



# Zimbabwe NFIS M&E Training

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Harare

1 August 2019

# Financial Inclusion Measurement – ACCESS (90% adults by 2020)

Access domains	Indicators	Data type	Source of data	Key considerations -
Proximity	Branches, bank and mobile money agents, ATMs, Merchants/POS, <b>mobile phone ownership</b> per pop level	Quantitative; Composite	Compliance reports on # of access points; FSPs	GPS coordinates; matching of agents/merchants and POS; by rural/urban; use cases; Pop data update; data cycle
Cost to entry	# of entry level accounts; (average) monthly fee;	Quantitative	Mystery shopping; Menu costs; Guidelines on Cost; FSP transaction data	Data sharing laws; Data cycle
Compliance (KYC) barrier	No formal ID	Quantitative (demand side)	Consumer survey (FinScope, other sources?)	Incorporate into existing nat. surveys; Data cycle
Literacy	Cannot read or write	Quantitative (demand side)	Consumer survey (FinScope, other sources?)	Data cycle
Unviability (no income)	None/irregular (meagre) income	Quantitative (demand side)	Consumer survey (FinScope, other sources?)	Data cycle

# Financial Inclusion Measurement – Market sizing

Take-up domains	Indicators	Data type	Source of data	Key considerations
Unique customer accounts (out of total adult population)	(Active) bank, non-bank, mobile money, insurance, credit, long-term savings account	Quantitative; Composite	Consumer survey/FSP compliance reports/	Disaggregation of supply side data; data cycle; level of activity; Time bound ; Use cases; Double counting
Unique MSMEs	(Active) bank, non-bank, mobile money, insurance, and credit	Quantitative	MSME survey/FSP compliance reports	Disaggregation of supply side data; data cycle; level of activity; Time bound; Use cases; Double counting

# Financial Inclusion Measurement – Usage (1)

Usage domains	Indicators ( <b>Customer and MSME</b> )	Source of data	Key considerations - Use cases
Banks and <b>non-banks (TBD)</b> transactions products	Active account		
	<ul style="list-style-type: none"> <li>• Card payment by type - val and vol</li> <li>• Mobile phone based payment by type - val and vol</li> <li>• Withdrawals – Branch; ATM; Agent - val and vol</li> <li>• Deposits - Branch; ATM; Agent - val and vol</li> <li>• Bank to wallet transfers/Bank to bank transfers – vol and val</li> <li>• G2P;B2P – vol and val</li> </ul>		Are customers using the cheapest/fastest payment option? What is net digital liquidity?
Mobile money	Active accounts; Cash in, cash out, P2P, merchant payments by code; average/median wallet balance, wallet to bank transfers, wallet to wallet transfers; G2P;B2P		What is net digital liquidity?
Credit	Debt to income ratio; Credit type – vol/val; NPL; <b>over-indebtedness</b>		Market risk assessment

# Financial Inclusion Measurement – Usage (2)

Usage domains	Indicators (customer or SME)	Source of data	Key considerations
Insurance	Insurance by type (short and long term) – By type – average/Median premium per month; Pay-outs per month; average/median pay-out per month	TBD	Reporting cycle; Use cases ( <b>Resilience – hedge against shocks leading to poverty</b> ); Disaggregated data
Long-term savings/Investments	Types Total deposits Total withdrawals	TBD	Reporting cycle; Use cases ( <b>Meeting goals like education, housing etc.</b> ); Disaggregated data

# Financial Inclusion Measurement – Quality of service

Usage domains	Indicators (customer or SME)	Source of data	Key considerations
Banks	<ul style="list-style-type: none"> <li>Total # of complaints – by type</li> <li>Types of complaints - % of those resolved</li> <li>Total calls to customer service – types of queries</li> </ul>		Use cases linked to queries lodged
Credit	<ul style="list-style-type: none"> <li>Total # of complaints – by type</li> <li>Types of complaints - % of those resolved</li> <li>Total calls to customer service – types of queries</li> </ul>		Use cases linked to queries lodged
Insurance	<ul style="list-style-type: none"> <li>Total # of complaints – by type</li> <li>Types of complaints - % of those resolved</li> <li>Total calls to customer service – types of queries</li> </ul>		Use cases linked to queries lodged
Long term savings/investments	<ul style="list-style-type: none"> <li>Total # of complaints – by type</li> <li>Types of complaints - % of those resolved</li> <li>Total calls to customer service – types of queries</li> </ul>		Use cases linked to queries lodged
AFI indicators	<ul style="list-style-type: none"> <li>Affordability, Transparency, Convenience, Fair treatment, Consumer protection (e.g. deposit insurance), Indebtedness and Choice</li> </ul>	Mostly demand side survey	

# Financial Needs Framework

Financial inclusion indicators have traditionally focused largely on access and uptake indicators. This is moving to a needs based approach

## Traditional indicators of financial inclusion

### Access & Uptake

Example indicators

- Proportion of adults with a bank accounts or with active mobile money accounts

## Moving beyond access and uptake to a 'needs' and 'usage' based approach

### Needs

*Customers do not think in terms of using savings, credit or payments products or mechanisms, but rather in terms of meeting underlying needs*

There are four universal financial needs:

- Transfer of value
- Liquidity (day-to-day money management)
- Resilience
- Meeting goals

### Usage

*Considers usage within the context of need, across a range of devices (formal and informal)*

- Usage indicators for financial products and services deployed to meet needs
- Includes both formal and informal financial products and services

### Outcomes

*Considers the impact of usage on consumers, and their ability to meet their needs*

To what extent does usage of financial services improve a customer's:

- Ability to make payments
- Ability to manage day-to-day
- Resilience
- Ability to meet goals

# Measuring Impact by Population Segment

## VISION

Greater industrialisation, inclusive growth and improved livelihoods in the SADC region through greater financial inclusion

## OUTCOMES

### Supply

- Improved capacity of financial service providers to develop and provide appropriate financial services and products for un- and underserved markets

### Regulatory environment

- Improved national and regional enabling environments to facilitate the provision and uptake and usage of financial services and products

### Demand

- Improved resilience, risk management, consumer capability and income growth through uptake and usage of financial services and products

## OUTPUTS

- Increased knowledge of FSPs regarding un- and underserved markets
- Increased incentives for FSPs to develop appropriate services and products with the aim of growing DFS and building credit markets.

- Increased proportion of Member States that have enhanced or drafted National Financial Inclusion Strategies
- Improved national and regional policy coordination and coherence between stakeholders towards financial inclusion

- Increased uptake and usage of financial services and products by formerly un- and underserved populations
- Increased understanding on the part of the consumer regarding the value add of various financial products and services

## ACTIVITIES

- Active dissemination of knowledge and innovations in financial inclusion in the region to influence the development of products and services
- Improve incentives for FSPs to extend services to un- and underserved markets by growing digital finance services (DFS) and building credit markets

- Advocate and influence Member States and FSPs to develop strategic positions regarding financial inclusion
- Convene a multi-stakeholder forum to share information and best practice, and coordinate efforts to enhance financial inclusion in the region through strengthening the regulatory environment

- Implement financial literacy/education programs to sensitise consumers about the value add and functioning of financial products and services
- Conduct research on the un- and underserved populations to understand barriers to uptake and usage especially as it relates to digital finance solutions and access to credit





Thank You