



Making  
financial  
markets work  
for the poor

# Annual Report

2022

**FMT**20  
FINMARK TRUST

20 years of making  
financial markets  
work for the poor



## Our Vision

A SADC region in which all people can use 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.



## Our Mission

Making financial markets work for the poor by promoting financial inclusion and inclusive growth.



## Our Purpose

FinMark Trust works tirelessly to solve to the challenges that impact the lives of the poor in the Southern African Development Community (SADC) region. We are convinced that financial inclusion is part of a larger development agenda that will ultimately result in improved livelihoods. While we continue to focus on the inclusive development of financial markets, we have expanded our purpose and strategic focus to include initiatives that result in real economy impacts. We refer to this broader focus as Financial Inclusion 2.0.



## Human Development Impacts

Inclusive economic growth characterised by increased and sustained access to jobs and improved livelihoods for all, with a special focus on women.

Increased access to basic goods and services - for example health, affordable housing, food and energy.

Sustainable futures through development processes that create and sustain resilience, equality, fairness and the social well-being of communities.





# Chairman's Report

*'The demand for reputable data and analysis is increasing. FinScope surveys and the detailed data reporting provided have proven to be invaluable to key industry decision-makers.'*

**Cas Coovadia**

Chairman: FinMark Trust



In the past two decades, we have demonstrated that results are possible when reliable data and expertise successfully support public-private partnerships in our industry to inform policy and strategies that significantly impact the real economy. We remain resolute in our purpose to make financial markets work for the poor.

The global environment has been severely affected by the Covid-19 pandemic, the negative impacts of the Russia-Ukraine war, rising inflation and protectionism. It is a critical time for the SADC region that requires a sharper focus on promoting economic growth. With inflation higher than it has been in decades, the rising cost of living has had a devastating effect on the lives and well-being of people in our region, further exacerbated by high rates of unemployment, political instability and increasing income inequality. Our purpose remains as critical as ever.

In the past year, our work with governments in the SADC, regulatory partners, and the private sector, has made a meaningful contribution to the financial services industry in support of returning to growth in the region. In the SADC region particularly, the organisation has been actively involved in key initiatives focused on deepening financial inclusion.

Our focus is to repurpose the economy to be inclusive and incorporate environmental sustainability. Our regional financial inclusion programmes have contributed to:

- Supporting the sustainability of MSMEs through supplier development pilots in Botswana, Eswatini and Lesotho;
- Regional trade integration through formal cross-border remittances and initiating a pilot to support low-cost payment services for MSMEs along the South Africa to Lesotho corridor;
- Expanding regional financial inclusion to cover forcibly displaced persons including asylum seekers and refugees in Eswatini.

Many factors in the region continue to restrain the economy, but locally the energy crisis, high unemployment and inequality further deters investment and growth. To address some of these issues, we have begun to pilot and implement a project to provide social grant recipients with sustainable livelihoods by connecting them to economic opportunities. We are also exploring the viability of a digital payment ecosystem for low-income areas through community digitalisation to improve the quality of life and economic development of disadvantaged communities.

The demand for reputable data and analysis is increasing. FinScope surveys and the detailed data reporting provided have proven to be invaluable to key industry decision-makers. The demand for the implementation of FinScope MSME surveys is also increasing. This demonstrates the importance of FinMark Trust's Financial Inclusion 2.0 strategy, which shifts away from financial inclusion primarily focused on financial access and towards real economic outcomes that prioritise inclusive growth and the development of sustainable livelihoods. This transition is a driving force behind our new strategy, and how we contribute to the global debate on inclusive growth data.

I am pleased that despite the economic turmoil, FinMark Trust has remained committed to making financial markets work for the most vulnerable communities. Looking ahead, and in the spirit of leaving no one behind, especially women, I believe we will continue to deliver on our mandate of implementing solutions that enable financial markets to have a meaningful impact on the real economy through solid, evidence-based insights, programmes and solutions.

I would like to express my heartfelt gratitude to our government and regulatory partners, as well as the private sector and funders, without whom our work would be impossible. To our trustees and staff, thank you for your hard work and invaluable contributions. I appreciate you investing your time and energy to make financial markets work for the poor.

# CEO's Report

*'Despite the challenging funding environment, we continued to make progress in our efforts to improve the lives of the poor in the SADC region.'*

**Brendan Pearce**

CEO: FinMark Trust



Once the restrictions imposed by the Covid-19 pandemic were eased last year, we have been able to engage our stakeholders and conduct our work in a far more open environment. Face-to-face engagements with stakeholders across the region, after nearly three years of virtual interaction, brought new energy and momentum to our projects and programmes. Unfortunately, global funding remained constrained which compelled us to work with limited budgets and resources. Yet, despite the challenging funding environment, we continued to make progress in our efforts to improve the lives of the poor in the SADC region.

In 2020, when we embarked on a strategic shift in our financial inclusion journey, we set out to bridge the gap between financial access and real livelihood outcomes for poor people – especially women. Our programmes have placed greater emphasis on interventions that promote economic development, employment, MSME development and access to basic services – all of which have been implemented in a sustainable way in line with our Financial Inclusion 2.0 strategy.

This year, the shift has become more evident in our work on the Generating Better Livelihoods project that we implement in partnership with BRAC International, the South African Social Security Agency (SASSA) and the Department of Social Development (DSD) in South Africa. In the SADC, our work on supplier development for MSMEs and small farmers, as well as our projects in cross-border remittances and informal cross-border trade, taught us a great deal about this new way of working, the challenges it presents and the relative impact that we can have.

Our progress and the results achieved over the last year demonstrate that we are indeed moving in the right strategic direction with our response to the SADC region's economic regression caused by Covid-19 and the global slowdown. To address the levels of poverty and unemployment exacerbated by these external factors, all stakeholders in the region must work together with focus and dedication.

We have made significant progress in the SADC through the implementation of the SIBE programme to improve the business environment, investment, financial sector integration and financial inclusion. This regional initiative demanded that we expand and improve our programme management and implementation capacity.

We have deepened our financial inclusion journey in the region in partnership with the Committee of Central Bank Governors (CCBG). Projects such as the development of a SADC-wide digital financial identity for the region's large number of migrants, reducing the cost of cross-border remittances, and creating a monitoring and evaluation system for financial inclusion in the SADC are only a few examples of what the partnership has produced.

We are making strides in our work on gender equality to better understand the dynamics and how they affect women in our focus areas. Our market research informed our strategy to incorporate gender awareness into all our programmes, with work already being done with SASSA child grant recipients, informal cross-border traders and cross-border remitters. This will be expanded in the coming financial year through specific programme interventions.

FinMark's Board of Trustees, management and staff have once again demonstrated their commitment to the organisation's work in the SADC region. We celebrated our twentieth anniversary by reflecting on our journey and all that we have accomplished and learned. The next phase will be to incorporate the lessons learned into our new strategy. I would like to thank all our internal and external stakeholders for their ongoing support and dedication to changing the lives of the poor in our region.



# Programmes

*'The team faced a challenging year, with our focus to solidify our work and role in the region, and implement projects in countries still affected by Covid-19'*

The programmes team is evolving to ensure impact-driven outputs in support of financial and economic inclusion to alleviate poverty in the region. Our financial inclusion specialists in research, regulation and implementation ensure that we effectively support advocacy, regulatory and policy reviews. In addition, we conduct technical and capacity-building in our key thematic areas like gender, inclusive digital finance, digital payments and integrity. The team faced a challenging year, with our focus to solidify our work and role in the region, and implement projects in countries still affected by Covid-19 and to deliver impact to our constituents despite difficult funding conditions.

Our evidence-based interventions receive regional and domestic support. A high-level overview of our team's success stories are highlighted in the table alongside.

To ensure evidence-based interventions, the programmes team, supported by the country coordinators, continues to leverage the data provided by the data team (primarily FinScope), supply-side data supplied by the regulator, research and scoping on specific areas of intervention.

We continue to lead the Consortium of the Southern Africa Trust and GFA Consulting Group as the implementing partner to the SADC for the European Union-funded Support for Business and Investment Programme (SIBE). The programme supports regional integration through policy and regulatory interventions, market assessments and implementation, with a focus on three deliverables: investment, financial markets and financial inclusion, and MSME access to finance.

We continue to support the CCBG by bringing a financial inclusivity lens to their work. FinMark Trust supports the delivery of a measurement and evaluation framework, and the implementation of the framework to support appropriate measurement of financial inclusion in the region.

**Nikki Kettles**

Executive Manager Programmes



Focus area	Ultimate impact measures	Main areas of intervention	Success in 2022
Catalytic interventions in MSME and agriculture	Increased access to jobs for women and youth	Supplier development programmes to support MSMEs and farmers with improved access to finance by enabling access to markets	<ul style="list-style-type: none"> <li>Formation of partnerships with the UNDP in Lesotho, Botswana and Eswatini to support farmers recruited into the supplier development programmes</li> </ul>
Enabling regional trade through informal and small cross-border traders, especially women	Increased access to jobs for women and youth	Assessing alternative finance options to support the sector to increase digital access to finance	<ul style="list-style-type: none"> <li>Approval from South African Reserve Bank and Central Bank of Lesotho</li> <li>Signed memorandum of understanding between FinMark Trust and Mukuru</li> </ul>
Inclusive digital finance that promotes inclusivity for informal low-income workers and consumers to stimulate economic growth	Expanded access to services and increased resilience	Increase use of digital financial services and frictionless onboarding and management of customers for Know Your Customer (KYC)	<ul style="list-style-type: none"> <li>Conducted research in two townships to inform the pilot framework for the Community Digitalisation project in South Africa</li> </ul>
Strengthening social protection systems	Increased access to jobs and sustainable livelihoods	<ul style="list-style-type: none"> <li>Capacity building to improve the South African grant distribution process</li> <li>Leveraging the grant distribution process to generate better livelihoods through social protection</li> </ul>	<ul style="list-style-type: none"> <li>Assessed SASSA's grant distribution process and provided recommendations and a roadmap aimed at ensuring that the organisation operates a grant distribution system that is cost-effective and efficient.</li> <li>Finalised the Generating Better Livelihoods for Grant Recipients proposal and established partnerships with key government stakeholders and BRAC International</li> </ul>
Cross-border remittances to benefit low-value remitters and women	Improved social well-being for individuals and communities	<ul style="list-style-type: none"> <li>Review of the landscape and the provision of data and assessment of the first and last-mile challenges</li> <li>Technical support for digital financial identity in the region</li> <li>Review of the implementation of risk-based KYC in South Africa for low-value bank accounts and cross-border remittances</li> </ul>	<ul style="list-style-type: none"> <li>Completed and reported on the pricing review for the region for 2021 and a remittance portal for the Committee of Central Bank Governors in the SADC (CCBG)</li> <li>Launched a regional e-KYC pilot</li> <li>Completed the Responsible Business Assessment (RBA) in South Africa.</li> </ul>
Support MSMEs to improve their sustainability and increase their growth potential	Increased access to jobs	<ul style="list-style-type: none"> <li>Provide technical support to finalise the SMMEs and Cooperatives Funding policy</li> <li>Review of access to finance challenges faced by youth-led enterprises to inform government interventions in South Africa</li> </ul>	<ul style="list-style-type: none"> <li>Submitted revised policy to the South African Department of Small Business Development (DSBD) which was approved by the various DSBD structures</li> <li>A report outlining the findings and recommendations from the research was submitted and approved by the DSBD.</li> </ul>

# SADC Financial Inclusion

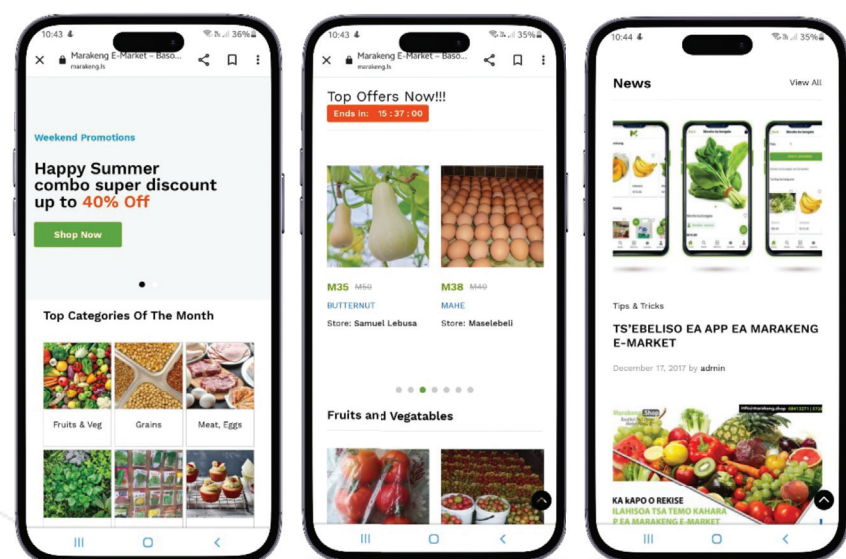
*'FinMark Trust launched supplier development programmes in Lesotho and Eswatini to support MSMEs through access to finance, markets, productivity improvements, and a national framework.'*

## MSME Focused: Supplier Development Programme

FinMark Trust completed supplier development programme (SDP) pilots in Lesotho and Eswatini in 2022. The objective was to support the sustainability of MSMEs through interventions that can ensure access to finance, access to markets, productivity improvements and the development of a national framework for supplier development programming.

The Lesotho Supplier Development Programme (LSDP) was set up in 2021 with funding from the Lesotho National Development Corporation (LNDC), the UNDP Lesotho, Standard Bank and FinMark Trust to build a national framework for supplier development programming. The LSDP programme serves as the basis to establish a national framework that will leverage public and private partnerships to develop policies, processes, and systems that support the sustainability of MSMEs in Lesotho. The LSDP programme will continue in 2023 with a focus on capacity building for state institutions and participating farmers to ensure increased productivity, improved standards, access to finance and markets. Currently, 120 farmers have been recruited to participate in the LSDP programme.

To support productivity improvements, we coordinated the development of an e-commerce platform for smallholder farmers in Lesotho, which was funded by the UNDP Lesotho. The platform provides access to information on livestock and crop care, weather, market price, crop calendars, and digital advertising of locally produced agricultural and food products in Lesotho using mobile phones.



## Damola Owolade

Head: SADC FI Programme



FinMark Trust coordinated the training of 50 farmers (in livestock and horticulture) on Global Good Agricultural Practices (GAP) in support of productivity improvements. Fifteen farm assurers, or extension officers, were trained on how to assess quality standards of farmer produce and livestock to build local capacity for the Ministry of Agriculture and ensure that smallholder farmers meet local and international standards required by off-takers or buyers.

A diagnostic on innovative financing models based on value chain financing models was completed and disseminated in Lesotho to support access to finance. We engaged Standard Bank Lesotho on the possibility of developing a new financing product based on the findings of the diagnostic report. In Eswatini, 300 smallholder goat, honey and horticulture farmers across 12 farmer groups were assessed for credit and investment readiness. Based on the lending requirements of financial institutions in Eswatini, a credit and investment readiness assessment framework was developed for farmers based on the characteristics of their businesses and farming operations.

The findings categorised the farmers into the following three groups:

- Farmers who are not credit- and investment-ready, and have semi-commercial business and production systems.
- Farmers who are credit-ready, but not yet investment-ready. These farmers have commercialised their production and business operations but do not have access to formal finance opportunities needed to scale up production to optimal levels.
- Farmers who are ready for credit and investment. These farmers have commercialised their businesses and production operations, and are also producing at optimal capacity.

Recommendations on improvement plans for the three categories of farmers were drafted and shared with the Eswatini Water and Agriculture Development Enterprise (ESWADE), which runs the Smallholder Market-Led Project (SMLP), from which the 300 farmers were recruited.



# SADC Financial Inclusion

*'The weighted average price for remittances to Lesotho, Zimbabwe, Mozambique and Malawi fell from 11.2% in 2019 to 8.5% in 2022.'*

**Damola Owolade**

Head: SADC FI Programme



## Social Protection: Migrant Relief Fund 2

Funded by the Foreign Development & Cooperation Office (FCDO), we supported the disbursement of GBP 85,000 to 1,400 households in Zimbabwe, Malawi and Mozambique to support families negatively affected by the Covid-19 lockdown. The project ran from December 2021 to June 2022.

## Cross-border Remittances

FinMark Trust also started a pilot to reduce the cost of formal remittances through a reduction in anti-money laundering (AML)/KYC compliance costs by coordinating the integration of a remittance service provider with the national identification system in Lesotho using Application Programming Interface (API). This integration aims to reduce the time and cost of verifying and authenticating Basotho migrants in South Africa who use formal remittances. It also intends to show the financial application of a digitised national identification system in advancing the regional financial inclusion agenda. The pilot commenced in September 2022 and was completed in February 2023.

FinMark Trust also completed a diagnostic on the remittance corridor from South Africa to Zimbabwe to support the development of the Zimbabwe Diaspora Policy. This project was funded by the International Organisation for Migration (IOM).

## Cross-border Trader Pilot

The South African Reserve Bank (SARB) and the Central Bank of Lesotho (CBL) approved our efforts to digitise access to finance through a regulatory

sandbox to support low-cost payment services for MSMEs along the South Africa to Lesotho corridor. FinMark Trust and the implementation partner, Mukuru, are currently reviewing a draft memorandum of understanding. The recruitment of micro-traders as participants in the pilot started in December 2022 and is expected to be completed by September 2023.

## World Savings & Banking Institute Scale2Save Programme Africa 2022 Report

Scale2Save is the World Savings & Banking Institute programme for financial inclusion. We partnered in developing the Savings and Retail Banking in Africa 2022 report with a focus on financial inclusion for MSMEs. The Savings and Retail Banking in Africa research series aims to help improve access to financial services for financially disadvantaged people in Africa. The 2022 edition is based on research conducted with WSBI members in up to 34 countries on the African continent.

## Diagnostic on Financial Inclusion for Forcibly Displaced Persons in Eswatini

In 2022, FinMark Trust expanded its regional financial inclusion focus to include forcibly displaced persons (FDPs), such as asylum seekers and refugees. Funded by the Alliance for Financial Inclusion (AFI), we conducted a diagnostic on the levels of financial inclusion of FDPs in Eswatini to inform the development of a financial inclusion policy.

# South Africa Financial Inclusion

**Lesego Mashigo**

Head: SA FI Programme



In 2022, people and businesses in South Africa had to adapt to scheduled and unscheduled power outages while the government attempted to address the energy crisis. This put a tremendous strain on the local economy as businesses struggle to survive. Job creation remained subdued. As a result, it was imperative for the South Africa Financial Inclusion Programme to prioritise projects aimed at addressing some of these challenges while advancing our objective of making financial markets work for the poor.

## Technical Support and Capacity Building for the South African Social Security Agency

The technical support and capacity building that we provided to South African Social Security Agency (SASSA) in partnership with the Bill and Melinda Gates Foundation (BMGF) through a project titled the Covid-19 payments: South Africa Rapid Response Incubator, came to an end in July 2022. The project aimed to provide technical skills and capacity for SASSA in project management, strategic customer communication, digital banking, client onboarding and payment platforms, as well as cybersecurity, data architecture and gender mainstreaming with the objective of building capacity in these functions to improve SASSA's grant distribution processes. During the project's implementation, we identified gaps in various areas that the project supported and provided SASSA with recommendations and roadmaps aimed at ensuring that the organisation would operate a cost-effective and efficient grant distribution system. Although the project has concluded, FinMark Trust continues to collaborate with SASSA to provide support where possible to ensure that the project's recommendations are implemented.

## Generating Better Livelihoods for Grant Recipients with Social Protection

Based on findings from research conducted in 2020 in partnership with the UNCDF, National Treasury, SASSA and the Department of Social Development (DSD), the Generating Better Livelihoods project was developed. The aim of project is to create sustainable livelihoods for grant recipients by connecting specifically Child Support Grant (CSG) recipients to

economic opportunities. This was done to help lessen the current reliance on grants to the desired outcome of beneficiaries being able to generate sufficient income through employment or running a self-sustaining business. The diagram below depicts the pillars that will support the outcomes of the project.



To realise the objective of the project, FinMark Trust strengthened its relationship with SASSA and DSD by forming a steering committee comprised of representatives from each institution. The committee ensures that the project concept, design and implementation are aligned with the South African government objective, while taking into account international best practices. We refined the project concept through the work of this steering committee, and BRAC International committed to supporting the project through technical and financial partnership over a three-year period.

In 2022, we identified provinces for project implementation and made notable strides appointing two key personnel who will form part of the core implementation team, appointing a firm to conduct the market and livelihood assessment – a key initial component of the project – and ensuring that the project is socialised among key government stakeholders at national and provincial levels.



# South Africa Financial Inclusion

*'The programme framework is aimed at addressing the use of a digital financial ecosystem in improving the quality of life and economic development in South Africa's disadvantaged communities.'*

**Lesego Mashigo**

Head: SA FI Programme



## Community Digitalisation

FinMark Trust conducted research on the state of digitalisation in South African communities in 2022, as part of the Community Digitalisation programme and in partnership with the World Bank, Bill & Melinda Gates Foundation and G2Px with a focus on those who were previously disadvantaged. The study's primary objectives were to:

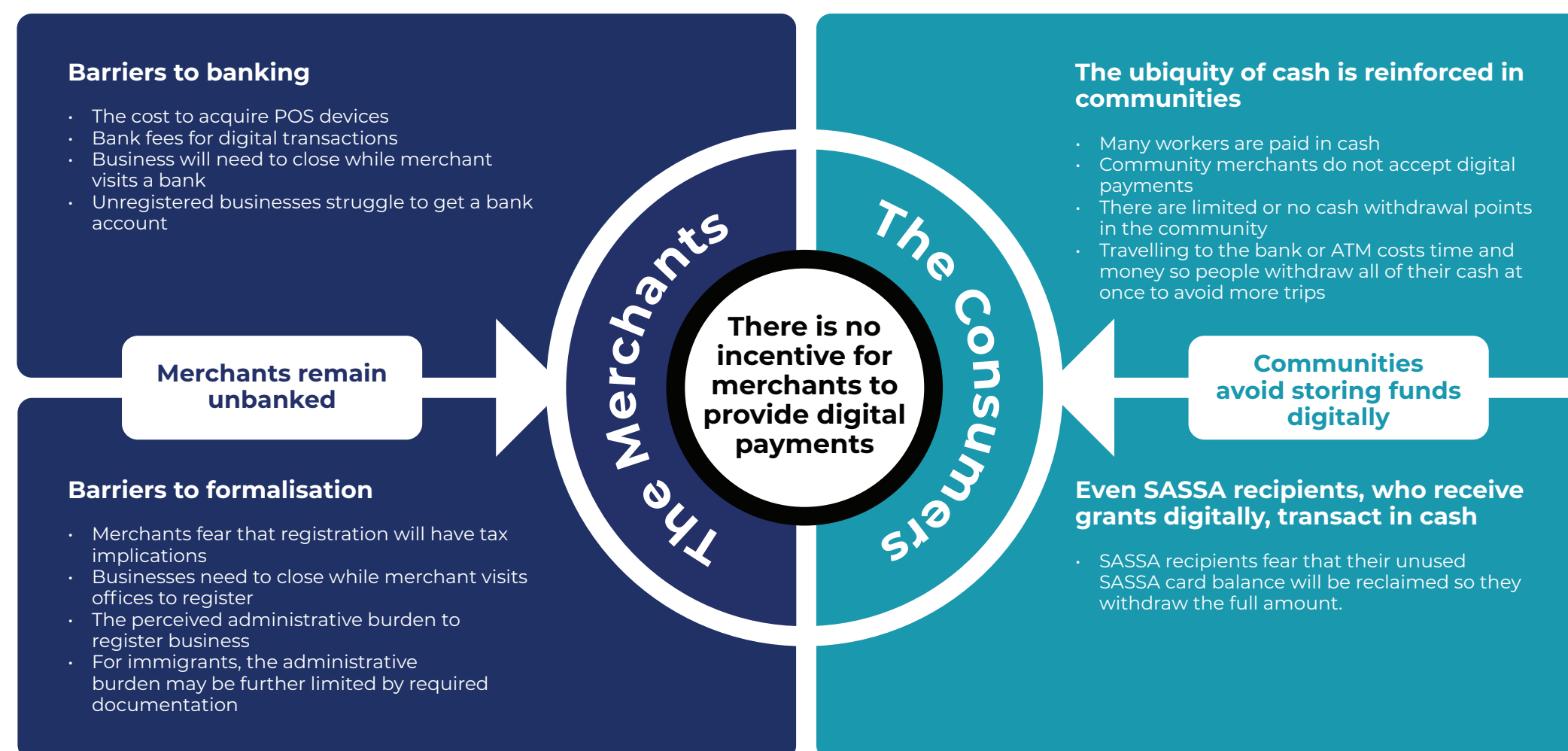
- Gain an in-depth understanding of the needs and attitudes of the community (individuals and small enterprises) in terms of financial services, digital (mobile) services, community structures and support services;
- Understand the practices of various categories of merchants within different townships by identifying obstacles, barriers and attitudes towards digital payment acceptance and evaluating the current drivers of cash to better understand the value proposition that digital systems will

need to introduce to compete with cash;

- Understand the potential factors that could shift the acceptance approach or increase the electronic payments acceptance (EPA) within the surveyed merchants.

The insights gained from the research were used to inform the programme framework, which is aimed at addressing the use of a digital financial ecosystem in improving the quality of life and economic development in South Africa's disadvantaged communities. This will be accomplished through a pilot project in two communities where we will explore the issues and opportunities associated with the transition from cash to the digital payment ecosystem.

The illustration below depicts a few of the barriers identified in the research as the primary causes of resistance to adopting digital payments, which will be investigated in the project.



# South Africa Financial Inclusion

*'The objective is to develop a support framework for informal MSMEs that will enable them to access and make use of formal financial and non-financial products'*

**Lesego Mashigo**

Head: SA FI Programme



## Funeral Insurance

In our mission to ensure that true financial inclusion is realised and evidenced by prior research, we solicited media opportunities to communicate on the over-reliance and spend on funeral insurance versus other products that may provide a greater benefit to reach South African financial services consumers and the industry at large. The article and interviews were well received and sparked a much-needed conversation among consumers and industry role-players on the exorbitant cost of funerals in South Africa as well as consumers' use of funeral insurance to not only cover the cost of funerals but also, as a savings vehicle to cover other costs unrelated to the death of a loved one.

## Supporting Informal MSMEs

FinMark Trust developed an informal MSME support project in partnership with the World Bank, and in collaboration with the National Treasury and the Department of Small Business Development, (DSBD). The objective of the project is to develop a support framework for informal MSMEs that will enable them to access and make use of formal financial and non-financial products as well as services from the private and public sectors required for growth and sustainability. Funded by the State Secretariat for Economic Affairs (SECO), the project will form part of the financial inclusion activities under the Financial Sector Development Reform Programme (FSDRP), and aims to support the South African government in strengthening financial stability and improving financial inclusion.

## Policy Development Technical Support to DSBD

In partnership with the Ecosystem Development for Small Enterprises (EDSE) programme, we provided technical support to the DSBD by assisting the department with the revision and finalisation of the SMME and Cooperatives Funding Policy. To ensure that the policy revisions were comprehensive and incorporated the views of those impacted by the policy are taken into account, FinMark Trust, in partnership with the DSBD and the EDSE held a series of consultation sessions with government departments, regulators, the financial sector, business associations and business owners to identify gaps in the draft policy and solicit inputs to strengthen the policy. The information and recommendations obtained from the consultation sessions were synthesised into a report and relevant sections were used to revise the policy. The revised policy was submitted to the DSBD and approved by the relevant DSBD structures.

## Supporting Youth-led Enterprises

FinMark Trust conducted research on access to finance challenges faced by youth-led enterprises as part of a European Union-led project aimed at exchanging learnings between the European Union and South Africa in order to improve sector policies relating to job creation and the growth of youth MSMEs. The research identified several challenges and barriers in the MSME funding ecosystem and made recommendations on how to address them based on international best practices. The research findings and recommendations will inform the design of future DSBD youth MSME programmes.



# Gender With a Focus on Women

*'This work is intended to support FinMark Trust in drawing lessons from relevant research and practice to gain a better understanding of the barriers that impede women's ability to access and use financial services.'*

**Nikki Kettles**

Executive Manager Programmes



**Phumelele Ngcobo**

Specialist: Programme Development and Implementation



Gender equality and women's empowerment remain a priority for FinMark Trust. Our flagship gender project this year was the ongoing Market Analysis of Gender and Inclusive Finance. As a member of the FSD Network's Collaborative Gender Programme, we oversaw the execution of this market analysis in Botswana, Eswatini, Lesotho and South Africa. This work is intended to support FinMark Trust in drawing lessons from relevant research and practice to gain a better understanding of the barriers that impede women's ability to access and use financial services. Our aim is to build greater economic resilience and support the development of interventions that target these barriers. The gender market analysis will be completed by the end of March 2023, and a co-creation workshop will be held between FinMark Trust and the consultant. The aim of the workshop will be to review the research results, identify focus areas for the gender thematic area and develop a workplan.

Another notable gender-focused project was the gender-specific analysis of qualitative work to ascertain SASSA grant recipients' experiences with the grant distribution process. This analysis informed a specific gender mainstreaming outcome and as a result, FinMark Trust is supporting SASSA in putting gender mainstreaming at the forefront of its distribution process to ensure an inclusive and improved grant distribution experience.

Other notable gender-focused activities include:

- Supplier development programmes in Botswana, Eswatini and Lesotho where most of the targeted recipients are women.
- Informal cross-border trade where women account for the majority of informal cross-border traders. Expanding this market means growing a segment of the economy that empowers women. Further, women face disproportionate challenges in the sector and removing some of the barriers can allow them to play a larger and more effective role in cross-border trade.

As part of the partnership with the FSD Network, the FinMark Trust team attended a five-day training programme on gender market systems development (MSD) from 20-24 February 2023. The objective of the training was to ensure that all staff have the skills to effectively apply the MSD approach, including the awareness, capacity and motivation to effectively mainstream gender into their work.

# Data and Analytics

*‘We have seen an increase in the number of countries requesting our FinScope MSME surveys – a positive development that aligns with our Financial Inclusion 2.0 imperative.’*

The FinMark Trust global data offerings continue to grow as stakeholder demand for data grows. Our FinScope surveys continue to provide comprehensive data to a range of stakeholders, including policymakers, regulators, financial services providers, development partners, non-government organisations and academics. We have seen an increase in the number of countries requesting our FinScope MSME surveys – a positive development that aligns with our Financial Inclusion 2.0 imperative. The FinScope MSME surveys cover real economy indicators and ensure the collection of information on impactful businesses. Our MSME Pulse surveys are another important product offering that is gaining traction and has high potential because of its cost-effectiveness.

One of our priority areas remains analytics. Our aim is to identify, analyse and curate data outputs that stimulate ongoing depth of engagement across our financial inclusion community. We continue to work collaboratively with the broader FinMark Trust team and our stakeholders to enhance our data analytics tools.

As we continue to contribute to the global debate and innovative thinking on inclusive growth data, our data strategy offers a variety of data products to meet the needs of various stakeholders. This year saw the official launch our Training and Capacity Building offering. We have

## Dr Kingstone Mutswonziwa

Executive: Data and Analytics



previously provided technical assistance to our sister FSDs and other stakeholders, but we have now developed specialised training to equip different partners and stakeholders on various topics. We also customise training based on the needs of the stakeholders. Beyond the numbers and infographics, our aim is to ensure that research is well understood.

In the past year, our work with the Alliance for Financial Inclusion (AFI) allowed us to rethink and design a bespoke sampling framework, as well as administer the FinScope survey to provide data on Forcibly Displaced Persons (FDPs) in Eswatini as part of a diagnostic. FDPs are underserved by mainstream financial products and measurement frameworks. Despite the fact that the SADC has a vast population of asylum seekers and refugees, the segment has been overlooked in both the sampling and design of demand-side surveys, as well as financial inclusion strategies and frameworks. The diagnostic provides a new product offering within Data and Analytics with a design aimed specifically at this population group to enhance financial inclusion for all in the region.

As we implement our various data offerings, we continue to make our demand-side data publicly available. The FinMark Trust website contains links to the various reports and presentations.



# Data and Analytics

*'The data team continues to work closely with different stakeholders for the implementation of surveys while empowering them in the process.'*

## Dr Kingstone Mutswonziwa

Executive: Data and Analytics



### Projects Completed

During the review period, a total of 12 projects (six FinScope surveys and six ad hoc projects) were completed. These include:

- South Africa (FinScope Consumer Survey)
- Ghana (Demand-side Survey - FinScope Consumer Survey)
- Zimbabwe (FinScope Consumer Survey)
- Sudan (FinScope Consumer Survey)
- Zimbabwe (FinScope MSME Survey)
- Haiti (FinScope MSME Survey)
- FSD Kenya Livelihoods deep-dive
- FSD Kenya Covid-19 tracker which has evolved beyond Covid-19 to cover economic conditions as well as the impact of other developments, such as elections
- Zimbabwe remittances corridor project
- Eswatini Supplier Development Programme
- Eswatini AFI Forcibly Displaced Persons Project in collaboration with our FinMark Trust Programmes department
- FSD Zambia Covid-19 tracker

The data team continues to work closely with different stakeholders for the implementation of surveys while empowering them in the process. We were encouraged by the efforts of the Reserve Bank of Zimbabwe who implemented both FinScope Consumer and MSME surveys in the same financial year. The FinScope results were used in the Zimbabwe's National Financial Inclusion Strategy II (NFIS II).

### Projects Underway

Currently, there are seven FinScope surveys and one ad-hoc project underway. These include:

- South Africa (Consumer survey)
- Angola (Consumer survey)
- Tanzania (Consumer survey)
- Madagascar (Consumer survey) being conducted under SIBE
- Malawi (Consumer survey) being conducted under SIBE
- Eswatini (FinScope MSME survey) started in 2021 and temporarily stopped – currently being conducted in collaboration with SIBE
- Nigeria A2F in collaboration with AFInA - FinMark Trust offers TA to EFInA
- FSD Kenya Covid-19 tracker.

### Our Data Pipeline

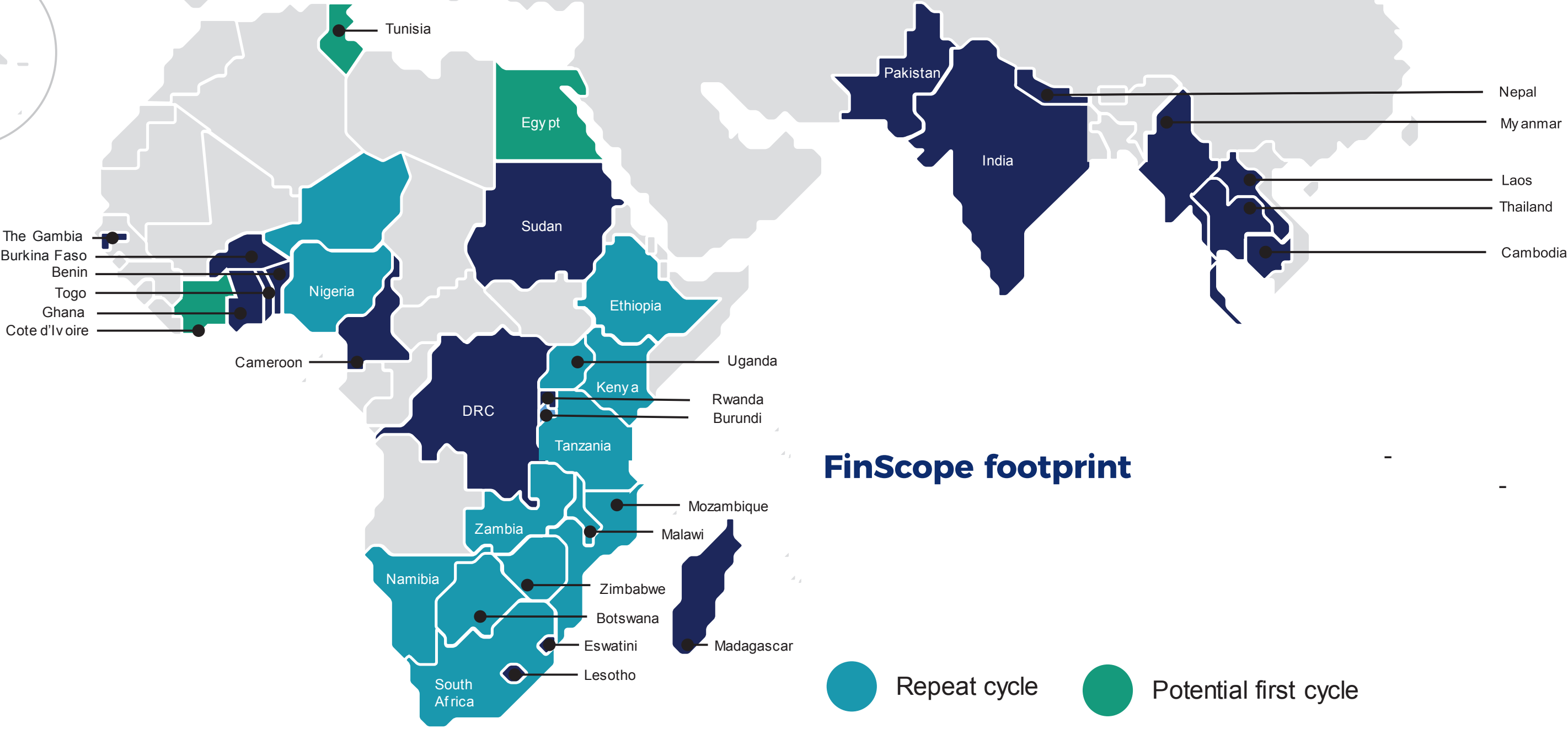
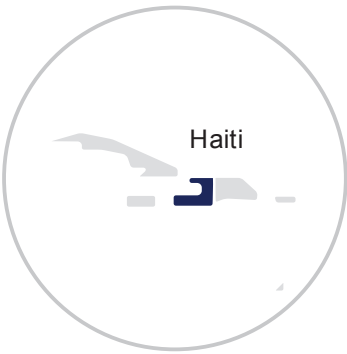
Our data offerings are implemented globally. The FinMark Trust team is pursuing new markets in the Middle East and North Africa region and, currently are in discussion with several stakeholders and funders for the following projects:

- FinScope MSME South Africa
- FinScope MSME Botswana
- FinScope MSME Tanzania
- FinScope Consumer Survey Namibia.

# Data and Analytics



**Dr Kingstone Mutswonziwa**  
Executive: Data and Analytics





# Knowledge Management

*‘2022 was a year for FinMark Trust to reflect on and celebrate 20 years of making financial markets work for the poor.’*

2022 saw a shift in the knowledge management team’s focus. Communications remain the core work of the team but we have taken steps to incorporate a stronger focus on the knowledge needs of our knowledge workers by restructuring our department.

In 2023 the team’s focus on knowledge will continue to underpin its strategy as we aim to further entrench knowledge sharing and the use of prior learning, whether it is ours or that of other development organisations, to inform the development of our projects and programmes.

Key developments for the team in 2022 were:

- Shirley Jeffreys-Leach was appointed as the new head of knowledge management. She brought the monitoring results measurement function into the team, streamlining the use of insights gained from programme monitoring and evaluation into the process of feeding knowledge and learnings back into the institution.
- A new role for a writer was created that incorporates the digital communications function with a new emphasis on writing to develop high-quality knowledge products that can be used by FinMark Trust and external stakeholders to advance our agenda to uplift the poor.
- Monthly knowledge-sharing sessions were added to the FinMark Trust team’s schedules. These have been well attended and have become entrenched as a new aspect of our operations. Internal and external experts share insights from their work in these sessions to ensure that best practices are shared with all FinMark Trust knowledge workers.
- Successfully upgrading and launching the FinMark Trust website and portals to improve data and information accessibility for a variety of stakeholders.
- Completing the development of a user-friendly and comprehensive intranet

## Shirley Jeffreys-Leach

Head: Knowledge Management



as a digital knowledge repository for the organisation.

Beyond the development of the knowledge-sharing element of the team, 2022 was a year for FinMark Trust to reflect on and celebrate 20 years of making financial markets work for the poor. The team produced two videos to commemorate our work over the past two decades, organised and managed a celebratory event that was attended by staff and stakeholders and wrote a [commemorative digital journal](#) to document our key milestones and achievements Trust over the past twenty years. A 20-year celebratory webinar was also managed by the KM team.

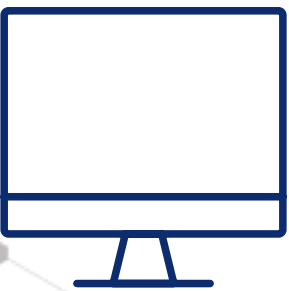
Our website was overhauled to make it more user-friendly and accessible. The website includes a specific SADC portal, making access to SADC-wide and specific SADC market information simpler. The new website was officially launched in January 2023.

Looking ahead, the knowledge management aim for 2023 will be to:

- Balance people, processes and technology to best support the knowledge needs of our teams;
- Connect our people to the knowledge that they need to do their jobs;
- Ensure our knowledge can be shared with stakeholders in a concise, easy-to-understand way, so that it may be used to deliver pro-poor market action independent of FinMark Trust projects.

The above goals will be achieved through four elements of knowledge management: knowledge sharing, communications, the portal and interactive, and monitoring results measurement.

### FMT portal pageviews



**78,589**

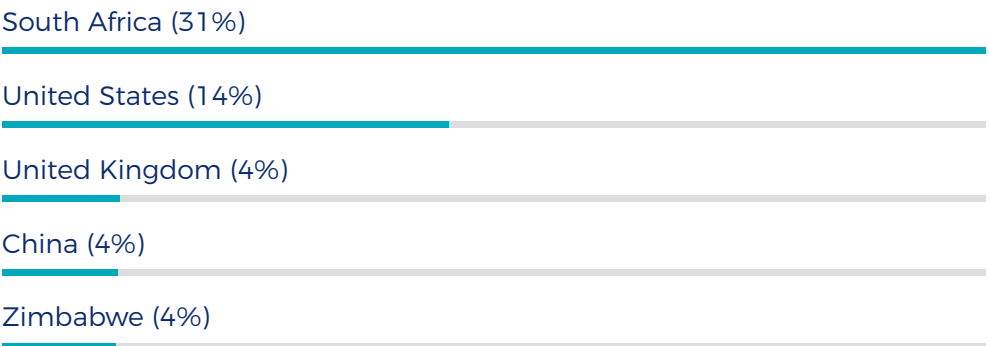
Pageviews in 2022



**61,361**

Unique pageviews

### Where most users who viewed the portal are from



• Users from India, Malawi, Botswana and Kenya were also some of the most active

### How most users searched for the FinMark Trust portal - organic and direct search

Search	Clicks
FinMark/FinMark Trust	9,048
Data portal	2,454
FinScope	1,526
Mobile money	966
Cross-border money transfer	883

# Financial Statements

## FinMark Trust

(Registration number IT4167/02 (T))

Annual Financial Statements for the year ended 28 February 2022

## Grant Robertson

Executive: Finance and Operations



### Statement of Financial Position

Figures in Rand	2022	2021
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	443.343	494.215
<b>Current Assets</b>		
Trade and other receivables	9,790.405	6,009.624
Investments	6,935.125	6,618.519
Cash and cash equivalents	28,885.175	40,944.512
	<b>45,610.705</b>	<b>53,572.655</b>
<b>Total Assets</b>	<b>46,054.048</b>	<b>54,066.870</b>
<b>Equity and Liabilities</b>		
<b>Capital and Reserves</b>		
Trust capital	200	200
Accumulated surplus/(deficit)	20,569.950	18,360.315
	<b>20,570.150</b>	<b>18,360.515</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Deferred income	18,619.995	30,540.050
<b>Current Liabilities</b>		
Trade and other payables	6,863.903	5,166.305
<b>Total Liabilities</b>	<b>25,483.898</b>	<b>35,706.355</b>
<b>Total Equity and Liabilities</b>	<b>46,054.048</b>	<b>54,066.870</b>

### Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	2022	2021
Revenue	79,923.832	91,739.207
Other income	1,233.743	14.830
Operating expenses	79,674.533	92,549.259
<b>Operating surplus/(deficit)</b>	<b>1,483.042</b>	<b>795.222</b>
Investment revenue	726.593	1,023.854
<b>Total comprehensive surplus/(deficit) for the year</b>	<b>2,209.635</b>	<b>228.632</b>



# Board of Trustees

Brendan Pearce is the Chief Executive Officer of FinMark Trust. Prior to his current position, Brendan held several leadership roles, including Advisor to the Managing Director of the Land and Agricultural Bank of South Africa, as well as Chief Executive Officer at the Manufacturing, Engineering and Related Services SETA (Merseta) and the Local Government and Water SETA (LGSETA). He also served as CEO at Umhlaba Development Services, a development consultancy that he established and ran successfully for eleven years. More recently, he worked at Vodacom as the Executive Head in the international legal and regulatory team

Vimbai Tsopotsa has extensive experience in the South African and Zimbabwean financial industries, primarily in banking and information, and communications technology. She is a trustee of FinMark Trust and an executive director of Amaciko Film Investments (Pty) Ltd. Vimbai also serves as director of Aigle Finance and was previously the Managing Director of Venture Communications SA.

Cas Coovadia is the Chairman of FinMark Trust. He previously served as the Managing Director of the Banking Association South Africa and is currently the CEO of Business Unity South Africa (BUSA). He sits on the boards of National Business Initiative, African Union for Housing Finance, and the University of the Witwatersrand.

Ethel Matenge-Sebesho is a seasoned banker and financial services professional who previously served on the board of FirstRand Limited. She continues to sit on the boards of some subsidiaries of FirstRand Limited and Distell Group Limited. Ethel was involved with the establishment of new markets for Home Finance Guarantors Africa Reinsurance in a few African countries until the end of 2017.

Lumkile Mondli is a senior lecturer at the University of the Witwatersrand's School of Economic and Business Sciences in Johannesburg. He is a trustee of FinMark Trust. Lumkile worked extensively in Africa as an executive at the Industrial Development Corporation (IDC) for 11 years and is a director of Gemfields Group Limited and Thelo Rolling Stock Leasing.

Ishmael Mkhabela has extensive experience in community organising, corporate governance, housing policy formulation and implementation, community and city regeneration, and fields that require stakeholder engagement, awareness raising, advocacy, disputes resolution, mediation and facilitation processes. He is the Chairperson of the Steve Biko Foundation and the Johannesburg Inner City Partnership, as well as Deputy President of the South African Institute of Race Relations. Ishmael also serves as a board member of the Nelson Mandela Children's Hospital Trust, Centre for Development Enterprise, Mbheta Academy, and Donaldson Trust.



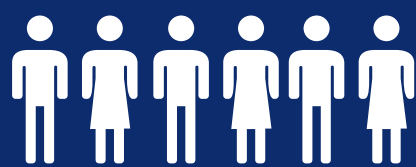


# Financial Inclusion in SADC

2011

57%

Financially included



Access strand 2011

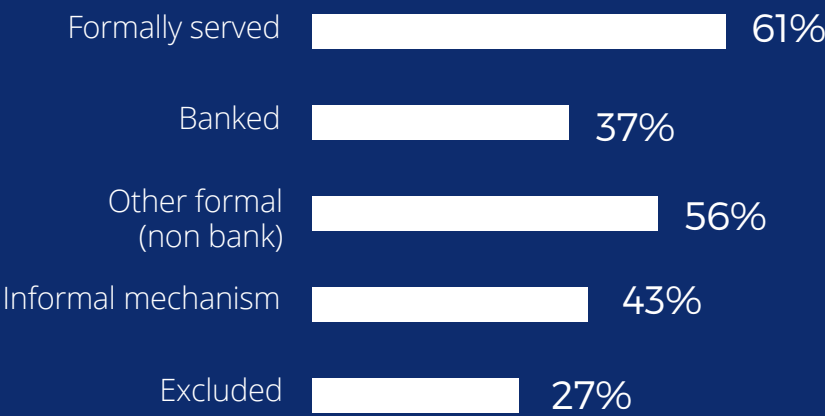


Banked Other formal (non bank) Informal only Excluded

2022

73%

Financially included



Access strand 2022



Banked Other formal (non bank) Informal only Excluded



# Our Team





# FinMark Trust Annual Report | 2022

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