

2023

Annual Report

**Advancing
beyond financial
inclusion**



More than 20 years of
making financial markets
work for the poor

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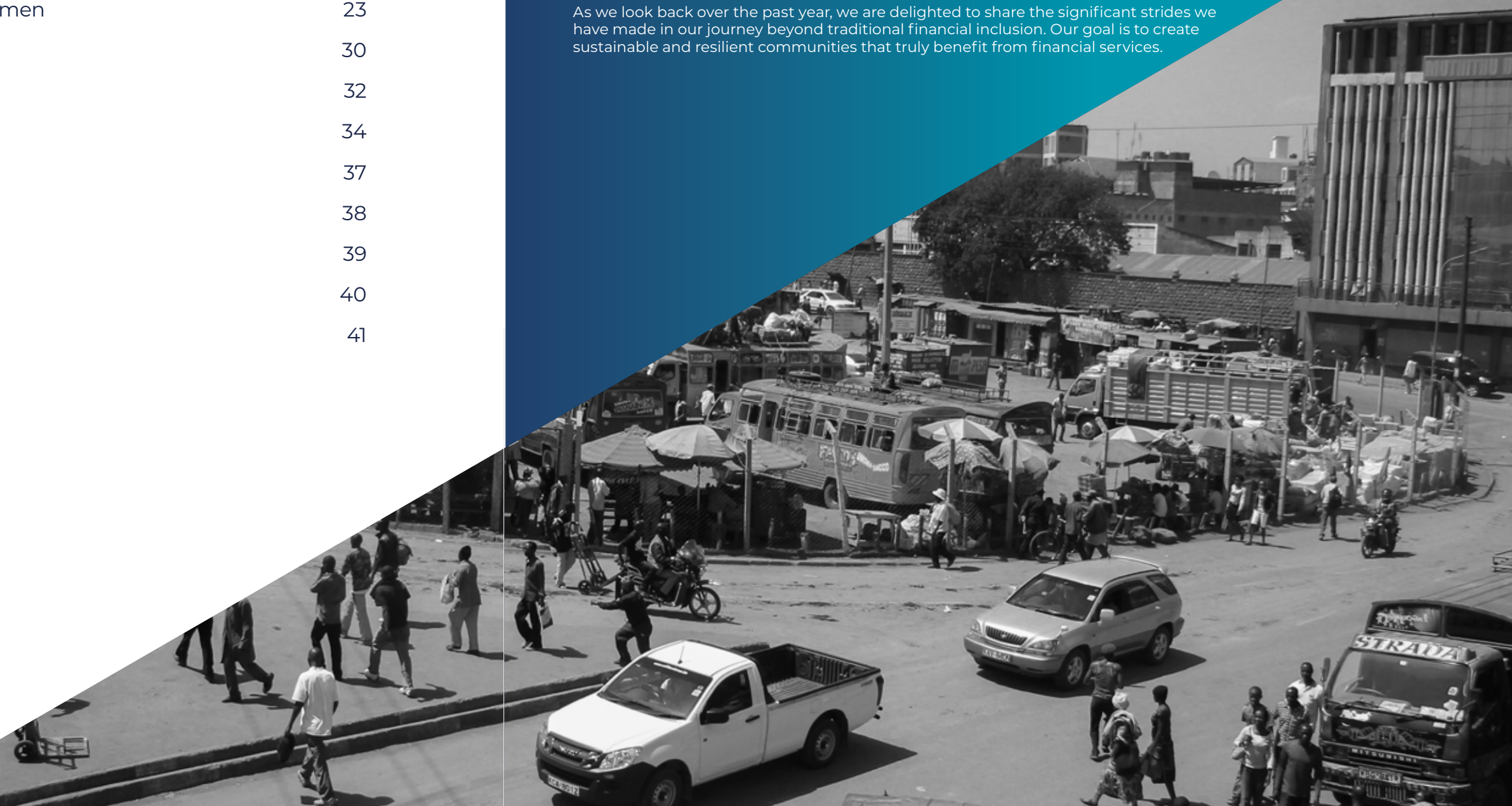
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Advancing beyond financial inclusion

With over 20 years of dedication to making financial markets more accessible for underserved communities in the region, FinMark Trust has gained invaluable insights. One crucial lesson learnt is that the mere availability and access to financial services and products do not automatically result in financially inclusive societies. True economic impact requires a deep understanding of the needs and environments of vulnerable communities and the businesses operating in them.

This realisation led us to shift our focus to what we term ‘Financial Inclusion 2.0’. This evolved perspective goes beyond mere access, emphasising sustainability and community resilience -building to improve lives. Understanding how vulnerable people use available financial services for business, livelihood sustenance and household support is crucial to achieving genuine financial inclusivity.

As we look back over the past year, we are delighted to share the significant strides we have made in our journey beyond traditional financial inclusion. Our goal is to create sustainable and resilient communities that truly benefit from financial services.



Our Organisation

As an independent trust established in 2002, our core purpose has been to make financial markets work for low-income communities. Our work has focused on achieving this objective by facilitating and catalysing developments that promote greater access to financial services and encourage meaningful, responsible utilisation of these services.

Through extensive stakeholder engagements and ongoing research into the demand and supply of financial services, our knowledge base has played a pivotal role in guiding governments and regulatory bodies in the Southern African Development Community (SADC) region. This guidance has led to the formulation of progressive policies and the initiation of sustainable initiatives by service providers, all geared towards serving the needs of low-income earners.

In our pursuit to positively impact the lives of the underserved in the region, it is becoming increasingly apparent that financial inclusion is a vital component of a broader development agenda, directly contributing to improved livelihoods. Consequently, as we continue to drive inclusive development within financial markets, our strategic focus is shifting towards approaches that have tangible impacts on the real economy.



FinMark Trust

Making financial markets work for the poor

Our current strategic framework

This report includes a concise version of our current vision, mission, purpose, and value statements.

For the past 20 years, these statements have not only shaped our identity but have also guided strategic planning and effectively communicated our commitment to our core purpose.

Our five-year strategy concludes in February 2024.

We are finalising the new five-year strategic framework that will cover March 2024 to February 2029. During this transition, we anticipate an evolution of our vision, mission, purpose, and value statements to align with the trajectory we are charting - extending beyond traditional financial inclusion.

Vision

A world in which all people can use affordable, quality financial services to improve their lives

Mission

To make financial markets work for the poor by promoting financial inclusion and inclusive growth

Purpose

Solving challenges that impact livelihoods in the SADC by developing financial markets for the real economy

Values

Ubuntu

Respect and humility for colleagues and partners
Commitment to reducing poverty Value diversity in our board and staff

Evidence-driven

Independence Driven by facts and evidence
Innovation driven by evidence

Quality

Commitment to quality in our work
Value internal quality assurance and organisational system
Engage honestly and professionally with outside stakeholders

Learning

Commitment to learning from our practice and others
Continuous improvement
Contributing thought leadership to global financial inclusion

Chairman's Report



Cas Coovadia
Chairman: FinMark Trust

Fostering inclusive economic growth in the SADC region

The work FinMark Trust is undertaking in the SADC region is critical for the growth and development of the region. In undertaking this work, we must be cognizant of factors impacting the environment in which we do the work. One of these is the geo-political crisis, leading to increased fragmentation and uncertainty. The ongoing military conflict, humanitarian crises, international tensions between Russia and Ukraine and Israel and Gaza together with the conflicts we are seeing on the African continent. These are causing serious supply-chain and inflationary pressures on the SADC region and these pressures have a disproportionate impact on the most vulnerable.

Over the past year, the Southern Africa region has experienced slow economic growth while still grappling with the lingering impacts of Covid-19. In the face of a fragile global economy, coupled with regional civil unrest, the electricity crisis and natural disasters, we are committed to prioritising inclusive economic growth as an imperative to empower all citizens of the SADC region.

FinMark Trust has been reevaluating the conventional concept of financial inclusion for vulnerable people and communities in the region. Rather than focusing on access to financial services from the supply side, we have redirected our attention to the broader perspective of financial inclusivity and its impact on the poor. This approach encourages active involvement and empowerment of individuals in the financial system, which will have a significant impact on the future livelihoods and economies of the region. We are constantly learning from

this new way of working and developing innovative approaches to impact people's lives.

An uptick in digital financial services has contributed to financial inclusion in the region. However, addressing challenges like interoperability, digital literacy and regulatory barriers remains essential for fostering broader financial inclusion and driving growth.

Digital financial services play a transformative role in expanding access to financial services in the SADC region. It is, therefore, important to note that FinMark Trust has secured funding to progress an inclusive payment digitalisation programme. This initiative will conduct extensive research and analysis, leading to practical solutions that will further progress digital finance. Collaboration between governments, businesses and development partners is critical and is being prioritised. This approach will create a more enabling environment to support growth by providing affordable and convenient solutions to underserved populations.

FinMark Trust has made meaningful contributions to inclusive economic growth in the SADC region in the past year, through interventions having a lasting impact on vulnerable communities. Our regional financial inclusion programmes have contributed to:

- The Cabinet approval of South Africa's National Financial Inclusion Policy framework in August 2023, which was published in November 2023;

- The initiation of the community digitalisation project aimed at supporting digital ecosystems in South Africa's low-income communities as well as the digitisation of low-income workers who rely on cash tips as a source of income;
- The initiation of the Generating Better Livelihoods for Grant Recipients project to enable sustainable livelihoods for beneficiaries of the South African social grant system. This is aimed at creating an enabling environment to allow them to access economic opportunities;
- Regional trade integration through formal cross-border remittances and the initiation of a pilot to support low-cost payment services for micro, small and medium enterprises (MSMEs) along the South Africa to Lesotho corridor;
- Support for the sustainability of MSMEs through supplier development pilots in Botswana, Eswatini and Lesotho;
- Regional access to financial services through cross-border identity verification in support of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) compliance;
- Updating of the SADC Financial Inclusion and SME Access to Finance Strategy for the period 2023–2028 and mainstreaming women empowerment by incorporating the SADC Gender Action Plan into the strategy;
- Updating the national financial inclusion strategies in Botswana, Malawi and Eswatini;
- Expanding regional financial inclusion to cover forcibly displaced persons, including asylum seekers and refugees in Eswatini.

Adverse weather events have significantly impacted vulnerable communities in the region, exacerbating existing challenges. While it is a serious threat to sustainability, climate change presents an opportunity for member states to adapt and build resilience. This will require a concerted effort from governments, international organisations, civil society, and communities to develop region-specific climate change adaptation and mitigation strategies for sustainable development. We will promote further exploration of this area.

I am pleased with the direction FinMark Trust is taking to make a tangible impact on livelihoods in the region. I support the strategic direction aimed at delivering on the mandate of implementing solutions that enable financial markets to have a meaningful impact on the real economy. This will be done through solid, evidence-based insights, programmes and solutions.

My sincere appreciation goes to our partners in government, regulatory institutions, the private sector and funders, without whom our work would be impossible. To our trustees and staff, thank you for your hard work and invaluable contributions, investing your time and energy to foster inclusive economic growth in the region.

CEO's Report



Brendan Pearce
Chief Executive Officer

Embracing financial inclusion 2.0 for inclusive impact

This year has marked a conscious, determined step into the era of financial inclusion 2.0 (FI2.0) at FinMark Trust. There is a significant transformative shift in our organisational goals, particularly relating to digitalisation in the informal sector. This strategic move goes beyond mere access to financial services and emphasises real inclusive impact based on evidence-driven research and analysis.

In recent years, the complex global funding environment has posed a multifaceted challenge, making the securing of funding from the Swiss State Secretariat for Economic Affairs (SECO) through the South African Reserve Bank a significant milestone for our organisation. This funding will empower FinMark Trust to advance existing programmes aligned with our theory of change, focusing on inclusive payment digitalisation for women and men in targeted project areas.

The upcoming inclusive payment digitalisation programme commencing in 2024, spans projects in Community Digitalisation, Informal Cross-border Trade, Cross-border Remittances, SADC Data Portal Monitoring and Evaluation, and Digitalising Informal and Low-income Workers, a programme that we have wanted to work on for some time. Each project is meticulously designed to achieve impactful outcomes for a more inclusive informal sector.

Our Generating Better Livelihoods for Grant Recipients project, with its focus on empowering individuals and fostering

sustainable livelihoods, has provided profound insights into the socio-economic environment of social grant recipients in South Africa. This has been particularly evident among child support grant recipients in Gauteng, KwaZulu-Natal, and the Free State provinces, where the project is being piloted. In collaboration with partners in the Department of Social Development, National Development Agency, South African Social Security Agency, and BRAC International, we look forward to the implementation rollout to further deepen our understanding of creating inclusive societies in vulnerable communities in 2024.

In the SADC region, our participation in the sixth annual SADC Financial Inclusion Forum held in May 2023 yielded positive outcomes. Insights shared on key themes, such as sustainable development, gender mainstreaming and climate finance, played a pivotal role in shaping the SADC Strategy on Financial Inclusion and SME's Access to Finance 2023–2028. This strategy was approved by the SADC Council of Ministers in July 2023.

Our role in the Support for Improving Investment and Business (SIBE) programme has been instrumental in maintaining a strategic trajectory. As we approach the final extended year of the programme, we are on track to expend the budget provided by the SADC Secretariat and the EU. The results of the collaborative efforts are becoming evident, with tangible progress emerging in key areas of the programme.

Through market analysis, we have made positive strides towards mainstreaming gender into our programmes through the collection and compilation of evidence to inform our focus on women in our programmes. Collaborating with the Financial Sector Development (FSD) Network's Collaborative Gender Programme in Botswana, Eswatini, Lesotho, and South Africa, diagnostic studies have provided crucial insights to inform and strengthen our gender programme in ongoing and upcoming initiatives.

For two decades, our FinScope surveys have been the bedrock of our data-driven approach, informing policy decisions and driving industry conversations across the SADC, Africa, Southeast Asia, and North America. In recognising the need to share this knowledge, we are exploring opportunities for data training and capacity-building offerings to extend our skills to institutions that share our vision of creating financially inclusive economies.

Our organisation is fuelled by a dedicated and growing team, supported by a resilient management team. As we strive to achieve

our goals for 2024, we are ready to take on the associated challenges.

We envision a future centred on financial inclusivity and regional integration through our new strategy. In line with this, we thank the members of the Board for their oversight and guidance, particularly through this process, and for their support throughout the year. We express our gratitude to all internal and external stakeholders for their unwavering support and dedication to our shared vision for a future of greater inclusivity.

We are delighted with our achievements and the progress made this year. These highlights demonstrate our commitment to fostering financial inclusivity in the region.

Key
Highlights

Twenty years of FinScope

- ✓ We have completed 92 FinScope surveys since launching in late 2003. In 2023, FinMark completed FinScope Consumer South Africa, FinScope Consumer Tanzania, FinScope Consumer Malawi, FinScope MSME Haiti, and EFinA A2F Consumer Nigeria.

SADC Financial Inclusion and MSME Finance Strategy (2023–2028)

- ✓ FinMark Trust provided technical assistance in support of the development of the strategy, which was approved by the SADC Council of Ministers in July 2023.

National Financial Inclusion Policy

- ✓ The South African Cabinet approved the financial inclusion policy in August 2023 - a significant milestone for our work in deepening financial inclusion. The policy was published in November 2023.

Swiss Secretariat Economic Development (SECO) funding secured

- ✓ Through the South African Reserve Bank, we secured funding to progress the inclusive payments digitalisation programme for women and men in targeted project areas.

Informal SMME Support Framework

- ✓ In partnership with the World Bank, we developed and submitted the policy framework for consideration to the Department of Small Business Development.

Real
**livelihoods
impact**

01

**Generating Better
Livelihoods for Grant
Recipients project**

We completed the design phase of the project in preparation for implementation in 2024. Participants for the programme are being onboarded. The target for the pilot is 5,000 child support grant recipients. It includes a scalable system for the government to extend the project to all districts in the country.

02

**Community
Digitalisation project**

To understand how digital payment solutions can contribute to the local economies, we launched the pilot project in the identified areas in Tembisa and Hammanskraal. The objective is to develop digital ecosystems where people live.

04

**Informal Cross-border
Traders**

The South African Reserve Bank and the Central Bank of Lesotho have approved our efforts to digitalise access to finance. The framework is designed to support low-cost payment services for MSMEs along the South Africa to Lesotho corridor.

03

**Cross-border
Remittances**

As of July 2022, we have populated the SADC remittances portal with information on South Africa to the SADC. We initiated a pilot programme aimed at reducing the cost of formal remittances, which involves reducing anti-money laundering (AML/KYC) compliance costs.

05

**Supplier Development
Programme - farmers in
Lesotho**

120 farmers were recruited to participate in the Lesotho Supplier Development Programme. Twenty-seven of them received mentorship with business consultants until the end of 2023.

Programmes Overview

Impact-driven outputs to support financial and economic inclusion that alleviates poverty remain the focus of our programmatic work. Our team operates under a dynamic structure comprising two distinct units, each with a specific geographic focus. Our South Africa Financial Inclusion team is dedicated to driving positive change within the borders of South Africa, while our SADC Financial Inclusion team focuses on the broader Southern African Development Community (SADC) region. Committed to advancing our mission, our teams leverage a wealth of expertise in research, regulation and programme implementation. Through collaborative efforts, we aim to advocate for meaningful policy changes and provide crucial support for regulatory reviews.

Our involvement in various programmes has not only yielded significant achievements but has also fostered positive relationships and collaboration with policymakers in the region. This has been enhanced by our role in the Consortium of the Southern Africa Trust and GFA Consulting Group, as the implementing partner for the EU-funded Support for Business and Investment Programme (SIBE). The programme is aimed at supporting regional integration through policy and regulatory interventions, market assessments and implementation. It maintains a dedicated focus on three key deliverables: investment, financial markets and financial inclusion, and MSME access to finance.

This year FinMark Trust played a pivotal role in facilitating the development of a financial inclusion strategy for the region. Our specialists lent their expertise to its development and leveraged the Sixth Annual Financial Inclusion Forum, hosted by FinMark Trust, the SADC Banking Association, the SADC Secretariat and the UNCDF, to facilitate dialogue with policymakers and regulators across the region to strengthen the strategy and ensure support for its implementation.

We also made great strides in our efforts to mainstream gender into our organisation and programming. With the support of the FSD Network's Gender Collaborative Programme, a Market Analysis of Gender and Inclusive Finance was conducted this year. The assessment insights are now being applied across our programmes and our commitment to meaningful financial inclusion for women remains of the utmost importance.

SADC Financial Inclusion Programme

Damola Owolade
Head: SADC FI

Nicola Schoeman

Palesa Sematlane

Blessing Mautsa

Sabelo Mabuza

Wilson Moleni

Robert Jones

MSME-focused supplier development programme

FinMark Trust has completed the pilot phase of its supplier development programme (SDP) in Eswatini and Lesotho. In 2023 the programme moved into its second phase to support the sustainability of micro, small and medium-sized enterprises (MSMEs). It did this by implementing interventions that ensure access to finance, access to markets, productivity improvements, and the development of a national framework for supplier development programming.

The Lesotho Supplier Development Programme (LSDP) serves as the basis for establishing a national framework that will leverage public and private partnerships to formulate policies, processes and systems that support the sustainability of MSMEs in Lesotho. Throughout 2023, the LSDP programme continued its focus on capacity-building for state institutions and participating farmers, ensuring increased productivity, enhanced standards and improved access to finance and markets.

Currently, 120 farmers have been recruited to participate in the LSDP programme, with 27 of them benefiting from mentorship programmes provided by business development consultants. These consultants have worked with the farmers to develop business plans and/or financing proposals to facilitate access to finance. Additionally, farmers have received training to improve record-keeping for both production and financial matters. The UNDP extended the business development consultant's contract until the end of December 2023.

The LSDP team continued to create awareness and promote the use of the Marakeng App - an e-commerce platform designed for the LSDP. The app disseminates information about farm implement suppliers, available financial solutions, markets, and other related solutions, including packaging.

The farm assurers, also known as extension officers, are trained in assessing the quality standards of farmer produce and livestock and continue supporting local capacity for the Ministry of Agriculture. They ensure that smallholder farmers meet the local and international standards demanded by off-takers or buyers.

MSME funding initiative: Beyond relief small business support

The pilot is a partnership between UK Aid, Mukuru, an innovative financial services provider in Southern Africa that offers digital remittances, FinMark Trust and Frontier Technologies Hub (FTH). Funded by the Foreign Development & Cooperation Office (FCDO), the project aims to use digital remittance data and channels for sending grants to promising small businesses in Botswana and Zimbabwe. The project will identify potential small business owners from a dataset of remittance senders, call for applications from this group and distribute cash transfers of USD 1,000 to the 60 participants with the best applications. The project is scheduled to conclude in the first quarter of 2024.

SADC Financial Inclusion and Access to Finance 2023-2028 Strategy

The SADC Financial Inclusion and Access to Finance strategy was revised to cover the 2023-2028 period.

FinMark Trust supported the development of the document by providing technical assistance to the process. The SADC Council of Ministers approved the new strategy in July 2023.

Cross-border remittances

FinMark Trust has actively supported the SADC regional mandate to increase the use of formal cross-border remittances, specifically through interventions designed to reduce the cost of using formal platforms.

We currently manage a remittances data portal that houses data on South Africa to the rest of SADC markets, as of July 2022. The objective is to broaden the portal's scope to include data from two additional SADC countries. In this regard, FinMark Trust has received data from Zimbabwe, Lesotho, Botswana, and Eswatini.

As part of the SADC RTGS renewal programme, an initiative to update the balance of payment reporting templates for all member states in the CCBG was launched. This effort has resulted in Lesotho and Eswatini adopting the SADC regional balance of payment harmonised codes. We expect to upload remittance data from Eswatini and Lesotho onto the portal by the end of quarter one of 2024. As more countries adopt the protocols suggested in the balance of payment harmonisation of codes project, we envisage populating the portal with data from additional SADC member states.

FinMark Trust has also initiated a pilot programme to reduce the cost of formal remittances. This involves a reduction in anti-money laundering (AML/KYC) compliance costs by coordinating the integration of a remittance service provider with Lesotho's national identification system using an Application Programming Interface (API). This integration is designed to minimise the time and cost of verifying and authenticating Basotho migrants in South Africa who use formal remittance services. Additionally, it aims to show the financial application of a digitised national identification system in advancing the regional financial inclusion agenda. The pilot commenced in September 2022 and concluded in February 2023.

Cross-border trader pilot

The South African Reserve Bank and the Central Bank of Lesotho have approved our efforts to digitise access to finance through a regulatory sandbox. This framework is designed to support low-cost payment services for MSMEs along the South Africa to Lesotho corridor.

The pilot commenced in August 2023 and 30 traders have been successfully onboarded. These traders will be equipped with debit cards by non-banks, enabling them to conduct digital transactions seamlessly while engaging in trade activities in South Africa. The primary objective is to digitise low-value cross-border trade allocated with a balance of payment code to gain insights into regulation and formulation of policies for low-value cross-border trade and regional value chains.

SIBE programme

The Support to Improving the Investment and Business Environment (SIBE) Programme remains a priority for FinMark Trust because of its connections with our work in the SADC region. Both the European Union and the SADC Secretariat have granted a no-cost extension to the programme, which has been formally approved. This extension provides an additional 12 months to ensure the programme is completed in its entirety. This important revision to the implementation timelines was prompted by the significant increase in activities. This was a result of the reprioritisation of the incidental budget underspend because of the Covid-19 pandemic.

FinMark Trust staff, serving as short-term experts, have been contributing to the following assignments, central to the programme objectives:

- Development of the new 2023–2028 SADC Strategy on Financial Inclusion and SMEs Access to Finance 2023–2028 that has been formally adopted;
- Development of the 2022–2027 National Financial Inclusion Strategy for Eswatini in line with the SADC Strategy on Financial Inclusion and SMEs Access to Finance. This has been validated and the End of Assignment report currently under review will be finalised before the end of the assignment;
- Development of a SADC Financial Inclusion Information Portal, currently in the data collection phase.



South Africa Financial Inclusion Programme

Lesego Mashigo

Head: South Africa FI Programme



Phumelele Ngcobo



Akhona Mabasa



Dr Lungisani Dladla



Matsiedi Malebatso



Vuyeya (Vuyi) Segooa

In 2023, the South Africa financial inclusion programme intensified efforts towards realising the FI2.0 objective. This involved bridging the financial exclusion gap in South Africa, ensuring that financial inclusion among low-income individuals and the financially vulnerable translates into positive, real economic outcomes. We achieved this by focusing on projects aimed at including those who are unserved and underserved by the financial sector and at increasing the impact of inclusion on their livelihoods.

Generating better livelihoods with social protection

Based on findings from research conducted in 2020, FinMark Trust, in partnership with the South Africa Social Security Agency (SASSA), the National Development Agency (NDA), the Department of Social Development (DSD), and BRAC International developed the Generating Better Livelihoods for Grant Recipients (GBL) project. It is based on the BRAC graduation model that has been successfully implemented around the world. The project aims to improve the livelihoods of those who benefit from the South African social grant system, particularly child support grants. It will do so by creating an enabling environment that will allow them to access economic opportunities. In 2023 we focused our efforts on the inception phase of the project, which entailed:

- Onboarding additional capacity to support project implementation. This included the appointment of a national programme manager, a national business development manager, an implementation coordinator, and seven linkages facilitators (one in each pilot site).
- Socialisation of the project at national, provincial, district and local levels and ensuring that all key stakeholders have the will to access resources where necessary,

to support the implementation of the project;

- Identification and confirmation of seven pilot sites across three provinces; KwaZulu-Natal, Free State and Gauteng;
- With partner institutions, gaining a better understanding of the resources available, human and physical, to support the project implementation;
- Understanding the vulnerabilities, needs and opportunities available to people living in the identified pilot sites and determining a menu of profitable livelihood options relevant to both formal employment and entrepreneurship pathways in these sites and provinces;
- Designing the project's implementation model.

With the completion of the inception phase, the next three years will be geared towards project implementation, defining modalities and building a case for government scale-up.

Community digitalisation

In 2020, informed by our FinScope Consumer Surveys, we developed a long-term programme aimed at supporting digital ecosystems in South Africa's low-income communities, using payments as a gateway. To understand the state of digital payment ecosystems and the barriers to digitalisation in South African township economies and to ensure that programme design is premised on the needs of community members, we conducted further research in 2022 in partnership with the World Bank, Bill & Melinda Gates Foundation and G2Px.

The insights gained from this research enabled FinMark Trust and our partner, the World Bank, to define the programme framework and establish and prepare the pilot in the two identified pilot sites, namely Tembisa and Hammanskraal in the Gauteng province. We now have additional capacity at the site level to support implementation. We have commenced a site mapping exercise to identify key elements that will be leveraged to support implementation.

Supporting informal SMMEs

FinMark Trust developed an informal SMME support project in partnership with the World Bank and in collaboration with the National Treasury and the Department of Small Business Development (DSBD). The objective of the project is to develop a support framework for informal SMMEs. This framework will enable them to access and use formal financial and non-financial products, as well as services from the private and public sectors required for growth and sustainability.

In 2023, to realise to objective of the project, we conducted a review of global informal SMME support programmes, assessed the South African informal SMME sector and, based on findings, defined pillars for the informal sector support framework. The pillars defined in the framework will enable us and our partner, the World Bank, to guide and support the South African authorities in identifying measures and interventions aimed at adequately supporting the informal SMME sector in South Africa.



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Department
Social Development
REPUBLIC OF SOUTH AFRICA



NDA
National Development
Agency



sassa
South African Social Security
Agency



FMT
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Lesego Mashigo
Head: South Africa FI Programme

Digitising Informal and Low-income Workers' Income Project

FinMark Trust developed the Digitising Informal and Low-income Workers' Income project to ensure that no one is left behind in a digitised economy. The project seeks to prevent the manipulation of income levels for those who rely on cash tips by increasing the use of digital cash-in solutions for informal and low-income workers. Our focus in 2023 was on gaining a better understanding of the blockages that exist in the digital cash-in and payments ecosystem and on identifying solutions to address these issues. This effort aims to enable providers to scale up their solutions. We accomplished this through various engagements with employers in the targeted populations and potential solution providers.

Based on insights gathered from these engagements, along with other publicly available research, we will design, in partnership with solution providers, a pilot programme to be implemented over three years in various locations in South Africa.

Financial inclusion coordination

In 2020, FinMark Trust was appointed by the World Bank under the State Secretariat for Economic Affairs-funded financial sector development reform programme (FSDRP) as the coordinator for financial inclusion in South Africa. This role was to ensure that financial inclusion activities were well coordinated among the South African government departments, agencies and regulators involved. In 2021 FinMark Trust completed all activities related to the policy's finalisation. Activities related to the development of the strategy and implementation plan were put on hold, as this required the policy to be approved by the South African Cabinet before policy operationalisation could commence.

On 8 August 2023, the Cabinet approved the policy for implementation. In collaboration with the National Treasury and the World Bank, work is now underway to raise awareness of the policy's objectives for all South Africans and to develop the strategy, implementation and monitoring and evaluation framework.



Gender with a Focus on Women

Phumelele Ngcobo

Specialist: Programme Development and Implementation

Gender equality and women's empowerment are priorities for FinMark Trust. Our flagship gender project this year was the Market Analysis of Gender and Inclusive Finance. As a member of the FSD Network's Collaborative Gender Programme, we oversaw the execution of this market analysis in Botswana, Eswatini, Lesotho, and South Africa. This completed analysis is being used to help FinMark Trust better understand the barriers that impede women's ability to access and use financial services. Another purpose is to inform our gender programme as we implement ongoing and upcoming programmes.

FinMark Trust has secured a grant through the FSD Network to undertake two diagnostic and capacity-building projects for financial service providers and regulators in Southern Africa.

The first seeks to better understand and support women informal cross-border traders operating between South Africa and Lesotho, Malawi and Mozambique. This diagnostic study will offer key insights into the experiences, characteristics, needs, barriers, and opportunities to leverage contextualised digital products and services and incentives of women informal traders. The research will be used to engage with relevant regulators and financial service providers to improve their understanding of women's constraints and to support the development of more appropriate financial services for this market.

The second project seeks to understand the demand-side constraints and needs of women remittance senders and recipients across the South Africa and Zimbabwe, Malawi and Mozambique corridors. This diagnostic will specifically highlight gendered constraints on women's ability to benefit from remittance services and provide insights that can be integrated into product or regulatory change. It will explore the potential for linking remittances to women's wider financial inclusion and livelihood strategies. The information generated will build on wider gender-neutral data already collected by FinMark Trust to provide greater nuance and understanding of women's interactions with remittance services. The emerging insights and recommendations from the diagnostic research will be disseminated to relevant regulators and financial service providers to enhance their understanding of the challenges faced by women remitters. They will also catalyse the development of products and services that meet their needs.

A third project, focusing on enhancing the use of gender-disaggregated data by SADC regulators and financial service providers to mainstream gender in regional development, is in the pipeline and is set to start in early 2024. This project seeks to ensure that data frameworks are adapted to track gender-disaggregated indicators, that women's financial inclusion is incorporated into regulatory and policy priorities and that a gender-disaggregated lens is applied to product development, customer service, financial literacy, and consumer protection.

As part of the partnership with the FSD Network, in February 2023 the FinMark Trust team attended a five-day training programme on gender market systems development. The objective of the training was to ensure that all staff have the skills necessary to effectively apply the Market Systems Development approach. These skills include the awareness, capacity and motivation to effectively mainstream gender into their work.

Data and Analytics

Dr Kingstone Mutsonziwa

Executive: Data and Analytics



Jabulani Khumalo



Bobby Berkowitz



Tabitha Chamboko



Abel Motsomi



Obert Maposa



Pearl Motete

The Data and Analytics team is energised by the enthusiasm shown by financial, government and development stakeholders for FinScope insights and data. In several countries, there is a heightened demand for this data because of the Covid-19 pandemic and its impacts, which delayed eagerly anticipated FinScope results. This demand for data is tempered by funding cuts and strain on partner resources. We strive to work closely with our stakeholders and to advocate with potential funding partners to balance the need for information with the limited resources available.

Evolving survey themes and indicators

In South Africa, we have been implementing FinScope surveys using the syndication model. We are grateful to the syndicate members who have accompanied us on this journey. As part of our strategic review process, we are enhancing the way we execute these surveys and introducing new modules to address our FI2.0 agenda.

We have observed the significant value that our ongoing questionnaire, scripting and data audits bring to our partners, ensuring a smooth survey implementation process. These elements provide essential financial inclusion measures for high-level reporting and deeper strategic programmes. Additionally, in our more recent surveys, we have developed and introduced new thematic areas, specifically focusing on green finance, financial health and digitisation, encompassing both new payment technologies and channels. We have deepened the methodology for measuring informality in FinScope South Africa and we are replicating this approach in other countries where we conduct surveys. A clear understanding of informality is crucial for refining our approach to the FI2.0 agenda and for developing innovative solutions.

We continue to observe an increasing number of countries and stakeholders requesting the FinScope MSME surveys. This is a positive development, aligning with FinMark Trust's FI2.0 imperative. The FinScope MSME surveys cover real economy indicators, ensuring the collection of information on impactful businesses.

Balancing data analytics with AI advancements

The research process is never static and requires continuous innovation. We are aware of the advantages and risks associated with artificial intelligence (AI) tools in our data work. Our approach entails leveraging these AI tools to enhance our data capabilities. It is important to emphasise that successfully integrating AI into data analytics requires a profound understanding of both the data and the AI techniques intended for use. Therefore, when employing various AI tools, we consistently engage in careful planning and validation of AI models to ensure they provide accurate and actionable insights.

Completed projects

The majority of our demand-side data is publicly available as part of our diverse data offerings. Our reports and presentations may be accessed on our website and the datasets can be downloaded from our data portal.

Since the 2023 financial year began, three FinScope surveys were publicly launched. We extend our gratitude to our stakeholders for their partnerships in these projects. The projects launched include:

- South Africa (*FinScope Consumer 2022 Survey*)
- Angola (*FinScope Consumer 2022 Survey*)
- Tanzania (*FinScope Consumer 2023 Survey*).

Our Data and Analytics team also collaborated seamlessly with our Programmes team on the Market Analysis of Gender and Inclusive Finance in South Africa, Botswana, Lesotho, and Eswatini.

Current projects in progress

Several FinScope surveys and ad hoc projects are underway, including:

FinScope Consumer surveys

- Malawi 2023
- South Africa 2023
- Uganda 2023 (*offering technical assistance to FSDU, Bank of Uganda and Uganda Bureau of Statistics*)
- Rwanda 2023/24 (*offering technical assistance to Access to Finance Rwanda (AFR)*).

FinScope MSME surveys

- South Africa 2023
- Eswatini 2023
- Lesotho 2023/24.

Other

- Nigeria A2F - *offering technical assistance in collaboration with EFinA*
- The SADC data portal is being implemented under the SIBE programme.

Our data pipeline

Our data offerings are implemented globally. Apart from our core data markets, our team is exploring new markets and opportunities in the Middle East and North Africa regions.

We are currently discussing our training and capacity-building product offerings with various stakeholders.



Training and capacity-building

The recently implemented surveys coincide with a period during which partners are focused on rebuilding institutional capacity. We are committed to providing technical assistance and thought leadership to our partners across various activities. These include stakeholder engagement, translating research questions and country developments into survey questions and managing survey quality. We strive to maintain a balance between survey comprehensiveness within budgetary constraints and the limited time available for interviewing respondents.

This year, we have started formalising our data training and capacity-building offering, which encompasses both virtual and in-country training, field visits and support. This is a new area that we are actively pursuing to more formally provide capacity-building to our FSD counterparts, policymakers, regulators, development partners, national statistics offices, financial services providers, non-governmental organisations, and other stakeholders we interact with.



Dr Kingstone Mutsonziwa
Executive: Data and Analytics

► **FinScope consumer footprint**

FinScope Consumer Surveys have been conducted in Angola, Benin, Botswana, Burkina Faso, Burundi, Cambodia, Cameroon, Cote d'Ivoire, the Democratic Republic of the Congo, Eswatini, Ethiopia, the Gambia, Ghana, Haiti, India, Kenya, Laos, Lesotho, Madagascar, Malawi, Mozambique, Myanmar, Namibia, Nepal, Nigeria, Pakistan, Rwanda, South Africa, Sudan, Tanzania, Thailand, Togo, Uganda, Zambia and Zimbabwe. This allows for cross-country comparisons regionally and sharing of findings, which are key in assisting ongoing growth and strengthening the development of financial markets.

► **FinScope MSME footprint**

FinScope MSME surveys have been conducted in Eswatini, Haiti, Lesotho, Malawi, Mozambique, Rwanda, South Africa, Tanzania, Zambia, and Zimbabwe. These comprehensive studies focus on individual entrepreneurs and owners of micro-, small-, and medium-sized enterprises (MSMEs) and their financial services needs.



Shirley Jeoffreys-Leach

Head: Knowledge Management and Results Measurement

Knowledge Management



Michael Dos Santos



Dionne Solomons



Noluthando Ngubo

FinMark Trust's Knowledge Management team focuses on creating a knowledge-driven environment that empowers our workforce. This enables them to contribute thought leadership to the financial inclusion landscape and the development of the SADC region. In 2023, the Knowledge Management team played a crucial role in managing our intellectual resources, facilitating organisational learning and communicating key developments and learnings from our research and programmes with a wider stakeholder environment.

The team provided support for multiple webinars and launches in 2023 but two events are noteworthy:

- The sixth annual SADC Financial Inclusion Forum was hosted by FinMark Trust, with the Knowledge Management team playing a key role in the management of the event. It was well attended, with over 100 in-person and 60 online attendees. The event report is [available here](#).
- The FinScope South Africa launch was still an entirely online event this year. It was well attended and garnered much media interest. Following our press release and an article published in the Daily Maverick, Jabulani Khumalo and Obert Maposa conducted several radio and television interviews after the launch.

The team also provided extensive communications and interactive support to the Generating Better Livelihoods for Grant Recipients programme. This included the development of quarterly newsletters for stakeholders, an update to the website to include a landing page for the programme, the development of a SharePoint webpage to share key documents with colleagues and stakeholders, and the design and procurement of brochures and apparel for linkages facilitators to use in the communities to sensitise community members to the programme and their role there. Similar brochures and apparel were developed for community coordinators to use for the Community Digitalisation programme.

In addition to the Generating Better Livelihoods for Grant Recipients quarterly newsletters, we relaunched the FI Snapshot, FinMark Trust's quarterly stakeholder newsletter.

The Knowledge Management team hosted monthly knowledge-sharing sessions. These included sessions on the different SADC Monitoring and Evaluation portals, insight into impact investment shared by FSD Uganda and deep dives into project work for wider team discussion and contribution, e.g. for FinScope, the SMME support programme and the gender assessments.

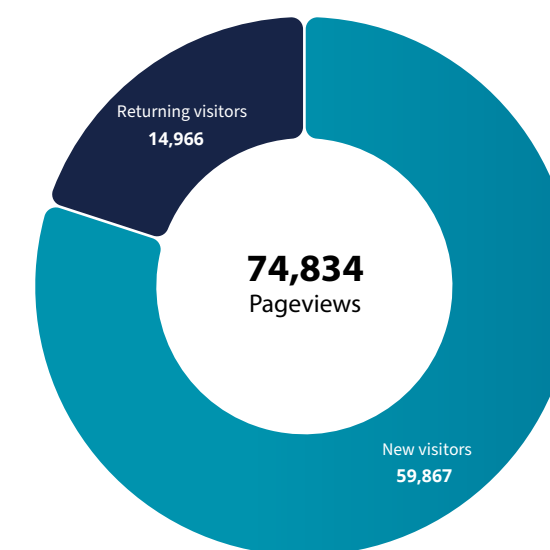
The monitoring results measurement function of the team focused largely on planning for the upcoming programmes funded by the Swiss State Secretariat for Economic Affairs.

Looking ahead, the Knowledge Management team's aim for 2024 will continue to be to:

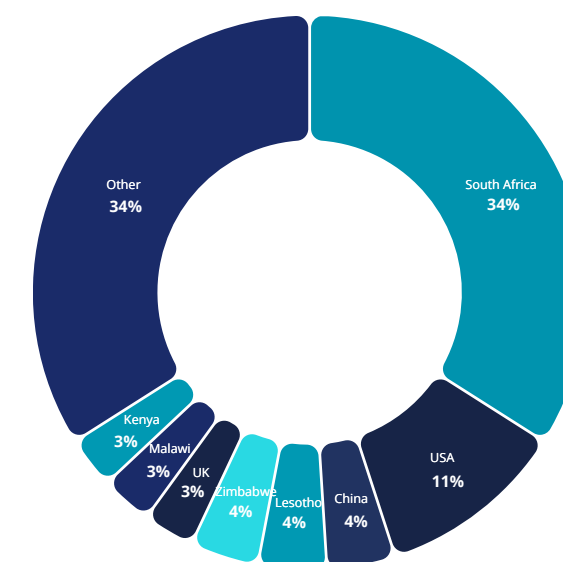
- Balance people, processes and technology to best support the knowledge needs of our teams;
- Connect our people to the knowledge required to do their jobs;
- Ensure that our knowledge can be shared with stakeholders in a concise, accessible way, so that it can be used to deliver poverty-alleviating market action independent of FinMark Trust projects.

To achieve these goals, FinMark Trust houses knowledge management, communications and monitoring results measurement functions under the umbrella of Knowledge Management. This ensures the links between what we learn as we implement programmes are fed back into the organisation to promote institutional learning and development. It also ensures that our thought leadership is communicated effectively with the wider development environment.

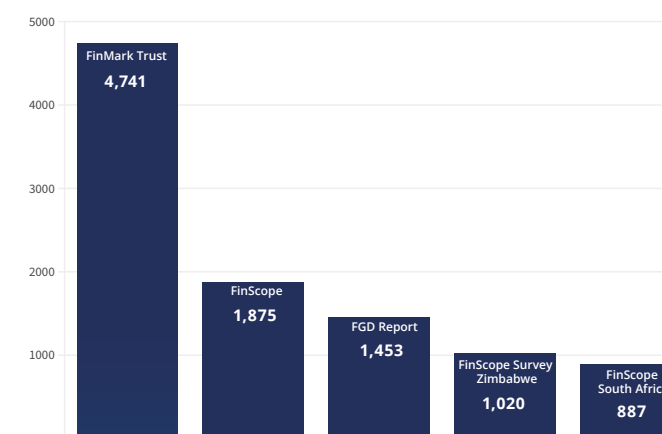
2023 FinMark Trust portal statistics



Geographical location of most frequent users



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



Finance and Operations

Grant Robertson
Chief Operations Officer



Helen Mosito



Marlene Ehmke



Kholiswa Thobakgale



Phathutshedzo Mukwevho

Balance sheet

Finmark Trust
(Registration number: IT4167/02(T))
Annual Financial Statements for the year ended 28 February 2023
Statement of Financial Position as at 28 February 2023

		2 023	2022
	Note(s)	R	Restated *
			R
Assets			
Non-Current Assets			
Property plant and equipment	2	402 423	443 343
Current Assets			
Trade and other receivables	3	12 969 706	9 790 405
Investments	4	7 381 403	6 935 125
Cash and cash equivalents	5	13 369 623	28 885 175
		33 720 732	45 610 705
Total Assets		34 123 155	46 054 048
Equity and Liabilities			
Equity			
Trust capital	6	200	200
Accumulated surplus		20 992 792	20 569 950
		20,992,992	18 360 515
Liabilities			
Current Liabilities			
Deferred income	7	9 969 982	18 619 995
Trade and other payables	8	3 160 181	6 863 903
Total Liabilities		13 130 163	25 483 898
Total Equity and Liabilities		34 123 155	46 054 048

Income statement

Finmark Trust
(Registration number: IT4167/02(T))
Annual Financial Statements for the year ended 28 February 2023
Statement of Profit or Loss and Other Comprehensive Income

		2 023	2022
	Note(s)	R	Restated *
			R
Revenue	9	75 283 101	75 016 096
Other income	10	144 677	1 233 743
Operating expenses		(76 225 734)	(74 766 797)
Operating surplus/(deficit)		(797,956)	1 483 042
Investment revenue	11	1 220 798	726 593
Surplus for the Year		422 842	2 209 635
Other comprehensive income		-	-
Total comprehensive income for the year		422 842	2 209 635

Board of Trustees

Brendan Pearce is the Chief Executive Officer of FinMark Trust. Brendan previously held several leadership positions, including Advisor to the Managing Director of the Land and Agricultural Bank of South Africa, as well as Chief Executive Officer of the Manufacturing, Engineering and Related Services SETA (MerSETA) and the Local Government and Water SETA (LGSETA). He also served as CEO of Umhlaba Development Services, a development consultancy he established and ran successfully for 11 years. More recently, he worked at Vodacom as the Executive Head of the international legal and regulatory team.

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

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

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

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

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





Brendan Pearce
Chief Executive Officer



Lesego Mashigo
Head: South Africa FI Programme



Helen Mosito
Accounting Manager



Blessing Mautsa
Zimbabwe Country Coordinator



Kholiswa Thobakgale
Finance Officer



Vuyeya (Vuyi) Segooa
Implementation Coordinator Consultant



Grant Robertson
Chief Operations Officer



Shirley Jeoffreys-Leach
Head: Knowledge Management and Results Measurement



Marlene Ehmke
Contracts and Account Manager



Bobby Berkowitz
Senior Analytics Specialist



Matsiedi Malebatso
National Business Development Manager Consultant



Sabelo Mabuza
Eswatini Country Coordinator



Dr Kingstone Mutsonziwa
Executive: Data and Analytics



Jabulani Khumalo
Senior Data and Analytics Specialist



Akhona Mabasa
Junior FI Specialist: South Africa FI programme



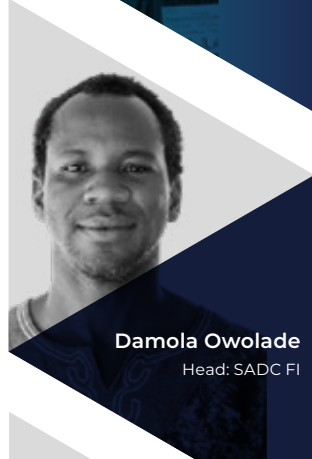
Michael dos santos
Interactive Manager



Nicola Schoeman
SADC FI Specialist: Innovation Programmes



Wilson Moleni
Malawi Country Coordinator



Damola Owolade
Head: SADC FI



Dr Lungisani Dladla
National Programme Manager Consultant



Abel Motsomi
Senior Data and Analytics Specialist



Dionne Solomons
Writer and Digital Communications Specialist



Phathutshedzo Mukwevho
Project Administrator SADC FI



Mamalala Palesa Sematlane
Lesotho Country Coordinator



Charity Ndlovu
Office Assistant



Phumelele Ngcobo
Specialist in Programme Development and Implementation



Obert Maposa
Senior Data and Analytics Specialist



Robert Jones
Programmes Project Manager



Tabitha Chamboko
Data and Analytics Specialist

Our Team

Internship at FinMark Trust

We recognise the importance of internships in bridging the gap between academic learning and the professional world. This bridge facilitates a valuable connection that enables individuals to gain practical experience, enhance their skills and make informed career decisions. Our programme offers new perspectives and fosters valuable contributions to the growth and success of the candidates we mentor.



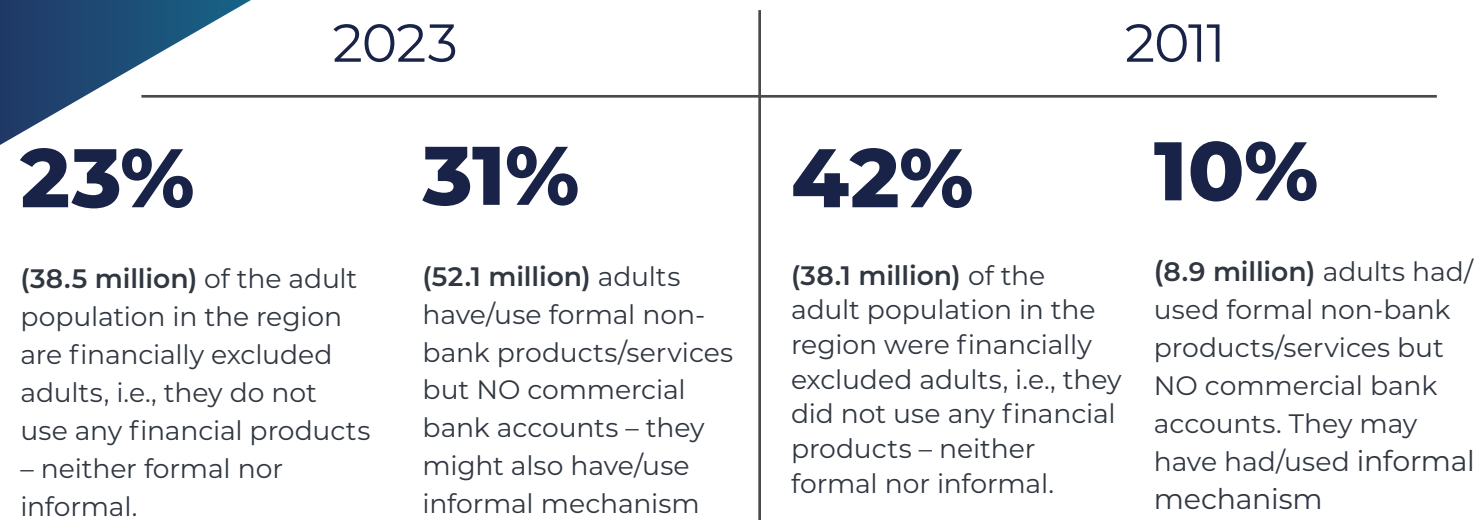
Noluthando Ngubo
Graphic Design Intern



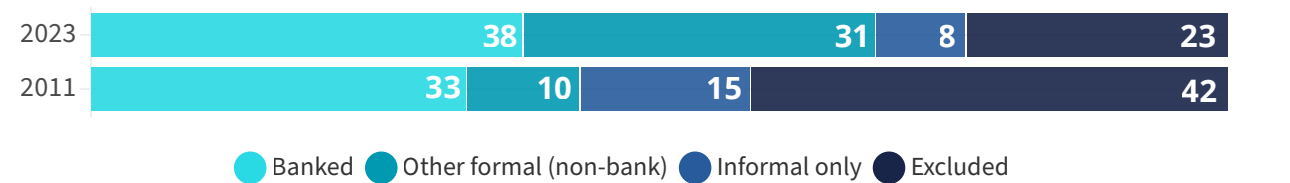
Pearl Motete
Data Intern



Nkosinathi Mtayisi
SADC FI Support



SADC Financial Access Strand



2023 SADC Financial Access Strand (by country)



*** Malawi 2023 and South Africa 2023 are still embargoed as the results have not been publicly launched

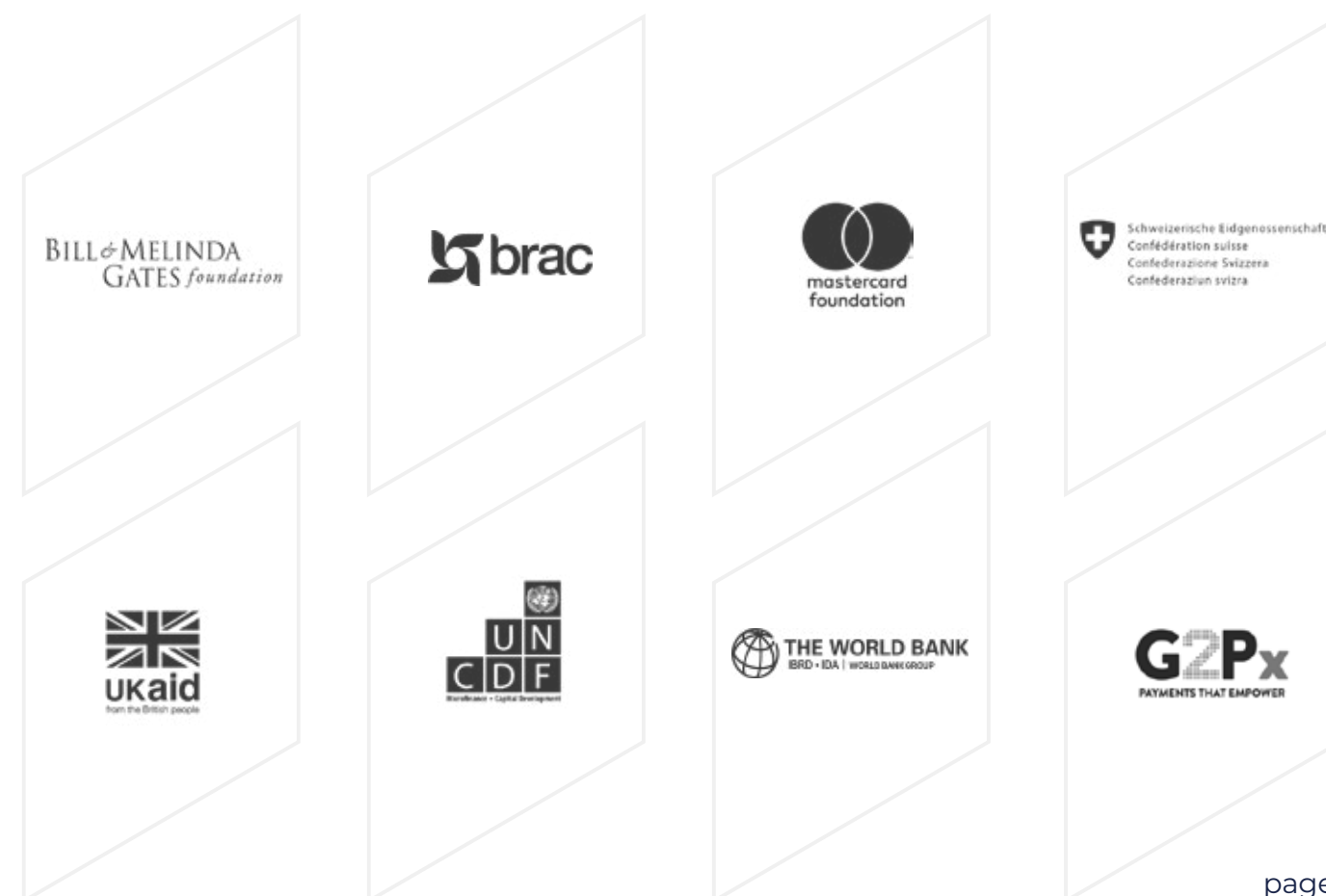
We are immensely grateful for the pivotal role that our partners, donors, funders, and stakeholders in both the public and private sectors have played in supporting our initiatives and research this year. Your unwavering commitment has contributed significantly to our mission of fostering economic empowerment and financial inclusivity for low-income and vulnerable communities.

Your support has enabled us to:

- Conduct impactful FinScope surveys, providing crucial insights into the financial landscapes and driving evidence-based decision-making.
- Implement targeted financial inclusion programmes, positively impacting the lives of countless individuals and communities.
- Foster innovation and continuous improvement in our approaches to enhance the effectiveness of financial inclusion strategies.

We are privileged to have partners like you who share our vision for a more inclusive and equitable financial landscape.

As we embark on the journey beyond financial inclusion, we look forward to continuing this collaborative effort towards real economic impact in the SADC region. We are inspired by the possibilities that lie ahead.



List of Abbreviations

AI	Artificial intelligence
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
BUSA	Business Unity South Africa
CBL	Central Bank of Lesotho
CCBG	Committee of Central Bank Governors
DSBD	Department of Small Business Development
DSD	Department of Social Development
FCDO	Foreign Development & Cooperation Office
FI2.0	Financial inclusion 2.0
FSD	Financial Sector Development
FSDRP	Financial Sector Development Reform Programme
FSDU	Financial Sector Deepening Uganda
FTH	Frontier Technologies Hub
GBL	Generating Better Livelihoods (for Grant Recipients)
IDC	Industrial Development Corporation
LSDP	Lesotho Supplier Development Programme
MSME	Micro, small and medium-sized enterprises
NDA	National Development Agency
SADC	Southern African Development Community
SARB	South African Reserve Bank
SASSA	South Africa Social Security Agency
SDP	Supplier development programme
SECO	Swiss State Secretariat for Economic Affairs
SETA	Sector Education and Training Authority
SIBE	Support to Improving the Investment and the Business Environment
SME	Small and medium enterprises
SMME	Small, micro and medium enterprises
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme

Contact FMT

Get in touch with us to exchange ideas or if you would like to work with us.

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