

2013

ANNUAL REPORT





FinMark Trust Purpose

FinMark Trust, an independent trust based in Johannesburg, South Africa, was established in 2002, and is funded primarily by UKaid from the Department for International Development (DFID) through its Southern Africa office. FinMark Trust's purpose is 'Making financial markets work for the poor, by promoting financial inclusion and regional financial integration' as well as institutional and organisational development, in order to increase access to financial services for the un-served and under-served. FinMark Trust commissions research to identify the systemic constraints that prevent financial markets from reaching out to these consumers and by advocating for change on the basis of the research findings.

FinMark Trust achieves its purpose by:

- Playing a catalytic role to make financial markets accessible, sustainable and inclusive by promoting and supporting policy and institutional change across Africa;
- Providing information that encourages financial service providers to understand the potential and characteristics of new market segments;
- Promoting financial capability and consumer financial protection;
- Promoting growth and integration in the financial services sector in Southern Africa, focusing on SADC member states and contributing to the process of regional policy harmonisation, together with translating and setting best practice through evidence-based advocacy.



Trustees	I
Chairman's review	2
Chief executive officer's review	4
Regional financial integration	6
Retail payment systems	8
Microinsurance	10
Consumer financial empowerment	13
Agricultural and rural finance	15
Housing finance	16
Information and research support	18
Financial policy and regulation	20
Co-funded projects	22
Publications	23
Presentations	25



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, advisor to the President of Madagascar, 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 also 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 serves on several boards including the Bank of Zambia – the Central Bank of Zambia and Maamba Collieries Limited.

It is my privilege to submit my first review, since taking over from Nkululeko Sowazi as Chairman of FinMark Trust. I must, at the outset, express the gratitude of the board of FinMark Trust, and all members of staff, for the sterling leadership provided by Nkululeko for many years. FinMark Trust has played a pivotal role in catalysing initiatives to improve financial inclusion and to make financial markets work for the poor. The organisation has been active in South Africa, the Southern African Development Community (SADC) and other parts of the world. The global financial sector is still in the throes of the impact of the crisis that started in 2008. An impact of the crisis is that financial inclusion and access have become even more challenging, yet even more critical.

Growth in the world economy has weakened considerably in 2012, although there are subtle signs of improvement. Projections for 2013 and 2014 demonstrate sluggish growth, at 2.4 percent for 2013 and 3.2 percent for 2014. Emerging markets like China and India continue to lead global growth, but at lower rates than in the past, while many advanced economies contracted during the fourth quarter of 2012. The pace of growth in many countries is not sufficient to overcome the continued job crisis, and progress is inhibited by the high levels of debt.

The weaknesses in the systems of many developed economies are at the root of the economic slowdown. In Europe, the high unemployment rate, fragile financial sector, sovereign risk, fiscal austerity and low growth all point to weak economic performance for some time to come. The Eurozone and several European economies will remain in recession. A critical impact of this is the rise in unemployment, with unemployment in the Eurozone at 12 percent in 2012.

The weaker global environment and distress in Europe, Japan, and the United States is taking its toll on several African economies due to the decreased demand for exports, volatility in capital flows and commodity prices. However, although conditions remain weak externally, domestic economic activities remain dynamic in many African countries. African economies are expected to see modest growth in 2013 at 4.8 percent, down from 5.0 percent in 2012. This continued growth trajectory is underpinned by the strong performance of oil exporting countries, fiscal spending on infrastructure projects and expanding economic ties with Asian economies. Public spending in sub-Saharan Africa in the services sector, especially transport and telecommunication, continue to register increased growth.

However, numerous challenges still exist in Africa. The North African economies, which were strongly affected by internal conflicts in 2011, are expected to recover slowly, but it will be difficult for them to return to their 2010 GDP figures by 2013 due to the low revenues from tourism, high unemployment rates and the recession in Europe, which is an important market for them.

The SADC region continues to show potential for growth, particularly because of the abundance of natural resources. However, this potential is tempered because of the continued impact of the global economic slowdown. This highlights the need for sound fiscal and monetary policies in order to sustain macroeconomic stability and robust economic growth. It also emphasises the need for reforms to unlock the regions productive potential, promote trade and financial sector development, as safeguards against the disruptive effects of the uncertain global environment. These conditions do, however, create opportunities to increase intra-regional trade and connectivity, which remains very low.

While the global financial and fiscal crisis has led to some countries strengthening their policy stance, more concerted policy actions are needed at national and international levels to also promote job creation. This is a critical challenge in South Africa, given the very high unemployment rate, exacerbated by low skills. Several regulatory reforms are being undertaken, particularly in the financial sector, as it plays a central role in supporting the real economy. The international community also embarked on initiatives that aim to improve regulation of the financial sector and foster financial stability in the wake of the financial crisis. Although financial stability is key to these reform initiatives, it is not the only objective, as a number of changes are also envisaged in the areas of market conduct, consumer protection as well as financial inclusion. Engagements are underway among various regulators and stakeholders that will lead to the implementation of these regulatory reforms in the near future, particularly through the implementation of the 'twin peaks' regulatory regime.

It is imperative that relevant regulatory authorities have the oversight powers and resources to carry out the task of supervision, oversight and regulation for safe and effective financial market infrastructure for the purpose of financial stability. In exercising these powers, authorities should be transparent, adopt relevant principles and apply them consistently. It is also crucial for central banks, market regulators and other authorities to cooperate in undertaking these tasks.

The weaknesses in the systems of many developed economies are at the root of the economic slowdown. In Europe, the high unemployment rate, fragile financial sector, sovereign risk, fiscal austerity and low growth all point to weak economic performance for some time to come.





In the SADC, the integration of the payment systems, which is due to be launched for testing in July 2013, is key to creating a regional financial market infrastructure which will go a long way in facilitating trade within the region. In this process, international standards will be adopted to ensure that the regional financial market infrastructure integrates with market infrastructures in other regions and internationally. Therefore, it is imperative that domestic financial market infrastructure is developed with due consideration of international standards and best practice. This will enable integration with those operated by other countries and/or regions and thus facilitate cross border trade.

Overall, the South African financial market infrastructure is well developed and meets international standards and best practice in order to be open for integration with other markets. Our participation in regional formations, international standard setting bodies and oversight arrangements also offers a platform for us to gain insight and learn from developments elsewhere. This also offers us an opportunity to contribute to these regional and international developments.

The global economy is at an interesting juncture. Developing and emerging economies are coming to the fore in the midst of continuing challenges in developed economies. This is shifting the balance of economic forces and informing a new global political terrain and presents tremendous opportunities for South Africa and the rest of the African continent. We must address issues that inhibit the continent taking full advantage of this opportunity.

FinMark Trust seeks to facilitate collaboration in the financial sector so that financial institutions, policy making bodies and governments can contribute to the need for greater financial inclusion for the benefit of the economy, especially the poor and marginalised. Although the areas of collaboration that FinMark Trust has on its immediate horizon are increasing financial inclusion and eradicating poverty through research, advocacy and policy change, these activities are inspired by a deeper human recognition, that the problems facing the poorest of the world are also that of our own.

The economic crisis of the past few years has demonstrated that financial inclusion, especially access to finance, is a critical prerequisite for global economic development. The world's poor bear the brunt of the on-going economic crisis. FinMark Trust has a critical role to play in ensuring that the message of 'making financial markets work for the poor' is not lost. We look forward to carrying this message forward in the coming year for the purpose of ensuring greater financial inclusion and sustainable development.

It is an exciting time for FinMark Trust, with challenges and opportunities emerging on a daily basis. I wish to thank every staff member and the board for their efforts in responding to these challenges and opportunities and I look forward to continue working with you in the year ahead. My gratitude goes to our core funder, UKaid from the Department of International Development (DFID) through its Southern Africa office for its support over the years. I have referred earlier in my review to Nkululeko, our previous Chairman whom we bid farewell to in 2012. We benefitted greatly from Nkululeko's leadership skills, governance expertise and careful attention to building the organisation, together with his considerable depth of expertise from senior executive and directorship roles in a diverse group of companies. I would like to thank the CEO of FinMark Trust, Prega Ramsamy, for his vision, commitment and optimism in leading the organisation. As FinMark Trust forges ahead, it is a place full of vigor and optimism for the future, with employees who are full of passion for what the organisation is here to do. I feel confident that FinMark Trust has the strategy and people to continue to succeed in making a difference in the lives of the poor.

Cas Coovadia

Johannesburg
July 2013

The 2013 annual report of FinMark Trust provides an overview of the progress achieved during the past year. It was indeed a challenging and eventful year with Africa emerging as the 'hopeful continent' with renewed prospects of economic growth and development which, if managed properly, would make a real dent in poverty.

Our role as FinMark Trust since 2002 has been to provide evidence-based reference points for government and the private sector in their efforts on making financial markets work for the poor. It is estimated that at present some 2.5 billion working-age adults still lack access to formal financial services. Poor households utilise a range of informal methods such as savings at home, savings and insurance clubs, and borrowing from relatives, friends and money-lenders to manage their daily needs. These mechanisms are not ideal, particularly in protecting the poor from short-term and long-term household risks and shocks, but they have provided useful guideposts for the design and elaboration of appropriate policies and services to make markets work for the poor.

During the past financial year, we have built on the solid foundation laid down over the past decade during which no efforts were spared to catalyse change in the financial sector on the basis of evidence based research, information sharing, dialogue and advocacy as well as professional support to institutions. In the process, we have adapted our agenda to the global, regional and national imperatives which has required us to pursue a new demand-driven business model based on proximity with the stakeholders. In this new business model, we have carved ourselves a niche in making the roadmap from knowledge gathering and dissemination to implementation a reality. In many countries of the region, there are evidences of improvement in access to financial services by the poor through either more relevant and affordable services or through deliberate policy changes geared towards making financial services a public good.

These improvements have served as anchors for leveraging more financial inclusion work in the SADC region. FinMark Trust is now firmly established on the ground in seven countries of SADC, where support is provided to Governments in implementing their financial inclusion programmes, which in general addresses issues such as the shallow financial market; limited financial safety nets; under-developed capital markets; inadequate rules and regulations; limited access to financial services; low financial literacy; lack of consumer protection and consumer activism and limited financial skills. The financial inclusion programme of FinMark Trust is the logical follow-up of the regional financial integration work that started in 2010 which has helped SADC countries to develop roadmaps for the implementation of the Protocol on Finance and Investment (FIP).

With a view to continuing to provide independent and credible information and knowledge on access to finance by the adult population, FinScope continues to expand its reach in the region and beyond. To date, FinScope consumer surveys have been conducted/initiated in fifteen African and three Asian countries. Repeat FinScope surveys have been undertaken in eight countries to ensure that interventions made in the financial sector are tracked over time. In addition, the FinScope small business surveys have been conducted in six countries. In an effort to take FinScope surveys to the next level, several changes have been implemented to allow more in-depth analysis in understanding people's financial lives and their financial behaviours, and more enhanced inter-country comparisons by harmonising the base questionnaire across countries.

Within the framework of Making Access Possible (MAP), a global initiative developed jointly by the United Nations Capital Development Fund (UNCDF), FinMark Trust and the Centre for Financial Regulation and Inclusion (CENFRI), two pilot projects, one in Thailand and the other one in Myanmar are on-going. The results will serve to expand MAP to other countries including a number of SADC countries where FinMark Trust and Cenfri will be involved, not only in the demand-side and supply-side diagnostics, but also in the programming exercise for an efficient delivery of financial services to the poor with up-front government buy-in. Discussions are on-going with the Francophone countries which have expressed strong interest in the FinScope surveys as part of the demand-side diagnostic. During the year under review, intensive work has been undertaken under the various themes to support the financial inclusion agenda of FinMark Trust. The annual external review of FinMark Trust has given due recognition to the useful work undertaken under each area of intervention. All the agreed milestones have been achieved, and in several cases, the outputs have exceeded expectations.

The success of FinMark Trust in achieving its set objectives under the various themes is anchored on innovation and pragmatism. For instance, in the regional financial integration area of work, a lot of time was spent on stakeholder engagement at national and regional levels, with a proximity approach



We have built on the solid foundation laid down over the past decade during which no efforts were spared to catalyse change in the financial sector on the basis of evidence based research, information sharing, dialogue and advocacy as well as professional support to institutions.



that involves all key players in both the public and private sectors. This has ultimately led to better understanding of the relevance of the Finance and Investment Protocol for better financial sector development and financial inclusion. As a result, Swaziland ratified the Finance and Investment Protocol, while the implementation road map of the FIP remains on the radar of other countries. In Housing Finance, FinMarkTrust's Centre for Affordable Housing Finance (CAHF) has continued to be a primary source of information and dialogue relating to access to affordable housing finance in the SADC region and beyond. Through the inter-play between a networking and knowledge platform, the CAHF has provided housing finance practitioners and private sector players a better understanding of the housing asset in Africa as well as critical information to encourage investor interest in affordable housing.

The Affordable Land + Housing Data Centre (al+hdc), by drawing on deeds registry data and combining the information with survey data, continues to provide information on properties that are affordable to the majority of South Africans. In microinsurance, we have pursued our objective of increasing the availability of better insurance products to a greater number of low-income households. Accordingly, a multi-pronged intervention combining capacity building for regulators and supervisors, support for innovative pro-poor life insurance products, regulatory advice, dialogue and advocacy as well as impact assessment has been pursued. To support cross-border trade and investment, the Trust has embarked on a number of initiatives to assist the establishment of efficient, reliable and affordable payment systems within the region. With regard to financial education (FE), impact studies have shown that for FE to be an effective tool, it needs to be tailored to the needs of the people it is aiming to help. FinMark Trust has emerged as a role player in helping frame, facilitating and providing inputs into consumer empowerment initiatives in a number of SADC countries including South Africa. In some countries, the roll out of well-designed financial education strategies have been assisted by FinMark Trust.

All the work undertaken under the various themes would not have been possible without the wisdom, experience and guidance of the chairman and the members of the board of trustees for which we are particularly grateful. The financial resources put at our disposal by UKaid from the Department for International Development (DFID) and supplemented by other co-operating partners have been critical in pushing forward the financial inclusion frontier in the region. We are thankful to DFID for making available core funding for our work and to our other partners for their support. We look forward to the continuation of such support in future as the work on making markets work for the poor gets embedded in the financial inclusion agenda of the countries in the region. My special thanks to the FinMark Trust team and theme co-ordinators for their unflinching commitment to the work of the Trust. It has been a rewarding pleasure working with them and our service providers.

Prega Ramsamy

Johannesburg

July 2013

During the recent global economic crisis, the limited financial integration of African economies shielded the African financial system from collapsing, as banks and non-bank financial institutions did not border on bankruptcy. Although African economies were affected through its impact on export earnings, fiscal balances, remittances and access to foreign capital; the crisis had limited impact on the financial sector in Africa compared to those of the United States and Europe. Although some may argue for an abandonment of regional financial integration, such an approach would deprive African countries of potential advantages. In fact, the economic crisis indicates a need to propel financial integration initiatives in Africa to move more quickly on the roadmap to fuller integration of financial systems. Efforts to foster regional financial integration are important for Africa's ability to withstand future shocks and facilitate integration into the global economy, notably through market expansion, economies of scale, and improved competitiveness.

Recognising that a positive and significant correlation exists between financial sector development, economic growth and poverty reduction, African countries have been strengthening and modernising their financial systems as part of their domestic reform programs. However, despite these efforts, their financial systems still lack depth and deliver only a limited range of products at high costs. Progress in regional financial integration has also been slow and varies across countries for many reasons, and therefore needs to be accelerated through a more proactive policy stance.

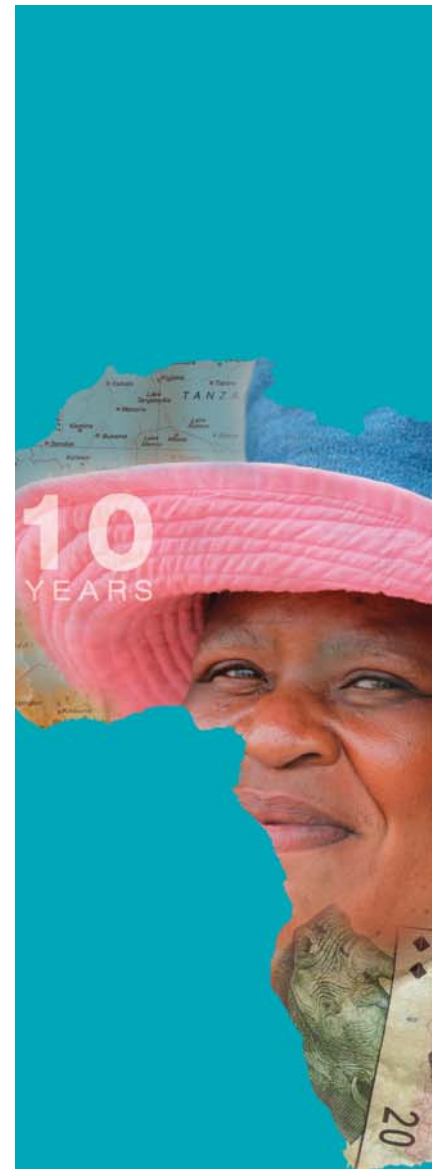
Although there is much optimism about the future of economic growth and development prospects in the African continent, including in Southern Africa, a number of challenges exist and feedback from the financial sector in the region raise the following as most important:

- The regulatory environment needs to be harmonised so as to assist companies doing or attempting to do business across borders;
- Constantly fluctuating exchange rates and inconsistent foreign exchange regulation make cross border investment particularly difficult for banks, insurers and investors;
- With regard to cross border trade, massive delays are still caused by bureaucratic processes, increasing the cost of moving goods. This is further hampered by the inadequacy of financing mechanisms, high currency conversion costs and weak regional payment systems;
- Although some progress has been made, limited technology and infrastructure is a massive constraint;
- Skills shortages and low education levels are key determinants in regional financial integration;
- A lack of political will persists among some regulators and policy makers to drive an integration agenda in the region.

In spite of these constraints, some notable progress has been achieved during the period under review which bodes well for the integration agenda. A key area is the development of the SADC Integrated Payment System which is ready to be piloted within the Common Monetary Area (CMA). The SADC Integrated Regional Settlement System (SIRESS) will be housed at, and operated by the South African Reserve Bank, with the South African Rand to be used as the settlement currency. Countries outside of the CMA will join the system once it has gone through a testing and pilot phase. This process will prove to be a game changer in that it will provide a simple and cheap payment system for cross border payments thereby making business easier and cheaper. It is also the first experiment in which countries in the region will collaborate and jointly manage a regional scheme. This will demonstrate that regional financial integration can work in practice, and further have a positive spin-off on other integration areas. FinMark Trust is conducting a payments system regulatory assessment of all countries in the region to assess the level of legal risk and to identify regulatory improvements that are required for effectively functioning regional payment systems.

Financial integration engagements and projects

- **Domesticating the SADC Protocol on Finance and Investment:** The FIP is the key instrument to facilitate regional financial integration and cooperation on investment and tax matters in the SADC region. FinMark Trust is supporting the domestication of the FIP in seven countries: Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland and Zimbabwe. Technical assistance has been provided to these countries to put in place coordinating structures and developing roadmaps for implementing FIP. So far, six countries have developed roadmaps while Mozambique is expected to do so by mid-2013. The development of the roadmaps has raised the profile of FIP among stakeholders at country level and has encouraged Ministries of Finance to establish national coordination structures. FinMark Trust has also facilitated the FIP lesson-learning and sharing through regional workshops on the FIP implementation in Johannesburg and Gaborone.



Although some may argue for an abandonment of regional financial integration, such an approach would deprive African countries of potential advantages



This work was carried out in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit, GmbH (GIZ) economic integration project in Gaborone and the Trade, Industry, Finance and Investment Directorate at the SADC Secretariat.

As a direct result of FinMark Trust's support, Swaziland ratified the FIP in October 2012. This brings the number of SADC countries that have ratified the FIP to ten, helping to create a critical mass of countries in favour of implementing the FIP.

- **The SADC credit information sharing project** has been launched with a steering committee comprising the South African Credit Providers Association (CPA), the SADC Committee for Central Bank Governors and FinMark Trust. Scoping visits have been conducted in Zambia, Zimbabwe and Malawi. Programmes to support credit information sharing are being developed for the countries that have been visited. Our approach is to focus on the information sharing arrangements between credit providers in countries and to develop regional principles for the regulation of this process. The country level work will draw on the South African credit providers who are members of the CPA and doing business in the region, to form the basis of sharing arrangements in other SADC countries.
- **Support to the Committee for SADC Stock Exchanges (COSSE):** Following the support to the development of the COSSE Strategic Plan, support was also provided to the development of the business plan which was presented at their meeting in April 2012. Six projects in the business plan were finally agreed on, and have been endorsed for implementation.
- **Payment systems and cross border remittances:** Following the FinMark Trust research into the volumes and values of cross border remittances which indicated the estimated annual outflows (from South Africa to SADC countries) to be about R11.2 billion – using this data we approached the Lesotho and Swaziland Central Banks to implement a cross border remittance pilot from South Africa using the Shoprite network. The development of the pilot has reached the implementation stage and once launched, it will reduce the cost of cross border remittances by up to 70%.

Aside from the payment system integration project in the CMA discussed above, we also conducted retail payment systems scoping studies in Mozambique, Malawi and Zimbabwe which culminated in stakeholder workshops and training in Malawi and Zimbabwe. These trainings will also be conducted in Mozambique and other selected countries in the region in order to develop retail payment systems management capacity for innovation and further development of their systems.

Microinsurance in SADC and CISNA support

FinMark Trust supported the Committee for Insurance, Securities and Non-Bank Authorities (CISNA) to conduct research on the state of microinsurance regulation across SADC and to investigate the scope and opportunities for harmonisation. This report was well received by the regulators in the region and was adopted by CISNA for the implementation of the recommendations in order to develop the microinsurance industries in the region.

Transactions are central to daily life regardless of wealth or circumstance – paying for goods or services, sending or receiving money or getting paid is part of our daily reality. A move away from a cash-dominated society in favour of electronic payment systems for transactions and cross-border and domestic money transfers can have substantial efficiency gains for low-income households by allowing people to pay and get paid efficiently, securely and cost-effectively. Indeed, a safe and convenient way to transact may be the first financial services need of many and can be regarded as a gateway to the use of other financial services. Through its work in this theme area, FinMark Trust aims to facilitate regulatory frameworks and market conditions conducive to financial inclusion in the payments space. This includes creating the space for product and channel innovation (such as mobile-enabled payments) to flourish and removing regulatory and market barriers to transactions or money transfers through the formal financial system. In this regard, stakeholder engagement and facilitating dialogue between regulatory and market players within and between countries in the SADC region is a crucial part of what we do.

In the past financial year, our work in this theme focused on three main areas:

Capacity support and training

Following our work to map and build a typology of retail payment systems innovation and models in South Africa, we turned our attention to starting to understand the payment system landscape and challenges at a regional level. As a first step, we conducted studies to map retail payment systems in Malawi, Mozambique, Zimbabwe and Zambia. These scoping studies identified a need for capacity building and support which formed the basis of our focus for 2012. Training programs were presented in partnership with the reserve banks of Zimbabwe and Malawi which was attended by a number of regional, central, and commercial bankers. The training included individual country technical gap analysis which was completed by the participants. This assisted countries to evaluate their payment frameworks and contribute to shaping FinMark Trust's future engagement with them. Following the success of these courses further programs are planned for other regional regulatory authorities in the coming year.

CAPACITATING REGULATORS TO DEVELOP APPROPRIATE PAYMENT SYSTEMS FRAMEWORKS

'We believe that, this (NPS training) will go a long way in improving the manner in which we discharge our regulatory responsibilities in retail payment systems. Going forward, we are willing to engage you (FMT) more as we implement some of the key concepts learnt from the course in all the three major areas namely technical assistance, research and workshops.'

Josephat Mutepe, Head of Payment Systems, Reserve Bank of Zimbabwe

Access to safe, convenient and affordable retail payment mechanisms is often the first link for bringing previously financially excluded households into the formal financial sector. In this regard, FinMark Trust commissioned Cenfri to conduct retail payment scoping studies in selected SADC countries: Malawi, Mozambique, Zambia and Zimbabwe. The scoping studies identified priority areas for the development of retail payments that facilitate financial inclusion. A strong demand for training and capacity building for national payment systems policymakers and regulators emerged.

In response to this demand, in February and March 2013 Cenfri – on behalf of the FinMark Trust – coordinated two training programmes on National Payment Systems (NPS) in Zimbabwe and Malawi. The programme in Zimbabwe was presented to 24 participants from the Reserve Bank of Zimbabwe, two participants from the Bank of Namibia, and two participants from the Central Bank of Swaziland. The programme in Malawi was presented to 17 participants from the Reserve Bank of Malawi and 16 participants from the commercial sector in Malawi.

The trainings were well-received by participants, and commitments were made by the Reserve Bank of Zimbabwe and the Reserve Bank of Malawi to evaluate their National Payment Systems and identify their priority areas to work with FinMark Trust going forward.

Access to safe, convenient and affordable retail payment mechanisms is often the first link for bringing previously financially excluded households into the formal financial sector.



A move away from a cash-dominated society in favour of electronic payment systems for transactions and cross-border and domestic money transfers can have substantial efficiency gains for low-income households by allowing people to pay and get paid efficiently, securely and cost-effectively

Distribution

The biggest challenge to the provision of financial services to low-income and rural people is the high cost associated with distribution. Following global trends, bank and non-bank financial services providers in the SADC region are increasingly looking to leverage the infrastructure of existing third party channels for financial services distribution in order to access additional clients and provide a broader spectrum of products to clients through a single channel.

FinMark Trust has commissioned three studies to better understand these distribution channels:

- Although traditional financial services distribution channels are often limited, expensive and poorly connected in the SADC region, there are alternative channels that are already well established and could be used to provide financial services. These include channels such as retailers, utility providers, petrol stations, microfinanciers and agrodealers. FinMark Trust has commissioned a study to map and evaluate these alternative channels across SADC to inform financial institutions looking to better understand the opportunity footprint of a variety of these potential channels across SADC. This study will also be of interest to regulators aiming to support financial inclusion through alternative low cost distribution.
- In line with global trends, retailer distribution of financial services is becoming common in South Africa and has succeeded in driving down costs of a number of products, in particular remittances. The partnership between the retailer and the financial institution is critical to the success of these forms of distribution. FinMark Trust has commissioned a study to better understand the business case for the retailer's involvement in the provision of financial services in South Africa. The study explores the landscape of financial services products offered by retailers, and unpacks the evolution of the product offering and its relative position within the wider area of value added services in order to understand why retailers would be involved in financial services. This study is revealing that financial services strategies differ widely between retailers, ranging from simply attracting more customers into the store, to changing the retailer's business model to include an independent financial service strategy separate from retail business. Further retailer innovation case studies are planned for 2013 to understand the extent to which retailers are replacing traditional financial service providers.
- Alternative distribution channels can fill a gap where traditional channels are not possible, convenient or profitable. Face-to-face interaction directly with the financial services institutions is often still preferable due to the better quality of information available and the wider range of transaction choices. Low cost bank branches are an example of such a traditional distribution channel that is seeking to service lower income people who are generally otherwise excluded from traditional financial services intermediation. FinMark Trust has therefore commissioned a study on low cost bank branch strategies in South Africa to better understand how people are serviced by such branches, whether these strategies are sustainable, and what future strategies will look like.

Cross border transactions

The cost of cross border transfers in the SADC region is prohibitive. Despite significant progress to reduce costs over recent years mainly due to innovation by retailers, the World Bank still shows South African cross border remittance corridors as being some of the most expensive in the world. In addition to the expense of formal transfers, a number of people are excluded due to documentary limitations and similar regulatory barriers, making many dependent on insecure and costly informal mechanisms. In 2009, we produced a discussion document setting out the key regulatory barriers to the formalisation of cross-border remittances and subsequently produced a study to show the substantial size of the informal market. The continuous process of engagement with the South African Reserve Bank and National Treasury is starting to bear fruit, with positive indications that ways of overcoming the barriers relating to foreign exchange control and anti-money laundering/combating the financing of terrorism regulation are being considered.

Despite the high cost of traditional bank transfers, significant innovation is occurring in this area, providing alternatives at lower cost, particularly through retailer/bank partnerships. FinMark Trust conducted two studies on such innovation during 2012 looking at a new product available between South Africa and Zimbabwe, as well as a new pilot project between South Africa and Lesotho. Further studies are planned to better understand the nature of remittances and identify which element of regulation is mainly responsible for the high costs.

FinMark Trust continues to play a key role in the development of the microinsurance policy, regulation and supervision globally. We are a charter sponsor of the global Access to Insurance Initiative (A2ii), along with the International Association of Insurance Supervisors (IAIS), the International Labour Organisation (ILO), the World Bank, the German GIZ and the UNCDF. FinMark Trust has been developing a country diagnostic methodology toolkit for the A2ii and is providing input to international standards on access induced policy, regulation and supervision in the insurance sphere. For the coming year, more substantial participation is foreseen as we have taken over the chairmanship of the A2ii technical team on an interim basis. Furthermore, the Trust is taking the lead on a significant study to synthesise findings across the microinsurance diagnostic studies globally to date, specifically to advance learnings and guidelines for regulators. The outputs of the synthesis exercise will be presented in two focus notes and will also feed substantially into an upcoming IAIS issues paper.

Substantial global contributions have been made by FinMark Trust through serving on the IAIS-Microinsurance Network Joint Working Group. We were a member of a drafting group for the development of an IAIS Application Paper on Regulation and Supervision supporting inclusive insurance markets which was officially adopted by the IAIS at its annual conference in October.

IMPACT OF THE IAIS APPLICATION PAPER AND THE SOUTH AFRICAN MICROINSURANCE POLICY FRAMEWORK

Increasingly, regulators and policymakers are recognising the potential of improving access to insurance as a tool to alleviate poverty. However many factors prevent effective access to insurance by the poor, making the regulator and policy maker's task a difficult one. Until recently they also had very limited support to design and implement such policies. The poor therefore remained without insurance or used informal insurance which often resulted in losses or abuse.

FinMark Trust has consistently been at the forefront of supporting global efforts to develop guidelines to assist regulators in designing and implementing policies that promote access to insurance. Microinsurance diagnostics were developed by the Trust that contributed to regulator and provider understanding of low income insurance. The learnings from these diagnostics shaped the input provided by FinMark Trust into the South African microinsurance policy framework which was released in 2011. FinMark Trust also provided technical input at a global level as part of the drafting committee of the IAIS Issues paper on microinsurance and to the recently released IAIS Application Paper on Regulation and Supervision supporting inclusive insurance markets. This paper provides guidelines to regulators globally who are attempting to apply existing insurance frameworks (the Insurance Core Principals) in a proportionate way that reduces cost, removes barriers to provision and uses and provides a path for informal providers to formalise. Ultimately, regulatory frameworks that adopt proportionality can provide space for the previously excluded market players that have the potential to provide affordable and valuable insurance offerings via channels that are accessible to low-income households.

The impact of the IAIS Application Paper, as well as the South African microinsurance policy framework in the SADC region has been particularly significant. Despite limited resources seven of the 13 member countries are currently revisiting, or have revised their insurance legislation to promote access to insurance by low income clients. Our role is now shifting to that of participating and supporting these regulatory developments, to ensure enabling markets which achieve the goal of improving access to insurance by the poor.

In November 2012 the Trust played a key role in the Munich Re International Microinsurance Conference in Dar es Salaam, Tanzania, where we facilitated two panel discussions on mutuality and consumer protection and presented papers in three other areas. As members of the executive committee FinMark Trust will be playing a key role in the 2013 conference and will be supporting the development of the programme and the sourcing of speakers.

Closer to home, we continue to play an active role in advising regulators, creating market insights and facilitating market-regulator dialogue in a number of SADC countries. Our 2012 work has included on-going regulatory reform and dialogue processes in Swaziland, Mozambique and Zambia together with completing an A2ii microinsurance diagnostic study in Tanzania. Two training sessions were also



The Trust is taking the lead on a significant study to synthesise findings across the microinsurance diagnostic studies globally to date, specifically to advance learnings and guidelines for regulators.

held on microinsurance, including a program for the South African regulator which was well attended by various regional microinsurance regulators.

Microinsurance regulatory support and stakeholder engagement in SADC countries

Following the microinsurance diagnostics performed in a number of SADC countries and the recent IAS Application Paper on inclusive insurance markets, a number of SADC countries are currently revisiting their insurance legislation. Stakeholder engagement and capacity support therefore continues to be critical elements in our strategy to make insurance markets work for the poor. This includes regulatory and stakeholder support in Mozambique, Zambia, Swaziland and Tanzania that followed the insurance diagnostics co-funded by the Trust, as well as regional training programs to build capacity in microinsurance.

In Mozambique, FinMark Trust has drafted an action plan for the delivery of two microinsurance pilots and is continuing to support the planned pilot process. The action plan and an Executive Summary of the Opportunities and Challenges for Extending Access to Insurance in Mozambique were submitted to the steering committee at the end of July. We are currently engaging with Mozambique on how best to support them in implementing this action plan.

After more than three years of engagement on microinsurance in Zambia, the Trust's engagement has helped to shape (and prevent distorting impact) the microinsurance regulatory framework. This framework will underpin all the market-related work that FinMark Trust's involvement with microinsurance has triggered.

With the assistance of FinMark Trust, Swaziland recently developed an action plan to implement microinsurance legislation. The action plan entails FinMark Trust providing on-going support to a number of its planned activities to design and roll out effective microinsurance legislation.

In 2012 we released the Tanzania Access to Insurance Diagnostic study which was funded as a partnership between the Financial Sector Deepening Trust Tanzania (FSDT) and FinMark Trust, with the support of the Tanzanian Insurance Regulatory Authority (TIRA). The study evaluates the insurance industry in Tanzania and proposes a roadmap to support inclusive insurance market and regulatory development. Further A2ii diagnostics are planned in 2013 for either Zimbabwe or Mauritius.

In addition to the diagnostics and country level support, regional training forms a key element to our stakeholder engagement and capacity support strategy. In July, in collaboration with the International Labour Organisation's (ILO) Microinsurance Innovation Facility and the University of Stellenbosch Business School Executive Development (USB-ED) we presented a training programme on Microinsurance Business Strategies for African Markets in Cape Town, South Africa. The training was attended by practitioners (including financial institutions, insurers and retailers), regulators and technical assistance providers from Botswana, Ghana, Kenya, Mauritius, South Africa, Swaziland and Zambia.

A further training program on microinsurance was held in November 2012 for the South African regulator which was

attended by a number of regional regulators including Zambia, Lesotho, Swaziland and Tanzania.

A similar programme is being planned for East African participants in Kenya during 2013 which will be hosted by FinMark Trust in collaboration with the ILO's Microinsurance Innovation Facility and the African Insurance Organisation (AIO).

SADC regulatory harmonisation

During 2012, we continued our regulatory harmonisation initiative on insurance in a partnership with SADC's CISNA Secretariat. Through consultation with insurance supervisory entities and key insurance market operators in twelve SADC member countries, the project seeks to draw developmental themes within insurance sectors in SADC countries in order to address access to insurance issues. Through the lens of observing an Insurance Core Principals (ICPs) assessment commissioned by CISNA, developmental questions are posed to the regulator in each of the countries visited.

The analysis will provide the Trust with a greater understanding of insurance market development, and access to insurance, and will highlight areas for harmonisation across aspects of underwriting and distributing of insurance.

Mobile insurance

Mobile network operators have recently shown interest in offering insurance to their client base which offers a significant opportunity to massively improve access to insurance. From the regulator's perspective m-insurance initiatives need to be designed in such a way that they don't damage or destroy the market that they are trying to create, either through bad design, poor implementation or cancellation. As a recent example, Econet Zimbabwe cancelled their embedded insurance due to a dispute with a service provider and, overnight, 1.6m people lost their insurance. To better understand the regulatory risks and potential preventative measures that could be taken in similar situations we commissioned a case study on the issues relating to m-insurance from a regulator's perspective. A further case study on m-insurance innovation is planned for 2013.

FinScope country analysis

FinMark Trust provides Finscope analysis for various SADC countries whereby the analysis takes a quantitative look at financial services from a consumer's perspective. It is often found that market players who have access to the FinScope data don't know how to use it or how to apply the findings from the data. In this regard, we are therefore providing analysis of the most recent FinScope survey data for Zimbabwe, Swaziland and South Africa, in order to explore opportunities for more inclusive insurance provision and market development in the various countries.

Microinsurance policy support in South Africa

A South African microinsurance policy document was published in 2011 with key inputs from FinMark Trust. The release of the policy document showcases our engagement with microinsurance and the relationship built with the South African National Treasury and the Financial Services Board (FSB) over the last six years. The drafting of microinsurance legislation began in 2012 and we are part of a drafting committee that has been formed to support this process, with the Co-operative Banks Development Agency as a



potential supporting body. The Trust is providing technical assistance to this body as well as technical input to the FSB around legal aspects of involving this body in the microinsurance space.

Informality in the microinsurance sector in South Africa: the microinsurance readiness assessment

One of the goals of the new microinsurance policy framework is to design a path for informal providers such as the formalisation of funeral parlours. FinMark Trust was interested in conducting a 'microinsurance readiness assessment' on a select number of potential candidates for the new microinsurance license proposed in the 2011 policy document, to evaluate how these entities would formalise and what the related challenges would be. These assessments are intended to inform both the potential candidate's compliance strategy as well as the finalisation of the regulation.

In 2012, we commissioned consultants to provide a case study on The Old Apostolic Church Friendly Society, one of the largest friendly societies in South Africa as input to the FSB and National Treasury in developing the microinsurance regulatory framework. The impact assessment highlighted several areas where the new framework will have a significant cost impact for the friendly society and can be used to inform the drafting of the regulatory framework. Further readiness assessments are planned for 2013 to better understand this area.

Reviewing hospital cash plans in South Africa

As a consequence of the continued unmet demand for health insurance in South Africa as well as favourable court rulings on some of the products testing the demarcation between health insurance and medical schemes, an increasing variety of hospital cash plan products are offered in the market. FinMark Trust commissioned a review of the market for hospital cash plan insurance products in South Africa to build an understanding of the market (products, providers and clients) in order to determine whether there is a legitimate space for these products in serving the insurance needs of lower income clients. The study found that although these plans could be effective vehicles to fund both the direct and related costs of a major medical event for low income persons in state facilities, there are, however, questions about value. Recommendations from the study have been used as inputs into the new regulation by the National Treasury and the Council of Medical Schemes that will be released in 2013. Follow-up studies are being planned to provide an update of the policy landscape as well as to better understand why consumers use hospital cash plans.

Legal insurance review

Industry data suggests that legal insurance may be the third biggest low-income insurance product in SA (next to funeral and credit life insurance). It is, however, not yet well understood as a market and is also not sufficiently picked up by FinScope consumer data studies. The proposed new microinsurance regulatory regime proposes to include legal insurance, but the specific nature of legal insurance has not been given explicit consideration and may present challenges in terms of the current regulatory framework and definitions. We have therefore commissioned a study to investigate the legal insurance market – this study will provide the basis for engaging with industry as well as provide inputs to the FSB on accommodating this within the microinsurance regulatory framework. In addition, it will also be useful in the region where legal insurance is not yet well developed. A similar study on credit life insurance is being planned for 2013.

Fundisa experiment

Fundisa is a savings product that targets education, with a substantial subsidy from government in the form of matching contributions. It is one of the best value-savings products on the market and yet the take-up is limited mainly due to limitations on sales incentives which undermine the delivery of these products. To evaluate these conclusions, FinMark Trust intends to design a pilot where the product can be distributed through commissioned agents to see whether this achieves better take-up. If successful, this could be used as a basis for engaging industry to allow for more flexible distribution. It could also form a good product to bundle with other products (including insurance) to provide better value to clients.

Insurance decision study and model refinement

Face-to-face distribution of insurance by agents is often seen as one of the most effective ways of distributing insurance that meet client needs. Understanding the insurance decision and what makes a good agent, is key to achieving client value. FinMark Trust is commissioning a study to analyse Old Mutual's (one of South Africa's largest insurers) agent database to better understand the requirements that should be set for agents when recruiting, and when regulating, the minimum requirements agents need to comply with to be registered by the regulator. The findings from this study will be used to inform insurance providers as well as South African legislation on intermediation (FAIS).



Consumer financial empowerment efforts are two-pronged, involving both consumer education and consumer protection to address the power, information and resource imbalance between financial services providers and the consumers.

The turmoil in financial markets worldwide has emphasised the need for adequate consumer protection and financial literacy for long-term stability of the financial sector. In the financial inclusion arena, technological innovation and increased competition for financial services worldwide have created a wide array of financial services available to consumers including the vulnerable and poor – all with new risks and rewards. Traditionally there has always been information asymmetry with retail customers having less information about their financial transactions than the financial institutions providing the services, which can result in excessively high interest rates, lack of understanding about financial options, and insufficient avenues for redress. Such an information imbalance is greatest when customers are less experienced and products are more sophisticated. Without adequate consumer protection and financial literacy, the benefits of financial inclusion can be lost.

Consumer protection ensures that consumers receive information that will allow them to make informed decisions, are not subject to unfair and deceptive practices, have access to recourse mechanisms to resolve disputes when transactions go awry, and are able to maintain privacy of their personal information. Market conduct regulation can correct the information imbalance and encourage market expansion by apportioning information disclosure at the right time. Laws and protections specific to the financial services sector also help safeguard these rights. These include laws on fair market practices for providers, equitable treatment of customers, full disclosure of relevant information to consumers, redress mechanisms for complaints, financial education for consumers, credit counselling for over-indebted consumers, and the protection of privacy of customer information.

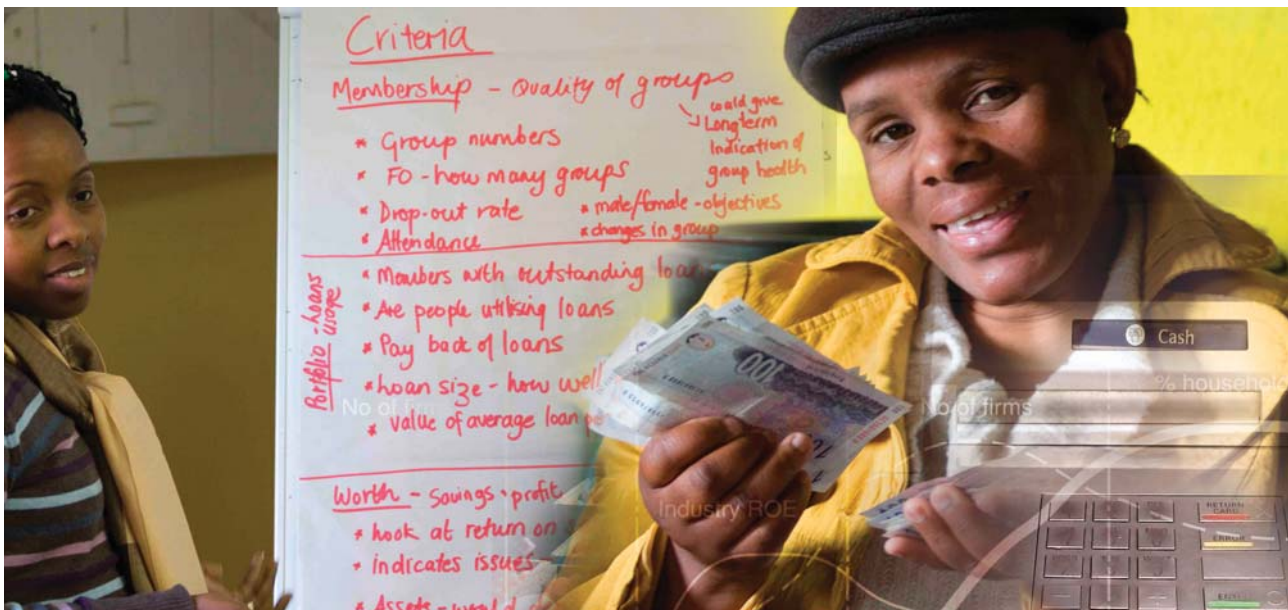
Complementary to consumer protection is financial literacy that gives consumers the knowledge, skills and confidence to understand the information they receive and evaluate the risks and rewards inherent in each type of financial service and product ultimately leading to improved consumer capability. Consumers who have the combination of knowledge and skills and apply these to manage their money well, make the best financial decisions possible and given their economic and social circumstances, play an active role in improving access as well as the quality of services they receive.

Consumer financial empowerment efforts are two-pronged, involving both consumer education and consumer protection to address the power, information and resource imbalance between financial services providers and the consumers. The objective of confident, informed and empowered consumers involves the efforts of policy makers, public sector entities, educators, commercial providers and non-governmental organisations. There is a growing awareness as to the importance of enhancing financial capability – but the process needs to move beyond awareness to one of implementation, and change in behaviour as evidenced by monitoring and evaluation. FinMark Trust has a role to play in terms of helping frame, facilitate and providing input into the debate in South Africa and in the rest of the SADC region.

During the past financial year, we contributed to the development of a financial literacy strategy in Namibia. The FinScope surveys implemented by FinMark Trust provide a potentially useful point of entry to developing a financial capability analysis, therefore using the FinScope Namibia 2011 data, FinMark Trust prepared a review into the financial literacy and financial capability of the Namibian population. This review has contributed to the determination of the baseline financial literacy rate in Namibia, from which the Namibian Financial Literacy Initiative will monitor the success of its interventions.

At the request of the Swaziland government, we conducted research into the credit market in Swaziland. The landscape scoping study looked into mortgages, overdrafts, credit card products and unsecured personal loans and made comments on the legislative measures appropriate to Swaziland's credit environment. The aim of the study was to inform the viability of a single piece of legislation that will promote and advance the social and economic welfare of its population by promoting a credit industry which is fair and responsible as well as transparent; efficient; competitive; sustainable; effective and accessible. The research contributed both to an economic and legal understanding of the consumer credit market in Swaziland. The legal analysis set out the current legislative landscape and the economic analysis focuses on the landscape of consumer credit providers.

This study served as a preliminary report setting the scene for proposed legislative change. Following this report and the policy recommendations that accompanied the report, FinMark Trust was requested to provide technical assistance in the drafting of a Consumer Credit Protection Act. To this end we provided assistance in the development of the Bill, which is now awaiting enactment.



In pursuing the financial education dialogue internationally, FinMark Trust was invited by the Banking and Insurance Association of Colombia to make a presentation at the 2nd Consumer Protection and Financial Education Congress, held in Bogotá, Colombia. The presentation highlighted Consumer Financial Education from a South African perspective and touched on the lessons learnt in South Africa – recommendations appropriate to the Colombian government and other stakeholders were made for the development of effective financial education interventions in Colombia.

On the local front, FinMark Trust was invited to present at the first KwaZulu-Natal conference on Financial Education on the implications of financial literacy and the importance of financial education to SMMEs.

Work has been initiated on a study of the financial education component of the South African Savings and Credit group model, SaveAct, with the objective of determining learnings and best practices to financial education interventions in rural and peri-urban environments. From the analysis of the SaveAct programme as well as international best practices, a toolkit will be developed to inform the design and delivery of financial education programmes.

CASE STUDY ON A SAVINGS AND CREDIT GROUP MODEL

Mrs Mabaso* is a 58 year old widow living with her four grandchildren in a rural village in KwaZulu-Natal.

She has been participating in savings groups since 2008 when SaveAct first started the programme in her area. Mrs Mabaso participates in four groups: three are for 'ordinary' savings and the fourth is for farmers saving for farming inputs. She does not hold positions in these groups but performs other duties as required to ensure transparency and conformity to the rules and procedures. She also mobilises other women to establish savings groups.

'They [community members] come running to me wanting to save. I help them; show them how savings are done.' She also lets community members use her house for savings-related meetings. In her opinion, for any member to succeed in the savings programme he or she needs to be trustworthy and to follow the rules and procedures: *'The most important thing in this journey is to be trustworthy.'*

*Pseudonyms have been used to protect the identities of people and organisations

Consumer protection ensures that consumers receive information that will allow them to make informed decisions, are not subject to unfair and deceptive practices, have access to recourse mechanisms to resolve disputes when transactions go awry, and are able to maintain privacy of their personal information.



Relatively little is known about the demand for, supply of and effective level of access to rural and agricultural financial services and about the policies, practices, institutions and many other factors that determine them.

Access to financial services is an important contributor to enterprise productivity the world over. In sub-Saharan Africa, where most people still live in rural areas and agriculture is the mainstay of the rural economy, access to financial services of all kinds appears to be poor. Yet relatively little is known about the demand for, supply of and effective level of access to rural and agricultural financial services and about the policies, practices, institutions and many other factors that determine them.

As part of its purpose to make financial markets work for the poor, FinMark Trust undertook a series of studies in 2011–12 to examine and document the current state of agricultural and rural financial services in Southern Africa, as the first phase of a three year programme to increase access to and the uptake of such services. Research was undertaken in six Southern African Development Community (SADC) countries – Botswana, Malawi, Mozambique, South Africa, Zambia and Zimbabwe.

The findings of the first phase have contextualised the second phase of the programme in which the best current practices and innovations from across the African and international spectrum are identified to address areas of policy challenges in the region.

The objectives of the 12 case studies which make up the overall report were to address and provide comprehensive answers to the questions:

- what categories of public and private sector intervention are needed at the policy, industry, supplier and client levels in order to address the major rural and agricultural finance challenges in the region?
- what are the best current practices and recent innovations in respect of each of these categories of intervention in Africa, Asia and Latin America?
- what are the circumstances and main drivers that enabled these practices to develop and bear fruit?
- what adaptations may be needed to enable such practices to be applied with success in the six countries in the study and in SADC as a regional economic community?

Building on the findings of the reports on the status of rural and agricultural finance in the six countries produced in the first phase, a number of broad thematic areas and common issues were identified across the six countries. Case studies of innovations and best practices from countries in Africa, Asia and Latin America adopted to address these issues were then elaborated on and analysed, with particular attention being paid to the third and fourth of the questions above, so as to guide the application of similar practices in the context of Southern Africa.

The case studies provide a rich source of best practice examples that can be drawn upon in planning the improvement of agricultural and rural finance in Southern Africa. The issues faced by the six focus countries in rural and agricultural finance are usefully distilled in the categorisation of bottlenecks in the case study on Value Chain Finance (VCF) for cluster farming, namely:

- **VCF bottlenecks:** mainly, insufficient trust between the actors across the value chain; poor incentives for repayment of loans; and poor incentives for using other financial services such as insurance, savings, etc.
- **Agricultural finance bottlenecks:** mainly, lack of products to serve rural smallholders; insufficient skills for risk assessment and management in the financial sector; and inadequate rural banking infrastructure (branches/service points/agents/mobile network infrastructure to enable mobile banking)
- **Bottlenecks with sector-wide impacts:** asymmetries of information and power among different actors across the value chain.

These bottlenecks apply not only to VCF and to agricultural finance in general but also to non-agricultural rural finance. Each of the examples in the case studies demonstrates an approach that has been successful in mitigating one or more of these bottlenecks in specific ways. What makes this study uniquely valuable to policy makers and practitioners in Southern Africa is its orientation specifically towards common agricultural and rural finance challenges in the region and the attention paid to elaborating on what is needed to adapt and apply these approaches in local circumstances.

In the past decade, Africa's growth has completely outstripped expectations on a number of levels. At the same time, Africa's cities have been going through a dramatic transformation, growing at a faster rate than any other region on the planet. In this context, the growth of an emerging middle class means that for the first time, a significant population has affordability to participate in the economy. While this growth has been tremendous, it has not been matched by the development of urban residential spaces. UN Habitat estimates that just over 60 percent of Africa's urban population lives in slums. The majority of this is in sub-Saharan Africa, where every year, an estimated seven million people moving into urban areas find themselves living in informal settlements or slum conditions.

The development response to these changes and opportunities has happened on two separate plains. On the one hand, economic growth is supporting increasing attention to financial inclusion, and the role of financial services in households' lives. On the other hand, the household level effects of urban poverty are being addressed through initiatives which focus on health and education, and recently also on the effects of climate change. While operating in these two broad silos, economic and social, development finance practitioners overlook the link between the two: economic growth and household livelihoods both stem from the home – the physical residential structure where people live.

The growth and performance of the housing sector and the role of housing finance in this process is critical to the development finance agenda for at least three reasons:

- Housing is a rapidly growing sub-sector of the economy, and over time will represent a substantial portion of GDP. Central to the real economy, the production and consumption of housing stimulates economic growth. Growing property markets and the finance that drives them will also have a dramatic impact on the structure and performance of national and regional economies.
- The housing and housing finance sectors have a range of hidden multipliers that are particularly useful for developing economies. Housing assets, whether geared with finance or not, can act as a financial springboard to micro and medium enterprises and human capital development and can contribute to the realisation of sustainable livelihoods. Housing can also achieve a range of broader development goals, and in turn can operate as a beacon for other objectives.
- As the middle class across Africa grows, housing finance offers the opportunity to support its stable growth. The impact of home ownership and quality housing on political and social stability has been established. It is also well understood that the opposite is true: that poor housing can contribute to instability. As Africa's economy grows and develops, access to housing finance will become increasingly important to ensuring broad based economic growth and to protect against the potential for widening inequality.

Over the past year, FinMark Trust's Centre for Affordable Housing Finance has worked hard to promote the approach to housing finance as a key aspect of making financial markets work for the poor. We have learnt many lessons:

- **In providing market intelligence that makes the case for investment in underserved markets, we can support a better policy environment and increased activity in affordable housing markets.** In this way, we catalyse scale interventions. For example, FinMark Trust has been engaging with the New Urban Finance Facility, a catalytic investment fund targeting affordable housing and basic services in African cities. The NUFF expects a final close of US\$100 million, with an initial pipeline of \$20 million. The majority of this will be for direct investment in local commercial banks and MFIs. Our work with International Housing Solutions, which is managing a 10-year private equity fund worth more than R1.9 billion, also continues. In these and other relationships, our data and analysis on the structure of housing finance and housing markets at the local level have been important in supporting the business case for further funding in the market.
- **Different housing finance products will be appropriate for different market segments, and therefore, market segmentation is important.** The role of housing microfinance is something we've supported for a long time, and in the past year, we participated in the establishment of the African Housing MicroFinance Initiative (AHMFI). A joint initiative between FinMark Trust, Rooftops Canada, Habitat for Humanity International, Homeless International, the Swedish Cooperative Centre and Development Workshop, AHMFI aims to catalyse the growth and development of Africa's housing microfinance sector. Social and rental housing is another market



While the rest of the world has struggled with an economic crisis that has devastated growth prospects and fundamentally changed the understanding of financial markets, African economies have been growing.



Governments across the continent are increasingly giving explicit recognition to the affordable housing market segment and noting the unique challenges it poses.

segment requiring attention. In South Africa, we worked together with Nedbank's Commercial Property Finance division to build an investment case for social housing. On the basis of this work, Nedbank is pursuing two investments in social rental housing and the investment case is being disseminated publicly. South Africa's housing subsidy policy is increasingly being understood to be unsustainable and poorly targeted – we have made this point repeatedly in various fora. In his 2012 State of the Nation Address, President Zuma announced a reformulated subsidy for the so-called 'gap market' (a market segment we've highlighted for some time).

- **Sustainable change requires an evidence-base.** This is achieved through the development of a solid knowledge platform and a dynamic advocacy platform, each of which depends on the other. Over the past 3 years, we have been developing the Affordable Land + Housing Data Centre, a data platform where deeds registry data can be used together with other public and private data sets, to better understand the performance of affordable housing markets in South Africa, and to identify specific areas of opportunities. In this past year, we took the tool further with the development of CityMark, a dynamic data visualisation tool that allows housing development practitioners to explore and develop untapped markets, determine housing demand and move with confidence. The City of Johannesburg has worked with us in the development of the Johannesburg dashboard, and is using this to develop their city development strategy.

Our work in tracking the performance of mortgage loans on a market-segmented basis has produced the first such analysis in South Africa, and has demonstrated that the affordable market performs on par with the wider mortgage market. Understanding risk levels is a key factor influencing access issues – but to date there has been no data available to establish levels of risk in under-served, lower-income markets. South Africa's National Treasury has been very encouraged with this work, and we are now tracking the incidence of non-performing mortgage loans on a six-monthly basis. Governments across the continent are increasingly giving explicit recognition to the affordable housing market segment and noting the unique challenges it poses. News reports on their statements regularly reference our Housing Finance in Africa yearbook.

As we carry on forward, we are conscious of the need to ever expand the housing finance sector: In this past year, we have managed to root a one-week course in housing finance, targeted at African practitioners, at the University of Cape Town and in partnership with the Wharton School's International Housing Finance Programme. Thirty-four participants from the public, private and third sectors of eight countries participated. UCT is committed to carrying this course forward as a viable offering and a second installment is planned for October 2013.

The primary function of Information and Research is to discover and create new knowledge about scientific and technological ideas for the purpose of uncovering and enabling development of valuable new products, processes, and services within a society or organisation. FinMarkTrust, through FinScope has over the years contributed to shape the debate on financial inclusion and assisted in the design of new products to make financial markets work for the poor. The FinScope surveys produce evidence-based information that requires serious commitment and interventions from different stakeholders.

The analytical tools that have been developed by FinMarkTrust continue to be the cornerstone diagnostic tools of the FinScope surveys. The three most recognised FinScope analytic tools are the Access Strand, Landscape of Access and the Access Frontier which directly measure financial inclusion. Another important FinScope tool is the use of the Livelihood Approach to clearly give insight into understanding of demand-side requirements and needs of different livelihoods. The FinScope questionnaire continues to host the UNISA Bureau of Market Research questions that are instrumental in the development of the Consumer Financial Vulnerability Index (CFVI). This index is used as an economic indicator to better understand consumer perceptions affecting their daily lives. Due to the exhaustive nature of the FinScope surveys, the supply-side of the data is also looked at in order to complement the demand-side.

FinScope footprint

Thus far, FinScope surveys have been conducted in 16 countries – outside Africa, a survey was done in Pakistan, with surveys currently underway in Myanmar and Thailand, thus increasing the number of countries to 18 in total.

FinScope surveys conducted or underway

All the FinScope surveys are consultative ensuring that key stakeholders are involved in the process. The processes range from supply-side of the research as well the demand-side which is the core strength of the FinScope surveys. The FinScope processes range from stakeholder engagement, questionnaire design to the launching of results. In order to meaningfully understand the FinScope data, a number of workshops are organised where stakeholders engage in discussions on the survey results and also on how to interpret some of the data.

The year under review saw a number of FinScope surveys being launched in a number of countries, namely:

- Namibia (Consumer survey)
- Zimbabwe (Consumer survey)
- South Africa (Consumer survey)
- Rwanda (Consumer survey)
- Malawi (MSME survey)

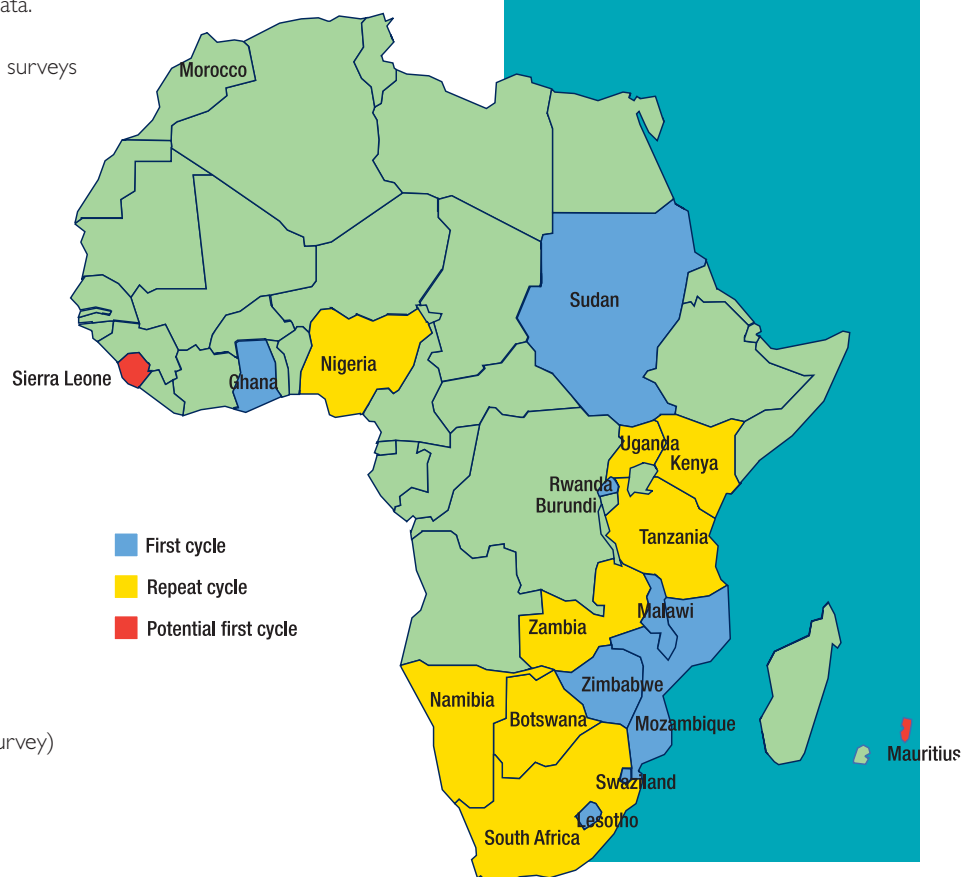
The following surveys are currently underway:

- Thailand (Consumer survey) – MAP
- Myanmar (Consumer survey) – MAP
- Mozambique (MSME)
- Zimbabwe (MSME)
- Uganda (offering technical support to Consumer survey)

The following surveys are currently in design stage:

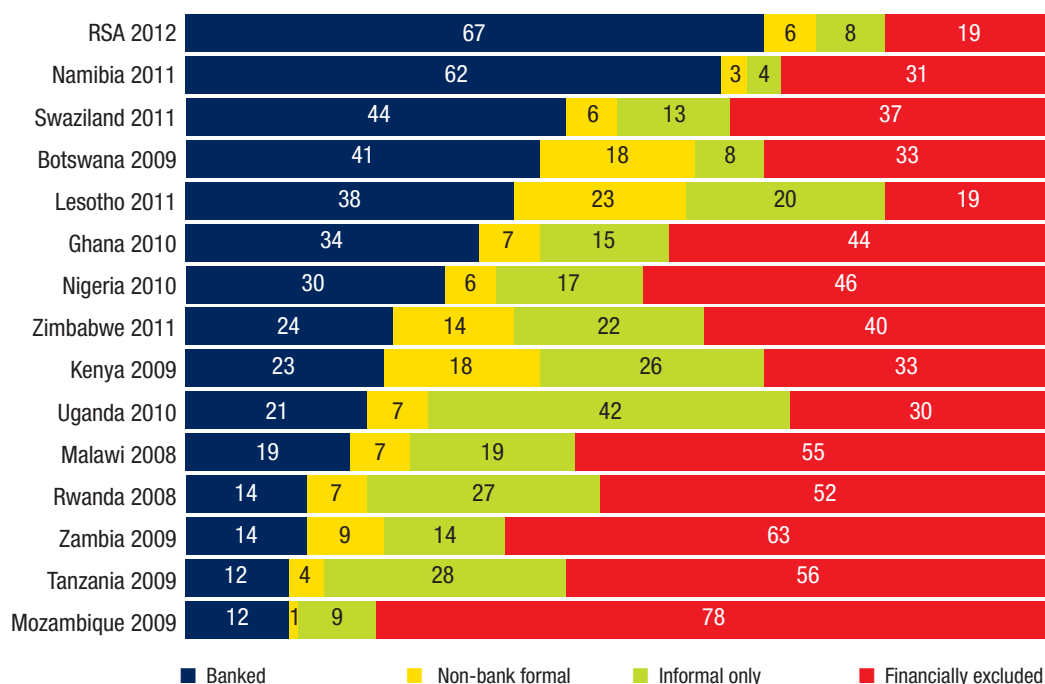
- Angola (Consumer survey)
- Mozambique (Consumer survey)
- Democratic Republic of Congo (Consumer survey)

The FinScope surveys produce evidence-based information that requires serious commitment and interventions from different stakeholders.



Financial inclusion in Africa

By expanding the FinScope surveys across different countries, the objective is to do cross-country comparisons in terms of financial inclusion and engage different stakeholders regionally or globally. In view of the different challenges facing different countries, having a standardised measure of financial inclusion plays a pivotal role for regional integration around areas of financial policies.



Introducing a 'human touch' to the FinScope surveys

During the year under review, a component of qualitative research was piloted to the FinScope survey in South Africa. Qualitative research methods, based on principles of ethnography, psychology, and sociology, seek to probe smaller sample sizes in greater depth. The qualitative technique was used to give a 'human touch' to the research by given personas to the target market. The qualitative research focused on the consumer lifestyles, behaviour patterns and attitudes to financial services in Seshego, Polokwane. Over a week in the field, a total of 20 in-depth contextual interviews were done. The final qualitative results were presented at the FinScope launch in October in Johannesburg and Cape Town. The combination of deep qualitative research with a solid quantitative foundation is critical to create the richness of a persona that makes it useful to the innovation process. Going forward, the qualitative component to the FinScope surveys will be enhanced to ensure that quantitative research is always complemented and made richer:

Making Access to financial services Possible (MAP) framework

There is a lot of work that is currently being done on the issue of financial inclusion or inclusive financing with various stakeholders teaming up to tackle this important matter. A framework was developed by the United Nations Capital Development Fund (UNCDF) in partnership with FinMark Trust and the Centre for Financial Regulation and Inclusion (Cenfri) and is intended to become a public good that can advance the global financial inclusion agenda to greater heights. The framework dubbed 'Making Access to financial services Possible' (MAP) is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro and small businesses. The MAP framework creates the space to convene a wide range of stakeholders around evidence-based country diagnostic and dialogue and leads to the development of national financial inclusion roadmaps. The roadmap identifies key drivers of financial inclusion and includes specific actions that contribute to greater financial inclusion. There are currently two MAP projects underway in Thailand and Myanmar. We hope that the partnership between FinMark Trust and UNCDF will enhance the financial inclusion agenda vigorously and innovatively in Africa and the poorest countries of Asia and other continents.

Demand for FinScope surveys

The core focus of FinMark Trust is to make financial markets work for the poor especially in Africa and the SADC region in particular. Due to its reputation, FinScope surveys have been widely recognised globally and its demand has been increasing over the years. On the other hand, the use of FinScope survey data by academic institutions and other stakeholders continues. We aim to continue driving the FinScope surveys in a number of countries so that evidence-based information is easily available to different policy makers.

FinMark Trust remains committed to helping guide and support improvements in policy and regulation with a view to enhancing financial inclusion on global, regional and local platforms. We also continue to contribute to the debate in the G20 financial inclusion working groups and the Alliance for Financial Inclusion, among others.

Financial service providers as well as the regulators world-wide have increased efforts to use demand-side data produced by the likes of FinScope and the World Bank Global Findex (launched during the course of 2012) to gain a better understanding into the needs of consumers, and translating these insights into new policies and product innovation.

Although new technologies allow for business model innovation aimed at increasing reach and lowering costs, challenges still remain in accessing and sustainably serving low-income households in an informal economy. The provision of credit is limited by the business challenge of managing credit risk in an environment of information uncertainty and repayment risk in circumstances where individuals partake in an informal economy, have no salary or other collateral. The business model innovation over the past years has focused on increasing reach and reducing transactions costs, in comparison with the high costs associated with traditional bricks-and-mortar banking. For transactions of small amounts and high frequency, one of the main challenges is the need for significantly lower transactions costs.

During 2012, on international platforms world-wide, at the G20 meetings and the Alliance for Financial Inclusion, policymakers from developing countries and emerging markets, with a combined population of 1.7 billion, committed to advance financial inclusion domestically following acceptance that an inclusive financial system that reaches most if not all the population is an important element for economic and social progress. As a result commitments to financial inclusion have become an important element of these country's development agenda. Policymakers are increasingly recognising that an inclusive financial system allows for more targeted and efficient execution of other social policies, for example through government social grants. As a result, an increasing number of governments are looking into using electronic platforms for social grant payment transfers.

Accordingly as financial inclusion remains a key goal for policymakers in the region; there is an increasing determination to ensure an enabling and protective environment. These policymakers face rapidly evolving technologies and changing provider landscapes, with the challenge to weigh competing objectives and prioritise resources.

In this regard, FinMark Trust continues its engagements with the South African National Treasury and other regulators to advocate for increased financial inclusion. In recognising our role as an influential partner for financial inclusion in the region, the Trust was requested to assist the South African National Treasury in the planning of the Alliance for Financial Inclusion's annual conference, held in 2012 in Cape Town – the focus of the conference was 'Making Financial Inclusion Real'. We further engaged with the South African Cooperative Banks Development Agency to provide support to this entity which is housed within the South African National Treasury. The Trust also assisted the South African National Credit Regulator (NCR) in preparing a report on borrowing behavior which was presented to the NCR Executive Committee on regulatory considerations.

With respect to access to credit, South Africa is faced with a segmented and complex landscape that requires well defined strategic policy interventions. During the past financial year we have collaborated with the World Bank in its policy work on expanding credit to micro enterprises in South Africa. Financial sector development in South Africa has been impressive; however, when headline figures are disaggregated a different picture emerges. Different segments of the economy are characterised by different and sometimes contradicting policy challenges. According to the 2010 Finscope Small Business Survey, only nine percent of small businesses have credit and the World Bank states that the 'access gap' between big and small enterprises is larger in SA than in most of its peers. Only 39% of households accessed credit products in 2011, with 14% from banks.

Access to financial services differs significantly between different groups. While 87% of adults with a regular income have access to financial services (including credit, insurance, transactions, savings), this share drops to less than 65% for recipients of Government grants. To this end, FinMark Trust assisted the World Bank in the development of a concept note for a workshop in South Africa, with a strategic focus on access to credit. This collaboration led to the development of a policy note on expanding access to credit for micro-enterprises.



Although new technologies allow for business model innovation aimed at increasing reach and lowering costs, challenges still remain in accessing and sustainably serving low-income households in an informal economy.



As a key thought leader in support of financial inclusion, FinMark Trust was invited to make presentations at a number of conferences during the course of the year covering issues of regulation, business models, financial behavior and G2P payments.

Following these presentations, FinMark Trust was invited to submit an article to the UK Journal of Payments Strategy and Systems. This article has been accepted by the editorial board and will be published during the course of 2013.

Engaging with financial sector players and coordinating activities in support of financial inclusion is an important aspect of our mandate.

Engaging with financial sector players and coordinating activities in support of financial inclusion is an important aspect of our mandate. During the course of the year FinMark Trust was invited to facilitate a workshop on Mobile Money in Lesotho as access to financial services is one of the challenges that characterises the financial sector in Lesotho. Given the recent development of the mobile network to promote cash transfers, the potential use of this facility was recognised as a delivery channel to address this challenge. The overall purpose of the workshop was to expose stakeholders in Lesotho to the experiences (successes and challenges) and lessons learnt from other countries in the use of mobile financial services as a channel of increasing access to financial services so that stakeholders could appreciate the role of mobile financial services and promote or support this concept accordingly. In addition, FinMark Trust reviewed and commented on the UNCDF scoping report on MM4P (Mobile Money for the poor) project for Lesotho.

In engaging with stakeholders, FinMark Trust sought to expand the dissemination of the FinScope SA 2012 findings. We coordinated and participated in presentations of the FinScope SA data to the Socio-Economic Growth and Development unit of BASA; the Financial Sector Charter Council Coordinate as well as the Executive Committee of the Cooperative Banks Development Agency.

Project	Co-funder
AUHF Secretariat support	The African Union for Housing Finance
FinScope South Africa 2012	Absa Bank Limited First National Bank Liberty Life Metropolitan National Treasury Nedbank Limited National Credit Regulator Old Mutual South African Post Office Limited Standard Bank South Africa
FinScope Namibia 2011/12	Bank of Namibia NAMFISA Nampost Savings Bank Nedbank Namibia Standard Bank Namibia
FinScope Botswana analysis and dissemination	Ministry of Finance and Development Planning
FinScope Malawi MSME	Reserve Bank of Malawi
FinScope Mozambique MSME	The Ministry of Finance/ KfW
FinScope Zimbabwe MSME	The World Bank
Housing Finance in Africa (Yearbook contributions)	International Housing Solutions (Pty) Ltd International Finance Corporation Old Mutual Investment Group SA (Pty) Ltd The African Union for Housing Finance The World Bank Group
Social housing report	Nedbank Limited
al+hdc	South African Cities Network
National Housing Policy Reference Group	Project Preparation Trust of KZN
South Africa case study: bringing low income home lending to scale	Bankable Frontier Associates
Expert advisory services on the Sustainable Human Settlements Urbanisation Plan	Work In Development
Extending credit	The World Bank
Financial education	Bank of Zambia
Making Access Possible pilots	UNCDF
Mother and child cash transfer programmes	Bankable Frontier Associates
Microinsurance Acceleration Facility	International Labour Office UNCDF
Microinsurance business planning and managing partnerships training in Zambia	International Labour Office
Zambia microinsurance market development project	ILO

Document	Author	Date
FinMark News	FinMark Trust	April 2012
Perspectives on South Africa's affordable housing market – current trends and issues	Kecia Rust, FinMark Trust	April 2012
Brochure: FinScope consumer survey Zimbabwe 2011	FinMark Trust	May 2012
Booklet: FinScope South Africa consumer survey 2011	FinMark Trust	May 2012
Report: The South Africa-SADC remittance channel	Sarah Truen and Stephen Chisadza, DNA Economics; FinMark Trust	May 2012
Focus note: Strategies to increase scale and outreach in microinsurance in Zambia	Lemmy Manje; FinMark Trust	May 2012
Report: The SADC remittance flow	Foshizi; FinMark Trust	May 2012
FinMark News	FinMark Trust	May 2012
Report: The payment experiences of social grant beneficiaries	Ros Gordon, Progressus Research Development Consultancy; FinMark Trust	June 2012
FinMark Trust annual report 2012	FinMark Trust	June 2012
Report: SaveAct savings and credit groups and small enterprise development	Aislinn Delany and Sylvia Storchy, SaveAct; FinMark Trust	June 2012
Brochure: FinScope consumer survey Namibia 2011	FinMark Trust	June 2012
Report: FinScope consumer survey Namibia 2011	Survey warehouse; FinMark Trust	June 2012
Report: Mapping the retail payment services landscape in Malawi	Bankable Frontier Associates	June 2012
FinMark News	FinMark Trust	June 2012
The microinsurance development Zambia annual report 2011	Lemmy Manje; Juliet Munro, FinMark Trust	July 2012
FinMark News	FinMark Trust	July 2012
Report: Mapping the retail payment services landscape in Mozambique	Bankable Frontier Associates	July 2012
The current state of rural and agricultural finance in Malawi	Jason Agar; Toby Lewis-Donaldson, Mannex Mwabumba, Chance Mwabutwa and Vuyo Mahlati; FinMark Trust	August 2012
The current state of rural and agricultural finance in Mozambique	Henriqueta Hunguana, Paulo Ribeiro, Tatiana Mata, Menzi Dlamini, Vuyo Mahlati and Kevin Fitzpatrick; FinMark Trust	August 2012
The current state of rural and agricultural finance in Zimbabwe	Barbara Vitoria, Godfrey Mudimu and Thinah Moyo; FinMark Trust	August 2012
FinMark News	FinMark Trust	August 2012
Review of the South African market for hospital cash plan insurance	Barry Childs and Daniël Erasmus, Lighthouse Actuarial Consulting; FinMark Trust	September 2012
Media release: Hospital cash plan insurance in South Africa	FinMark Trust	September 2012
Report: FinScope consumer survey Lesotho 2011	FinMark Trust	September 2012
Infrastructure and housing finance: Exploring the issues in Africa	Michael Kihato; FinMark Trust	September 2012
FinMark News	FinMark Trust	September 2012
Brochure: FinScope South Africa consumer survey 2012	FinMark Trust	October 2012
Report: Mapping the retail payment services landscape in Zimbabwe	Bankable Frontier Associates	October 2012
Media Release: FinScope South Africa consumer survey 2012	FinMark Trust	October 2012

Document	Author	Date
The current state of agricultural and rural finance in Botswana	FinMark Trust	October 2012
Housing finance yearbook 2012	Kecia Rust, FinMark Trust	October 2012
The Tanzania access to insurance diagnostic: Document 1, Headline findings	Cenfri; FinMark Trust	November 2012
The Tanzania access to insurance diagnostic: Document 2, Headline findings	Cenfri; FinMark Trust	November 2012
The Tanzania access to insurance diagnostic: Document 3, Headline findings	Cenfri; FinMark Trust	November 2012
The Tanzania access to insurance diagnostic: Document 4, Headline findings	Cenfri; FinMark Trust	November 2012
The Tanzania access to insurance diagnostic: Document 5, Headline findings	Cenfri; FinMark Trust	November 2012
The Tanzania access to insurance diagnostic: Document 6, Headline findings	Cenfri; FinMark Trust	November 2012
The Tanzania access to insurance diagnostic: Document 7, Headline findings	Cenfri; FinMark Trust	November 2012
The Tanzania access to insurance diagnostic: Document 8, Understanding consumer needs and segmenting the target market	Cenfri; FinMark Trust	November 2012
FinMark News	FinMark Trust	October 2012
Report: FinScope consumer survey Zimbabwe 2011	FinMark Trust	November 2012
Report: Mapping the retail payments services landscape in Zambia	Bankable Frontier Associates	November 2012
FinMark News	FinMark Trust	November 2012
Regional report: Mapping the retail payments services landscape in Zambia, Mozambique, Zimbabwe and Malawi	Bankable Frontier Associates; FinMark Trust	December 2012
Mortgage loan performance in South Africa: summary report	Illana Melzer, Eighty20 Consulting; FinMark Trust	December 2012
Mortgage loan performance in South Africa	CAHF; FinMark Trust	January 2013
Report: FinScope Malawi 2012 MSME survey	FinMark Trust	January 2013
Report: FinScope Malawi 2012 women in small business survey	FinMark Trust	January 2013
Report: FinScope Malawi 2012 MSME education survey	FinMark Trust	January 2013
State of housing microfinance in Africa	Michael Kihato; FinMark Trust	January 2013
FinMark News	FinMark Trust	January 2013
Report: FinScope South Africa consumer survey 2012	FinMark Trust	February 2013
Report: The national strategy on financial education for Zambia	Shaun Mundy, Lemmy Manje, Clare Barkworth, Bwalya Penza-Chona; Juliet Munro, FinMark Trust	February 2013
Brochure: The national strategy on financial education for Zambia	Shaun Mundy, Lemmy Manje; Juliet Munro, FinMark Trust	February 2013
FinMark News	FinMark Trust	February 2013

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

Topic	Event	Presenter	Date
SADC protocol on finance and investment	FIP sharing and learning platform workshop, Johannesburg, South Africa	Sadwick Mtonakutha, SADC Secretariat	April 2012
Regional Integration Tripartite Free Trade Agreement	FIP sharing and learning platform workshop, Johannesburg, South Africa	Gerhard Erasmus, Trade Law Centre	April 2012
Protocol on finance and investment – background and process	FIP sharing and learning platform workshop, Johannesburg, South Africa	Gerhard Erasmus, Trade Law Centre	April 2012
Tools for FIP implementation and monitoring	FIP sharing and learning platform workshop, Johannesburg, South Africa	Sadwick Mtonakutha, SADC Secretariat	April 2012
Consumer education in South Africa: Best practices, main lessons and recommendations	Colombian Insurance Association and Colombian Bankers Association, Bogota, Colombia	Kim Dancey, FinMark Trust	April 2012
Exploring the market for hospital cash plan insurance in South Africa	Stakeholder workshop, Johannesburg, South Africa	Christine Hougaard, Cenfri; FinMark Trust	23 May 2012
Lessons and opportunities from SaveAct: a successful, sustainable, scalable, rural savings and loan model at work in South Africa	FinMark forum, Johannesburg, South Africa	Anton Krone, SaveAct; FinMark Trust	29 May 2012
FinScope consumer survey Namibia 2011	Launch of results of FinScope consumer survey Namibia 2011	Kameshnee Naidoo, FinMark Trust	May 2012
Strategies to increase scale and outreach in microinsurance in Zambia	Innovation seminar, Lusaka, Zambia	Juliet Munro and Lemmy Manje, FinMark Trust	May 2012
Affordable housing finance: New market development in Africa	Housing finance in emerging markets, 5th Global housing finance conference, World Bank, Washington DC, USA	Kecia Rust	May 2012
Payment experience of social grant beneficiaries	Launch of report on payment experience of social grant beneficiaries, Johannesburg, South Africa	Penelope Hawkins, FinMark Trust	June 2012
Business planning for microinsurance	Training programme in partnership with ILO, Lusaka, Zambia	ILO; FinMark Trust	June 2012
Managing partnerships for Microinsurance	Training programme in partnership with ILO, Lusaka, Zambia	ILO; FinMark Trust	June 2012
Financing low income housing in Africa: Appropriate models for Africa	Shelter Afrique 2012 symposium, Kigali, Rwanda	Kecia Rust, FinMark Trust	June 2012
Affordable housing finance in Africa: Issues and opportunities	Pro-poor urban development: China-Africa workshop, Nairobi, Kenya	Kecia Rust, FinMark Trust	July 2012
Not just a special product line: Understanding microfinance for housing	6th Biennial micro-finance South Africa summit/Financial inclusion conference and exhibition	Kecia Rust, FinMark Trust	July 2012
Insights into the financial capability gap – from access to education	KZN Financial Literacy Association, KwaZulu-Natal, South Africa	Kim Dancey, FinMark Trust	July 2012
Housing matters: The importance of housing finance in financial sector development in Africa	Africa development finance conference, Stellenbosch University	Kecia Rust, FinMark Trust	August 2012
New business models in financial inclusion: The challenges	Alliance for Financial Inclusion, Cape Town, South Africa	Kim Dancey, FinMark Trust	September 2012
Role of financial sector regulators in promoting financial inclusion	BASA Financial inclusion indaba, Johannesburg, South Africa	Kim Dancey, FinMark Trust	September 2012
Affordable housing finance in Africa: Promoting and ensuring access to sustainable human settlements and working with informality	Planning Africa 2012: Southern African planning institute conference, Durban, South Africa	Kecia Rust, FinMark Trust	September 2012
Government subsidised housing assets	Wits Graduate School of Public and Development Management, Johannesburg, South Africa	Kecia Rust, FinMark Trust	September 2012
FinMark Trust agency banking report	African development finance policy workshop, Cape Town, South Africa	Kim Dancey, FinMark Trust	August 2012

Topic	Event	Presenter	Date
Why payment systems matter to financial inclusion – examining G2P payments?	Payments Southern Africa conference, Johannesburg, South Africa	Kim Dancey, FinMark Trust	September 2012
Illustrating the landscape of SMEs in South Africa using FinScope and policy and regulatory considerations for SME access to credit	SME Africa, Johannesburg, South Africa	Kim Dancey, FinMark Trust	October 2012
Exploring payment arrangements for social cash transfer programmes in Zambia	Stakeholder forum on Zambia's social cash transfer procurement process, Lusaka, Zambia	Caroline Pulver, BFA; Juliet Munro, FinMark Trust	October 2012
Market making and housing microfinance product possibilities	Rural Housing Loan Fund annual client workshop, Johannesburg, South Africa	Kecia Rust, FinMark Trust	October 2012
Opportunities in South Africa's housing finance and delivery framework	Gauteng Partnership Fund affordable housing indaba, Johannesburg, South Africa	Kecia Rust, FinMark Trust	October 2012
Loud, big and strong: What we know about the gap market in South Africa	International housing solutions annual developer conference, Johannesburg, South Africa	Kecia Rust, FinMark Trust	October 2012
Overview of housing finance approaches and related issues in an African context	Lecture to the Housing Finance Programme for Sub-Saharan Africa, University of Cape Town, South Africa	Kecia Rust, FinMark Trust	October 2012
FinScope consumer survey South Africa 2012	Launch of results of FinScope consumer survey South Africa 2012, Johannesburg, South Africa	Rob Powell, TNS; FinMark Trust	October 2012
Opportunities and constraints in reaching SADC insurance consumer markets	Conference on regional financial integration in SADC, Johannesburg, South Africa	George Sithole, Real Insurance	November 2012
Financial sector opportunities and challenges – branchless banking	Conference on regional financial integration in SADC, Johannesburg, South Africa	Gerhard Coetzee, Inclusive Banking in Africa and University of Pretoria	November 2012
Financial sector opportunities and constraints in SADC: The stock exchange perspective	Conference on regional financial integration in SADC, Johannesburg, South Africa	Sunil Benimadhu, The Stock Exchange of Mauritius Ltd	November 2012
Perspectives on South Africa's affordable housing market	International Housing Solutions Investors' conference, Spier Estate	Kecia Rust, FinMark Trust	February 2013
Financial behaviour of women in South Africa	Live panel discussion on television channel CNBC, Johannesburg, South Africa	Kim Dancey, FinMark Trust	February 2013
Opportunities in South Africa's housing finance and delivery framework: Navigating the gap	Nedbank's affordable housing strategy discussion, Johannesburg, South Africa	Kecia Rust, FinMark Trust	March 2013
Chinese investment in residential development in Africa	Urban LandMark annual conference, Johannesburg, South Africa	Kecia Rust, FinMark Trust	March 2013
Understanding housing affordability in Africa	African urban infrastructure and real estate summit, Cape Town, South Africa	Kecia Rust, FinMark Trust	April 2013
Tracking the affordable housing market with CPA credit data	Credit Providers Association annual general meeting, Johannesburg, South Africa	Kecia Rust, Adelaide Steedley, FinMark Trust	April 2013

Full Name	Designation	email
Prega Ramsamy	Chief executive officer	priscillac@finmark.org.za pregar@finmark.org.za
Kingstone Mutsonziwa	Head: Information and research	kingstonem@finmark.org.za
Kim Dancey	Head: Policy, regulation and consumer empowerment	kimd@finmark.org.za
Brendan Pearce	Head: Regional financial integration and Theme coordinator for Agricultural and rural finance	brendanp@finmark.org.za
Doubell Chamberlain	Theme coordinator: Microinsurance and payment systems	doubell@cenfri.org
Kecia Rust	Theme coordinator: Housing finance	kecia@housingfinanceafrica.org
Juliet Munro	Theme coordinator: Zambia Making Markets Work	julietmunro@iconnect.zm
Nitha Ramnath	Communication manager	nithar@finmark.org.za
Sabine Strassburg	Senior information and research specialist	sabines@finmark.org.za
Bobby Berkowitz	Information and research specialist	bobbyb@finmark.org.za
Jabulani Khumalo	Information and research specialist	jabulanik@finmark.org.za
Thanyani Maremba	Information and research specialist	thanyanim@finmark.org.za
Mojgan Derakshani	Regional financial information specialist	mojgand@finmark.org.za
Andrea van der Westhuizen	Project manager and financial coordinator	andreaw@finmark.org.za
Marlene Ehmke	Deputy project manager and financial coordinator	marlenee@finmark.org.za
Priscilla Cebisa	Personal assistant to CEO and project administrator	priscillac@finmark.org.za
Precious Mncube	Office assistant	preciousm@finmark.org.za
Christine Hougaard	Engagement manager for Microinsurance and retail payment systems	christine@cenfri.org
Mia Thom	Engagement manager for Microinsurance and retail payment systems	miathom@cenfri.org
Adelaide Steedley	Coordinator: Affordable land and housing data centre (al+hdc)	Adelaide@alhdc.org.za
Michael Kihato	Coordinator: African Housing Microfinance initiative (AHMFI)	mikihato@gmail.com
Olga Koma	Researcher: Centre for Affordable Housing Finance in Africa (CAHF)	olga@housingfinanceafrica.org
Lorraine Nzimande	Researcher: Centre for Affordable Housing Finance in Africa (CAHF)	lorraine@housingfinanceafrica.org
Lemmy Manje	Coordinator: Microinsurance Acceleration Facility (MAF)	lemmy_manje@msn.com
Sabelo Junior Mabuza	FIP consultant – Swaziland	mabuza.sabelo@gmail.com
Salvatore Coscione	FIP consultant – Botswana	s_l_coscione@yahoo.co.uk
Antonio Alberto Paulo Matabele	FIP consultant – Mozambique	gila.matabele@tvcano.co.mz



Making financial markets work for the poor

PO Box 61674 Marshalltown 2107
Republic of South Africa
Tel +27 11 315 9197
Fax +27 86 518 3579
Email info@finmark.org.za
www.finmarktrust.org.za
www.finscopeafrica.com