



ANNUAL REPORT 2016



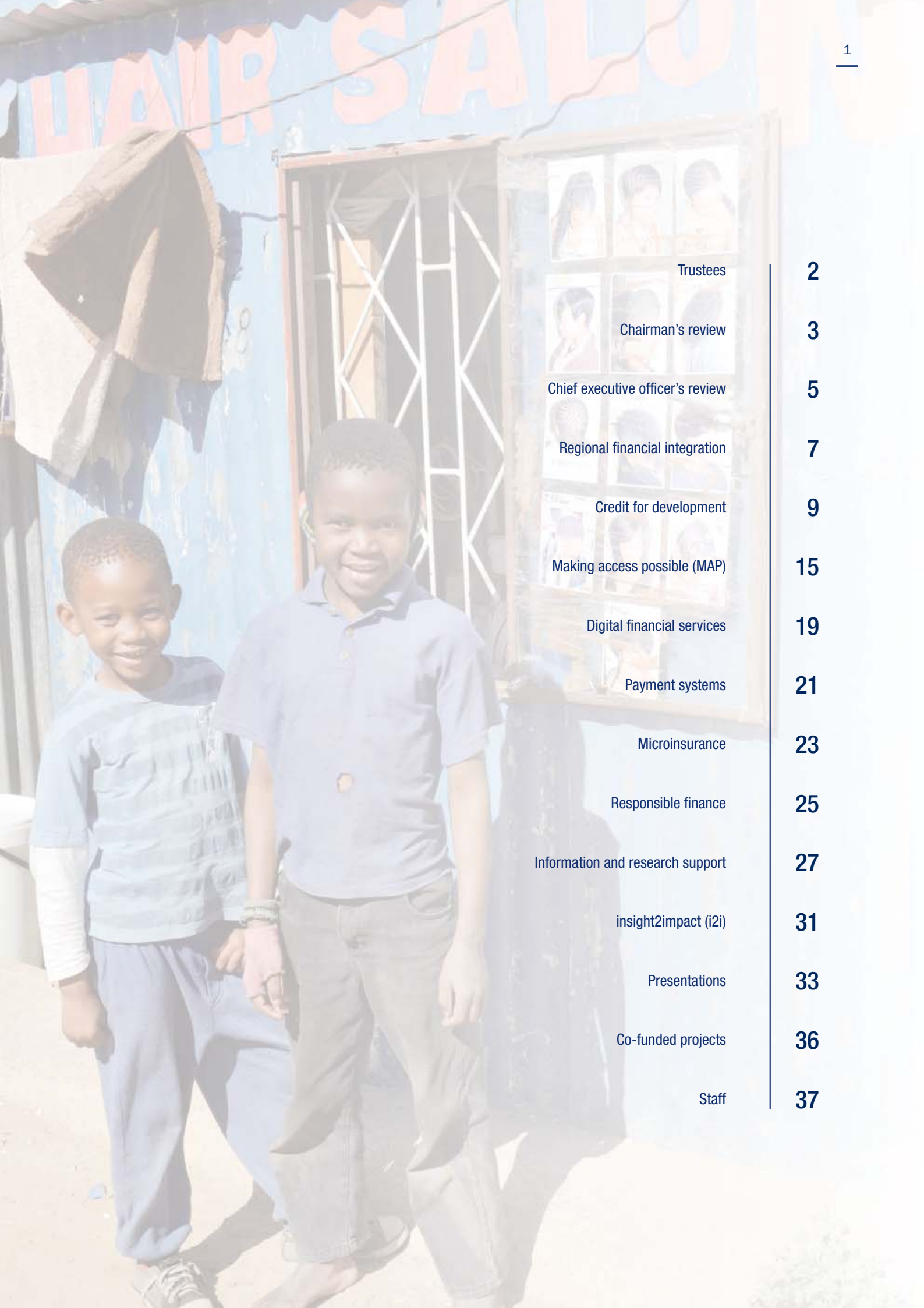
MAKING FINANCIAL MARKETS WORK FOR THE POOR

FINMARK TRUST PURPOSE

FinMark Trust (FMT) is an independent trust established in 2002 with the objective of making markets work for the poor. Initial core funding was provided by UKaid from the Department for International Development (DFID) through its Southern Africa office. Recently additional funders have come on board including the UNCDF, the Bill and Melinda Gates Foundation, the MasterCard Foundation as well as private and public institutions at country level.

FinMark Trust's purpose is 'Making financial markets work for the poor, by promoting financial inclusion and regional financial integration'. It does this by conducting research to identify the systemic constraints that prevent financial markets from reaching out to un-served and under-served consumers, providing technical assistance to key market actors such as regulators, service providers and associations, and by advocating for change on the basis of research findings. Thus, FinMark Trust plays a catalytic role, initiating processes of change that ultimately lead to the development of inclusive financial systems that can benefit all consumers.

FinMark Trust's vision is shaping inclusive financial markets which contribute to economic growth and prosperity for all people.



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TRUSTEES



Cas Coovadia

is the chairman of FinMark Trust and the managing director of the Banking Association of South Africa, which is the mandated representative body of all licensed banks in South Africa, both national and international. He is also chairman of the National Business Initiative, first deputy-president of the African Union for Housing Finance and president of the International Union for Housing Finance.

He also serves on the Council of the University of Witwatersrand.



Prega Ramsamy

is the chief executive officer of FinMark Trust. Before joining FinMark Trust, Prega has held several senior positions including executive secretary of SADC, principal advisor to the President of Madagascar, CEO of the Economic Development Board of Madagascar (EDBM) and head of the Business for Development (B4D) Pathfinder at the Southern Africa Trust. With a strong background in regional integration and development economics, he has extensive knowledge and experience in business and development, as well as in international relations. He has provided policy and strategic advice to both the private and public sectors in the SADC region.



Ethel Matenge-Sebesho

is head of New Markets for Home Loan Guarantee Company. She is involved with establishing new markets for the company in a number of African countries. Ethel has considerable experience in the banking and financial services sector at a strategic and policy level, and in several microfinance initiatives in Southern Africa.

She also serves on the boards of FirstRand Limited, Momentum Investment divisional board, First National Bank divisional board and is vice-chairman of Botswana Investment and Trade Centre.



Ishmael Mkhabela

is a freelance community development practitioner and organiser who serves on the boards of both public and private companies. He is the founder, and was chief executive officer of Interfaith Community Development Association, which has pioneered community organisation and conflict resolution in South Africa since 1991.



Esau Nebwe

is a chartered accountant by profession and executive chairman of Ness Associates, a family consulting firm.

He is a board member of the Bank of Zambia and serves on a number of other boards including the Maamba Collieries Limited.



CHAIRMAN'S REVIEW

Looking back to 2002 when FinMark Trust (FMT) was established, it is quite clear that the organisation has charted a distinctive and unique path to make financial markets work for the poor. The road has been bumpy and challenging, but with resilience of purpose and commitment, FinMark Trust has demonstrated its ability to remain an important independent and credible market catalyst not only in South Africa, but also in the entire SADC region, and beyond.

During the period under review FinMark Trust has undertaken and published a number of research reports which are available on the Trust website. The findings of these reports are quite revealing and provide useful guideposts for an inclusive approach to pro-poor development. For instance, recent data on access to financial services generated by the FinScope surveys indicate that significant progress has been achieved to reduce the number of unbanked people in the SADC countries. This is critical to empowering poor households to take advantage of opportunities that could lift them out of poverty. Putting money in a savings account, paying bills online or applying for a loan has become part of life for many adults in the world. Individuals without access to formal financial services or to the formal economy do not have the means to save and protect their assets, make payments and most importantly, plan and build towards a better future for their families. While the thought of storing cash under the mattress and not being able to save money in a bank is inconceivable, evidence does show that this is the way of life for over 2 billion people around the world and this is perhaps true for the 42 million who still have no access to either formal or informal financial services or products in the SADC region.

Poor people are unbanked for a number of reasons, with the main ones being cost, irregularity of incomes, travel distances and the often-burdensome requirements involved in opening a financial account. While the poor do not have the same access to financial products as wealthier individuals, their need for financial services may be even greater to smooth consumption, manage risk and to invest in education, health and business. Understanding these needs and designing the appropriate products and services to meet those needs are critical for improving the livelihood of the poor and building the foundation for creating a more equal society. In addition, financial inclusion should be broadened and supported. Our findings suggest that the provisions for young people and old-age populations, e.g., retirement pensions and stronger rule of law, including enforcement of financial contracts and financial regulatory oversight, will broaden financial inclusion, thereby contributing to poverty reduction and lower income inequality.

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The work of FinMark Trust, especially in South Africa over the last fourteen years has, in many ways, contributed to improving access to financial services for the low income groups. But as I have said on many occasions, financial inclusion should not merely be about ensuring that financial services are accessible. It should also consider the policy objectives of maintaining financial stability, protecting consumers and promoting financial integrity. For financial inclusion to make a positive change in the lives of the poor, it has to be approached in a holistic manner and form part of an inclusive and complementary development programme encompassing education, consumer empowerment, enabling environments and poverty eradication. Only then can it make

CHAIRMAN'S REVIEW

transformative contributions to the stability of poor households and improve the economic potential of small businesses and communities and contribute to poverty reduction and lower income inequality.

There is still a lot of work ahead to improve the welfare of the low income segment of the population in the SADC region. Understanding the link between financial inclusion, poverty, and income inequality at the country level will help policymakers design and implement programs that will broaden access to financial services, leading to the reduction of poverty and income equality. It is pleasing to note that the Trust has, through the Making Access Possible (MAP) programme, started this exercise and, in some countries, elaborated the national financial inclusion strategy based on the MAP diagnostics. The challenge ahead is the implementation of these national strategies and how they will complement the SADC regional financial inclusion strategy which was elaborated with technical assistance from the Trust.

On behalf of the board of trustees of FinMark Trust, I take this opportunity to thank our donors and partners for supporting the development work of the Trust in the area of financial inclusion. Gratitude is extended to DFID for supporting the work of FinMark Trust since its inception. I also take this opportunity to thank UNCDF for its support to the MAP programme in which the Trust is playing a key role. The establishment of the insight2impact (i2i) Facility which will go a long way to sharpen our insights on the financial needs of people, their financial behaviour and the effect of financial services on their lives was made possible through the funding by Bill & Melinda Gates Foundation and the MasterCard Foundation. I wish to thank them for the confidence they have placed in FinMark Trust to run with this programme in partnership with Cenfri.

I also extend my gratitude to the CEO, Dr Prega Ramsamy, for his sterling stewardship of the Trust and in guiding the team to achieve its successes to date. Recognition is also given to the staff for their commitment and professionalism in achieving the objectives and fulfilling the mission of the Trust.

Finally, I wish to express my deep gratitude to my fellow trustees for their commitment to the cause of FinMark Trust and the unwavering support I have received from them over the years.

Cas Coovadia

Johannesburg

June 2016



CEO REVIEW

This year's review traces the overall progress made by FinMark Trust in the implementation of its programme to "make financial markets work for the poor". As a reminder to our readers, our 2015-2020 strategy is anchored on (i) regional financial integration (ii) financial inclusion and (iii) global thought leadership. Under each of these pillars we run different programmes and projects which are national, cross-country and regional in nature. As I have said in my previous reviews, working in such diverse geographies is a challenging but rewarding task which would not have been possible without a comprehensive understanding of how the financial markets operate in these spaces. No doubt, catalytic interventions that are coordinated and responsive to the market are most likely to result in increases in access to financial services.

Looking at the level of financial inclusion within and across the countries for which FinScope data is available, there is no doubt that significant progress has been made in terms of access to financial services by the poor segment of the population. It is estimated that 66% of adults in the region are financially included representing some 83.5 million individuals. Although this is encouraging, the overall figure of financial exclusion remains unacceptably high with some 41.9 million adults still excluded from mainstream economic activities. They are vulnerable to shocks and rely on the expensive informal credit providers to meet their financial needs. It is therefore important that, as development is pursued, a fully inclusive economic environment is created for the benefit of each and every individual including small businesses. This requires the participation and commitment of state and non-state actors as well as financial services providers and other role players. The financial inclusion Indaba organised jointly by FinMark Trust, SADC Secretariat, National Treasury of South Africa and the SADC Bankers Association in July 2015 provided an excellent platform for a meeting of minds on how to roll out an inclusive approach for pro-poor development in the SADC region.

Following the Indaba, the SADC Council of Ministers requested each SADC country to undertake FinScope surveys every two years with the assistance of FinMark Trust. No doubt, it would be ideal to have self-financing FinScope surveys to track progress at regular intervals within the entire SADC region as in the case of South Africa where the survey is undertaken on an annual basis. The data collected is useful to policy-makers and regulators to inform the decision-making process for policy and regulatory reforms as well as for financial service providers to design new products and offer services that promote and enhance financial inclusion. Our experience, however, shows that these reforms and changes take time especially when there is lack of capacity to engage with and analyse the data. Therefore, it would be important for SADC to build the required capacity to analyse the data that these surveys generate. Institutions like FinMark Trust can play a catalytic role in the building of such capacity in the SADC region and beyond.

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The SADC Council of Ministers also directed that a regional financial inclusion strategy be developed to support the industrial development and market integration of the SADC countries. The strategy aims at financial sector deepening to address regulatory and supply-side constraints

CEO REVIEW

which can ultimately pave the way for innovative approaches to financial inclusion. There is now a wide body of evidence which shows how innovation in financial services can strengthen the resilience of the vulnerable and marginalised population. The strategy has already been developed with the assistance of FinMark Trust and is awaiting the approval of SADC for implementation.

Our interventions during the period under review have been based on our understanding of the drivers and barriers that shape markets and on how poor people manage their financial lives. Demand-side barriers undermine the consumer's ability to fully adopt and utilise financial products and services. Supply-side barriers on the other hand limit the ability of financial service providers to extend products and services to the un-served and under-served segments of society. These challenges are further complicated by the policy and regulatory environment. Our proximity with the market and our independence have allowed us to meaningfully engage with policy-makers, regulators in the financial sector and financial service providers to re-focus their thinking on the importance of responsible financial inclusion as a key enabler in the improvement of the quality of life of the poor and for the elimination of inequality in society. In the context of responsible financial inclusion, consumers need to be protected and should be able to take informed decisions about new financial products and services. This can only be achieved if the national financial inclusion strategies have strong components of financial capability, consumer protection as well as a prudential approach by banks to avoid over-indebtedness.

We are grateful for the financial support and continued commitment from UKaid from the Department of International Development (DFID) through its Southern Africa office as well as other funding partners in the pursuance of an inclusive growth agenda to strengthen the resilience of vulnerable and marginalised populations. I hope that this support and commitment from our funders will continue so that together we build a more equal society with greater opportunities for the un-served and under-served population, the majority of which are women and girls.

I take this opportunity to thank the chairperson and the members of the board of trustees for their continued seasoned advice and oversight. During the period under review, they have met on several occasions to provide strategic leadership and guidance to the management of FinMark Trust. I also take this opportunity to express my immense gratitude to the staff and theme coordinators who have spared no effort to sustain the high quality of work and credibility of the Trust.

Prega Ramsamy

Johannesburg

June 2016



Photo credit: KR



REGIONAL FINANCIAL INTEGRATION

Head: **Geoff Orpen**

Development of a Model-law on payments for the SADC region

There are a number of substantial differences in the National Payment, Clearing and Settlement Systems among the SADC countries. Some are due to factors such as differences in the regulatory models adopted by the different countries, differences in the legal traditions (civil and common-law particularly), and differences in available financial market infrastructures. The design and development of the harmonised SADC Payment System Model-law has been based on the need to build a sound national payment system in each country to support an integrated payments system in the region, in particular the SADC Integrated Regional Electronic Settlement System (SIRESS).

As part of the preparatory work for the launch of the SIRESS proof of concept to address the medium to long term objectives of establishing a sound payment legal framework in the SADC region, FinMark Trust collaborated with the SADC payment systems sub-committee and Committee of Central Bank Governors (CCBG) legal sub-committee to review the domestic, legal and regulatory framework for payments in 13 SADC countries. Fourteen country reports highlighting legislative gaps, differences in approach and high-level recommendations were submitted to the central banks in each country. The findings of the review were adopted by the payment systems sub-committees of SADC and the CCBG.

FinMark Trust was requested to assist with the development of a Model-law to assist SADC member countries to harmonise their legal and regulatory frameworks in support of SIRESS. The development of the Model-law followed an iterative process during which the initial draft document was amended on the basis of inputs from the SADC countries and discussed at a number of workshops during the course of 2015. The Model-law has now been finalised and will be presented to the CCBG at their meeting in June 2016. The Model-law provides the basis for:

- Key general principles to facilitate an enabling environment for effective central bank oversight of the National Payment System, with clear objectives and a sound enforceable legal basis;
- Governance arrangements that promote safety, efficiency and effectiveness of the National Payment System with a fair, transparent, equitable, comprehensive and coordinated legal framework;
- Development of the payments infrastructure with strong inter-linkages between funds transfer systems and securities settlement systems that supports stability of the broader financial system and other public interest considerations; and
- Facilitation of harmonisation and convergence of National Payment System features, policies, practices, rules and procedures for the Southern African Development Community regional integration.

FinMark Trust was requested to assist with the development of a Model-law to assist SADC member countries to harmonise their legal and regulatory frameworks in support of SIRESS.

Mobile money guidelines:

Mobile money has evolved as a utility to provide financial services largely to the unbanked population. Its success in certain emerging markets and countries with unsophisticated banking

REGIONAL FINANCIAL INTEGRATION

infrastructure has been unprecedented. The aim of the project is to develop mobile money guidelines to assist SADC member states with principles to facilitate the harmonisation of their legal and regulatory frameworks for mobile money, in support of greater financial inclusion and market development in the SADC region.

Mobile money or e-money has been present within the Southern African Development Community (SADC) in various forms since its first implementation as M-Pesa in Tanzania in 2008 and has endured a mixed and chequered journey with some contention and varying degrees of success. In SADC, about two in nine (27.7 million) adults in the region use mobile money services despite the fact that nearly 70% (86 million) adults have access to mobile phones. No doubt, the potential for mobile money penetration in SADC is huge. Already mobile money in Tanzania and Zimbabwe has revolutionised the financial sector, acting as drivers of financial inclusion.

Different markets in the region and globally reflect varying degrees of:

- Adoption of mobile money
- Approaches taken
- Potential mobile money models adopted

Whilst some countries have commendably applied or implemented pro-active, progressive and well-intentioned guidelines and / or legislation related to mobile money, many others either have a limited or dated set of such whilst in some cases no provisions exist at all. The current mobile money landscape is therefore extremely fragmented and distinctive, both domestically (within market) and regionally, and particularly when compared to markets and regions. FinMark Trust was requested by the legal and payments sub-committees of the CCBG to develop mobile money Guidelines for the SADC region. The primary objectives of the SADC mobile money Guidelines are:

- To provide guidance on regulatory approaches required to create an enabling environment for mobile money to reach its full market potential;
- To provide clarity on the ecosystem of mobile money and the role players to support the development of these regulations and frameworks;
- To provide clarity on the most contentious issues within the ecosystem and current solutions to these issues;
- The setting out of common technical and operational standards for adoption and possible implementation by the Central Banks, telecommunications regulators and mobile money stakeholders across the mobile money value chain in the respective SADC member states;
- To provide a mechanism that will afford an opportunity for collaboration between the various stakeholders within the mobile money value chain for mobile money participation across the SADC region; and
- To provide a mechanism for domestic and regional interoperability via harmonised regulation.



CREDIT FOR DEVELOPMENT

Theme Coordinator: [Geoff Orpen](#)

The impact of severe droughts during 2015/16 has led to soaring food prices and an increased concern around food security on the African continent. According to the New Partnership for African Development (NEPAD) report on Agriculture in Africa, titled 'Transformation and Outlook', 'agricultural production in Africa has increased steadily'. Its value has almost tripled and is identical to that of South America, and comparable to growth in Asia.

There has, however, been little improvement in production factors (labour and land) as growth in Africa is generally achieved by cultivating more land (60% of the world's available arable land is in Africa) and by mobilising a larger agricultural labour force, with little improvement in yields. In addition, financial inclusion of rural inhabitants in the SADC region remains low, with access to finance being seen as a major 'bottleneck' to unlocking the production potential of the agricultural land in the SADC region. FinMark Trust has developed a programme that looks at improving access to finance (particularly amongst women) and increasing production and hence food security in the region. Key initiatives undertaken include:

Agricultural Development Finance Forum of South Africa (ADeFFSA)

The purpose of ADeFFSA is to bring together stakeholders and other interested individuals and organisations involved in agricultural development finance to share relevant experiences, support each other's initiatives and to introduce best practices and innovations in improving access to finance for small-holder farmers. Furthermore it was created to help support the attainment of the following key goals and objectives:

To create a network of institutions and stakeholders involved in agricultural development finance in the Southern African Development Community (SADC) region;

- To share lessons of experience in financing development agriculture and implementing innovative solutions in agricultural development finance;
- To mobilise and pool resources to generate new knowledge on agricultural development finance;
- To enter into policy engagement with governments (at different levels) in matters relating to agricultural development finance; and
- To support innovations and best practice for financial inclusivity in agricultural finance in South Africa.

FinMark Trust has developed a programme that looks at improving access to finance (particularly amongst women) and increasing production and hence food security in the region.

Following a 12 month inception phase which comprised a series of consultative meetings with various stakeholders, an ADeFFSA Interim Steering Committee was formed in June 2015 chaired by senior officials of the Department of Agriculture Forestry and Fisheries (DAFF) and the Land Bank. A formal constitution and operations plan was developed for ADeFFSA with DAFF agreeing to take over the responsibility of hosting the Secretariat. The constitution was formally adopted in December 2015 and it is envisaged that the structure developed in South Africa will be replicated in other countries of SADC.

CREDIT FOR DEVELOPMENT

Accelerating the inclusion of women in agricultural value chains

The objective of the research conducted was to assist SADC member countries to make informed decisions on the strengthening of agricultural value chains by using the findings of the research as a basis for ensuring that women are included equitably in these value chains.

Based on the availability of information and on cost considerations, Malawi, Mozambique, South Africa and Zambia were selected for research. The value chains selected for research were:

- Malawi: soya beans and groundnuts
- Mozambique: cassava and cashew nuts
- South Africa: sugar cane, wool and potatoes
- Zambia: maize, groundnuts, vegetables and livestock (large and small)

Overall conclusions reveal that access to tangible and intangible resources – in particular financial sustainability and technical know-how – directly influence women's roles in and benefits from agriculture and their ability or inability to take advantage of other services and advance their welfare. More often than not, women do not have equal decision-making authority to male family members and exhibit less control over financial and other resources. From a policy perspective, it was seen that it is fundamental for governments to work towards effective implementation of the 2008 SADC Protocol on Gender and Development, especially of Articles 15-19. This is no less important for the private sector, NGOs and civil society.

Understanding agricultural subsidies in the SADC region

Subsidies paid by developed countries to stakeholders within their agricultural sector impacts the lives of small-scale farmers in developing countries since it is argued that, this process artificially drives down global crop prices and, therefore, undermines the ability of small-scale farmers to farm in a profitable manner. Consequently, more subsidies are being paid by developing countries to their farmers in order to ensure that they remain competitive whilst at the same time ensuring that their 'nations remain fed' at a reasonable cost.

If the subsidy scheme in a country is well designed and implemented, the country's agricultural investments could support innovation and help build a stronger middle class whilst at the same time feeding the hungry, producing surpluses for export and creating better lifestyles for the rural poor. The objectives of this research project were to assist the Southern African Development Community to make informed decisions regarding the payment of subsidies in their own countries by using the research findings. The study focused on:

- (i) gathering evidence about the impact of subsidies (varying in nature across the region and even in time) in the SADC countries
- (ii) providing guidance on types of subsidies that would produce more long-term sustainable effects on the concerned economies

Skills development course

During the year under review, following the successful piloting of the course on the development of financial products that speak to the needs of small-scale farmers, FinMark Trust hosted a training programme in association with the University of Pretoria from 15th to 25th of September 2015. The objective of the course was to provide an understanding of what is needed to reach out to smallholder families and to serve them sustainably with an appropriate range of financial products and services. The course was designed specifically to provide strategic, rather than operational guidance for senior and middle management in the Southern African agricultural finance institutions and non-bank organisations, such as input suppliers, off-takers and NGOs, that provide financial services to smallholder farmers. Participants from a total of 11 countries in the SADC region have now been trained. The methodology to embed learning during this training experience resulted in structuring the course in such a way that it was interactive with delegate participation; including keynote speakers from industry to share their practical experiences and daily after-hour readings and work-based assignments to reinforce the topic discussed during the day.

It would be important for the course participants to have a network that can continue to share best practices. FinMark Trust and the University of Pretoria intend to collaborate to facilitate the establishment of this network.

Credit information sharing

Often access to credit is constrained by information asymmetry between lenders and borrowers especially on their credit worthiness. Addressing the asymmetry can allow lenders to extend greater credit at favourable terms to the un-served and under-served segments of the population. Thus information sharing about borrowers' characteristics and their indebtedness can have important effects on credit market activity and on borrowers' welfare. On the one hand it improves the service providers' knowledge of borrowers thereby permitting better prediction of their repayment probabilities allowing for better pricing. On the other hand, if used effectively it increases borrowers' access to credit services. It is also an important tool in helping manage over-indebtedness, a potential drawback to increasing credit availability.

The FinMark Trust SADC Credit Information Sharing project seeks to, inter alia, promote effective credit information sharing data within and among member countries. This calls for close collaboration among credit providers, regulators, service providers such as credit reference bureaus and other sources of relevant data. To achieve this close collaboration, FinMark Trust advocated for the formation of industry associations focused on data sharing. The proposed interventions are based on research conducted in 2011, which resulted in an initial project that was launched in six countries (Botswana, Lesotho, Zimbabwe, Swaziland, Zambia and Namibia) to support the establishment and effective functioning of Credit Provider Associations, and a pilot programme for SMME information sharing in South Africa. To date, significant progress has been made, with data sharing now beginning to take place in each of these countries.

Making housing finance markets work for the poor

Africa's housing finance sector has been going through considerable growth and change, responding to the broader economic growth opportunities and challenges in many countries on the continent, as well as to the pressures of rapid urbanisation. Historically, housing has been a personal exercise – households themselves, whether wealthy or poor have constructed the majority of housing on the continent. This is now changing, and over the past fifteen years, developers have been moving in to build housing, and housing finance systems are reconfiguring themselves accordingly. Mortgage markets are also slowly developing, and as economic frameworks improve, some investors are starting to look in this direction.

This is important – we need the scale. In this new, young sector, however, the focus has been on the high value market, while the overwhelming majority of the need (and demand), is among the very low, low and middle income households – the emerging middle class in urban centres across Africa. Of course, this is to be expected: new markets generally start where there are margins to support the perceived risk. In the absence of accurate and trended market information, a clear indication of risk and return, and track records that prove long-term viability, practitioners move to familiar territory and high margin activities. Investment in real estate has therefore become increasingly popular, while attention to housing has been maintained as the purview of government. As nations urbanise further, and as economies develop under the pressure of new dynamics (the recent commodities downturn, for example) explicit effort must be placed on harnessing practitioner interest further down market, where the demand is significant and the need is great. Governments cannot serve this market alone.

A key link in this chain is housing finance – investment capital, construction capital, end-user finance, and all the facilitative interventions (guarantees, insurance, subsidies, etc.) that happen in between. This section of the financial sector is under-developed for two reasons: firstly, the financial sector development initiatives focus largely on other sectors; insurance, agriculture, small business development, and mobile money. The notion of a housing sector in the African context is still new and the financial sector is unfamiliar with its dynamics. This is possibly because of the second reason: that housing finance is dependent on a much wider array of activities and sectors that together comprise the housing value chain – activities that are beyond the financial sector's reach. So, whether in the public or the private sector, among government officials or investors, housing is considered without its financial imperative – that it must be paid for. In this, a key opportunity for improving the efficiency and effectiveness of the sector to meet the growing and pressing needs of urban Africans and contribute critically towards economic growth, is lost.

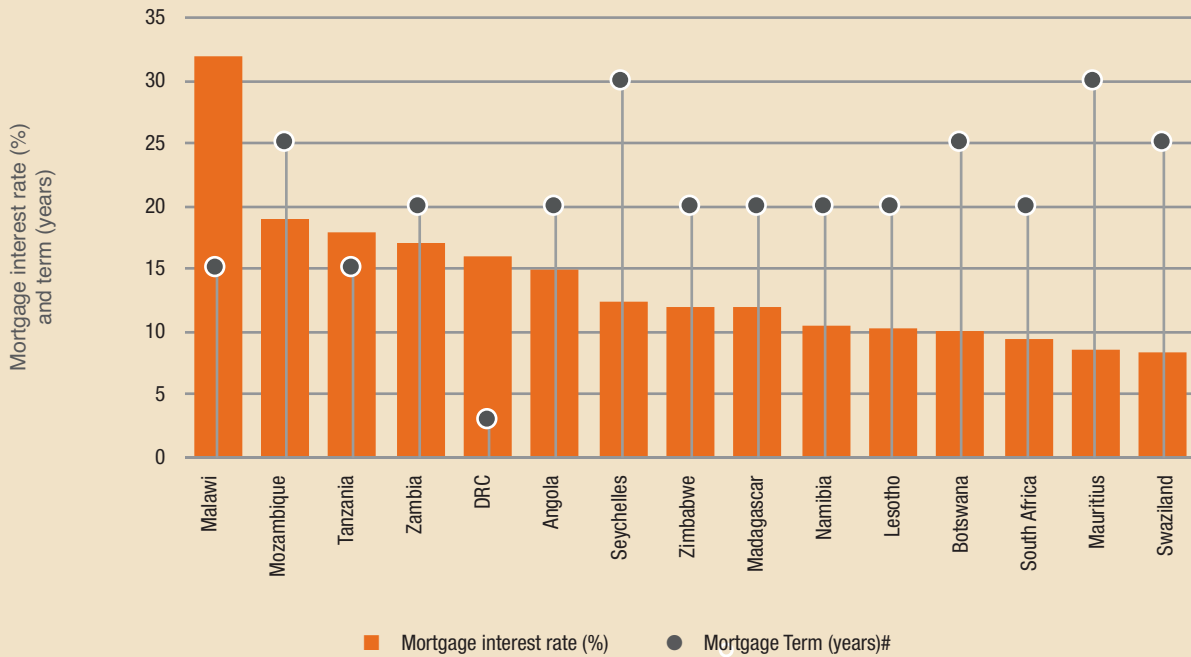
For this reason, FinMark Trust has championed a financial sector focus on housing as a key area of attention. Over the years, we have explored property and mortgage market performance in South Africa, and considered the market infrastructure available across the SADC region to support increased investment in housing finance. Two years ago, we spawned our housing finance theme, launching the Centre for Affordable Housing Finance in Africa, as an independent think tank supporting investment in affordable housing across

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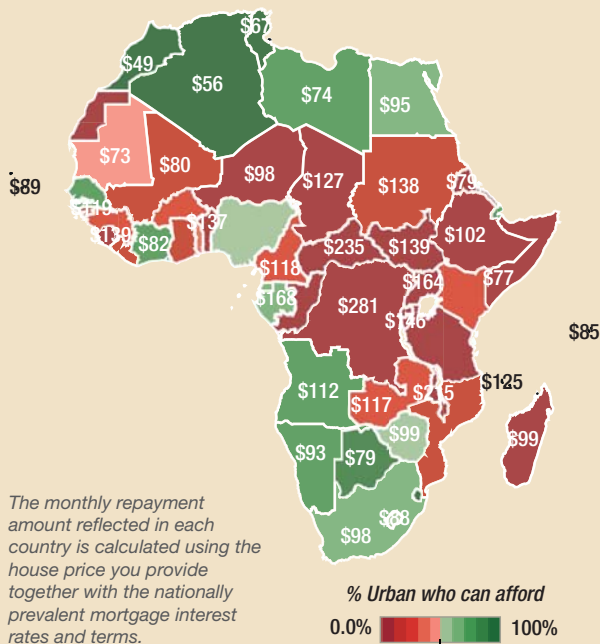
The following graph shows the monthly loan instalment in US\$ for a \$10 000 house, given the national-specific mortgage rate terms.

Prevailing mortgage interest rates and term

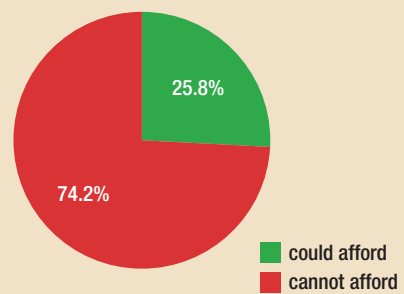
Source: CAHF data collected from commercial banks, 2015



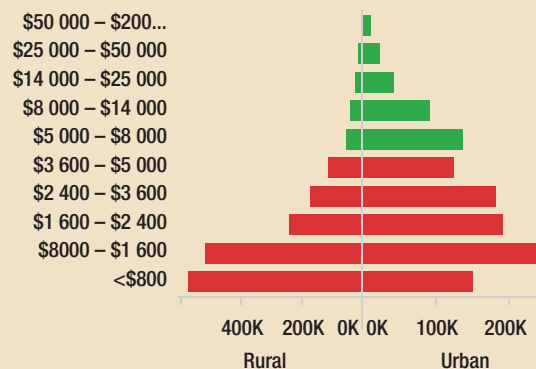
What is the monthly mortgage repayment for a US\$10,000 house?



How many urban households can afford this house in Zambia?



What is the annual income distribution of households in Zambia?



Africa. CAHF's mission is to make housing finance markets work, with special attention on access to housing finance for the poor, through the dissemination of research and market intelligence, supporting cross-sector collaboration and a market-based approach. All of CAHF's work is directed at shifting investor interest towards the much larger market of the emerging middle class in urban areas across Africa, and using this to champion both improved housing conditions and economic growth, while also addressing inequality with the asset potential that housing offers.

Levels of housing affordability across the SADC region, and even in South Africa (where about 80 percent of the population cannot afford the cheapest, newly built house by a private developer), are quite low. The 40 percent drop in oil prices since June 2014, and the 30 percent drop in metals, has put increasing pressure on affordability in 2015 and 2016.

The price of the cheapest newly built houses by a private developer in the SADC region ranges from about US\$12 718 in Swaziland to US\$31 000 in Mauritius, US\$65 000 in Zambia, and US\$200 000 in Angola. Angola and Seychelles were among the most expensive new, formal housing markets found this year. At current lending rates, 3.1% of Zambia's urban population could afford to buy the \$65 000 entry-level house being built in 2015.

Generally, formal housing supply is targeted at the upper income and expatriate populations seeking housing, with very little being built for the working poor. Building material costs also have an impact on housing affordability. While a 50 kg bag of cement costs US\$6.41 for the SADC region, this ranges from US\$6 in Mozambique to US\$23.40 in DRC and US\$11 in Malawi.

As a result, SADC has high housing backlogs: from an estimated 2.1 million in South Africa; two million in Madagascar, Mozambique and Angola respectively; to 100 000 units in Namibia. Zambia estimates that it will have a backlog of 3 million units by 2030, if no interventions are undertaken. The Permanent Secretary for the Eastern Province in that country suggested that an annual delivery rate of 120 000 units was needed in order to address the situation. While there are many government-led housing initiatives in the SADC region, housing supply is largely insufficient.

Housing affordability is generally a function of three things: (1) a household's income, (2) the price of the house that is available for sale, and (3) the terms of the mortgage loan for which the household qualifies. It is this latter issue that is of special concern to FinMark Trust. In the SADC region, mortgage lending rates are high.

In Zambia, a \$10,000 house would cost \$117/month and US\$30 163 over the term, at an interest rate of 17% over 20 years (current rate at Stanbic Bank Zambia Limited). All else being equal, this is affordable to just over a quarter (25,8%) of Zambia's urban population. In Zimbabwe, that same house would cost \$99 per month and be affordable to about half the population; and in Mozambique, it would cost \$112 per month and be affordable to about 10,2% of the population. The difference in monthly servicing costs from one country to the next is due to the different parameters of the mortgage instrument – countries where mortgage interest rates are higher and terms shorter will have lower levels of housing affordability, whereas countries with longer term mortgages at lower rates will be better able to serve their population's housing needs. These factors are, of course, dependent on other factors relating to financial sector development and macro-economic conditions—important issues for central bankers to consider.

CREDIT FOR DEVELOPMENT

SADC Protocol on Finance and Investment (FIP)

During the period under review, FinMark Trust continued to support the SADC Secretariat as well as member states in the implementation of the FIP. The Trust continued to facilitate consultation with different stakeholders on specific areas of the FIP such as payment systems, harmonisation of insurance regulations, payment systems Model-law and mobile money regulations. FinMark Trust facilitated the sixth FIP learning and sharing Platform in the past year. At this Platform, representatives of various structures of the FIP deliberated on the new direction of the FIP with regards to the SADC's Industrialisation Strategy and the revised Regional Indicative Development Plan (RISDP). FinMark Trust commissioned two studies which were presented at this Platform and deliberated upon. The studies were conducted to understand the actual levels of regional financial integration in SADC as well as the review of the current activities of the FIP with the view of re-aligning implementation of the FIP to the new SADC strategic direction.

Cross-border remittances

FinMark Trust continued to work and innovate in the remittances space. In 2012, a FinMark Trust study found that remittances from South Africa to the SADC region are the most expensive in the world with fees in excess of 22% for a remittance value of US\$200. The study found that the total value of remittances from South Africa into the SADC region is approximately R11.2 billion per annum of which approximately 68% is estimated to be remitted through informal channels using taxis, friends, family or other means. To this end, FinMark Trust embarked on initiatives to address the challenges facing low income migrants with access to the formal financial system, both in terms of regulatory barriers and overall affordability. FinMark Trust engaged the regulators (South African Reserve Bank and the Central Bank of Lesotho), the private sector (Shoprite and Capitec Bank) to enable cross-border remittances at a cost of R9.99 per transaction up to a maximum of R5000 from South Africa to Lesotho.

Since the launch of the Lesotho cross-border remittances project, over 55 million Rands has been remitted from South Africa to Lesotho for over 48 thousand transactions. Based on monthly averages, 72 percent of recipients in Lesotho are women. The Lesotho model will be documented and the findings will be used to open other remittances channels.

The Trust has made significant progress to facilitate the domestic remittances services in Zambia, Namibia, Swaziland and Mozambique. Progress has been achieved in the following corridors:

- South Africa and Zambia;
- South Africa and Swaziland; and
- South Africa and Mozambique.

Other innovation includes the development of the SIRESS payment model to cater for domestic and cross-border clearance and settlement of intra-SADC mobile-to-mobile transfers (such as remittances) and other credit-push transactions.



MAKING ACCESS POSSIBLE (MAP)

Head: [Brendan Pearce](#)

FinMark Trust recognises that in order to deliver an increased range of financial services to better meet the financial needs of various segments of the population, there must be the involvement of a wide range of stakeholders. To this end, the “Making Access to Financial Services Possible” (MAP) programme was initiated which is a multi-country initiative jointly implemented by FinMark Trust, the United Nations Capital Development Fund (UNCDF) and Cenfri, in order to support financial inclusion through a process of evidence-based analysis for a financial inclusion roadmap.

The programme, which brings together stakeholders from government, the private sector and donor community, collectively considers the distinct characteristics of financial access within a specific country and based on evidence and dialogue this process leads to the development of a national financial inclusion roadmap. The roadmap identifies key drivers of financial inclusion and attempts to create a set of practical actions aimed at extending financial inclusion tailored to a specific country.

Although the MAP programme has been rolled out under a pilot programme in Botswana, Côte d'Ivoire, Ethiopia, Democratic Republic of Congo, Laos, Lesotho, Malawi, Mozambique, Myanmar, Nepal, Swaziland, Thailand and Zimbabwe, it is being further intensified in the SADC region, with the support of 8 out of 15 countries.

Monitoring and evaluation framework

During the year under review, a SADC regional learning and sharing platform was held in Johannesburg which was attended by representatives from the Ministries of Finance of 8 SADC countries, as well as UNCDF representatives from Madagascar, Malawi, DRC and New York. Five Asian MAP countries were also represented to share their experiences. The platform focused on MAP implementation challenges at country level and provided the space for coordinators and officials to share their experiences and learning. A regional monitoring and evaluation framework was developed and introduced at the session which is currently being implemented across the SADC region. The monitoring and evaluation framework was developed to ensure effective tracking of progress against a financial inclusion baseline for the SADC region. The framework has three components:

- Regional indicators and targets to ensure cross-country comparisons and contribution to developing a regional picture and to provide a basis for the SADC regional financial strategy under development;
- National indicators and targets to inform and track national financial inclusion policy and programming; and
- At the level of roadmap, to track progress against the MAP roadmap implementation.

The roadmap identifies key drivers of financial inclusion and attempts to create a set of practical actions aimed at extending financial inclusion tailored to a specific country.

Thus far, indicators have been developed by stakeholders in Swaziland, Lesotho, Malawi and Botswana. These countries are currently setting national targets and baselines for each of their

MAKING ACCESS POSSIBLE (MAP)

indicators as well as assessing data availability to populate the indicators across their regulatory institutions. Zimbabwe, DRC and Madagascar will develop their indicators by the first quarter of 2016.

Towards a SADC financial inclusion strategy

The efforts of the Trust's advocacy work over the last five years in the SADC region has successfully culminated in financial inclusion being adopted as an important priority in the regional economic community. As a result, financial inclusion is now included in SADC's Regional Indicative Strategic Plan (RISDP) and the recently adopted Industrialisation Strategy. In pursuance of this agenda, in the past year a SADC financial inclusion indaba was convened in partnership with the SADC Secretariat, the South African National Treasury, South African Banking Association and FinMark Trust. The Indaba which was opened by the then South African Minister of Finance, Mr Nhlanhla Nene, laid the basis for the development of the SADC financial inclusion strategy.

The Trust has since worked with the Secretariat to develop a SADC financial inclusion strategy. The strategy is premised on two key pillars, which will drive financial inclusion in the region. The first deals with developing effective payment systems and digital payment systems domestically and in the cross-border space in the region. Digital payment systems will form the basis upon which financial inclusion will be built. The second pillar deals with building credit markets in the region particularly for smme's and small agricultural producers as key contributors to the Industrialisation Strategy. The regional strategy will primarily support countries with the implementation of their country financial inclusion strategies and focus on advocacy, research, capacity building, technical support and mobilising funding.

Current MAP countries and status

Lesotho

Lesotho was one of the first countries to establish a local financial inclusion steering committee for the development of the MAP diagnostic and roadmap. The roadmap was positioned as the implementation and follow-up to Lesotho's previous financial inclusion strategies. Financial inclusion indicators have been developed and agreed to by the MAP steering committee and the process is underway to set national targets.

The following progress has been made:

- A new cross-border product pilot has been introduced to facilitate the cost-effective and safe remittances from South Africa into Lesotho. The product is progressing well with approximately R20 million remitted from March 2015 when it was launched. The project is currently focusing on introducing a domestic retail remittance product as well as transfers from Lesotho to South Africa;
- A mobile money action plan was developed to increase the use (P2P) (also for other financial services) of mobile money in Lesotho. This process has been completed and 3 priority areas are being implemented. The priority areas relate to regulatory changes that are required to enable mobile money operators to expand their services, while others relate to mobile money operators improving their agent and cash management systems; and
- An initiative is underway and supported by FinMark Trust to bring the Lesotho microinsurance regulation in line with the SADC best practice guidelines for microinsurance. A workshop was conducted in November 2015 with a microinsurance expert to assist the regulators to improve their microinsurance regulation.

A basis has been laid to further financial inclusion based on the MAP diagnostic and roadmap.

Swaziland

Swaziland successfully developed the MAP diagnostic and roadmap with the support and guidance of a local financial inclusion steering committee. The roadmap was adopted by the Ministry of Finance and the responsibility for its implementation was delegated to the Micro Finance Unit. The steering committee and Ministry of Finance resolved to convert the roadmap into a financial inclusion strategy for Swaziland which would provide the political basis for its implementation. Financial inclusion indicators have been developed and agreed to by the steering committee and the process is underway to set national targets.

The following progress has been made to date:

- An e-money action plan to transact and save has been developed and this has been well-received by both the MNO and the Central Bank;
- With regard to formal domestic and cross-border remittance products to support vulnerable dependent groups, the Central Bank of Swaziland and Standard Bank have agreed that Shoprite can now remit funds domestically. It is hoped that cross-border remittances with Shoprite will commence in 2016; and
- In attempting to reduce costs and protect consumers, the Consumer Credit Bill was published in a Government Extraordinary Gazette of September 2014. This Bill is now expected to be tabled in parliament and will be signed into law in 2016.

Malawi

The MAP diagnostic has been completed and the roadmap which is in its final stages has been adopted by the steering committee. National financial inclusion indicators have been developed and the process of setting targets is underway. A series of discussions are being undertaken with the Ministry of Finance to plan for the implementation of the roadmap. The Ministry has also requested that the roadmap be developed into a financial inclusion strategy to ensure that the process has the necessary political support and status in the department. With regards to building consumer protection, an investigation into the suitability of a financial sector Ombud is underway.

Botswana

The MAP diagnostic has been completed and a roadmap developed which is being adopted by the Ministry of Finance. Financial inclusion indicators have also been developed by the MAP steering committee and they are currently in the process of developing targets for the country.

Zimbabwe

The MAP diagnostic has been completed and was presented to stakeholders in December 2015 at a meeting which was presided over by the Zimbabwe Ministry of Finance, Mr Chinamase. The roadmap is being developed and discussed by stakeholders.

Mozambique

The MAP diagnostic has been completed and distributed to stakeholders in Mozambique through the Financial Sector Deepening Trust. Although no roadmap is being developed (because FSDM already has a financial inclusion strategy to implement) the key diagnostic findings have been fed into the FSDM strategy and engagements are ongoing to ensure that the MAP findings are taken on board.

Democratic Republic of Congo (DRC)

The MAP diagnostic is being developed and will be completed in May 2016. A roadmap will be developed and presented to the MAP steering committee by the end of 2016.

Madagascar

The FinScope survey has commenced and is currently in field with the results due in the first quarter of 2016. This will be followed by the supply-side and regulatory review.

The past year has seen significant progress with the MAP program in the SADC region with 8 countries involved at various stages in the process. Thus far, the focus has mainly been on getting the necessary stakeholder participation and buy-in for the roadmap stage with some implementation starting to take off. The next phase of the project will focus on implementation and drawing on the learnings from those countries that are ahead in the process.



Indicators

ZAR2 trillion
settled to date
2016
06 April

SIRESS
1st customer
payment settled at
11:01

ZAR1 trillion
settled to date

Peak value of
ZAR98,9 billion
settled in the
month of

2013
22 July

2015
29 April

2015
September

Peak volume of
24,960
settled in
the month of

2015
October

Level





DIGITAL FINANCIAL SERVICES

Theme Coordinator: [Matthew Emanuel](#)

Today 2.5 billion adults are excluded from the formal financial services sector. As financial inclusion is a key driver of sustainable societies, the availability of banking and payment services to the entire population without discrimination should be the prime objective of any financial inclusion policy. With 67% of people on the planet now having a mobile phone (considerably more than those who have a bank account) and an estimated 300bn transactions valued at \$860 billion being conducted, these statistics alone make mobile transactions a lead driver for change in payments technology – specifically the remittances and money transfer markets. Globally defined and accepted goals for financial inclusion include: Access to a full range of financial services at a reasonable cost for all households, including savings/deposit services, payment and transfer services, credit and insurance, sound and safe institutions governed by clear regulation and industry standards.

FinMark Trust contends that digital financial inclusion will only significantly accelerate when key role-players take steps to test new commercial and regulatory models. Commercial banks, for example, have held-off on cultivating pathways to digital payments in poor and rural communities as they try to maintain a grip on all aspects of their distribution channels. In turn, in order for Mobile Network Operators to facilitate the migration from payments to financial services, their closed application programming interfaces (APIs) require conversion into open platforms that make it easier for banks and other application providers to integrate with their payment systems. Lastly, policy-makers need to be assisted in the analysis of information, which motivates the redefining of regulatory models, so as to recognise the material gains of digital financial inclusion. The Trust is in the process of building its capacity-offering in the provision of digital finance services by linking strategic industry, financial regulators and policy-makers to promote increased adoption and use of digital finance across the SADC region.

SADC mobile-to-mobile payment model

In order to create an integrated payment system in the region, the SADC Payment Sub-committee was mandated to develop regional payment instruments required in a high value cross-border payment system. This involved all SADC inter-bank credit transfers being settled in ZAR through the regional Real Time Gross System (RTGS) called SIRESS (SADC Integrated Regional Electronic Settlement System). As of January 2016, the high value payment stream is in 9 countries, including 73 participating commercial banks, and reached the milestone of ZAR 2 trillion in settlement value consisting of almost 100 billion transactions.

FinMark Trust contends that digital financial inclusion will only significantly accelerate when key role-players take steps to test new commercial and regulatory models.

Following the success of the wholesale payment system, the model for the low value retail payment system has been developed to cater for domestic and cross-border clearance and settlement of intra-SADC mobile-to-mobile transfers (such as remittances) and other credit-push transactions.

The Trust's role in the SADC mobile-to-mobile payment model is two-tiered: addressing various objectives from a South African perspective, as well as supporting the SADC agenda. The South African focus has been on the enabling of a regional pilot. FinMark Trust has worked to identify and deal with all the first-mile related issues (e.g. AML/CFT and BOP reporting), which has required

DIGITAL FINANCIAL SERVICES

the facilitation of the SA regulators, Mobile Network Operators (and their partnering banks) in order to operationalise the pilot. From a SADC context, FinMark Trust has assisted in the harmonisation of first-mile related issues at the regional level through the facilitation of outputs identified amongst various regulatory and operational working groups, as well as the provision of applicable research and technical inputs.

Related research was also performed regarding the impact of the recent FIC Act Amendments (risk-based approach in particular) and translating what needs to be done to counter the effect of this development on financial inclusion initiatives.

Establishing digital Communities of Practice (CoP)

FinMark Trust continues to collaborate with various cross-industry stakeholders to develop and leverage innovations in the SADC region in order to promote and enhance the use of digital financial services, increase capacity, develop best practice, and share information. The Trust is formalising an existing working arrangement with the Digital Frontiers Institute (DFI) – an organisation that is running a newly developed and unique global programme (Certificate in Digital Money) offered through the Fletcher School of Law and Diplomacy, Tufts University, United States. To date, the Trust's resources are not only participating in the programme directly, but also supporting the DFI in the marketing and communication targeted at the next intake in the SADC region.

New product innovations to bolster financial inclusion

FinMark Trust continues to provide technical and regulatory support for the introduction of new products and innovations that will bolster financial inclusion and lead to impactful and innovative business models. An example is the ongoing engagement with a selected service provider and relevant regulators (banking and telecommunications, SARB and ICASA respectively) that enabled the agreement of the scope of a viable operating model for cross-border airtime remittances.

Shaping regional and global approaches on mobile money

Within SADC, FinMark Trust is supporting the Committee of Central Bank Governors (CCBG) with the development of mobile money guidelines and is assisting countries with the implementation of mobile money action plans. Mobile money action plans were developed and delivered to the financial inclusion steering committees in Lesotho and Swaziland. In Swaziland, FinMark Trust's on-going support has led to the rolling out of microinsurance via one operator's mobile money platform in partnership with a regional insurer. Significant progress was achieved in Swaziland and Lesotho by making improvements in the areas of mobile savings, interoperability, cross-border payments and agent networks.

Our work at the regional level is escalated to global relevance through our involvement in the International Telecommunication Union (ITU) Digital Financial Services Working Groups. FinMark Trust's inputs to this forum directly contribute to the development of global guidelines on mobile money.



PAYMENT SYSTEMS

Theme coordinator: [Doubell Chamberlain](#)

The ease and cost of sending remittances is critical for the welfare of many individuals and households reliant on these flows as well as for economies as a whole. Global estimates put the annual value of remittances at twice that of foreign aid. However, the existing formal mechanisms to send remittances from South Africa to SADC currently falls short of people's needs on both cost and accessibility. FinMark Trust has supported the National Treasury in increasing access to and reducing the cost of this corridor through commissioning research to explore the barriers to using formal remittance options. The research informed the decision by the National Treasury in 2015 to adopt an exemption for cross-border transfers that reduces customer documentation requirements for transactions below defined thresholds, thereby increasing access to low-income consumers in the SADC region.

Most recently, FinMark Trust mapped the available offerings for remittance flows between South Africa and other SADC countries and provided an updated description of formal remittance services along key corridors, specifically focusing on costs, access requirements and the customer experience as compared to informal remittance channels. The research will be used to inform the ongoing policy and market debate on overcoming access barriers and bringing down the cost of cross-border money transfers.

According to the FinScope South Africa 2015 survey, the number of adult South Africans who remit domestically has remained fairly stable at 21% over the last three years, although there was a drop from 23% in 2014, to 21% in 2015. Usage of informal channels to remit money locally has reduced from 37% to 28% over the last 3 years, indicating that the market is providing solutions for consumers. Remittances have proven to be successful in supporting financial inclusion and the provision of financial services in South Africa to those that are either un-banked, and/or under-banked and/or do not have access to financial services. Within South Africa however, there are still large values of money and many consumers utilising informal remittance channels.

Requiring a more detailed market analysis to inform their internal policy considerations on regulation of the remittance market, the South African Reserve Bank (SARB) commissioned FinMark Trust to provide an overview of the market in South Africa, and provide in-sight into:

- How current regulations are interpreted by the remittance providers;
- Business models and cost drivers in the eco system; and
- Constraints to increasing utilisation of formal remittance channels.

The objective was to support suggested actions by the SARB to effectively encourage more players into the market, supported by an increase in the usage of formal remittance products.

The research will be used to inform the ongoing policy and market debate on overcoming access barriers and bringing down the cost of cross-border money transfers.

PAYMENT SYSTEMS

Increasing the remittance value proposition

The research suggested that the following be considered:-

- Alignment of KYC requirements for domestic and cross-border remittances. This ensures clarity for agents and the simplification of operating systems (therefore cost efficiencies);
- The lack of clarity in the interpretation of highly specialised legal and regulatory frameworks is not uncommon. The unintended consequences of previous regulatory sanctions, coupled with interpretation clarity, has resulted in a highly risk averse stance in applying regulations. It is suggested that a more collaborative approach be taken, to reviewing processes, innovations and new offerings; and
- The introduction of a new category of remittance service providers – directly regulating non-bank remittance service providers.

Going forward FinMark Trust will continue supporting the SARB in the domestic remittance market and in other areas relevant to financial inclusion in South Africa.



MICROINSURANCE

Theme coordinator: [Doubell Chamberlain](#)

FinMark Trust continues to play a leading role in developing and supporting microinsurance markets in the region and globally.

Globally – continued support to forums at the forefront of global developments

At the global level, the Trust has leveraged its long-standing role in supporting insurance regulators and unpacking market trends at the country level to become a founding member of the Access to Insurance Initiative (A2ii), produce cross-country insights and lessons and make key contributions to the IAIS (International Association of Insurance Supervisors) work on identifying issues and generating guidance on inclusive insurance market development. FinMark Trust is also represented on the board of the Microinsurance Network (MiN), a global platform that brings the private sector, donors and governments together in promoting microinsurance. Along with the A2ii, the MiN is a consultative partner to the G20 Global Partnership for Financial Inclusion.

Over the past year FinMark Trust has continued its technical support to the A2ii and IAIS. In November, the IAIS Executive Committee adopted the Issues Paper on Conduct of Business in Inclusive Insurance at their Annual General Meeting. The paper discusses common challenges and considerations for microinsurance to better protect consumers globally. The report builds on the earlier work done by the Trust to synthesise findings across global microinsurance diagnostics in order to identify evolving microinsurance business models, the risks they give rise to and the consequent regulatory implications. FinMark Trust also participated in the drafting committee for the report.

SADC – a harmonised framework adopted

In the SADC region, FinMark Trust continued its support for microinsurance through the SADC Microinsurance Forum hosted by the Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA). This year's Forum saw the member countries officially adopt a Microinsurance Harmonisation Framework Guidance Note, as well as a data strategy to enable regulators to better measure microinsurance to improve value to consumers and limit abuse. The Guidance Note takes into account the IAIS Application Paper on Regulation and Supervision Supporting Inclusive Insurance Markets (2012), as well as member states' concerns and priorities to assist to develop inclusive insurance regulatory frameworks. FinMark Trust is now supporting member countries with the implementation. A first workshop was conducted in Lesotho to address regulatory gaps and challenges in aligning the regulatory framework with the new guidelines.

At a thematic level, FinMark Trust is investigating the challenges and opportunities for health finance in SADC. The links between healthcare, individual well-being and economic development have been widely recognised. MAP research confirms that health risks are a reality for citizens of the region, imposing significant financial burdens that can cause or reinforce a poverty spiral. Only a few use pre-funded health finance as a means to mitigate these risks. FinMark Trust commissioned three case studies to improve understanding of the role that pre-funded health finance can play to achieve better health outcomes in the SADC region. The case studies show that, though take-up remains limited, there are instances of innovation, largely for primary care

This year's Forum saw the member countries officially adopt a **Microinsurance Harmonisation Framework Guidance Note**, as well as a **data strategy to enable regulators to better measure microinsurance to improve value to consumers and limit abuse.**

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packages that provide some cover to those outside of the formally employed market. Such innovation has largely happened in a regulatory vacuum. While the absence of regulation has inadvertently facilitated innovation, a key consideration to take to the SADC level, going forward, will be the development of context-appropriate regulatory frameworks to protect consumers and promote market development.

In addition to supporting policy makers, FinMark Trust supports financial service providers in the region that have demonstrated the willingness and capability to deliver financial services in the low-income market. In 2015, FinMark Trust supported two regional providers to drive financial services product innovation and become case studies for regional and global learning.

South Africa – new legislation imminent, challenges remaining in formalising funeral insurance and building an accessible health financing market

The Insurance Bill, B1-2016, was tabled to Parliament in January 2016. It provides the legal framework for the prudential regulation of insurance in South Africa in line with international standards and the move towards Twin Peaks regulation. A separate regulatory framework is being developed for Conduct of Business. Together, these two Acts will replace the long-term and short-term Insurance Acts of 1998. The Insurance Bill contains the first formal mention of microinsurance in legislation and hence paves the way for the long-awaited implementation of the microinsurance regulatory framework as set out in the 2011 Microinsurance Policy Document. The FSB will soon publish a microinsurance regulatory roadmap to give clarity on how the regulatory framework will be implemented and enforced.

FinMark Trust has been a conversation partner and technical input provider to the National Treasury and the FSB throughout the process to develop a microinsurance regulatory framework, dating back to 2007, and prepared a submission on the draft Insurance Bill.

Most recently, our work on informality in the funeral parlour industry is helping to inform the enforcement considerations for microinsurance. It is widely accepted that although the extensive informal insurance market in South Africa, and much of the rest of SADC, delivers value to consumers, it can also lead to consumer abuse. In devising the enforcement strategy to accompany the implementation of the microinsurance regulatory framework, the South African regulators identified the need for a clear picture regarding the nature and extent of consumer abuse in the informal funeral parlour industry in South Africa. Drawing on both qualitative and quantitative demand-side data, the research found that the powerful position of funeral parlours in the market allows them to abuse consumers at a time of bereavement when they are particularly vulnerable and have little, if any, recourse. Abuse in the industry is a multi-pronged reality, with abuses on the health services side being interrelated with that of the financial services.

Complementing the health finance work at the regional level, this year also saw the broadening of our South African microinsurance focus to health finance as a core topic for household livelihoods and economic growth and development. Although South Africa is an important case study for the rest of the region, it can also extract lessons from its SADC peers. While the medical schemes market succeeds in funding quality health care, it fails to make it accessible to the majority of the population. Medical schemes are constrained by onerous regulatory requirements that prevent them from innovating in order to provide affordable benefit packages to the low-income market. In parallel, a growing health insurance market provides limited benefits at affordable prices, but sits uncomfortably with the goals and principles of the medical schemes regulatory environment. A long-standing policy process to clarify the demarcation between health insurance and medical schemes has not yet rendered regulations. All of this happens against the backdrop of the plans for National Health Insurance as contained in a White Paper published at the end of 2015. FinMark Trust commissioned research to map this complex and intertwined landscape as a basis for discussion among market players and regulators on the way forward. The findings were presented at a broadly attended stakeholder workshop in March 2016.



RESPONSIBLE FINANCE

Theme coordinator: [Dhashni Naidoo](#)

Consumer protection, financial education and market conduct are important components in ensuring that the quality of financial inclusion is promoted and maintained. As levels of financial inclusion increases, it becomes critically important to ensure that consumers are adequately empowered to protect themselves from the unintended consequences of financial inclusion. Policy makers and regulators are not only responsible for ensuring market stability but are equally responsible for creating an enabling environment which promotes increased focus on consumer protection, improves financial literacy levels and promote responsible market conduct.

Over the past year, the Trust has contributed to an increased understanding of the consumer protection landscape in SADC by conducting research to understand the regulatory environment across all 15 SADC countries. The purpose of the consumer protection study was to scope the current regulatory environment within countries, to review global standards and best practices, and identify key areas of focus for regulators and policy makers within the SADC region. It also aimed at developing a consumer protection assessment framework that will allow countries to assess gaps in their current regulatory frameworks. The outcome of this work is a better understanding of the SADC consumer protection landscape to effectively advocate for policy reform and provides countries with a tool to conduct assessments of consumer protection regulatory frameworks.

Consumer protection and market conduct are important pillars to ensure a fair and equitable financial sector where both the consumer and financial service providers are able to benefit from responsible practices. A market conduct study was undertaken in the credit market to better understand the practices of lenders. This study which looks at the conduct of lenders from the consumer's perspective provides insights into key areas where lenders need to improve practices. The research has highlighted the importance of the consumer experience. Too often that is lost in a compliance driven environment, where lenders simply 'tick the box' and regulators impose a checklist of requirements. The research has also highlighted significant opportunities to implement more thoughtful approaches to market conduct and customer service monitoring and embedding core principles of customer centricity within the business, shaped by social media and digital financial services. The study will be used to inform key projects in digital financial services.

Consumer protection and market conduct are important pillars to ensure a fair and equitable financial sector where both the consumer and financial service providers are able to benefit from responsible practices.

Financial capability continues to be a focus for FinMark Trust. In 2015 we developed the Financial Education Training Toolkit to train financial education practitioners. Across the SADC region countries are focusing efforts on improving the financial capability of consumers. This Toolkit aims to develop skills within countries to better understand the areas of financial education and building financial capability. In addition to Namibia and Mauritius, training has been conducted in Botswana, Malawi and Swaziland. Participants in the training reported to have a better understanding of financial education and how it contributes to improving the financial capability of consumers. In addition, countries have also recognised the importance of national strategies and coordination, the need for innovation in financial education and the dual benefits derived by

RESPONSIBLE FINANCE

the consumer and the implementing organisation. In Botswana BotuSafe funded the training which was attended by participants from the private sector and government. The Reserve Bank of Malawi hosted the training in Blantyre and Lilongwe and the training was attended by representatives from civil society, the private sector and government. In Swaziland, the Central Bank of Swaziland played a critical role in funding and hosting the training. Senior leadership within the financial sector was also made aware of the importance of promoting activities that improve the financial capability of citizens. At a meeting hosted by the Governor of the Central Bank, senior executives from the industry engaged on the topic with a view to developing a national strategy and coordinated approach in the country. Two training sessions were held in Swaziland with representation from the private sector and government.

Early this year during the discussions on the draft SADC financial inclusion strategy, policy makers and regulators in attendance expressed their concerns that not enough is being done to ensure increased protection of consumers. Recommendations were made to the SADC Secretariat to include consumer protection as a key strategic focus to ensure member states place consumer protection as a priority agenda. FinMark Trust's work and experience on consumer protection have laid the foundation to provide additional technical input and assistance at both the regional and country level to support policy makers and regulators. Recognising the role played by the Trust on consumer empowerment, the Access to Insurance Initiative (a2ii) is partnering with the Trust and the Financial Services Board (FSB) South Africa to jointly organise a Financial Consumer Education Seminar targeting regulators, policy makers and financial service providers from sub-Saharan Africa during the second half of this year.



INFORMATION AND RESEARCH SUPPORT

Head: **Kingstone Mutsonziwa**

An increasing body of evidence shows that appropriate financial services can help improve household welfare and spur small enterprise activity. FinScope surveys conducted by FinMark Trust continue to give comprehensive and credible demand-side data that is used by many stakeholders in decision-making regarding the types of products and services to offer. The debate on financial inclusion is shifting from basic access to that of the quality of access and usage of products, and its impact on financial inclusion.

FinScope is complemented by a wide range of analytical tools and richness of data available in the private sector and policy domains. While the so-called 'big data' generated internally by financial sector providers (FSPs) in the course of their interactions with consumers allows FSPs to understand product and channel usage patterns, propensities to adopt new services and factors that might lead to dormancy or termination, the FinScope demand-side data on the other hand will continue to play a critical role in bringing the consumer perspective to the fore.

Achievements in 2015

During the period under review, FinMark Trust launched FinScope Consumer Surveys in South Africa, Mozambique, Laos, Nepal, Zambia and Rwanda. FinScope surveys are being implemented in two West African countries as part of the Making Access Possible (MAP) initiative.

The Trust has also embarked on the following FinScope surveys, some of which are on-going:

- **India:** In India, FinScope surveys were successfully implemented in four states as part of the Poorest States Inclusive Growth Project (PSIG). Initial results were discussed with key stakeholders in New Delhi in February 2016 and the final results will be officially launched in the 4 states surveyed with an overall launch to be held in New Delhi in due course;
- **Madagascar:** Fieldwork has been completed in Madagascar with the launch of the results expected to take place in June 2016;
- **Cambodia:** Data analysis and reporting has been finalised and results are expected to be launched in either May or June 2016;
- **Togo:** Fieldwork is underway in Togo and the results are expected to be launched during the second half of the year;
- **Burkina Faso:** Fieldwork is underway in Burkina Faso and results will be launched during the second half of the year;
- **Lesotho (MSME):** Data analysis and reporting are currently on-going and the results will be launched around May 2016; and
- **Nepal (post-earthquake survey):** The report was prepared and awaiting sign-off by different stakeholders.

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FinScope in Asia

FinScope surveys have to date been implemented in six Asian countries; Pakistan, Thailand, Myanmar, Laos, Nepal and India (4 poorest states). Over the past year, FinMark Trust has made

INFORMATION AND RESEARCH SUPPORT

significant strides in completing and launching FinScope surveys in Laos and Nepal while Cambodia is due to be launched in June this year. By popular demand, similar surveys are due to be conducted in other non-surveyed countries in the Asian region, while repeat surveys are being planned for the future.

Clean energy module added to FinScope questionnaire

In order to have an awareness of the demand and use of clean energy to enable the poor to have the ability to finance the purchasing of clean, efficient, low-carbon alternatives to kerosene and charcoal (among others), clean energy data is now being collected in FinScope Cambodia, Togo and Burkina Faso. This will enable the creation of evidence-based initiatives that are directed at end-user needs and preferences. Such an approach puts the underlying factors and circumstances of the users need at the core, and allows for the quality and efficiency of financial products for energy usage and conservation at large.

Lessons from FinScope Rwanda

The FinScope Rwanda 2015/16 survey results was launched in March 2016 by His Excellency Prime Minister Anastase Murekezi who stated that Rwanda has surpassed its financial inclusion targets with more than 89 percent of the adult population accessing financial services. This is against the 80 percent government's target set for 2017 which has increased from 72 percent when the last survey was conducted in 2012. With a sample size of 12 481, the FinScope Rwanda 2015/16 survey was expanded to allow for greater data interrogation, analysis and representativeness. The lowest level of reporting domain was at the district level, which allowed financial inclusion analysis at 30 districts. Five thematic reports are being produced from the survey which includes women, youth, agriculture, digital finance and savings.

Advantages of greater data interrogation for FinScope Rwanda

The Rwanda survey indicated that no significant infrastructural barriers exist to access financial service providers. It takes adult Rwandans between 30-53 minutes to access most formal financial institutions (e.g. bank branch, ATM, microfinance institution) across all districts – a benchmark of one hour was used to assess this. However, analysis at district level revealed that improvements can be made to reduce the time taken to reach financial access points in targeted areas (districts) to enable ease of access to financial institutions. The survey showed that on average adults in Ngororero district would take between 43 minutes (to reach mobile money agents) to 70 minutes (to nearest ATMs) to access formal financial institutions. Overcoming proximity barriers is one approach aimed at increasing the usage of financial services and possibly, ensuring that there are coordinated financial inclusion efforts throughout the country.

FinMark Trust embracing technology through the use of CAPI methodology in FinScope surveys

In the past, FinScope surveys have been administered using paper and pencil interviewing approaches commonly referred to as PAPI. The research industry has evolved in its approach to conducting surveys and the use of technology has been embraced for its efficiency. Although there has been hesitation in using the Computer Assisted Personal Interviewing (CAPI) technique due to the comprehensive nature of the FinScope questionnaire, FinMark Trust has successfully implemented CAPI in its FinScope surveys in a number of countries. The Trust has noted some benefits in using CAPI:

- Cost saving;
- CAPI interviewing looks less intimidating and more professional than paper-based surveys;
- GPS coordinates of interview location is recorded;
- Interviewers are tracked online and interventions are quickly taken;
- Fieldwork quality and efficiency are enhanced; and
- Data capturing phase is eliminated and results can be processed timeously.

However, CAPI only becomes effective if the implementing research house has the capability to professionally manage the different stages of the CAPI system. A noted common hindrance in executing CAPI surveys is the limited local capacity and experience of research houses in the CAPI system that do not have Tablets or Personal Digital Assistant (PDA) devices. For example, scripting is an important part of the process that should be properly done and quality checked to yield the desired results. FinMark Trust endeavors to use CAPI for all future FinScope surveys due to its advantages.

What they said?

Former Minister of Finance, RSA, Nhlanhla Nene, SADC Financial Inclusion Indaba, July 2015

“In the recent past, many countries in the region have introduced reforms necessary to construct economies in which all people can fully participate in and derive benefit from. Progress has been made in building more equitable societies. The growth of the region remains robust, with expectations of an average of 5 percent growth over the next three years. This is exceptional if we compare it with other regions in the world. Economic activities in the region have diversified over the past decade, attracting increased foreign direct investment and benefits from rising investment in ports, electricity capacity and transportation. However, despite the positive economic prospects of the region, many of our people are still excluded from mainstream economic activities. The improvements in our economies have not always adequately translated into sufficient opportunities for poor and low-income households to improve their living standards. It is therefore important that, as we pursue development in our respective countries, we ensure that we create a fully inclusive economic environment in which all people can participate in and derive benefit from it”.

Source: <http://www.gov.za/speeches/minister-nhlanhla-nene-sadc-financial-inclusion-indaba-23-jul-2015-0000>

FinScope Nepal 2014 launch on 16th August 2015 in Kathmandu

Dr. Chiranjibi, Nepal, Governor of NRB, highlighted the significance of financial inclusion stating that, “access to finance is important for all members of society, particularly for the vulnerable and low income people, to better withstand natural disasters.” He noted that strong coordination mechanisms between banking, insurance and non-bank financial institutions along with private sector players is required to achieve universal financial access and economic growth in the country. He stated that NRB in coordination with the government of Nepal has already taken a number of policy measures, including payments systems and financial education, to ensure reliable and affordable financial services to the poor people in the country.

Source: <http://www.afi-global.org/news/2015/8/16/nepal-rastra-bank-releases-survey-results-financial-inclusion-conference-kathmandu>

FinScope South Africa 2015 on 10th November 2015 in Johannesburg

Hoosain Karjiekker, CEO Mail & Guardian, said financial exclusion is a real problem with some people resorting to loan sharks. “Those who set regulatory regimes need to be encouraged to make bold decisions to lift people from financial exclusion,” Karjiekker said. He cited the success of Kenya’s Mpesa system. He called on authorities to do more to fast-track financial inclusion.

Source: <http://www.fin24.com/Economy/call-to-up-financial-inclusion-as-consumers-struggle-20151110>

An excluded society? Financial Inclusion in SADC through the FinScope lenses.

In January 2016, FinMark Trust published a book titled “An excluded society? Financial Inclusion in SADC through the FinScope lenses”. The book provides an in-depth analysis of the state of financial inclusion in twelve Southern African Development Community (SADC) states. Included are informative and diverse reviews from industry experts on the advancement of financial inclusion, which aims to influence the wider debate on how best to advance and integrate access in the region. The book questions whether the SADC community is in fact an excluded society considering that 34% of the 125 million people are financially excluded. This translates into 41.9 million adults who do not have any financial accounts and do not fully participate in the mainstream economy. Although the book illustrates that the SADC region has made strides in increasing inclusion, there is still room for improvement.

The book can be accessed at <http://www.assetmag.co.za/FinMarkTrustSADCFinancialinclusionbook>

Dissemination of FinScope datasets

From its inception the FinScope dataset has been a public good with the exception of the syndicated surveys. As the demand for financial inclusion datasets and their value becomes apparent, there are currently two parallel initiatives that would enable the FinScope data to be ‘open data’ to encourage more users. Open data is data that can be freely used, re-used and redistributed by anyone – subject only, at most, to the requirement to attribute and share like datasets. The most important considerations for the FinScope data to be open data are: (i) availability and access, (ii) re-use and redistribution and (iii) universal participation. This concept of open data means anyone can freely access, use, modify, and share for any purpose (subject, at most, to requirements that preserve provenance and openness). The FinScope datasets will remain the intellectual property of FinMark Trust, the data may not be sold to third parties and any reports produced should reference the source and FinMark Trust. Furthermore, any reports produced should ideally include a disclaimer that FinMark Trust is not liable for any analysis or interpretations.

INFORMATION AND RESEARCH SUPPORT

The first such initiative from UNCDF (our partner on implementing the Making Access Possible (MAP) programme) which started in 2015 is at an advanced stage where dummy results are being tested. The second initiative is led by insight2impact (www.i2ifacility.org) under the focus area – Open Data Portal. It is anticipated that the first hint of the portal outputs would be released during second half of 2016. FinMark Trust is excited by these two initiatives that will ensure wider use and dissemination of the datasets by different stakeholders.

FinScope independent review

During the period under review, FinMark Trust embarked on an independent review of the FinScope Consumer Survey in its entirety in order to assess to what extent FinScope in its present format and structure meets the needs of the different stakeholders (policy makers, regulators, financial services providers, development partners, NGOs, and academics). The review was also intended to understand the impact of FinScope Consumer Surveys to date on the broader financial inclusion landscape in terms of influencing stakeholder understanding of market development. Within this context, the Trust also wanted to improve the overall survey so that it remains the leading demand-side analytic tool for financial inclusion through:

- Understanding and positioning FinScope in light of evolving data in the financial inclusion space;
- Benchmarking the life cycle, depth and milestones of the FinScope process, including an operational review; and
- Investigating the strategic nature and overall impact of FinScope.

The review affirmed and endorsed the comprehensive and consultative nature of the FinScope survey which ensures countries' take ownership of the entire process. It is regarded as a credible and essential information tool to support efforts to increase financial access and has influenced perceptions of the government and private sector players by providing insights into why people may, or may not, use financial services.

However, going forward consideration needs to be given to streamlining the questionnaire which is perceived as lengthy, and engaging more with stakeholders to ensure that the data generated is effectively used and widely disseminated, optimise efficiencies to avoid delays and cost savings.








iNSIGHT2iMPACT (i2i)

Interim Lead: Herman Smit

In most developing countries, limited insight on those formerly under-served by the financial sector undermines the ability of providers, policymakers and development partners to design products, policies and programmes that best serve their needs. It is in this context that the insight2impact (i2i) a facility to advance the use of data for financial inclusion was established. i2i is a 5-year, \$20 million partnership, hosted jointly by FinMark Trust and Cenfri and funded by the Bill & Melinda Gates Foundation in partnership with the MasterCard Foundation. The facility was officially launched on 19 November 2015 in Cape Town. The launch was attended by key financial service providers and others focusing on client-centricity. It was flanked by the MasterCard Foundation Symposium on Financial Inclusion, where i2i was commended by United Nations Secretary General's Special Advocate for Inclusive Finance for Development (UNSGSA) Her Majesty Queen Máxima of the Netherlands.

i2i serves as a resource for the financial inclusion community, working closely with policymakers, financial services providers, development partners and academics to promote financial inclusion data for development. It bridges research and practice to support survey and GIS data collection initiatives, assist financial services providers in the collection and use of client data and develop measurement frameworks to further enhance our ability to monitor financial inclusion and its associated impact. An open data portal will improve accessibility and use of key datasets – notably FinScope, MAP and financial diaries – as well as curate the first peer-reviewed journal for client-centric research in financial inclusion.

The 5 focus areas of i2i are summarised below.

 Measurement	 Data Quality	 Open data portal	 Client Insights	 Application Lab
Deepening measurement in financial inclusion <p>Develop financial inclusion measurement frameworks in collaboration with partners, including:</p> <p>Identify priority areas for improved measurement;</p> <p>Develop up to 12 indicators of financial inclusion;</p> <p>Pilot/test measurement frameworks.</p>	Advancing survey and geospatial data for financial inclusion <p>Improve the generation, use and sustainability of quality demand-side data in up to 15 countries, focused on:</p> <p>Nationally representative financial inclusion surveys;</p> <p>Geospatial data (GIS).</p>	Enabling access to pioneering client data and research <p>Build an adaptive online portal, responsive to users' changing financial inclusion research and data needs.</p> <p>The portal will host:</p> <p>Multi-country datasets, including individual and household financial usage surveys, geospatial data.</p> <p>Research, including the first online journal in financial inclusion aiming to improve understanding of the client;</p> <p>Blogs and webinars for collaborative peer-to-peer learning.</p>	Improving relevance and quality of client data and research for financial service providers <p>Bridge research and practice by improving the relevance and quality of client data and research, including:</p> <p>Conduct new client analysis and research;</p> <p>Understand the usage of client data and research by financial service providers</p> <p>Identify existing and develop new toolkits and guidelines on client research and data approaches.</p>	Partnering to advance the use of client data and bring innovations to market <p>Advance our understanding of the application of client data and research to inform decision-making for financial service providers, including:</p> <p>Provide technical support to financial service providers and researchers for the generation and use of client data in decisionmaking;</p> <p>Publish in-depth use cases and a blog series highlighting the business case for deeper client understanding.</p>

INSIGHT2IMPACT (i2i)

i2i focuses on Africa, South and South East Asia – regions where many of the financially under-served reside. Countries that will see more targeted engagement include Bangladesh, Ghana, India, Indonesia, Kenya, Mozambique, Nigeria, Pakistan, Rwanda, Senegal, Tanzania, Uganda and Zambia. The aim is to learn locally, to inform globally. For more, see the i2i website at www.i2ifacility.org

In July 2015, the i2i Data Quality team hosted a two-day workshop for the FSD Network in Johannesburg titled ‘Location Matters: GIS in Financial Inclusion’. The workshop focused on how Financial Sector Deepening Trusts (FSDs) and their partners can use geographic information systems (GIS) and geospatial data to better understand current challenges in financial inclusion. The workshop brought together a number of participants and presenters from the private sector (financial institutions), international bodies such as the World Bank Group and the United Nations Capital Development Fund (UNCDF), and development organisations and FSDs from across Africa. The workshop also saw the launch of a community of practice focused on geospatial data for financial data for financial inclusion – the gis4FI community for short. This community has held a number of knowledge-sharing sessions subsequently. Over the course of the year, the Data Quality team has also provided technical assistance to two FSDs involved in the design and implementation of gis4FI country processes, namely FSD Zambia and MSD Moç.

In September 2015, i2i participated in the 7th AFI Global Policy Forum in Maputo, Mozambique where a presentation was made to the Alliance for Financial Inclusion Data Working Group (FIDWG) on its five focus areas. Two of i2i’s five focus areas – measurement and data quality – have particular relevance to the members of the FIDWG, which include regulators and policymakers. At the time of the meeting, 12 countries had approved a national financial inclusion strategy and 11 others had indicated that they were in the process of designing one. The national strategies rely on key measurement indicators to inform and monitor the impact of their financial inclusion interventions. The FIDWG has already developed and endorsed measurement frameworks for access and usage indicators and at this meeting endorsed guidelines for new quality indicators for financial inclusion.

i2i’s Measurement team is building on the work done by the FIDWG and others. Between October and December 2015 they solicited input and feedback on key priority measurement areas from over 50 individuals representing more than 30 key organisations in the international financial inclusion policy and measurement landscape. These will form the basis of the measurement frameworks and indicators that will be refined in collaboration with partners and key stakeholders over the coming years.

The Applications Lab is engaging its first technical assistance partner, Kenya Commercial Bank, on the use of their client data. Also imminent is a scoping study on how client data is used for decision-making across the financial services value chain, to be released by the Client Insights. The coming year will also see a re-launch of the i2i website as an interactive data portal.

Keep an eye on www.i2ifacility.org

PUBLICATIONS

These are available on the FinMark Trust website: www.finmarktrust.org.za

Document	Author	Date
Media release: FinMark Trust rolls out newly developed Financial Education Toolkit in Mauritius	FinMark Trust	March 2015
Newsletter: FinMark news	FinMark Trust	March 2015
Toolkit: Financial education toolkit	FinMark Trust	March 2015
Media release: Results from FinScope Consumer Survey DRC 2014	FinMark Trust	March 2015
Brochure: FinScope Consumer Survey DRC 2014 (French version)	FinMark Trust	March 2015
Newsletter: FinMark news	FinMark Trust	April 2015
Media release: Xenophobic violence in South Africa and its negative effects	FinMark Trust	April 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Angola	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Botswana	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – DRC	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Lesotho	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Malawi	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Mauritius	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Mozambique	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Namibia	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Seychelles	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Swaziland	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Zambia	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – Zimbabwe	FinMark Trust and Compliance and Risk Resources	May 2015
Report: AML/CFT and financial inclusion in SADC – Consideration of Anti-Money Laundering and Combating the Financing of Terrorism Legislation in various Southern African Development Community (SADC) countries – South Africa	FinMark Trust and Compliance and Risk Resources	May 2015

PUBLICATIONS

These are available on the FinMark Trust website: www.finmarktrust.org.za

Document	Author	Date
Newsletter: FinMark news	FinMark Trust	May 2015
Guidance note: Harmonising regulations to promote access to insurance in SADC	FinMark Trust and Cenfri	June 2015
Media release: Finance Minister signs FICA exemption for cross-border money transfers	FinMark Trust	June 2015
Newsletter: FinMark news	FinMark Trust	June 2015
Media release: Results from FinScope Consumer Survey Laos 2014	FinMark Trust	July 2015
Brochure: Shoprite money transfer	FinMark Trust	July 2015
Media release: Results from FinScope Consumer Survey Botswana 2014	FinMark Trust	July 2015
Brochure: An excluded society? Financial inclusion in the SADC region through a FinScope lens	FinMark Trust	July 2015
Report: Why retailers?	FinMark Trust, Cenfri and Eighty20	July 2015
Newsletter: FinMark News	FinMark Trust	July 2015
FinMark Trust annual report 2015	FinMark Trust	July 2015
Brochure: FinScope Consumer Survey Botswana 2014	FinMark Trust	July 2015
Fact sheet: Shoprite money transfer	FinMark Trust	July 2015
Media release: Shoprite money transfer launched in Maseru allows for remittances at low affordable rates	FinMark Trust	July 2015
Booklet: Financial Inclusion in the SADC Region	FinMark Trust	July 2015
Fact sheet: Financial Inclusion in the SADC Region	FinMark Trust	July 2015
Report: Anti-Money Laundering and Combating the Financing of Terrorism in certain SADC countries	FinMark Trust and Compliance and Risk Resources	August 2015
Focus note one: Financial Inclusion and AML/CFT – Anti-Money Laundering and Combating the Financing of Terrorism in certain SADC countries	FinMark Trust and Compliance and Risk Resources	August 2015
Focus note two: Risk-based approaches to AML/CFT – Anti-Money Laundering and Combating the Financing of Terrorism in certain SADC countries	FinMark Trust and Compliance and Risk Resources	August 2015
Focus note three: Due diligence and related matters – Anti-Money Laundering and Combating the Financing of Terrorism in certain SADC countries	FinMark Trust and Compliance and Risk Resources	August 2015
Focus note four: Mobile services and technology – Anti-Money Laundering and Combating the Financing of Terrorism in certain SADC countries	FinMark Trust and Compliance and Risk Resources	August 2015
Focus note five: Harmonisation of regulatory frameworks in the SADC region – Anti-Money Laundering and Combating the Financing of Terrorism in certain SADC countries	FinMark Trust and Compliance and Risk Resources	August 2015
Newsletter: FinMark News	FinMark Trust	August 2015
Report: SADC financial inclusion indaba	FinMark Trust	August 2015
Brochure: FinScope Nepal Consumer Survey 2014	FinMark Trust	August 2015
Media release: Launch of FinScope Consumer Survey Mozambique 2014	FinMark Trust	September 2015

These are available on the FinMark Trust website: www.finmarktrust.org.za

Document	Author	Date
Media release: FinMark Trust sponsors programme on agricultural and rural finance	FinMark Trust	September 2015
Brochure: FinScope Mozambique Consumer Survey 2014, (Portuguese version)	FinMark Trust	September 2015
Brochure: FinScope Mozambique Consumer Survey 2014, (English version)	FinMark Trust	September 2015
Report: FinScope Mozambique Consumer Survey 2014	FinMark Trust	September 2015
Newsletter: FinMark News	FinMark Trust	September 2015
Report: Advancing data for the development of microinsurance markets in SADC	FinMark Trust and Cenfri	October 2015
Newsletter: FinMark News	FinMark Trust	October 2015
Media release: Launch of data facility to advance financial inclusion	FinMark Trust	November 2015
Media release: Swaziland Credit Data Sharing Association launched to share borrower information to promote responsible finance	FinMark Trust	November 2015
Media release: Results of FinScope South Africa 2015 Consumer Survey	FinMark Trust	November 2015
Brochure: Results of FinScope South Africa 2015 Consumer Survey	FinMark Trust	November 2015
Newsletter: FinMark News	FinMark Trust	November 2015
Financial access and SME size in South Africa	FinMark Trust	January 2016
Newsletter: FinMark News	FinMark Trust	January 2016
Newsletter: FinMark News	FinMark Trust	February 2016

These are available on the i2i website www.i2ifacility.org

Document	Author	Date
Brochure: About i2i	i2i	November 2015
Workshop proceedings – Location matters: GIS in Financial Inclusion	i2i	July 2015
gis4FI Process note: Mozambique	Bobby Berkowitz, i2i	November 2015
gis4FI Process note: Zambia	Abel Motsomi, i2i	December 2015
Brief: 7 Applications for GIS data by financial service providers	Louise de Villiers, Abel Motsomi & Bobby Berkowitz, i2i	November 2015
gis4FI community of practice knowledge-sharing summary #1 – Promoting private sector usage of geospatial data	i2i	November 2015
gis4FI community of practice knowledge-sharing summary #2 – The role of members in gis4FI country processes	i2i	February 2016
Blog: Outliers – GIS data and improved investment planning for FSPs	David Taylor	November 2015
Blog: Deepening measurement in financial inclusion	Hennie Bester, Mia Thom & Jeremy Gray, Cenfri	December 2015

CO-FUNDING - 2015/2016

These are available on the FinMark Trust website: www.finmarktrust.org.za

Project	Co-funder
FinScope SA	ABSA, First National Bank, Nedbank, Standard Bank SA, Liberty life, Metropolitan, Old Mutual, Sanlam, Ernst & Young, National Treasury
FinScope Botswana	Bankers Association of Botswana
FinScope Cambodia Consumer	United Nations Capital Development Fund
FinScope India	Small Industrial Development Bank India (SIDBI)
FinScope Laos Consumer	United Nations Capital Development Fund
FinScope Lesotho SMME	Department for International Development
FinScope Mozambique SMME	KfW Bankengruppe, Ministry of Finance Mozambique
FinScope Nepal Consumer	United Nations Capital Development Fund
FinScope Rwanda Consumer	Access to Finance Rwanda
FinScope Togo Consumer	United Nations Capital Development Fund
MAP Co-ordination Support and Development	United Nations Capital Development Fund
MAP Democratic Republic of the Congo	United Nations Capital Development Fund
MAP Madagascar	United Nations Capital Development Fund
MAP Malawi	United Nations Capital Development Fund
Map Mozambique	United Nations Capital Development Fund
MAP Zimbabwe	United Nations Capital Development Fund
Housing Microfinance	Rooftops Canada; Habitat for Humanity International
Credit Information sharing and Microfinance project	Gesellschaft für Internationale Zusammenarbeit (GIZ)
International Financial Inclusion Indaba	Belgium Technical Cooperation

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