas, while only 19% of the rural population uses mobile money versus 66% of the urban population using mobile money



LANDSCAPE PRODUCTS

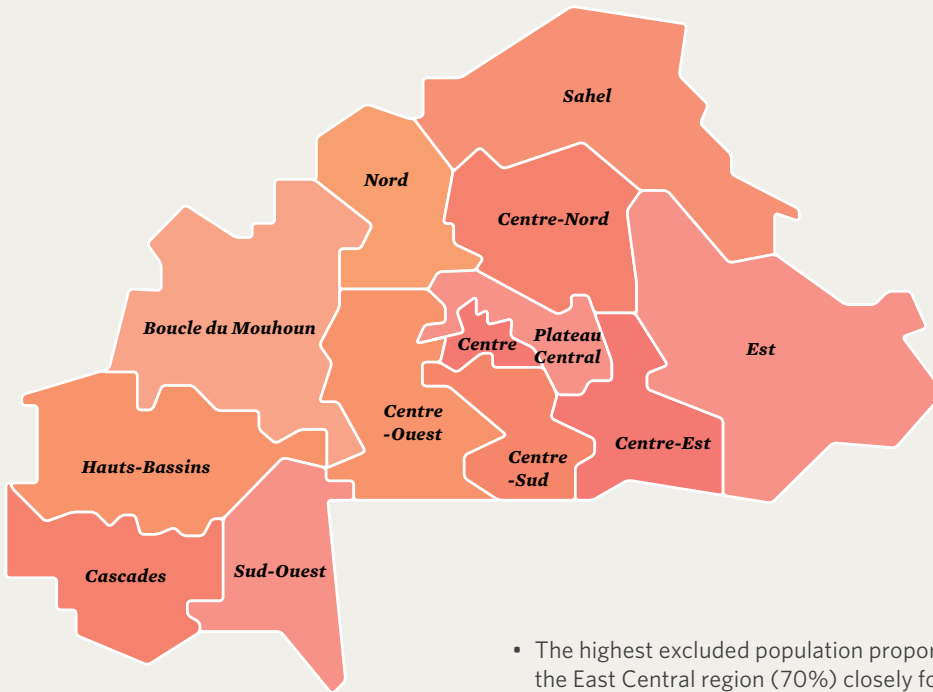


Landscape of Access

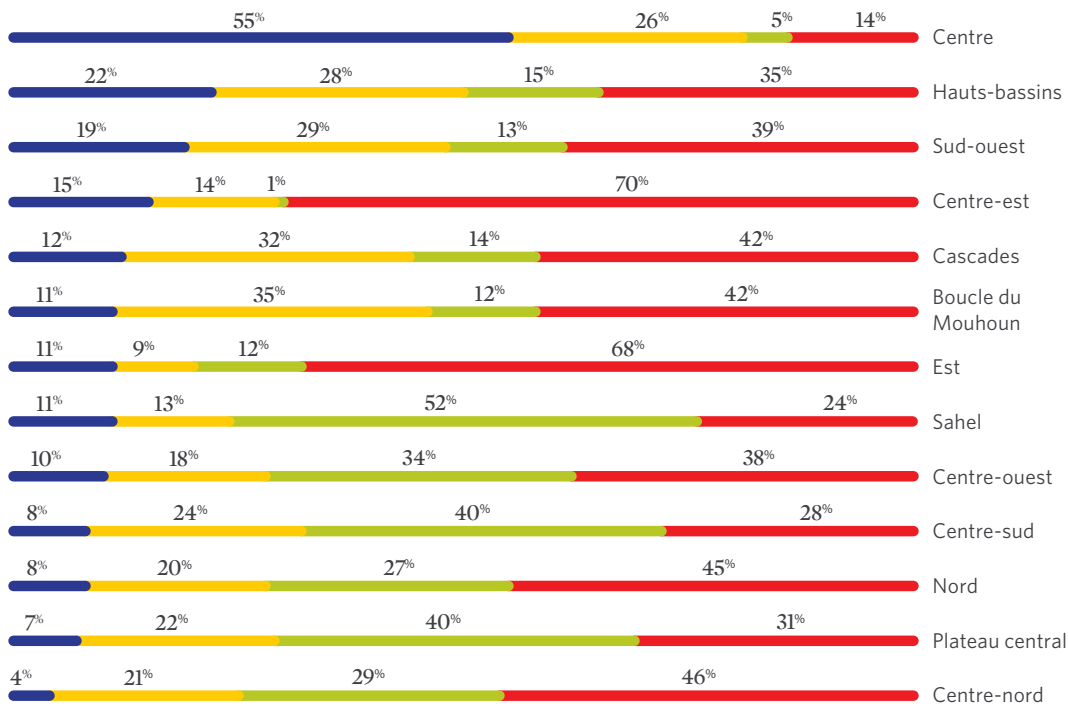
The Landscape of Access is used to illustrate the extent to which financially included individuals have/use financial products/services (excluding those borrowing from family/friends and those who save at home/hiding in secret place)

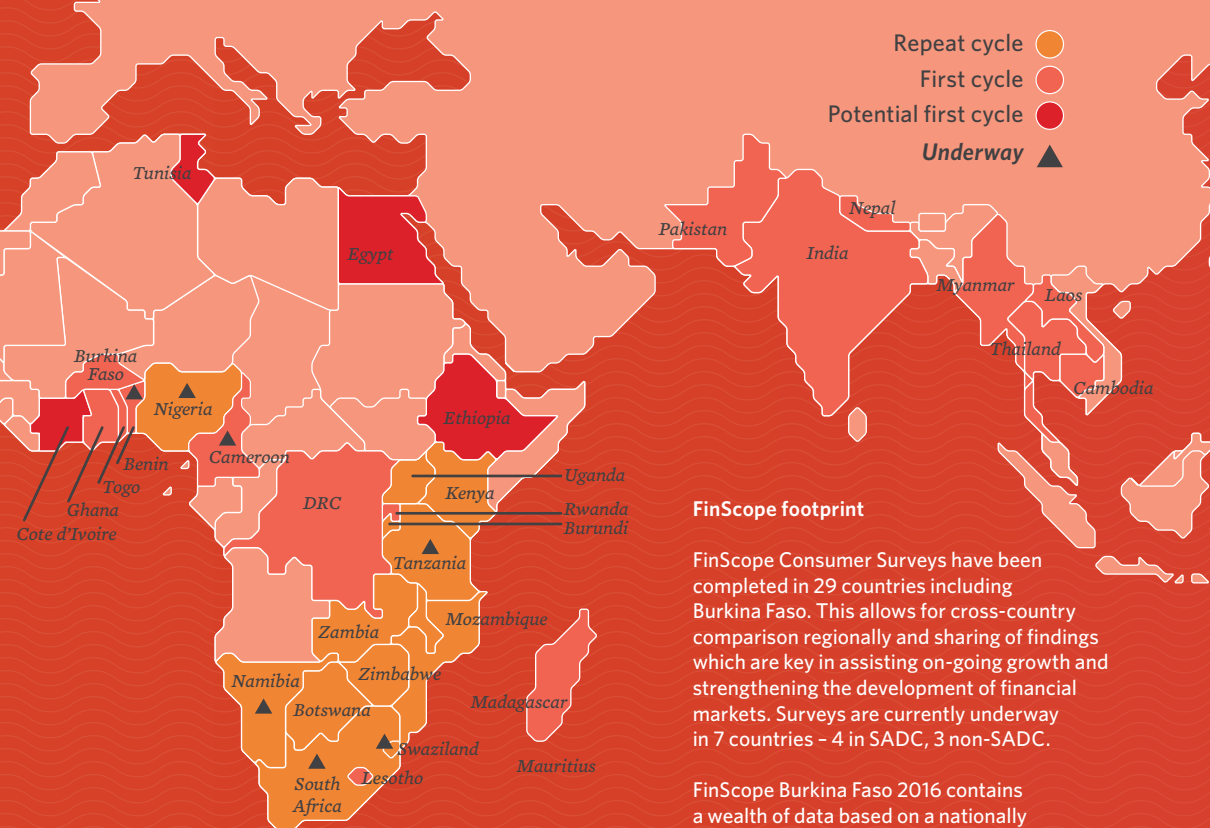
KEY RECOMMENDATIONS

1. Continued enabling regulatory environment and introduction of low cost 'no-frills' accounts that are targeted at youth and the poor
2. Commercialisation of farming to better improve the sector and participants livelihoods through value-chain approach at regional level
3. Mobile money as tool to increase reach of formal services - with almost one in three adults using mobile money mainly to remit and transact, extending the service to carry other financial products can improve access to financial services
4. Savings is the biggest driver of financial inclusion in Burkina Faso largely driven by informal mechanisms and those with savings accounts - exploration of actual savings through bank savings accounts should be undertaken
5. Insurance to better manage impact of risks - insurance is driven by motor vehicle insurance with very low life assurance and health care as well as agricultural/livestock insurance
6. Consumer education and financial literacy are real issues in Burkina Faso - interaction with financial products like insurance is largely encumbered by financial illiteracy



- The Central region (81%) is the most formally included region followed by the Hauts-bassin (50%). The Boucle du Mouhoun region has the highest proportion of adults with other formal (non-bank) products (35%)
 - The Central region (14%) has the lowest excluded population proportion due to high formally included adults followed by the Sahel region (24%) being driven mainly by informal product uptake mainly being livestock savings
- The highest excluded population proportion is in the East Central region (70%) closely followed by the Eastern region (68%)
 - Formal credit uptake is higher in the Central region (12%) and Hauts-bassin (7%) while the Sahel region has the highest proportion of those borrowing informally (8%)
 - Savings overall are higher in the Central and Sahel regions (72%) and South Central and Central Plateau regions (67%) driven by informal savings in livestock in all regions with exception to the Central region driven by bank savings





FinScope footprint

FinScope Consumer Surveys have been completed in 29 countries including Burkina Faso. This allows for cross-country comparison regionally and sharing of findings which are key in assisting on-going growth and strengthening the development of financial markets. Surveys are currently underway in 7 countries - 4 in SADC, 3 non-SADC.

FinScope Burkina Faso 2016 contains a wealth of data based on a nationally representative sample of the adult population of the Burkinabe.

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