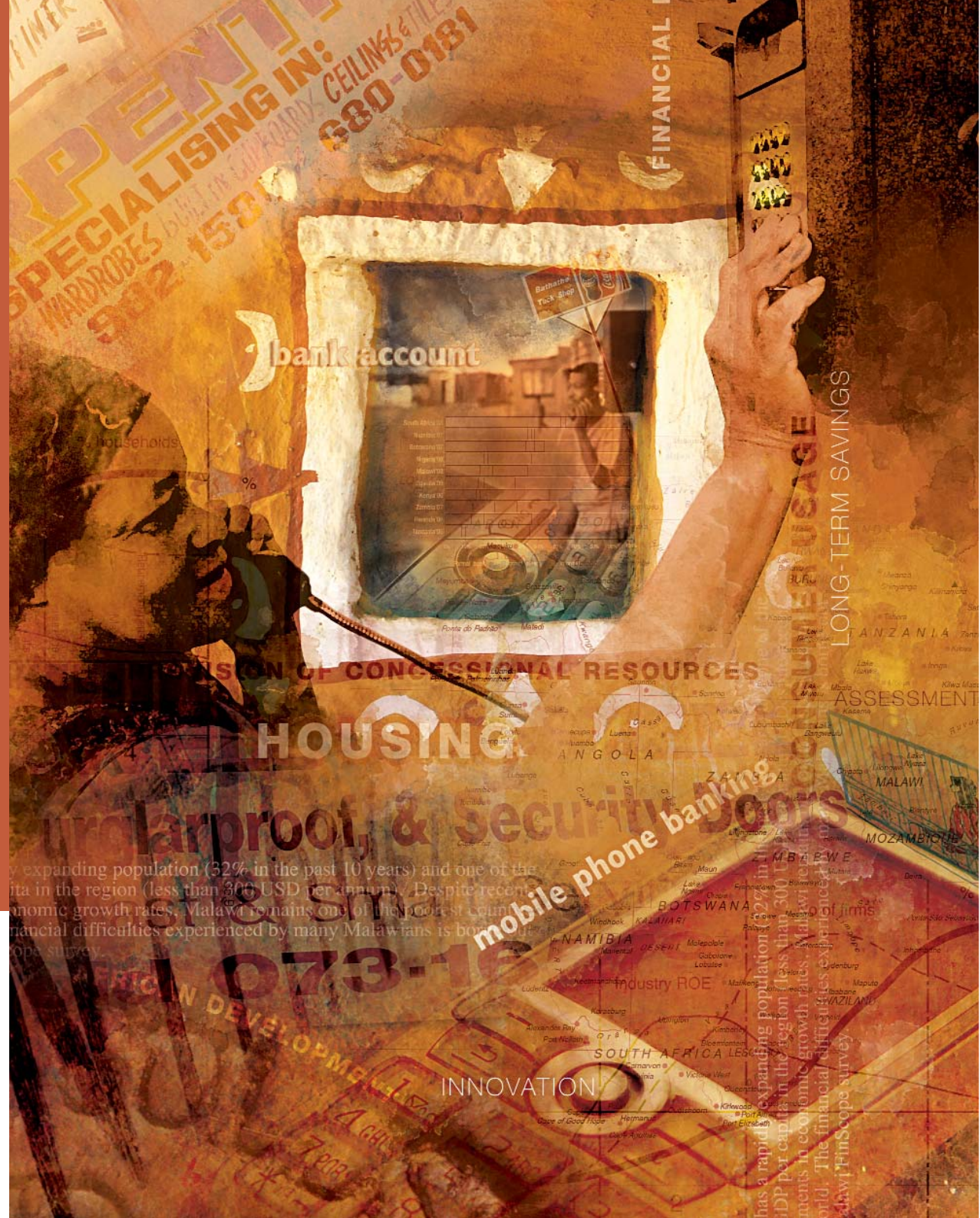
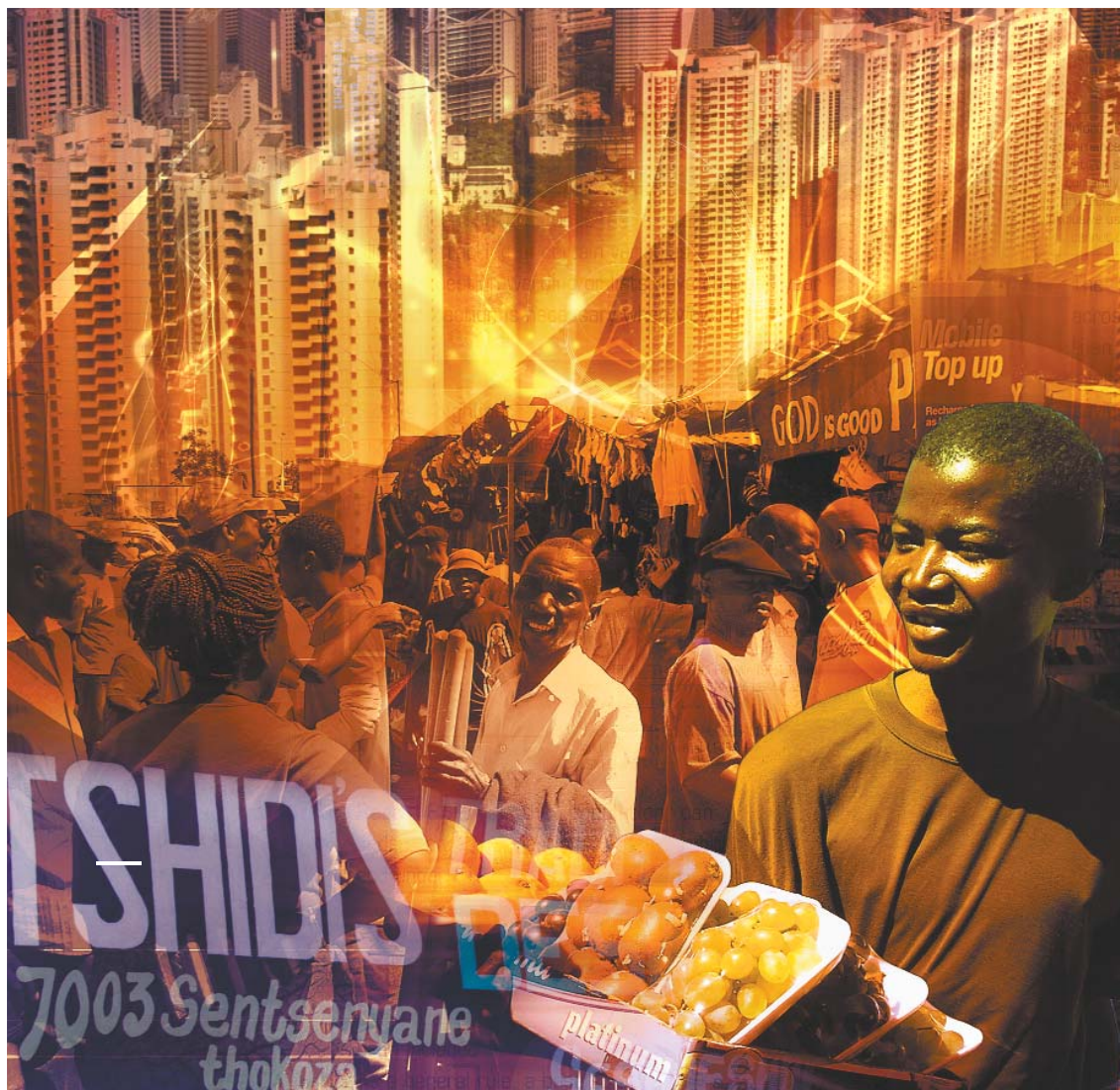


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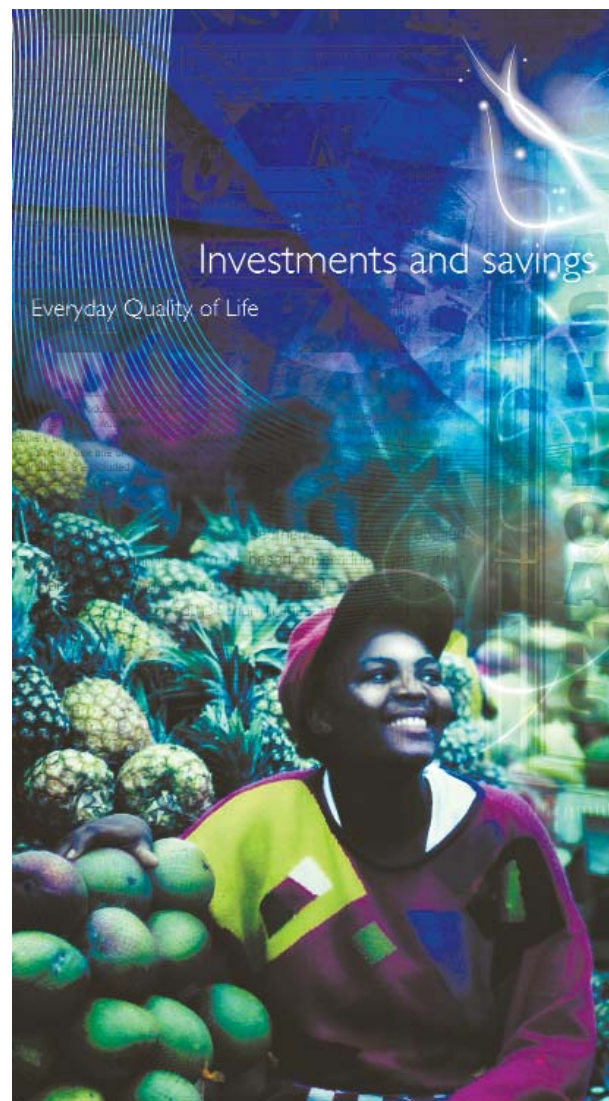




FinMark Trust is an independent trust based in Johannesburg, South Africa. Established in 2002, it has been provided with core funding by the South African office of the UK's Department for International Development (DFID). Its mission is "to make financial markets work for the poor" in Africa. In practice, this means supporting initiatives to extend access to appropriate financial services to individuals and households that currently lack them.

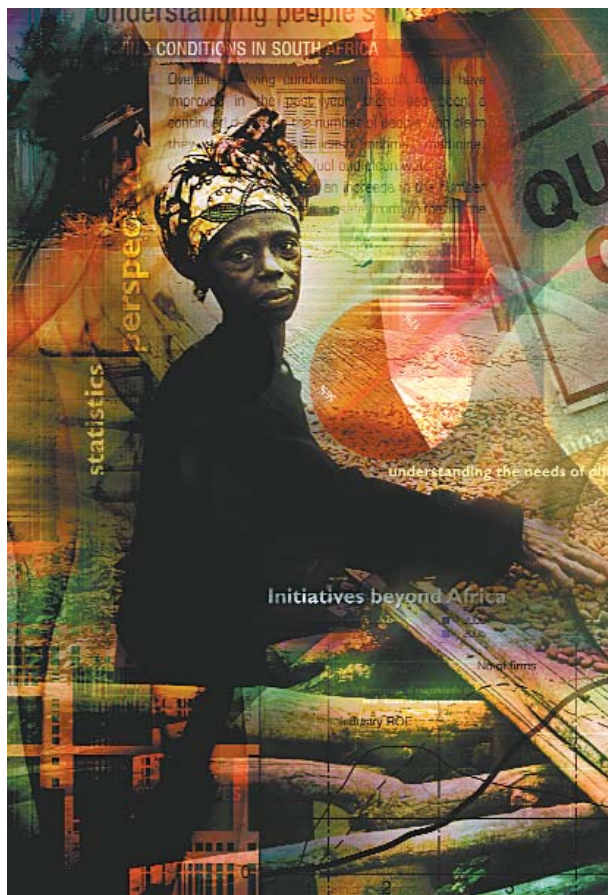
FinMark Trust realises its mission through two core strategies:

- Removing the barriers to the better workings of financial markets, which involves substantial work with, and for, financial regulators and policymakers on the legislative, regulatory and informational environment; and
- Promoting innovation in product design and delivery.



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CHAIRMAN'S REVIEW



Financial markets in the year ended March 31, 2009 were dominated by the global crisis that erupted in late 2008. The speed with which events have unfolded has left commentators scrambling to understand the true impact of the crisis on poorer consumers' access to financial services and on the access agenda generally.

In all probability, most African consumers will be more affected by the secondary economic effects of the global recession than by the kind of failure of financial systems that we have seen in developed economies. African banking systems are mainly not exposed to the kinds of instruments that caused such havoc in the US and Europe, nor to foreign liabilities, although there are some exceptions.

Our research has shown repeatedly that most people in Africa are excluded from the mainstream financial system and therefore do not depend on it. Other economic factors will undoubtedly affect people's livelihoods, including job losses, especially in commodity-exposed industries, declining remittance flows and exchange rate volatility. A sustained economic downturn may in the end have a systemic impact on banking systems.

We believe that the correct response for FinMark Trust is to ensure that where there are opportunities to influence policy responses to the crisis, these are based on a good understanding of how the crisis is affecting consumers on the ground. It is also essential to continue its activities that address the vulnerability of poorer consumers in financial markets, such as the promotion of savings, insurance and consumer protection.

The other event likely to influence our work in coming years is the recent change of government in South Africa. We are hopeful that our core message of enterprise-based economic development will resonate with the new decision-makers in government and allow us to build on the excellent relationship that we have fostered in recent years with National Treasury.

Although negative economic events continue to dominate the headlines, it is important to keep a longer-term perspective and reflect on the positive achievements in financial access over recent years. Since 2004, for example, seven million more South Africans are banked and three million have taken advantage of insurance products, both formal and informal. The question now is how to sustain this momentum. There is a risk that an understandable, but excessive, focus on the stability of the

financial system at the expense of innovation and market development could undermine the progress made.

We continue to enjoy the support of our primary funders, the UK's Department for International Development (DFID), both in London and Pretoria, and we wish to express our gratitude for this support. FinMark Trust is engaged with DFID in a project design process that we hope will lead to an extension of the programme for a further five years beyond March 31, 2010.

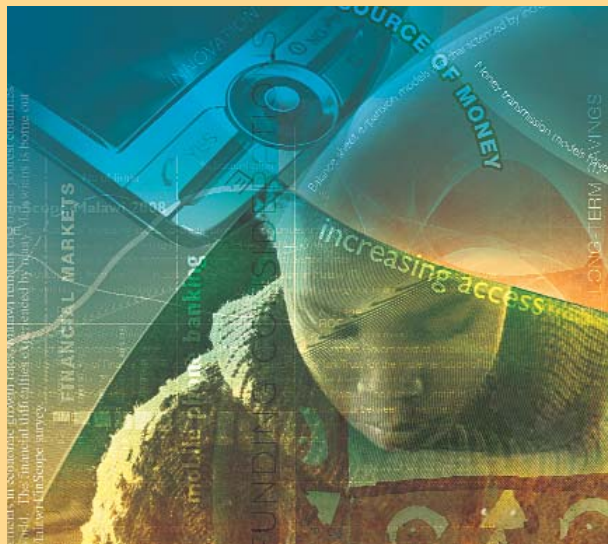
I would like to thank my board colleagues for their support for the trust over the past year. In future, and subject to our funding extension being confirmed, we intend to expand the board to ensure greater representation from the African continent outside of South Africa.

After almost five years at FinMark Trust, Mark Napier has decided to step down as CEO to return to London. He has made a significant contribution to the trust's profile and impact, especially at an international level, and we thank him for this. We are very pleased to welcome Maya Makanjee as his replacement and, on behalf of my board colleagues, I wish her much success in her new role.

Finally, I wish to thank the staff and theme co-ordinators for their dedication and hard work.

I am proud that FinMark Trust, now in its ninth year, continues to prove its versatility in being able to adapt and stay relevant to the needs of this rapidly changing environment.

Nkululeko Sowazi
Johannesburg
August 2009



The three core tenets of financial inclusion – access, affordability and appropriateness – are encapsulated in the words of a Mzansi accountholder interviewed for research conducted by FinMark Trust during 2008: “I love the account, the uniqueness of it. It’s easy to understand. I can swipe my card to pay at the store, and it’s cheaper to swipe than to withdraw.”

At FinMark Trust we try where possible to bring the voices of consumers to the fore, not only to increase the impact of our research but also because it is too easy otherwise to reduce the business of pro-poor financial market development to a series of technical exercises that can eclipse the point of what we do – which is that access to financial services matters most deeply to people who are experiencing the advantage of access for the first time.

Another such person is Nobukela Ndlovu in the Eastern Cape, who now accesses her government grant through a mini-ATM instead of waiting for the government cash distribution vehicle. She explains: “It is now better and faster and we can sit down while waiting. Before, we used to stand in a long line waiting in the sun for our money. Sometimes the government

truck did not arrive.” Financial access, for Nobukela, is about allowing people to manage their economic lives more effectively but also with greater dignity.

The Mzansi study in South Africa was a research highlight of the financial year. The Bill & Melinda Gates Foundation provided funding for the study to understand the effectiveness of a basic banking model as a platform for promoting savings in developing countries. It highlighted that shifting the access frontier may need political support. Indeed, in a world in which governments in developed economies have intervened massively in financial markets, the debate is perhaps no longer about whether to intervene or not, but how to intervene in a way that encourages future and long-term market development rather than stifles it.

The demand for FinScope surveys continues to grow across Africa. FinScope consumer surveys were published for the first time in Nigeria, Rwanda and Malawi, bringing the number of countries with completed datasets to eleven. Including Mozambique, soon to be published, seven of the 14 Southern Africa Development Community (SADC) countries have now completed FinScope consumer surveys.

There is also growing interest in the small business version of FinScope. We were delighted to be awarded a substantial grant from Switzerland’s State Secretariat for Economic Affairs to support a national FinScope small business survey in South Africa. The Zambia Business Survey, which combines a national small business sample together with a sample of larger enterprises, is nearing completion.

The Centre for Financial Regulation and Inclusion (Cenfri), on FinMark Trust’s behalf, has been at the centre of the highly influential multi-donor collaboration to develop principles for the regulation of microinsurance. It has also been supporting National Treasury’s engagement with the South African insurance industry on microinsurance in advance of proposed legislation.

The housing finance theme area has been active across the African continent, developing a series of country scoping studies, and holding a successful conference in Dar es Salaam, co-sponsored

by Habitat for Humanity, Rooftops Canada and the Heron Foundation, that brought together investors, donors and government representatives.

The turbulence in financial markets in recent months has accentuated the need for greater consumer protection, especially for consumers who are new to formal financial services. We have continually promoted the idea of consumer financial empowerment as combining the three areas of rights, recourse and financial literacy. We are very pleased that the Financial Services Board in South Africa has endorsed the recommendations of our recent research that considered how to rationalise the ombud landscape. FinMark Trust also facilitated a National Conference on Financial Education that was well-received.

Two other initiatives have proved timely as the fragility of financial markets has been uncovered. One is the investment we have made into developing better ways of measuring and monitoring financial vulnerability: this has led to collaboration with Unisa’s Bureau of Market Research on the development of an index of financial vulnerability. The other has been a focus on long-term savings and especially on savings for old age. This has led to high-level engagement with the government of Botswana, which may result in substantial reforms to the country’s pensions system. We firmly believe that long-term, or discretionary, saving is an important and under-resourced area which needs further analysis.

I am delighted to have been appointed as CEO of FinMark Trust and would like to thank my predecessor, Mark Napier, for his valuable contribution, as well as for his support during the transition. I would also like to thank the team at FinMark Trust, the theme co-ordinators, as well as other partners and service providers for their commitment to the mission of FinMark Trust. I look forward to developing strong and lasting relationships with our stakeholders as we continue to jointly address the issue of financial access and inclusion across Africa.

Maya Makanjee
Johannesburg
August 2009

TRUSTEES



Nkululeko Sowazi

is Executive Chairman of Tiso Group, a black empowerment investment company, and has been extensively involved in the financial and development finance sector of South Africa.



Maya Makanjee

was appointed as the CEO of FinMark Trust in June 2009. She has held senior executive positions in the financial services, consulting, telecommunications and fast-moving consumer goods industries prior to joining FinMark Trust.



Cas Coovadia

is the managing director of the Banking Association South Africa and is actively involved at a strategic and policy level in low-income housing, microfinance and SMME finance.



Ethel Matenge-Sebesho

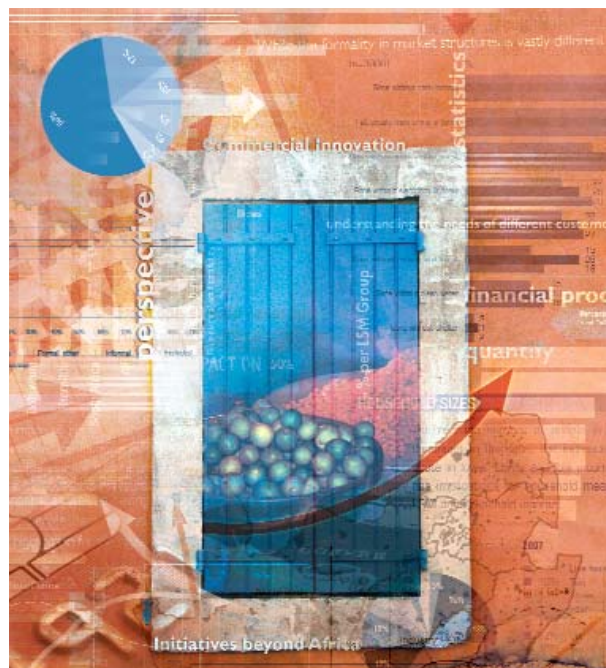
is a general manager at the Home Loan Guarantee Company. Originally from Botswana, Ethel has long been involved in the banking and financial services sector, and has been involved in several microfinance initiatives in Southern Africa.



Ishmael Mkhabela

is a freelance community development practitioner and organiser. He is the founder, and was the CEO of Interfaith Community Development Association, which has pioneered community organising and conflict resolution in South Africa since 1991.





Poor people face many risks that are beyond their control. They are often unable to cope with the financial implications of the death of a family member, illness or loss of income or property, and this perpetuates poverty and undermines asset formation. Access to insurance may be an important strategy for reducing this vulnerability, as financial markets, and particularly insurance services, can help poor people manage critical risks. The certainty of funding provided by insurance may also support the development of crucial services such as health facilities. However, despite the growing expansion of microinsurance services geared to low-income people, microinsurance penetration remains limited, leaving the vast majority of poor people without adequate protection.

Over the past six years, FinMark Trust has done groundbreaking work on making insurance markets work for the poor. This

originated in South Africa but has since escalated to research and impact on a global level, with FinMark Trust increasingly working with a number of international partners.

A series of research papers and engagement with stakeholders in South Africa has led to the publication of a National Treasury discussion paper on a proposed new regulatory framework for microinsurance. The first draft was published in April 2008 and the next draft is expected towards the end of 2009. These are the most comprehensive reforms undertaken around microinsurance so far, and they will provide valuable experience for other jurisdictions to consider.

Building on this work in South Africa, and FinMark Trust's relationship with the international donor community through the Regulation, Supervision and Policy Working Group of the Microinsurance Network (MiN) – previously the Consultative Group to Assist the Poor (CGAP) Working Group on Microinsurance – a multi-country study was carried out in Colombia, India, Philippines, South Africa and Uganda. The aim was to investigate the effect of regulation and other factors on microinsurance development. This culminated in a set of principles for the regulation of microinsurance as well as key insights into the demand and supply sides of making insurance markets work for the poor. The project was undertaken under the guidance of the International Association of Insurance Supervisors (IAIS) and the MiN Joint Working Group on Microinsurance and was mainly funded by the Canadian International Development Research Centre (www.idrc.ca) and the Bill & Melinda Gates Foundation, along with funding and technical support from FinMark Trust and the German GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit GmbH). FinMark Trust was contracted to manage the project on behalf of the funders.

The findings from this project are also being considered for official guidelines by the IAIS and are already being used by various countries to guide their development strategies.

The dedicated dissemination of the country studies, and information about other initiatives around the world to promote risk management services for low-income populations, have

created a growing demand from countries for similar studies. There is also a need for technical assistance on the regulation and supervision of microinsurance markets. To meet this demand, five member organisations of the Joint Working Group (the IAIS, the German BMZ, the International Labour Organization (ILO), CGAP and FinMark Trust) have agreed to establish the Access to Insurance Initiative (A2II). The purpose of the A2II will be “to support the implementation of sound regulatory and supervisory frameworks consistent with international insurance standards in emerging and developing jurisdictions and to strengthen the capacity and understanding of insurance supervisors in order to facilitate their role in expanding access to insurance markets to the low-income population” (A2II Charter).

The A2II will generate knowledge on how regulation and supervision of insurance markets can facilitate the extension of insurance services to low-income consumers. The A2II will also contribute, as appropriate, to the work the IAIS is doing to develop and implement international standards, which includes training and supervisory capacity building.

This initiative is in the final stages of design with funding commitments being finalised with regional agencies for work in Latin America, Asia and Africa.

At the same time, FinMark Trust has also extended its engagement with individual countries to support the growth of microinsurance. The trust is supporting country-specific initiatives in South Africa, Uganda and Zambia (in partnership with the ILO and United Nations Capital Development Fund (UNCDF)) as well as engaging with regional bodies, including making presentations to the SADC Committee of Insurance, Securities and Non-banking Financial Authorities, the multi-party Making Finance Work for Africa initiative and the African Insurance Organisation. Even before the launch of the A2II, various partner organisations are already using the findings in other countries. These include Ethiopia (ILO/UNCDF, Cenfri and Oxfam America), Fiji and Papua New Guinea (UNCDF and Basix, with technical support from Cenfri), Ghana (GTZ and the MicroinsuranceCenter), Brazil (World Bank, industry stakeholders and Cenfri), with more to follow.

HOUSING FINANCE



With urban populations in Africa growing at an estimated rate of 3.5% a year, it is expected that by 2030 most countries will be more than 50% urbanised. Governments across the continent have committed to significantly improve the lives of at least 100 million slum dwellers by 2020 as part of their agreement to the Millennium Development Goals. In this context, many have turned their attention to promoting effective housing financing sectors. The mortgage instrument is fundamental to functioning property markets and for a healthy economy that attracts investment and promotes growth. It does not respond, however, to the housing finance needs of most of the people in Africa who are either too poor, do not have legal land-ownership rights, are informally or seasonally employed, or who are unable to meet lenders' many other criteria to be eligible for a loan.

In South Africa, the cost of financing a newly built house with a 100% loan is affordable to less than 15% of the population. In the rest of Africa, the percentage of the population for whom the mortgage instrument is relevant is even less. Alternatives that respond to the way in which low-income households build their houses, or which enhance housing affordability in innovative ways, are urgently needed.

Opportunities exist within the financial landscape: donors, wholesale lenders and investors are all interested in investing in housing for the low-income market and exploring alternative commercial models. The focus on housing as an investment target arises from the rapid urbanisation and housing demand that is

self-evident across the continent. Even in the context of the global economic crisis, many investors believe that once market stability has been achieved, emerging markets will have better growth prospects than the developed world. Investors are taking a careful look at different countries and developing differentiated strategies. Some are also noting that in countries where the financial sector is growing, this growth is taking place in the lower-income groups.

The microfinance sector is growing and a number of lenders are developing housing loan products. The growing attention on housing finance investment opportunities would benefit from support from non-governmental organisations and donors in the form of better quality information, networking, pilot programmes to test innovation, and also credit enhancements such as well-structured guarantees that gear private sector investment. A better understanding of local conditions and whether they help, hinder or overlook the potential for growth in housing is also needed.

It is into this complex and nuanced environment that FinMark Trust has focused its housing finance efforts. Over the past three years, studies into how the sector operates in different countries as well as identifying the specific affordability and access challenges has been commissioned.

These reports are beginning to fill a gap in the environment, providing much needed data so that providers can better structure their products and governments can better support this emerging housing finance market. Still, the need for data and analysis persists. For this reason, the housing finance theme is being grown into the Centre for Affordable Housing Finance in Africa, a division of FinMark Trust. The centre's vision is to become a source of information and debate around access to affordable housing finance in Africa. The aim is to provide housing finance practitioners and investors as well as regulators and consumers throughout Africa with the information and analysis needed to make choices that benefit financially excluded people.

Housing affordability challenges in Africa: Quotations from housing finance sector studies

Zambia (David Gardner, 2007)	"Few self-employed people earn sufficient to qualify for a home loan. This leaves the 16% of all Zambians who are formally employed (2.2 million) as the potential market... of these, 40% are currently unbanked."
Botswana (Lex von Rudloff, 2007)	"Generally, the commercial banks require a potential client for a property loan to be earning P4000 (\$650) or more... 73% of all household income falls below this threshold. This would suggest that the vast majority of households are effectively excluded from this form of housing finance."
Kenya (Graham Adler and James Mutero, 2007)	"Less than 10% have traditionally qualified for mortgage loans from housing finance institutions, with the majority ruled out by their low incomes. Borrowers generally consist of high net worth individuals."
Uganda (William Kalema and Duncan Kayiira, 2008)	"Out of 5.2 million households, only 0.68% can access mortgage loans through commercial banks, 19.95% can access housing microfinance loans through microfinance deposit taking institutions, 7.2% can access loans from microfinance institutions and savings and credit co-operatives (SACCOs), 10.3% can only access loans through SACCOs only, and 62.3% have no access to financial services."
Namibia (Namene Kalili, Jonathan Adongo and Taylor Larson, 2008)	"Only 14% of the households (74 000) can afford to, or have already, purchased formal housing using a mortgage bond. In addition, the fact that large parts of Namibia are designated as communal land complicates access to conventional housing finance."
Rwanda (Tony Oyier, Richard Ketley and Ben Davis, 2008)	"Of the 270 000 formally employed, only around 50 000 people earn above RWF1.2 million (US\$2 000) per month... the income of the bulk of the population will fall below the level where they can secure mortgage financing in the formal market."
Mozambique (Charlotte Allen and Vibe Johnsen, 2008)	"A household would require a monthly net salary of 48 000 MT (\$1 900) to borrow \$40 000 over a 20-year period to purchase a small apartment in the less attractive areas of the cement city of Maputo... this is more than the net basic salaries of a couple of senior doctors working for the national health system."
Malawi (Lauren Thompson and Jason Agar, 2009)	"It is estimated that less than 1% of adults could access mortgages from commercial banks on current terms; 20% have access to SACCO home loans and some bank home improvement loans; 74% of adults have access to informal mechanisms only."
Ethiopia (Meheret Ayenew, with input from Richard Martin, 2009)	"At least 60% of the urban population cannot afford the construction price of a very small, modestly-constructed home, even with a no-down payment loan at 5% over 20 years... mortgage and construction finance represents less than 1% of Ethiopia's GDP."
Angola (Forthcoming: Allan Cain)	"The minimum cost to build an economy-type house is between \$25 000-\$35 000, excluding land costs. This implies monthly repayments of about \$300-\$400, based on a loan from a commercial bank." However, the average repayment capacity of Angolans is half this amount.
South Africa (Kecia Rust, 2007)	"Within South Africa's population of about 12.7 million households, only about two million can afford to meet their needs in the housing market."

Global uniformity is central to the strategy to prevent money laundering and suppress the financing of terrorism. In the early 1990s, the Financial Access Task Force formulated 40 recommendations for the control of money laundering to guide countries in the drafting of appropriate laws, known as the Forty Recommendations. In 2001, after the September 11th terrorist attacks in New York, the Forty Recommendations were supplemented with a set of Special Recommendations on Terrorist Financing. Both these sets of recommendations are now used by the international community as yardsticks to measure the efficacy of a country's laws and procedures against money laundering and financing of terrorism.

As more developing countries adopt legislation and procedures based on these accepted international models and standards, concern has grown about the difficulties of implementing them in underdeveloped environments. There is the possibility that inappropriate anti-money laundering (AML) and combating the financing of terrorism (CFT) standards may exclude the financially vulnerable and marginalised citizens of such countries from the formal financial system. Of particular concern is the potential impact on mobile and other non face-to-face distribution models and cross-border transfers. At a time when governments are seeking to increase the number of people using formal financial services, the proposed regulations could make it harder for poor people to access such services.



A significant problem is a lack of documentation or other proof of identity and domicile. In this move towards uniformity in financial regulation, the needs of the underserved may have been disregarded. The story in the box on this page of a domestic worker's struggle to gain access to financial services highlights the humanitarian costs of financial regulations such as AML and CFT.

Recognising the potential negative effects on inclusion, FinMark Trust embarked on a number of initiatives to safeguard inclusion while supporting compliance with international standards.

Research and engagement with various stakeholders in South Africa catalysed the development of an exemption to the AML/CFT regulation for low-risk products. This created the space for low-income banking products, including the Mzansi initiative.

It also led to a multi-country research project commissioned by the FIRST Initiative, which aimed to provide developing country governments with guidance on complying with international AML/CFT standards without undermining financial sector development and financial inclusion. The countries involved were Indonesia, Kenya, Mexico, Philippines and South Africa. The project was conducted under the guidance of a steering committee consisting of representatives from the FIRST Management Unit, World Bank, International Monetary Fund, DFID, CGAP, the South African National Treasury, FinMark Trust and Professor Nikos Passas, an acknowledged world expert on AML/CFT standards and implementation.

The research reached three important conclusions:

- Extending financial inclusion will support the objectives of financial integrity;
- In some cases AML/CFT regulation has negatively affected financial inclusion; and
- Examples from the sample countries showed that it is possible to implement the standards in an inclusion-friendly manner.

The report was released in May 2008 and findings from the country studies were adopted into subsequent guidance developed by the World Bank.

FinMark Trust is working with SADC to disseminate and implement these important findings. It supported the development of an AML/CFT annex to SADC's Finance and Investment Protocol, which recognised the potential impact on financial inclusion and included checks to limit this. Doing this also provided FinMark Trust with the opportunity to present the findings of the research and the proposed new annex to SADC member states, with the aim of introducing financial inclusion onto the regional agenda. This was timely since a number of SADC member states are already developing their own AML/CFT regimes while others are in the process of amending existing laws.

A number of challenges to inclusion remain as countries implement their AML/CFT frameworks. In the coming year, the trust will focus on the impact of AML/CFT on cross-border transfers.

Making opening an account harder instead of easier

Georgina, a domestic worker in rural Tanzania, earns Tsh80 000 a month. This makes her significantly better off than most of the other people in her region, but still only equates to around \$5 a day*. With this money, she supports her son, her mother and father, as well as her sick sister and her sister's two children. After encouragement from her employer to open a bank account, Georgina took the first steps towards financial inclusion.

Her first obstacle was the distance to reach her local bank. In a region of around 100 000 inhabitants there is only one bank branch with two ATMs, and no point-of-sale devices. Georgina is lucky, however, as she lives only 10km away from the bank.

At first glance transaction accounts seem cheap. A person pays a once-off fee of Tsh5 000 (about US\$3.8) to get an ATM card with no or limited monthly fees. ATM withdrawals are free. For Georgina, however, this means an upfront cost of 6% of her monthly income. She also needs a minimum deposit of Tsh10 000 to open an account. This is not all: Know Your Client (KYC) regulations require four passport photos, at a cost of Tsh4 000, and a letter from the village administration (another Tsh2 000). She therefore has to have Tsh21 000, or 26% of her salary, to open an account.

Georgina does not have any form of identity document. In fact, she struggled to understand the concept. She has no way of proving her address as the town has no street names. KYC requirements seemingly recognised that this would be an obstacle, so no formal identification was required. Instead she had to fill out a form stating her name and address that her employer had to confirm. However, her employer's submission was rejected twice. First because the address was on the wrong side of the page, and then because the employer was not able to rubberstamp the letter. As an alternative, the village officer had to sign and stamp the letter. For this, Georgina had to go to the village offices twice and queue for more than two-and-a-half hours. The village charged Tsh2 000 to stamp this letter.

But perseverance paid off: when Georgina went to the bank for the third time, she was able to open an account.

*Currency converted at 2005 rates

SOCIAL CASH TRANSFERS



Social cash transfers are an effective way to inject money into poor communities. They provide small but regular amounts of cash or vouchers (sometimes combined with food) directly to vulnerable households and people. Providing cash instead of food turns poor people into consumers and there is evidence that this new purchasing power can boost local economies. Cash transfers can come after an emergency, such as the drought aid programme in Swaziland where, on behalf of Save the Children, Standard Bank used Swazi Post as the payment agent. They can also be part of a country's welfare system. The main types of government-to-person (G2P) social cash transfers aimed at basic social protection are old-age pensions, child benefits, disability allowances and conditional cash transfers, which mean the grant is attached to conditions such as children attending school regularly or visits to a health clinic.

Most social transfer schemes in developing countries pay beneficiaries in cash, often using a mobile pay-point. Other schemes use public facilities such as a post office where people must collect their payment. With these schemes, beneficiaries must come to a designated place at a particular time to receive payment. Cash payments instead of electronic payments have other drawbacks. There is a risk of fraud and beneficiaries themselves can become the victims of crime if people know they have cash on them.

The rise of electronic banking in developing countries means that alternatives that allow funds to be credited to a beneficiary's account, electronic wallet or pre-paid card are increasingly being used to increase efficiency, reliability and efficacy. Electronic solutions include mobile payments (m-payment), smart cards and magstripe debit cards, and prepaid cards with or without biometric recognition such as fingerprints. Money can be collected at GSM-enabled* ATMs, mini-ATMs in retailers or point-of-sale devices at agencies.

A variety of electronic payment options are being used in countries such as South Africa, where the Sekulula Debit Card is used to pay social grants. Brazil, Colombia and Mexico have also implemented electronic-based systems for paying grants to households with children.

An important lesson is that these schemes cannot simply be transported to another country and need to be adapted to local conditions. Inappropriately proposed technological solutions mean a scheme is likely to fail, as happened in Malawi with the Dowa Emergency Cash Transfer project. In this case beneficiaries were able to withdraw their cash only through a limited number of banks and the cost of upgrading the infrastructure of other banks so that they could also receive the smart cards was prohibitive.

Over the past year, FinMark Trust Zambia has been working with the Government of the Republic of Zambia and co-operating partners to investigate an appropriate payment system to meet the needs of vulnerable households, estimated at 200 000 in 2006. Many of these households are headed by widows or disabled people. The HIV/AIDS pandemic means that the number of households comprising grandparents and orphans is growing, as are child-headed households.

The Zambian government's commitment to welfare support dates back to 2003 when a social cash transfer pilot scheme was launched in the Kalomo District of the Southern Province. Since then another five pilot schemes have been implemented. These schemes are being scaled-up nationally. Crucial to the success of a national roll-out is the development and deployment of a reliable and cost-effective disbursement and payment system able to deliver regular cash transfers.

To facilitate this, FinMark Trust Zambia project managed an extensive scoping exercise to help identify the most cost-effective disbursement and payment system appropriate for the country. This action-based research will be used in the coming year as the Government of Zambia puts in place systems to extend its grants programme.

To better understand the effectiveness of social grants, FinMark Trust is also undertaking research in South Africa on the way in which grants are used. This research will provide valuable insights into how these flows of cash change the lives of grant recipients and their families, as well as local economies, and will provide crucial information for policymakers interested in developing a more coherent approach to social security and long-term savings.

* GSM (Global System for Mobile Communications) is a cellular network, which means that mobile phones connect to it by searching for cells in the immediate vicinity. It is the most popular standard for mobile phones in the world. Its promoter, the GSM Association, estimates that 80% of the global mobile market uses the standard.

FinMark Trust is committed to implementing FinScope surveys throughout Africa and building in-country capacity to provide the information needed to ensure that all those who want to use financial services are able to access them. Financial markets that seem to work efficiently but exclude a large proportion of the population cannot be regarded as truly working effectively.

FinMarkTrust operates at both policy and service provider levels to ensure that finance-led growth has the desired impact on poverty alleviation. Any strategy to achieve this, however, needs to be evidence-based. A comprehensive understanding of the poor as well as the complexities of financial markets is needed. A “making markets work for the poor” approach also requires an understanding of what will make access lead to effective use, i.e. allows people to use the financial system for economic activities, good cash management, and risk mitigation.

FinScope surveys in different countries in Africa continue to provide this information. The surveys look at the use of, and demand for, financial products and services and how this varies across the adult population of a country. They also assess financial access and identify the constraints that prevent financial markets from reaching out to poorer consumers.

FinScope's standardised methodology ensures that a country's progress towards achieving success in improving access to finance can be compared and monitored. Comparison of FinScope surveys (see graph) within a region also contributes towards greater harmonisation, cross-fertilisation and regional integration around financial policy.

During the 2008/2009 period, repeat FinScope consumer surveys were completed in South Africa, Botswana, Kenya and Tanzania, which tracked changes in the financial access landscape. Surveys were conducted for the first time in Nigeria, Rwanda, and Malawi. In the coming year, South Africa, Zambia and Uganda will be implementing further repeat surveys. Ghana and Mozambique will be undertaking their first surveys and Sudan has expressed interest in conducting one.

Although Lesotho has not been able to secure funding for a national FinScope survey, FinMarkTrust worked with the Lesotho PostBank (LPB) to carry out a mini-FinScope survey. Since opening, the LPB has only been allowed to mobilise deposits from customers. However, under the government's Rural Financial Intermediation Programme, the bank will be allowed to offer credit, money transfer services and insurance products. Information about the need and demand for such services and products was essential for the LPB to develop a strategy to deliver these.

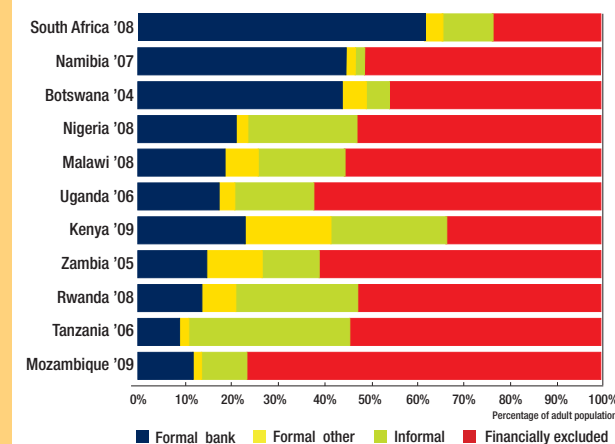
The survey had the objective of establishing the size of the savings and credit market of the LPB's target market, defining the characteristics of this target market in terms of need and demand, behaviour, attitudes and preferences, as well as identifying and ranking market segments within its target market. As the overall aim of the LPB is to bank the unbanked, specifically targeting the lower-income segment of the Lesotho population, it is closely aligned with FinMark Trust's objectives. The trust sees this survey as a significant milestone in working together with financial sector service providers to develop intervention strategies to make markets work for the unserved and underserved.

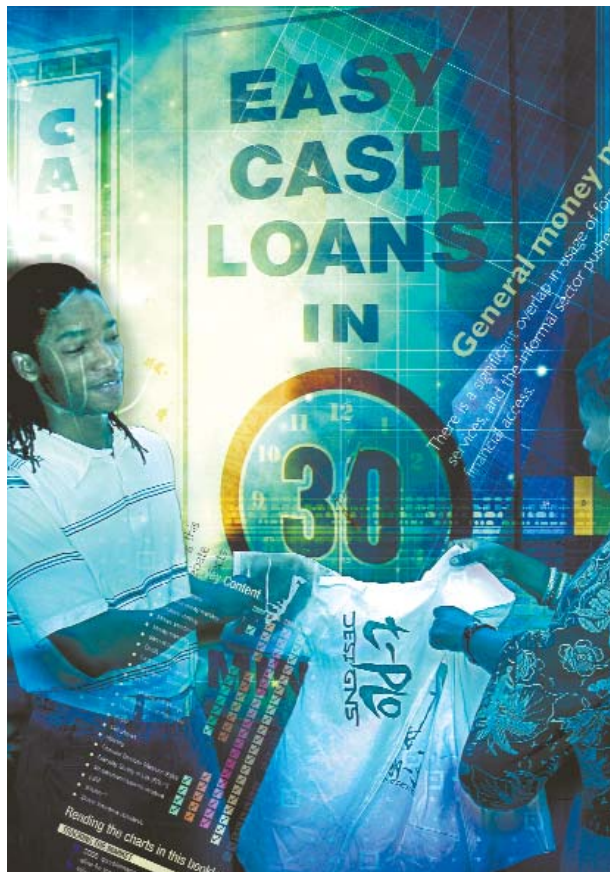
Although FinScope surveys have been used primarily to assess access to financial services, they have a specific focus on the lower-income segments of the population of a country. Their purpose has not been to define the poor or to measure poverty, but as the need to provide information on how financial markets work or do not work for the poor; defining the poor becomes essential.

Defining the poor by how much income people are able to generate and the assets they have is important in understanding the depth and breadth of poverty. FinScope surveys, however, have demonstrated that this is more complicated than merely asking people how much money they make and what type of assets they own. Understanding poverty, and finding ways to reduce it, requires an understanding that being poor is not only about not having enough money and goods to meet one's needs.

FinMark Trust believes there is a need to understand what it is that prevents certain segments of a population from meeting their needs and taking charge of their own development – and that FinScope surveys can play a significant role in describing these factors. In an attempt to achieve this understanding, the trust is using FinScope data from various countries to develop a tool for segmenting a population in terms of livelihood capabilities and vulnerabilities, and describing the relationship between these and access to financial markets. This will continue to be an important focus of FinScope's work in the coming year.

Country comparisons





The global financial crisis has thrown the spotlight on credit, with concerns about the level of consumer debt growing in many countries around the world. One problem, however, is there is little consensus on how to measure overindebtedness. Figures relating to borrowing only are also

not always a good indicator of levels of financial difficulties. Financial vulnerability is more complex than merely too much debt. Financial vulnerability depends on various factors both outside a person's control, such as adverse economic conditions, and those that are specific, including levels of savings or debt.

Many people in Europe face overindebtedness (defined as being in arrears with one or more contracted commitment) without owing any money in either secured or unsecured credit. And while using credit does increase the odds of being in financial difficulty, most people who borrow money do so without getting into difficulty. And making credit available to poor people who want to accumulate assets, finance the building of their houses, or start a business, is central to making financial services available to the unbanked and underbanked.

The concern is the amount of debt accumulated for short-term consumer credit. Unrestrained access to credit in countries like South Africa has led many consumers into a debt spiral. This is when a borrower has to borrow more to pay back loans, pushing the person deeper into debt, often aggravated by unprincipled lenders and debt collectors.

To address this problem, the South African government reviewed its consumer credit legislation in 2002. This culminated in the National Credit Act which, among other protection measures, restricts excessive and abusive lending practices – the kind of measures which are absent in the US sub-prime lending market which, in turn, triggered the global financial crises.

Although the Act has substantially improved the credit market environment, the legacy of overindebtedness remains. To understand this better, FinMark Trust organised an indebtedness workshop in South Africa in August 2008. By first world standards, most South African consumers do not appear to be highly geared. Yet this may well mask severe pockets of indebtedness and vulnerability in certain sectors. Indeed, the number of consumers who are under the debt counselling programme increased sevenfold over the past year, numbering just under 60 000 by the first quarter of 2009.

While the economic slowdown is partly responsible for this trend, much more needs to be understood about what makes people financially vulnerable. The lack of a consumer financial vulnerability index makes it difficult to measure the extent and spread of consumer vulnerability in South Africa. How severe is the problem? Which sections of the population face the most financial stress, and is the situation improving or getting worse? To answer these and other questions, FinMark Trust commissioned the construction of an index that will monitor trends on income, savings, expenditure and debt servicing in South Africa.

An integral part of South Africa's dynamic credit market is a multitude of niche and full-file credit information agencies or credit bureaux. These bureaux invariably store traditional data such as bank accounts, retail accounts and length of employment, on which credit assessments are undertaken by banks, non-banks and retailers. Traditional data, however, is not suitable for the unbanked or underbanked sectors of the population. Indeed many South Africans who need credit for self-employment, small business activity and asset formation cannot access credit. We have therefore begun research into the use of alternative data, or non-credit payment data, such as payments and prepayments on rent, gas, electricity, insurance, telecommunications and other recurring obligations, to see if these can serve to evaluate the risk of a potential borrower.

In South Africa, non-credit payment data may well serve as a proxy for income stability. The idea is that the regularity of these payments and prepayments can be used as indicators of a revenue stream or access to resources that will allow lenders to determine whether a loan applicant can afford a loan. Research began in January 2009 and the first phase of this study should be available in the second half of the year.



FinMark Trust participated in a year-long research project into the effectiveness of the Mzansi basic bank account in South Africa. The research was funded primarily by the Bill & Melinda Gates Foundation and involved a team of US and South African-based experts. All Mzansi-issuing banks, including the state-owned Postbank, participated.

There is no doubt that the Mzansi account, launched in 2004, has made an important contribution to a dramatic increase in banking penetration in South Africa, from 46% of adults with a bank account in 2004 to more than 63% today, pointing to considerable pent-up demand for accessible banking among lower-income consumers.

But questions have remained as to whether, for all the headline numbers, Mzansi has been a commercial success for the banking industry and whether the accounts really meet the needs of their intended target population.

The research found that:

- By December 2008, more than six million Mzansi accounts had been opened;
- 72% of these were opened by people who had not had a bank account before and 61% of active Mzansi users in 2008 were in the targeted LSM 1-5* range;
- The Postbank was by far the largest individual issuer, opening 2.2 million accounts, with the remaining 3.8 million opened by the big four private banks, Absa, First National Bank, Nedbank and Standard Bank;
- These private banks met their aggregate Financial Sector Charter** target of having 2.173 million active Mzansi accounts open by December 2008;
- Of the 3.8 million accounts opened by the private banks, 42% became inactive during the period – that is, they either became dormant, or were closed;
- Nevertheless, according to FinScope South Africa 2008, more than one in 10 South African adults have an Mzansi account today.

An important research question was whether the Mzansi account has been an effective savings platform. The evidence suggests that while people in low-income markets want to save, they do not do so in the traditional sense of accumulating funds, even small amounts, over longer timeframes. For Mzansi accountholders, “saving” meant keeping small amounts over short periods (i.e. meeting near-term identified needs), and plain safe-keeping (i.e. money-guarding).

The research indicated, on the basis of certain assumptions, that the account was substantially loss-making for the banks, although the way banks account for costs makes this conclusion problematic. All the banks were happy to acknowledge that Mzansi had enabled them to get to know a new market segment so that if they were not actually making money from the account, the losses could be seen as research and development well spent.

Mzansi would not have happened without the Financial Sector Charter, and thus Mzansi is an eloquent expression of what can happen when there is collaboration not just between industry players, but also between government and the private sector.

The report asks what lessons Mzansi holds for other countries. Political pressure to issue basic bank accounts exists elsewhere, for example in India, Kenya and Mexico. In that context, the Mzansi experience does shed light on whether policymakers should drive more collaborative approaches such as Mzansi to address clear demand for accessible banking. The Mzansi experience should give policymakers and bankers in other developing markets some confidence that there is both need and potential in this area.

* LSM or Living Standards Measure is a categorisation ranging from 1 to 10 used extensively by marketers and advertisers as a means to segment the population, with the lower LSM groups comprising the poorer socio-economic groups.

**The Financial Sector Charter was a voluntary agreement among all financial institutions in South Africa and other stakeholders, including government, labour and community, which had as its objective to make the sector more inclusive. It set targets for improving, among other things, access to financial services for low-income groups.

THEME AREAS AND ACTIVITIES

THEME AREA	AFRICA SPECIAL PROJECTS (OUTSIDE SOUTH AFRICA)	CONSUMER FINANCIAL EMPOWERMENT	CREDIT MARKETS	FINANCIAL POLICY AND REGULATION
Co-ordinator	Mark Napier/Maya Makanjee	Astrid Ludin	Rashid Ahmed	Astrid Ludin
Objectives	Developing FinMark Trust's profile as a pan-African policy centre through speaking engagements outside South Africa	Promoting consumer financial empowerment by facilitating greater understanding of the gaps in the rights, redress and knowledge of low-income consumers and by sharing best practice in addressing these	Investigating which factors affect the efficient running of credit markets for poor people	Supporting the development of capacity within financial regulators to better serve access expansion in the region
Main projects/ activities	FinMark Forums in Namibia and Botswana Compiling case studies for publication BNLS (Botswana, Namibia, Lesotho, Swaziland) policy dialogue	Research into consumer protection, recourse and financial literacy in South Africa and the region National conference on financial education	Supporting regulators in Africa in the areas of credit information and non-prudential regulation Studying indebtedness issues Investigating alternate credit data for low-income people	Assistance to, and in-house workshops for, the South African National Treasury

THEME AREA	SMALL, MICRO AND MEDIUM ENTERPRISES	OTHER (GRANTS AND EMPOWERMENT STRATEGIES)	TECHNOLOGY AND BANKING	ZAMBIA M4P INITIATIVE
Co-ordinator	Rashid Ahmed	Mark Napier/Maya Makanjee	Jenny Hoffmann/Doubell Chamberlain	Juliet Munro
Objectives	Investigating demand and supply-side issues of small, medium and micro enterprise (SMME) finance – identifying the obstacles and ways to overcome them	Building the capacity of previously disadvantaged people Increasing the use of Broad-Based Black Economic Empowerment service providers	Supporting the extension of transaction banking accounts as widely as possible, as the backbone for access to all other financial services	Building on FinMark Trust's existing local relationships to support change in Zambia's financial markets and testing the exportability of FinMark Trust's approaches outside the Southern African Customs Union.
Main projects/ activities	Started investigation into alternate collateral for SMME financiers Started pilot study into financial diaries for small business	Mentorship programme Internships	The Mzansi bank account assessment Swaziland cash payments	FinScope Zambia Business Survey Study on payment distribution mechanisms for social cash transfers Support to National Switch project Study on the microinsurance sector Scoping research on remittances Demand-side research on urban-based, low-income housing finance opportunities Supply-side study on inclusiveness of Zambia's financial system Set up FinMark Trust Zambia Limited local organisation

THEME AREAS AND ACTIVITIES

THEME AREA	FINSCOPE	HOUSING FINANCE	INSURANCE AND AML/CFT	LONG-TERM SAVINGS
Co-ordinator	Darrell Beghin/Irma Grundling	Kecia Rust	Doubell Chamberlain	Rob Rusconi
Objectives	Producing ongoing, credible information about financial needs and usage, and expanding the content and application of FinScope surveys	To be the primary source of information and debate about access to affordable housing finance in Africa, with the aim of supporting the sustainable leverage of private capital into affordable housing	To stimulate the delivery of appropriate insurance products for the poor through innovative business and distribution models, within a facilitating but protective regulatory environment	To support and motivate the development of an appropriate policy framework for long-term savings and provision for the elderly, mainly through research-led advocacy
Main projects/activities	<p>FinScope South Africa consumer survey</p> <p>Managing various FinScope Africa surveys</p> <p>FinScope branding and positioning</p> <p>Establishing a central analysis facility and mining tools</p>	<p>Housing finance access frontier paper</p> <p>Partnerships with Habitat for Humanity and Rooftops Canada on housing microfinance projects</p> <p>Housing finance sector studies in countries across the region</p> <p>International Housing Finance Programme-Wharton Africa housing finance course at Wits Business School</p> <p>Housing microfinance workshop for sub-Saharan Africa</p> <p>Establishing an affordable land and housing data centre</p>	<p>Compiling country case studies for the International Association of Insurance Supervisors, and providing support for the establishment of a global funding initiative to implement the findings in up to 20 countries</p> <p>Supporting the development of a new microinsurance regulatory framework in South Africa</p> <p>Disseminating research to industry stakeholders to stimulate innovation</p> <p>Developing microinsurance dialogues and strategies in Uganda and Zambia</p> <p>Research on cost drivers in the health financing sector to improve access to health insurance in South Africa</p> <p>Disseminating anti-money laundering (AML) and combating the financing of terrorism (CFT) research and supporting country and SADC workshops to develop positions on AML/CFT and inclusion</p> <p>Setting up a policy and regulation centre</p>	<p>Various research efforts across the region in social security, formal pensions and informal saving arrangements</p> <p>Research into the use and effectiveness of South Africa's system of social grants</p> <p>Assessing the opportunities for Botswana to convert its statutory severance system into a national pension arrangement: research, advocacy and technical inputs into government-led workshops</p>

PUBLICATIONS AND PRESENTATIONS

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

Document Heading	Author/s	Date
The poor and voluntary long-term contractual savings – lessons from South Africa	James Roth, Rob Rusconi and Nina Shand	2008/04/03
Report: Old-age savings by low-income South Africans	Genesis Analytics (Pty) Ltd	2008/04/10
FinMark Brief: Old-age savings by low-income South Africans	Janet Wilhelm, FinMark Trust	2008/04/10
Media release: Old-age savings by low-income South Africans	Janet Wilhelm, FinMark Trust	2008/04/10
Media release: Making microinsurance easier	Janet Wilhelm, FinMark Trust	2008/04/21
FinMark Trust submission to the Consumer Credit Insurance Panel of Enquiry	Anja Smith, Cenfri	2008/04/25
An investigation into the 2% affordability threshold for transactional banking and a cross-country analysis on factors influencing bank usage	Genesis Analytics (Pty) Ltd	2008/05/08
Implementing Financial Action Task Force (FATF) AML/CFT standards in developing countries and financial inclusion – findings and guidelines	Hennie Bester, Doubell Chamberlain and Louis de Koker	2008/05/30
FinMark Trust's submission on the Consumer Protection Bill	Monique du Preez and Anja Smith	2008/06/03
FinMark Trust's submission on the Consumer Protection Bill: Annexure A	Monique du Preez and Anja Smith	2008/06/03
The role of housing microfinance in supporting sustainable livelihoods	Kecia Rust, FinMark Trust	2008/06/18
Is m-banking advancing access to basic banking services in South Africa?	David Porteous, Bankable Frontier Associates	2008/06/18
FinMark Trust Zambia: Making markets work in Zambia	Juliet Munro, FinMark Trust Zambia	2008/06/18
Media release: Comments on the Competition Commission Banking Enquiry	FinMark Trust	2008/06/27
Meeting Notes: Discussion session in Kampala, Uganda – Access to housing finance	UMACIS Consultants	2008/07/02
Access to housing finance in Africa: Exploring the issues in Uganda	Dr William S Kalema and Duncan Kayiira, UMACIS Consulting	2008/07/02
Distributing cash through bank accounts: Save the Children's drought response in Swaziland	Claire Beswick	2008/07/10
Cash transfers in Lesotho: World Vision's cash and food transfer pilot project – 2007/8	Stephen Devereux and Michael Mhlanga	2008/07/10
Cash and food transfer pilot project: Project overview	World Vision	2008/07/10
Choice, dignity and empowerment: Save the Children's emergency drought response project in Swaziland	Paul Jere and Stephen Devereux	2008/07/10
Save the Children Emergency response project: Case study findings	Save the Children	2008/07/10
Money laundering and terror financing risk management of low-risk financial products and services in South Africa	Louis de Koker, Cenfri	2008/07/23
Paper: Housing finance in sub-Saharan Africa – reflections from South Africa	Kecia Rust, FinMark Trust	2008/08/05
Testing remote access models for Southern African countries	Oxford Policy Management	2008/08/18
Paper: Defining and measuring overindebtedness – lessons from the European experience	Elaine Kempson, PIRC	2008/08/18
Paper: Indebtedness indicators in South Africa – a review of potential early warning signs of consumer overindebtedness	Marlene Heymans	2008/08/18
Paper: The importance of tracking credible indebtedness indicators – a regulatory perspective	Andre Bezuidenhout, South African Reserve Bank	2008/08/18
Paper: Indebtedness in South Africa – what the Income and Expenditure Survey can (and can't) tell us	Illana Melzer and Ria Moothilal, Eighty20 CC	2008/08/18
Brochure: Branchless banking	Janet Wilhelm, FinMark Trust	2008/08/20

Document Heading	Author/s	Date
Supply-side study of the inclusiveness of Zambia's financial system: main report	Oxford Policy Management with PMTC Zambia	2008/09/10
Supply-side study of the inclusiveness of Zambia's financial system: update of key data	Oxford Policy Management with PMTC Zambia	2008/09/10
Supply-side study of the inclusiveness of Zambia's financial system: brochure	Oxford Policy Management with PMTC Zambia	2008/09/10
A mouse that roared? Housing microfinance in South Africa: status, problems and prospects	David Gardner	2008/09/18
Growing sustainable housing microfinance options in sub-Saharan Africa: Workshop report	Kecia Rust, FinMark Trust	2008/09/30
FinMark Brief: Pension provision in Botswana	Janet Wilhelm, FinMark Trust	2008/10/01
Developing a broad-based employee pension scheme for Botswana	Genesis Analytics (Pty) Ltd	2008/10/02
FinMark Brief: The landscape of remittances in Zambia	Janet Wilhelm, FinMark Trust	2008/10/24
Media release: Anti-money laundering controls: avoiding unintended consequences	Janet Wilhelm, FinMark Trust	2008/10/29
Final Report: Implementing FATF standards in developing countries and financial inclusion – findings and guidelines	Genesis Analytics (Pty) Ltd	2008/10/30
Executive Summary: Implementing FATF standards in developing countries and financial inclusion – findings and guidelines	Genesis Analytics (Pty) Ltd	2008/10/30
Burial societies in South Africa	Daniel Schneider, Princeton University	2008/11/04
FinMark Brief: Overindebtedness – when does debt become a burden?	Janet Wilhelm, FinMark Trust	2008/11/11
The landscape of remittances in Zambia	Cenfri	2008/11/20
Financial Access Matters No. 4: The landscape of remittances in Zambia	J Wilhelm, FinMark Trust	2008/11/21
Basel II in developing countries: What implications for financial sector development and financial inclusion?	Ricardo Gottschalk, Institute of Development Studies	2008/11/24
Evaluating the effectiveness of financial education	Bruno Levesque, OCDE	2008/11/27
Developing and implementing a financial education strategy	Bruno Levesque, OCDE	2008/11/27
The role of the state in financial education	Cas Coovadia, Banking Association South Africa	2008/11/27
Consumer financial education in schools: challenges and achievements	Edward Mosuwe, Department of Education	2008/11/27
The act and potential contribution of provinces to financial education	Fati Manamela, Gauteng Consumer Affairs Office	2008/11/27
Taking stock of the financial sector's contribution to financial education	Gerda Piprek, FinMark Trust	2008/11/27
What do we know about financial literacy in South Africa?	Illana Melzer, Eighty20 CC	2008/11/27
Monitoring and evaluation: Initial thoughts on indicators for financial literacy in South Africa	Illana Melzer, Eighty20 CC	2008/11/27
Integrating financial education into the business model	John Bellis, Teba Bank	2008/11/27
Mindset Network: Content development, production and delivery	Kirsten Greenop, Mindset	2008/11/27
Role of regulators and the Financial Services Board in financial education	Olivia Davids, Financial Services Board	2008/11/27
NCR experience in financial education and debt stress: Needs and priorities	Peter Setou, National Credit Regulator	2008/11/27
Measuring the impact of financial education programmes: Approaches and challenges	Riah Phiyega, Absa	2008/11/27
International experience in the pensions environment	Rob Rusconi, FinMark Trust	2008/11/27
Practical experience in implementing financial education: What works?	Tukisang Senne, Mindset	2008/11/27

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Document Heading	Author/s	Date
Financial Education: Competitive or collaborative	Vivienne Pearson, South African Insurance Association	2008/11/27
Brochure: FinScope Rwanda 2008 survey	FinMark Trust	2008/12/03
Brochure: Insights to the access to finance study in Pakistan	Pakistan Microfinance Network	2008/12/10
Making insurance markets work for the poor: Policy, regulation and supervision – Colombia case study	PrimAmerica and Fedesarrollo	2009/01/07
Making insurance markets work for the poor: Policy, regulation and supervision – South Africa case study	Genesis Analytics (Pty) Ltd	2009/01/07
Making insurance markets work for the poor: Policy, regulation and supervision – Uganda case study	Genesis Analytics (Pty) Ltd	2009/01/07
Making insurance markets work for the poor: Policy, regulation and supervision – Philippines case study	Rimansi and PIDS	2009/01/07
Making insurance markets work for the poor: Policy, regulation and supervision – India case study	M-CRIL	2009/01/07
Making insurance markets work for the poor: Cross-cutting findings from five country case studies	Hennie Bester, Doubell Chamberlain and Christine Hougaard, Cenfri	2009/01/07
Housing microfinance in South Africa – status, challenges and prospects	David Gardner	2009/01/28
Brochure: FinScope South Africa 2008 survey	FinScope team	2009/01/29
FinScope Media release: Banking comes to more people	FinScope team	2009/01/29
FinScope Media release: Debt in South Africa – are we living beyond our means?	FinScope team	2009/01/29
FinScope Media release: Uninsured? It's your funeral	FinScope team	2009/01/29
FinScope Media release: Optimism – a driver of financial decisions	FinScope team	2009/01/29
FinScope Media release: South Africa needs financial education	FinScope team	2009/01/29
FinScope Media release: Saving against the storm	FinScope team	2009/01/29
FinScope Media release: A picture of the financial industry for 2008	FinScope team	2009/01/29
FinScope Media release: South Africa in black and white	FinScope team	2009/01/29
Report on Distribution mechanism scoping study in Zambia	Quindiem Consulting and ExactConsult	2009/02/27
Non-technical Summary: Distribution mechanism scoping study in Zambia	Quindiem Consulting and ExactConsult	2009/02/27
Banking spreads and financial market access in Botswana and South Africa	Prof Sylvanus Ikhide	2009/03/12
Access to housing finance in Africa: Exploring the issues in Namibia	Namibian Economic Policy Research Unit	2009/03/16
Key principles in National Switch Deployment: The Zambian case study	ExactConsult and Quindiem Consulting	2009/03/18
A2HF: Considering the next phase of the Financial Sector Charter targets	Illana Melzer, Eighty20 CC	2009/03/18
Brochure: FinScope Malawi 2008 survey	FinMark Trust	2009/03/19
Media release: Mzansi – pushing the access frontier	FinMark Trust	2009/03/31
Brochure: The Mzansi bank account initiative in South Africa	FinMark Trust	2009/03/31
Final Report: The Mzansi bank account initiative in South Africa	Bankable Frontier Associates	2009/03/31

Topic	Presenter/s	Date
Making insurance markets work for the poor (presentation to SANTAM)	Doubell Chamberlain, Cenfri	2008/04/03
Developing and regulating microinsurance markets (IAIS/Microinsurance Network (MiN) Joint Working Group on Microinsurance, Hyderabad)	Doubell Chamberlain, Cenfri	2008/05/12
Housing Finance in Africa: Analysis of housing finance sector studies (FinMark Trust, Rooftops Canada, Habitat for Humanity Housing Microfinance Workshop, Dar Es Salaam, Tanzania)	Kecia Rust	2008/05/19
Challenges to housing and housing finance affordability in South Africa (World Bank IFC Global Conference on Housing Finance in Emerging Markets, Washington DC, US)	Kecia Rust	2008/05/30
FAIS, advice and the evolution of low-income insurance markets (Presentations to Hollard and Metropolitan)	Doubell Chamberlain, Cenfri	2008/06/04
Developing and regulating microinsurance markets – evidence from five country case studies (Making Finance Work for Africa conference, Ghana)	Doubell Chamberlain, Cenfri	2008/06/18
The role of policy, regulation and supervision in facilitating inclusive microinsurance markets: cross-cutting findings (Growing Inclusive Markets conference, Canada)	Hennie Bester, Cenfri	2008/06/21
The role of policy, regulation and supervision in facilitating inclusive microinsurance markets: Evidence from South Africa (Growing Inclusive Markets conference, Canada)	Doubell Chamberlain, Cenfri	2008/06/21
Designing an inclusion friendly regulatory framework for microinsurance in India (Growing Inclusive Markets conference, Canada)	Sanjay Sinha, M-CRIL	2008/06/21
Housing finance in sub-Saharan Africa: Reflections from South Africa (African Ministerial Conference on Housing and Urban Development II, Abuja, Nigeria)	Kecia Rust	2008/07/29
The future of microinsurance regulation and development in South Africa (Presentation to Liberty)	Doubell Chamberlain, Cenfri	2008/08/15
Consumer spending patterns and overindebtedness	Paul Slot, Octogen	2008/08/18
Consumer indebtedness	Dr Michael Jordaan, FNB	2008/08/18
Overindebtedness	Johan Geldenhuys, Absa	2008/08/18
Housing finance in sub-Saharan Africa: Opportunities and challenges (African Union for Housing Finance Annual General Meeting, South Africa)	Kecia Rust	2008/08/19
Exploring affordable property markets: Building the Affordable Housing Monitor (Urban LandMark conference: from land rights to property markets)	Kecia Rust and Philip North, Metonomy	2008/08/27
The role of policy, regulation and supervision in making insurance markets work for the poor: Evidence from country case studies (IAIS/MiN Joint Working Group on Microinsurance, Basel)	Doubell Chamberlain, Cenfri	2008/09/15
Making insurance markets work for the poor: Presentation – Emerging guidelines for regulators (Financial Stability Institute (FSI) workshop for insurance regulators, Basel)	Hennie Bester and Doubell Chamberlain, Cenfri	2008/09/15
Making insurance markets work for the poor: Presentation – The case of Colombia (FSI workshop for insurance regulators, Basel)	Doubell Chamberlain, Cenfri	2008/09/18
Making insurance markets work for the poor: Presentation – The case of South Africa (FSI workshop for insurance regulators, Basel)	Hennie Bester, Cenfri	2008/09/18
Making insurance markets work for the poor: Presentation – The case of Uganda (FSI workshop for insurance regulators, Basel)	Doubell Chamberlain, Cenfri	2008/09/18
Making insurance markets work for the poor: Presentation – The role of regulation of member-based insurers (FSI workshop for insurance regulators, Basel)	Doubell Chamberlain, Cenfri	2008/10/28
Government policies for sustainable mixed-use and mixed-tenure housing in sub-Saharan Africa (International Union for Housing Finance Annual Conference, Sun City)	Doubell Chamberlain, Cenfri	2008/11/07

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Topic	Presenter/s	Date
The future of microinsurance in South Africa (Presentation to Financial Sector Charter Coalition conference, Johannesburg)	Doubell Chamberlain, Cenfri	2008/11/07
The impact of market conduct regulation on microinsurance distribution (Presentation to Financial Services Board)	Doubell Chamberlain, Cenfri	2008/10/10
Making housing finance work in sub-Saharan Africa: Opportunities and challenges (Making Finance Work for Mozambique, Maputo)	Kecia Rust	2008/10/22
AML/CFT implementation in developing countries and financial inclusion (Workshop of officials and legal advisors of SADC Member States)	Hennie Bester, Cenfri	2008/10/28
Lessons learned from the US mortgage market crisis (Evening public lecture at the Wits Business School)	Dr Michael Lea, Wharton Business School	2008/11/05
The importance of, and opportunity for, housing microfinance in Africa (IHFP Housing Finance Workshop at Wits Business School)	Kecia Rust	2008/11/06
The role of policy, regulation and supervision in making insurance markets work for the poor: Evidence from Colombia, India, Philippines, South Africa and Uganda (Munich Re Foundation conference on microinsurance, Colombia)	Doubell Chamberlain, Cenfri	2008/11/07
The role and regulation of member-based insurers in making insurance markets work for the poor (Munich Re Foundation conference on microinsurance, Colombia)	Doubell Chamberlain, Cenfri	2008/11/07
The potential for low-income medical schemes in South Africa (presentation to Hollard)	Reg Magennis, Elixir Health	2008/11/26
Opportunities and challenges for microinsurance in Uganda: International Context (Microinsurance strategy workshop, Kampala)	Doubell Chamberlain, Cenfri	2008/12/02
Opportunities and challenges for microinsurance in Uganda: country context (Microinsurance strategy workshop, Kampala)	Anja Smith, Cenfri	2008/12/02
Launch presentation: Insights to access to finance study in Pakistan	Pakistan Microfinance Network	2008/12/10
Launch presentation: EFINA's access to finance study	EFInA	2008/12/10
Developing microinsurance markets: Evidence from Colombia, India, Philippines, South Africa and Uganda (Cover2Go strategy session)	Doubell Chamberlain, Cenfri	2009/01/27
Regulatory models to support financial inclusion: International approaches and experience (SADC CISNA meeting, Zambia)	Doubell Chamberlain, Cenfri	2009/02/05
Access to housing finance: Considering a next phase of the Financial Sector Charter targets	Illana Melzer, Eighty20 CC	2009/02/11
A bridge to nowhere? The financing of affordable housing (Inclusionary Housing Conference, Kempton Park)	Kecia Rust	2009/02/12
Regulatory models to support financial inclusion: The experience of South Africa (World Bank microinsurance training workshop, Uganda)	Doubell Chamberlain, Cenfri	2009/03/03
Non-traditional distribution models for microinsurance: International experience (World Bank microinsurance training workshop, Uganda)	Doubell Chamberlain, Cenfri	2009/03/03
Non-traditional distribution models for microinsurance: The experience of Hollard in South Africa (World Bank microinsurance training workshop, Uganda)	Jeremy Leach, Hollard Insurance	2009/03/03
Analysis of South Africa's housing sector performance (Presentation to Wits Graduate School of Public and Development Management Housing Certificate Course)	Kecia Rust	2009/03/17

Forums in Botswana

Date	Topic	Presenter(s)
2008/04/29	Developing a broad-based employee pension scheme for Botswana	Simon Hendri, Genesis Analytics (Pty) Ltd and Rob Rusconi, FinMark Trust
2008/06/03	FinScope surveys: FinScope Africa – access to finance across the continent	Mark Napier, FinMark Trust
2008/06/03	FinScope Small Business – results from Gauteng	Judi Hudson, FinMark Trust
2008/06/03	Tax incentives for private investors in SME businesses	Mark Napier, FinMark Trust

Forums in Namibia

Date	Topic	Presenter(s)
2008/12/03	Financial education in Namibia	Gerda Pipek, Nobambo Mlandu and Christiaan Keulder

Forums in Zambia

Date	Topic	Presenter(s)
2008/08/26	Branchless banking: Principles, models and local experiences	Juliet Munro and Jenny Hoffmann, FinMark Trust; Robert Stone, Oxford Policy Management; Brad Magrath, Mobile Transactions Zambia Ltd
2008/10/21	The Landscape of remittances	Christine Hougaard, Cenfri

Forums in South Africa

Date	Topic	Presenter(s)
2008/04/15	When does banking stop being affordable?	Richard Ketley, Chris Axelon and Trudi Makhaya, Genesis Analytics (Pty) Ltd
2008/06/02	Exemption 17 products – low medium or high risk?	Louis de Koker, Cenfri
2008/07/15	Balancing consumer protection and financial inclusion	Gerry Anderson, Financial Services Board
2008/08/07	New Business Finance – a rare small business lending success story	George Watson, New Business Finance
2008/08/28	Remote access to financial services	Robert Stone, Oxford Policy Management
2008/09/18	A mouse that roared? Housing microfinance in Africa – status, problems and prospects	David Gardner
2008/11/12	Sub-prime mortgages and securitisation	Prof Charles Goodhart and Gabriel Davel
2008/11/25	Insurance – as easy as buying bread	Derek Cikes, Hollard Insurance
2009/01/21	Community participation in the funding of informal businesses	Coenraad Jonker and Mike Shongwe, Standard Bank
2009/02/04	Access to housing finance – considering a next phase of the FSC targets	Illana Melzer, Eighty20 CC
2009/03/05	Cell-ing insurance: the challenges in harnessing technology in serving the poor	Derek Pead, Cover2Go, Metropolitan
2009/03/25	Really good research that pays – from psyche-based marketing experiments to impact evaluations of borrowing	Luke Crowley, Poverty Action

CO-FUNDED GRANTS AND PROJECTS

Expanding access to insurance for the poor

To understand the role of policy, regulation and supervision of microinsurance and enhancing access to insurance services for the poor. Funding was provided for the dissemination of the project findings.

The research is the result of a project supported by Canada's International Development Research Centre (www.idrc.ca) and the Bill & Melinda Gates Foundation.

June 2008 to April 2009 (dissemination phase)



FinScope South Africa consumer survey 2008

FinScope is aimed at researching the financial behaviour of South African citizens. The survey's intention is to build dynamic financial market development, by affording focus to drive product innovation.

April 2008 to March 2009



The Mzansi bank account assessment

To conduct empirical research on the supply and demand of Mzansi accounts in South Africa to evaluate their success at improving financial inclusion and to determine if such an initiative can be replicated in other developing economies.

August 2008 to March 2009



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Growing sustainable housing microfinance options in sub-Saharan Africa

FinMark Trust, Rooftops Canada and Habitat for Humanity International co-hosted a workshop in Dar es Salaam, Tanzania to enhance the relevance and scale of housing finance for the poor.

19 – 23 May 2008



Affordable housing monitor

To review market activity at the very bottom end of the property market as a way for justifying a larger-scale development of an affordable housing monitor, which would provide a similar service as the Absa House Price Index or FNB Property barometer but for the bottom end of the market.

April 2008 to March 2009



Housing microfinance in South Africa

Investigating the status, challenges and prospects of housing microfinance in South Africa.

April to December 2009



Africa research

FinMark Trust commissioned a series of studies that outline the nature and character of the housing finance sector in different countries throughout Africa.

April 2008 to March 2009



Distribution mechanisms in Zambia

Conducted scoping study into distribution mechanisms for a regular national government cash disbursement to the chronically poor and vulnerable in Zambia.

September to November 2008



Zambia Business Survey 2008

To create an understanding of consumer perceptions and behaviour by exploring small business owners' interactions with the financial sector as a whole in Zambia.

April 2008 to date (dissemination phase underway)



Support to policymakers

Contribution towards Professor Goodhart's visit, lecture and seminar on the causes and consequences of the financial crisis, with particular reference to banking regulation.

November 2008



National conference on financial education

The two-day conference provided a forum for public, private and voluntary sector roleplayers to debate issues relating to consumer financial literacy, to share experiences, and to learn about the latest research in South Africa and internationally.

November 2008



FinScope Malawi consumer survey 2008

FinMark Trust provides technical input to implement a consumer perception survey based on the FinScope survey tool and adapted for Malawi.

April 2008 to March 2009



FinScope Nigeria consumer survey 2008

FinMark Trust provided technical input to implement a consumer perception survey based on the FinScope survey tool and adapted for Nigeria.

Findings were launched at the end of 2008



FinScope Rwanda consumer survey 2008

FinMark Trust provided technical input to implement a consumer perception survey based on the FinScope survey tool and adapted for Rwanda.

Findings were launched in December 2008



FinScope Pakistan consumer survey 2008

Providing technical assistance in conducting the Access to Finance Study in Pakistan.

Findings were launched in December 2008



FinScope Mozambique consumer survey 2009

FinMark Trust provided technical input to implement a consumer perception survey based on the FinScope survey tool and adapted for Mozambique.

Underway

FinScope Botswana consumer survey 2009

FinMark Trust provides technical input to implement a consumer perception survey based on the FinScope survey tool and adapted for Botswana.

Underway



Supported by Barclays Bank Botswana Limited, Botswana Building Society, Botswana Savings Bank, Botswana Life Insurance Limited, First National Bank of Botswana Limited, Stanbic Bank Botswana Limited, European Commission in Botswana, United Nations Development Programme and Multi-Sectoral Committee for Poverty Reduction

FinScope Zambia consumer survey 2009

Implementing a follow-up consumer perception survey based on the FinScope survey tool adapted for Zambia

Underway



FinAccess consumer survey 2009

Implementing a follow-up consumer perception survey based on the FinScope survey tool adapted for Kenya.

Underway



Consultations to Bank Al Maghreb

FinMark Trust provided technical assistance to the Moroccan central bank with regard to the design of an appropriate regulatory framework for the transformation of the Moroccan microfinance industry.

Report issued May 2008



Microinsurance review in Zambia

To conduct a demand-side, supply-side and regulatory analysis to map the insurance and microinsurance landscape in Zambia and identify the drivers of, and challenges to, market development.

Underway



Expanding access to insurance for the poor in Eastern and Southern Africa (Training session, Kampala)

The World Bank together with various partners hosted a training event for microinsurance practitioners in the form of case studies on different components of innovative business models as well as regulatory frameworks.

2 – 4 March 2009





financial lives market segments



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