Annex 1: DFID Financial Inclusion Programmes[1]

Centrally Managed Programmes

Financial Sector Reform and Strengthening Initiative Phase III (FIRST): The FIRST programme is a multi-donor facility that provides grant funding for technical assistance (TA) which enables national policy-making and regulatory bodies to enhance their policies and build their capacity to regulate, supervise, and develop the financial sector in their country, building stable, more efficient, and inclusive financial systems. A programmatic funding window introduced in Phase III intends to support 10 multi-year programmes in low-income and middle-income countries. Within this window DFID supports low-income country projects only at roughly USD 3 million each. At least two of these will be in prudential supervision, two in financial inclusion and one in market development.	
Activities	Support from the FIRST Initiative can be issued via two funding windows: • **A catalytic window** (which was used in Phases I and II) that delivers technical assistance engagements over 12-18 months with an average budget of USD 250,000 each. Examples of assistance include: • **A programmatic window** (new to Phase III) which aims to meet country needs for longer-term reform programmes, providing technical assistance across multiple interventions connected through a well-structured, typically multiyear, reform programme. Timelines and budgets for programmatic interventions tend to be larger than for catalytic interventions (3 years and USD 2m respectively), and the majority (75%) of DFID's funds are allocated via this window.
Effectiveness	FIRST is generally performing well across most milestones and targets, notably the number of projects delivered (especially when catalytic interventions are taken into account). 86 grants have been approved during Phase III representing a financial commitment of USD 33.1mn. Some concerns around quality and value for money have been raised however, and the programme is working to understand and address these.
Challenges	While funds are being disbursed rapidly for a wide range of projects, concerns have been raised about quality of delivery. Feedback from recipients of technical assistance has been mixed and highlights concerns both around the quality of inputs from external consultants, and the quality assurance provided by the programme. Backstopping procedures have recently been made to help address these issues and a number of recommendations (revising the logframe to better emphasise quality; strengthening M&E oversight etc) are being considered following the latest Annual Review.
Future Priorities	Further refine M&E procedures to better assess quality, increasingly mainstream gender into individual projects and programmes; implement external mid-term evaluation of FIRST's activities.

[1] Information on individual programmes has been drawn primarily from Business Cases and recent Annual Reviews. For centrally managed programmes, supplementary information on individual interventions has been sourced from programmes themselves.

Focus on Women and Girls	FIRST does not have a stated focus on women or girls, in part because of the types of activities it funds. Initial commitments have been made however to apply a gender lens to programme activities, underpinned by the World Bank’s newly developed strategy on gender. The programme logframe is set to be updated to ensure it reflects DFID’s and the World Banks commitments to gender, and gender assessments of projects are to be included from proposal stage (rather than as part of completion reports).
Reviewed Interventions:	**Programmatic Interventions:** • ***Promoting Inclusive Insurance (Ethiopia):*** This programme supports the National Bank of Ethiopia’s efforts to promote access to quality insurance services for low income groups in Ethiopia. The programme has 4 main focus areas: i) strengthening the regulatory and supervisory framework for microinsurance (and providing capacity building to supervisors); ii) supporting the development of new microinsurance products; (iii) developing a conducive regulatory framework for index-based insurance; (iv) strengthening market conduct, consumer protection financial literacy policies. • ***Increasing Access to Responsible Financial Services (Haiti):*** This programme supports the National Financial Inclusion Strategy, aiming to achieve greater access to financial services for underserved groups in Haiti. The programme is supporting reforms in 4 areas: i) payments and remittance systems; ii) regulation and supervision of financial cooperatives and microfinance institutions; iii) financial capabilities and consumer protection; iv) the establishment and operation of a steering committee to coordinate, implement and monitor the National Financial Inclusion Strategy • ***Financial Inclusion (Lesotho):*** A programme contributing to the financial inclusion agenda of the Government of Lesotho. With a budget of just under $1.5mn, the programme includes 5 areas of work: i) creating an appropriate supervisory framework for MFIs and financial cooperatives; ii) strengthening the supervisory capacity for cooperatives and other non-bank financial institutions; iii) creating a conducive environment for mobile money and agency banking; iv) improving framework for financial consumer protection and financial capability/education; v) strengthening partial credit guarantee schemes *Note***:** *As 75% of DFIDs funding for FIRST Phase III is allocated to programmatic interventions, these have been the focus of the review. Other interventions were also looked at (especially those working in mobile money or electronic payments) but in less detail.*

<table>
<tr><td colspan="2">DFID Harnessing Innovation for Financial Inclusion (HiFi): The HiFi programme is a seven-year initiative aimed at sustainably scaling up financial inclusion using technology and innovation. HiFi is implemented jointly by the World Bank Group through the CGAP; the Finance and Markets Global Practice (FMGP) department of the World Bank; and the IFC. The programme provides targeted technical assistance to financial service providers, helping them to develop and scale technology-driven business models delivering financial services to those who currently do not have any or have inadequate access. It also provides expert knowledge and support to regulators and policy-makers in developing countries and international standard-setting bodies to enhance the enabling environment for technology-enabled delivery of financial services. Lastly, provides expertise to developing countries to support the modernisation of government, retail, and remittance payment systems. Expected results from HiFi by 2021 include: 90mn unbanked and underbanked people provided with access to financial services (at least a third of them women); 14mn people with access to cheaper and more secure tech-enabled international remittance services; catalysing at least £145mn of commercial investments (including £50mn from IFC); and £136mn in savings for government payments and remittances.</td></tr>
<tr><td>Activities</td><td>The HiFi programme has 5 main areas of intervention though which it groups activities:
• Targeted technical assistance and mobilisation of commercial investment to pilot, develop and scale technology-driven business models;
• Knowledge generation to enhance industry practices and policy across a spectrum of regulatory domains, to strengthen the enabling environment for private sector provision of financial services to those at the base of the pyramid;
• Modernisation of domestic and government payment systems to increase synergies between improved payment services and financial inclusion, and the design of national payment systems (NPS) to support migration of large payment streams (government-to-person (G2P); remittances) to electronic means;
• Promotion of responsible finance through the development of proportionate regulatory frameworks that promote financial system stability and integrity as well as consumer protection. This work is complemented by research on low-income consumer behaviour to inform product development and design;
• Stakeholder engagement to align the incentives of key players and forge partnerships between different payment service providers, financial infrastructure providers, the banking sector, regulatory and supervisory authorities and overseers of national payment systems.</td></tr>
<tr><td>Effectiveness</td><td>2015 was the first year of implementation of the HiFi programme which so far is performing well. Initial target countries have been identified by implementing partners and progress is being made in terms of developing projects and initiatives. Conversion of pipeline to active implementation is viewed as good and the progress towards achieving the overall is as expected (although this is difficult to assess in the first year of seven year programme).</td></tr>
<tr><td>Challenges</td><td>It is difficult to pinpoint specific challenges so early on in the programme. One relevant lesson from HiFis predecessor programme is the need to introduce stronger M&E systems to allow measurement beyond access to financial services (to effects and impacts on quality of life). This learning is being taken into account as part of the development of M&E systems for HiFi, which are a work in progress. Given the size and geographic spread of the programme another challenge is the risk of duplication of projects that it implements (with those</td></tr>
</table>

	funded by country level programmes or other donors). Implementing partners are aware of this risk and are increasing coordination with other programmes where relevant.
Future Priorities	Agree an updated list of target countries for different components and finalise M&E methodology. Continue to build and implement a pipeline of interventions. Update the programme logframe and continue to monitor implementation activities.
Focus on Women and Girls	HiFi is targeting for 30% of its outreach (providing access to financial services for unbanked and underbanked people) to be to women by 2021. How the programme will specifically tailor its interventions and initiatives is still being developed however, as is the broader M&E approach for measuring the programme’s achievements with respect to reaching women.
Reviewed Interventions:	The HiFi programme’s implementation structure differs from those of FIRST and FSDA, with each implementer focusing on a defined sub-set of activities. Interventions are less distinct than for the other two programmes and therefore more difficult to comprehensively review. Discussions with DFID’s programme lead (rather than a review of intervention documents) were therefore used to better understand the programme’s on-going activities.

Skills and Innovation for Micro-banking in Africa (SIMBA): The Skills and Innovation for Micro Banking in Africa (SIMBA) Programme was designed to reduce poverty in Sub-Saharan Africa (SSA) by increasing economic resilience and opportunity through financial inclusion. SIMBA seeks to reduce financial exclusion by "improving the productivity, efficiency, and sustainability of microfinance service providers in SSA," building a market in which the private sector can and does deliver on this developmental objective. This work is delivered through a regional platform, Financial Sector Deepening Africa (FSDA), which was established specifically to deliver SIMBA, and is funded entirely by DFID.	
Activities	**SIMBA works across 4 pillars:** • **Skills development and training:** Interventions to increase skills, capacity and performance of financial institutions, financial sector professionals and the local services markets that support them across Africa. This is the largest SIMBA pillar by portfolio value. • **Growth and Investment:** Interventions designed to build financial markets that more efficiently mobilise and allocate capital to businesses and projects that drive inclusive economic growth. • **Inclusive programmes:** Targeted, market-building interventions in five priority areas (including agriculture finance, digital payments, savings groups, housing finance and credit markets) and launched and scaled regionally. • **Regional platform:** Activities and services that build and transfer skills and knowledge between financial sector development partners (especially FSD Network members) across countries.
Effectiveness	The SIMBA programme is performing well across nearly all of its outputs and pillars or work. Activities to expand FSDA's role as a regional platform have been especially successful, along with interventions in skills development and training for financial institutions and professionals. Work to deepen capital markets is also progressing well and appreciated by key stakeholders. In the last year the programme has been approved as a potential platform for development capital, opening up new opportunities for activities and impact.
Challenges	Work in inclusive programmes is not progressing to the same extent as other pillars, and output targets relating to outreach (savings and credit) are currently behind target. Providing access to credit for women is proving especially difficult, with the programme considering a number of options for how to increase momentum and results in this area.
Future Priorities	Continued development of M&E strategy and activities. Integration of Development Capital activities into FSDA's wider work. Explore options to improve outreach of credit products, especially among women (addressing concerns about risk, engaging with new potential partners etc.)
Focus on Women and Girls	SIMBA has ambitious targets with regards to reaching women, mainly within the inclusive programmes pillar. These are proving quite difficult to achieve however, especially with regards to providing credit products to female borrowers. The programme is looking at options for how to strengthen its work in this area. Gender is less of a focus in some of the other areas of work, though a number of interventions at least disaggregate their data.
Reviewed Interventions:	• **Women's World Banking (Nigeria, Malawi, Tanzania):** 5 year programme supporting strategy and product development for three FSP partners in Nigeria, Malawi and Tanzania. Product development support is focused on commitment savings, youth savings, and MSME credit and is progressing well overall. Leadership and diversity training for FSP staff is also included in the overall intervention.

	• **Fidelity Bank (Ghana):** 5 year programme (via returnable grant) supporting roll-out of agency banking in Ghana. The programme aims to bring 5 million people into the formal financial sector by supporting product development and strengthening business processes and data management. • **Bank of Zambia (Zambia):** A series of interventions providing advisory support to the Bank of Zambia to develop and strengthen credit markets in the country. SIMBA has supported the development and implementation of a Credit Market Monitoring Programme allowing more systematic collection and analysis of credit data to underpin evidence based policy making and regulation of the credit market. • **SEEP (Regional):** 4 year initiative (starting in 2016) to support expansion of financial inclusion across sub-Saharan Africa through the creation and sharing of robust information on what works and doesn't work with regards to supporting savings groups. *Note: The review has focused on interventions in the Inclusive Programmes and Skills Development and Training pillars, as these are most closely linked to supporting financial inclusion for households. A subset of these interventions is presented above (mostly larger scale, longer term engagements). A number of interventions in other pillars were also reviewed, but in less detail.*

Country Managed Programmes:

DFID Bangladesh

Business Finance for the Poor (BFP-B): The BFP-B programme works to create an environment where micro and small enterprises (MSEs) can access the financial services they need to be able to better manage their businesses. Despite playing a crucial role in generating employment and driving economic growth in Bangladesh MSE's experience severe constraints in accessing the finance they need to grow. BFP-B's main expected impact is to increase the private sector credit to GDP ratio from the existing 48% to 53%, which in turn will support an increase in MSE-supported jobs from 28million currently to 30million. The key outcome of the programme will be encourage the financial sector to provide £93 million in additional loans to previously excluded MSEs.	
Activities	The BFP-B programme has three core components: • A **Policy Component** working with regulators and other stakeholders to streamline and optimise lending conditions, guidelines and regulatory practices to benefit borrowers, especially the MSEs; • A **Credit Guarantee Fund (CGF)** encouraging banks (by partially guaranteeing recovery of loans) to lend to smaller clients who have good business ideas but cannot offer physical collateral of land and cash. • A **Challenge Fund (CF)** which works on both the supply and demand sides. On one hand it encourages lenders to innovate new channels/products that improve financial access for MSEs. On the other hand it encourages Business Development Service (BDS) providers to work with MSEs themselves, improving financial literacy, basic business skills, accounting, and market development.
Effectiveness	The programme is still in early stages of implementation, with progress being made on 2 out of 3 components of the programme (Policy & Challenge Fund). Operationalisation of the third, the Credit Guarantee Facility, is underway. Within the Policy component 12 policy areas where studies will be done during the life of the programme have now been approved (including drafting the first 'National Financial Inclusion Strategy' for Bangladesh). The Challenge Fund (CF) undertook a full round of applications for its two respective windows: provision of financial services for MSEs and delivery of business development services (BDS) to MSEs. 8 proposals were selected for support.
Challenges	• Governance of the programme is complicated • Initial designs for the Credit Guarantee Fund had to be discarded as they were not feasible within the legal context of Bangladesh. A new design has been developed but long term sustainability of the CGF remains a concern. • Measurement of outcomes and impact (i.e. assurance of accuracy and attribution)
Future Priorities	Continued progress on policy work in terms of considering any new areas that should be explored (given innovation happening within this space) and an agreement on dissemination/influencing plans for the agreed studies. The Challenge Fund will follow-up on existing projects and support their progress, but also look at how new application windows can encourage a wider spectrum of proposals (expanding beyond mobile financial services and agent banking). Strategic options (and their respective implications) around the CGF are also being explored.

Focus on Women and Girls	The Credit Guarantee Fund has a specific focus on women-led businesses, as well as rural and green businesses

Promoting Financial Services for Poverty Reduction (PROSPER): PROSPER is a £45mn programme active since 2007 which works to improve the microfinance sector in Bangladesh. Support is provided through a number of components, including an apex lender for MFIs, support for the Microcredit Regulatory Authority and financial support for the Institute of Microfinance. In addition the programme has supported the automation of Bangladesh Bank's Credit Information Bureau as well as a range of studies and smaller interventions throughout the lifecycle of the programme. The overarching goal of the programme is to "generate pro-poor economic growth for increasing income and employment for the poor, especially for women".	
Activities	1) The bulk of funds have been used to support the Palli Karma Sahayak Foundation (PKSF), an apex microfinance lender which has designed and rolled out microfinance products appropriate for the extreme poor. Their work has led to the piloting and expansion of the "PRIME" package of both financial and non-financial services, now available in 11 north-western and south-western districts of Bangladesh. PRIME differs from traditional microfinance products in that it offers greater flexibility for borrowers: savings are not mandatory, repayments are better aligned with the affordability/cash flows of borrowers (weekly, monthly or seasonal), and borrowers can avail emergency loans if needed. Non-financial services are also offered, given recognition that access to financial services is only one area of constraint faced by poor households. DFID's expenditure under PRIME is on investment in human capital of client households on market linkages, whereas core microfinance funds are provided by the government. In essence PRIME functions as a graduation programme, supporting extremely poor households to gain readiness to access more commercial forms of microfinance. 2) The programme also supports the Microcredit Regulatory Authority (MRA), a separate regulator for the industry. DFID support has been used to (i) provide MRA with core operational funding in its early years (ii) provide technical expertise around regulation, economic analysis, and IT, and (iii) procure permanent office space with co-funding from the government 3) Lastly, the programme has provided core funding for the Institute of Microfinance (InM), a non-profit organisation initiated by PKSF to meet research and training needs of microcredit and related poverty reduction programmes (national as well as regional). InM works to expand knowledge around microfinance, and disseminates this knowledge to Microfinance Institutions MFIs via training.
Effectiveness	Overall, the programme has had a great deal of success. Its core target of reaching 510,000 extreme poor households, previously unserved by the formal financial sector, with microfinance products that they are able to use has been exceeded (520,000 in April 2015). Following achievement of this target focus has shifted to consolidating PRIME as a sustainable graduation programme. Targets linked to the Microcredit Regulatory Authority have also slightly exceeded targets. The Institute of Microfinance has only partially achieved its target of sustainably conducting analysis, research and training for the sector. Though it's been productive in its generation of knowledge, training has been a challenge due to political unrest, and not enough emphasis has been put on sustainability planning.
Challenges	• Political unrest was a challenge in 2014/2015 and held back the implementation of a number of key activities. • The sustainability of the Institute of Microfinance is also a key challenge.
Future Priorities	The programme was in its final stages last year and priorities linked mainly to consolidating learning from the programme and sustainability planning where needed.
Focus on Women and Girls	The programme has a stated focus on women. The overall goal makes reference to targeting women, however the information available does not clarify how this has translated into the different activities. Headline targets linked to PRIME focus primarily on reaching households, but there may be additional targets at the operational level.

Bangladesh Policy Fund: The Fund will allocate up to £5mn between 2007 and 2018 in support of evidence-based policy development and programming in Bangladesh, in line with DFID's strategic priorities and Operational Plan. The Fund is a flexible resource that supports a range of activities such as research studies, pilot projects and stakeholder consultations. The Fund aims to complement larger programmes within Bangladesh by supporting activities that cut across traditional sectors. It also has the flexibility to respond to emerging trends, and opportunities. Projects are implemented with a wide range of partners from Government, the private sector and civil society.	
Activities	The fund does not have a financial inclusion focus but in 2012/2013 supported the Bangladesh Bank Initiative for Financial Education. This £121,000 activity supported Bangladesh Bank's wider campaign to improve financial literacy and consumer protection. Key activities of the campaign included: i) development of a more user friendly website explaining basic financial concepts and issues and directing users to different bodies providing consumer protection. ii) television and radio commercials promoting responsible banking iii) messages in major newspapers to raise awareness around the risks of transacting with unlicensed banks.
Effectiveness	An internal assessment of the Initiative for Financial Education concluded that the project had "largely met" its objectives. It successfully delivered the main outputs from its original concept note, such as the design and maintenance of a new financial inclusion website, regular airings of two TV commercials and ten radio commercials and publication of ten newspaper commercials in leading dailies. The campaign promoted the services of the Financial Integrity and Customer Services Department, contributing to a 103% increase in the number of complaints it received and a 188% increase in the number of complaints it resolved during the period June-September 2013, compared to the previous 11 months. The campaign also generated useful learning that can be applied within new programmes, and for the development of a national policy to institutionalise financial education across Bangladesh.
Challenges	The internal assessment concluded the project would have had greater impact if a number of complementary programmes had not been delayed. Bangladesh Bank's larger financial literacy programmes, scheduled to begin immediately following the Initiative for Financial Education, were delayed due to slow mobilisation of funds. DFID's Business Finance for the Poor programme – including £1.5m for supporting financial literacy – was also delayed. Other challenges impacting the initiatives impact included: insufficient media coverage (airing of TV and radio commercials etc); no monitoring of beneficiary feedback; and a failure to involve all relevant regulators and market players in the financial sector.
Future Priorities	The Fund will continue to support activities related to DFID's organisational priorities and strategic plan.
Focus on Women and Girls	No overt focus on women, but this may be applied at the level of individual initiatives.

DFID Burma

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<tr><td colspan="2">Livelihoods and Food Security Trust Fund (LIFT) for Burma: LIFT is a multi-donor trust fund, set-up as a response to Cyclone Nargis in 2009 as well as a facility to accelerate progress against MDG 1 (eradicate extreme hunger and poverty). The fund has been extended twice and will now continue until the end of 2018. DFID's contribution to the fund is just over £52m, which makes up about 39% of total resources. Financial inclusion is one of LIFT's main pillars, and currently this component has an estimated overall budget of US$ 80mn (implying DFID's share could be around £22mn). The programme hopes to reach 1.5 million clients through its different projects, and implements programmes through a range of partners, primarily microfinance institutions and NGOs.</td></tr>
<tr><td>Activities</td><td>Through its financial inclusion pillar, LIFT promotes a dynamic, inclusive rural economy by:
extending sustainable, demand driven financial services to people in the agriculture sector
providing access to low interest credit for off-farm business development
leveraging the funds available for rural borrowers
extending the reach of financial services to ensure the poorest, most remote communities are included
providing capacity development to microfinance clients, institutions, regulators, investors and private banks</td></tr>
<tr><td>Effectiveness</td><td>LIFT is a strong programme and has continued to perform well against its milestones and targets. It is currently on track to achieve its expected outcomes by 2016. Although there were some delays in 2014, LIFT met or exceeded two-thirds of its purpose and output targets. At the end of 2014 the LIFT programme had reached over 628,427 direct beneficiary households (HHs) (roughly 5% of Burma's population). Within its financial inclusion work the programme had provided institutional support to 15 microfinance organisations, indirectly reaching 728,000 people with financial services. LIFT itself had provided loans to 216,000 people, 94% of which were women.</td></tr>
<tr><td>Challenges</td><td>The programme has a substantial funding gap
Political risks associated with changes of government remain
In some areas programme design progress has been slow</td></tr>
<tr><td>Future Priorities</td><td>Priorities largely link with a new strategy developed in 2014. Under this strategy the programme will develop its role as a knowledge hub and learning platform. LIFT will also re-emphasise its commitment to monitoring, evaluation and learning (MEL) at all levels of its work and work to strengthen internal governance and decision-making.</td></tr>
<tr><td>Focus on Women and Girls</td><td>Women are a focus within the programme and in 2014 made up around 94% of LIFT-funded microfinance clients (203,040 women in total, 79,186 attributable to UK funding). LIFT has a dedicated gender strategy aiming to integrate gender throughout its interventions.</td></tr>
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DFID DRC

Private Sector Development in DRC: PSD in DRC is a £102.5mn. programme operating until 2024. Its focus is on private sector development and it uses a flexible portfolio approach to amend, augment, append or abandon interventions depending on evolving opportunities and risks in the operational environment.	
Activities	The programmes has 4 initial components: • business environment reform (and anti-corruption) • access to finance (via a multi-donor development capital facility – the FPM) • an M4P market development programme • independent monitoring and evaluation. The access to finance component of the programmes is a contribution of £10mn (via KfW) to a multi-donor development capital facility providing financial access for around 100,000 MSMEs via the Congolese financial sector.
Effectiveness	Start-up activities in 3 of the 4 components have been slower to begin than expected, but the M4P programme is making good progress. The A2F component specifically had to be restructured following changes to DFID's policies on returnable capital and a significant delay in the granting of a banking licence to the FPM (the vehicle of the component). The programme is in early stages of implementation however and start-up has generally gone well. Overall results are still expected to be met.
Challenges	• While a flexible approach is still seen as necessary for engaging on PSD in DRC, it also involves challenges in terms of forecasting budgets, allocating adequate resources for new interventions, and ensuring the programme scope doesn't become too wide. • Finding good downstream private sector partners has been difficult • Sector based approaches to market developments do not sufficiently address provincial issues
Future Priorities	The development of the delayed Access to Finance and Decision Support Unit components to continue. Similarly the market development component needs to address a few key operational issues. Also, greater coordination with the government is needed within business environment reform.
Focus on Women and Girls	None is apparent from the documents available, though given the programme's overarching focus on access to finance for MSME's it falls slightly outside the scope of this paper.

DFID Ethiopia

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<tr><td colspan="2">Private Enterprise Programme Ethiopia (PEPE): PEPE is a £70mn multi-sector initiative aimed at catalysing economic growth and enhancing Ethiopia’s ability to respond to climate change. Its overarching focus is on creating investment, jobs and incomes, with a particular focus on impacting women and supporting green growth. The programme’s three main pillars are: transforming key export oriented industries, access to finance, and the general business environment. The Access to Finance pillar targets an expansion of financial products (savings & credit) for MSMEs in Ethiopia via the provision of technical assistance and grant funding to micro-finance institutions (MFIs) and banks. DFID support is currently delivered through technical assistance via the World Bank’s “Women Entrepreneurship Development Project” (WEDP) and through technical support for improving financial sector performance (Finance Group). WEDP is enhancing the capacity of the Development Bank of Ethiopia to manage a fund of $45.9 million provided by the World Bank for on-lending through microfinance institutions (MFIs) to small and medium-sized women-owned enterprises in urban centres. The Finance Group is applying a Making Markets Work for the Poor (M4P) approach, working with financial institutions at different levels to ensure that more Ethiopians can save formally.</td></tr>
<tr><td>Activities</td><td>The Women Entrepreneurship Development Project (WEDP) is enhancing the capacity of the Development Bank of Ethiopia to manage a $45.9mn. facility that provides funds for on-lending by microfinance institutions (MFIs) to women-owned SMEs urban centres.
The Finance Group is i) Using Making Markets Work for the Poor (M4P) approach to work with financial institutions at different levels to ensure that more Ethiopians can save formally. This is to enhance financial inclusion and also to add more liquidity in the formal economy of Ethiopia ii) supporting agro-industrial interventions implemented in Priority Industries (see below) to achieve its investment targets</td></tr>
<tr><td>Effectiveness</td><td>WEDP is performing well. There are currently 12 MFI recipients of technical assistance and they are benefiting from support, though this is manifested in different ways (access to savings; MFIs using own funds to lend to target groups etc). Repayment levels are good, though this is likely tied to the technical support provided. As MFIs get a clearer understanding of what they need over time, there may be less need for direct technical assistance and more opportunity for facilitation.

The programme is supporting lending to almost 3000 small businesses, and has reached over 11,000 new savers.</td></tr>
<tr><td>Challenges</td><td>Access to finance work could be re-oriented in a more sustainable manner coherent with the approach adopted within the priority sectors. Work in digital finance has also been a challenge and a consultancy to inform future interventions in this space is being implemented.</td></tr>
<tr><td>Future Priorities</td><td>Exploring additional interventions in mobile money and digital financial services
Potential extensions of WEDP and clarifying exit strategies within the access to finance work</td></tr>
<tr><td>Focus on Women and Girls</td><td>A key component of the programme focuses on female entrepreneurs, so the programme has a direct focus on women. Overall however, the programme targets MSMEs, more than households or individual borrowers.</td></tr>
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DFID India

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<tr><td colspan="2">Poorest State Inclusive Growth Programme (PSIG): Gains from economic growth have been uneven across in India. The ability of poor people to take advantage of economic opportunities has been constrained by a lack access to financial services which could help them start or grow businesses and better withstand economic shocks. Equally, although microfinance clients are largely women, service providers do not systematically focus on empowering and educating women, a missed opportunity. The PSIG programme aims to address these challenges via 2 components and 4 main activities.</td></tr>
<tr><td>Activities</td><td>Component 1: i) advocacy ii) capacity building of financial institutions (especially MFIs) active in relevant states iii) support for increasing financial literacy and work on women's economic empowerment
Component 2: impact investment by providing resources to SIDBI venture capital fund to invest in promising ventures which would not otherwise attract finance</td></tr>
<tr><td>Effectiveness</td><td>Policy Advocacy: The programme has recently focused on 3 advocacy themes in particular (small finance and payment banks; liquidity; and provision for other financial services at both state and national level). The programme has provided effective and timely input to RBI's new banking guidelines, with 3 recommendations getting included in the final guidelines, something which is seen as a major achievement. Four functional State Financial Inclusion Forums (SFIF) have also been set up, organising events for bankers.
Capacity Building: Thirteen new MFI partners have been provided with capacity building support, making for a total of 28 MFI partnerships. 22 out of 28 partners have gone through external assessments of their portfolio and systems and have scored "reasonable" to "good". 8 MFI partners have started reporting to credit bureaux and 9 MFIs have gone through repeat credit rating. Of these 5 have reported a one grade improvement, while 4 have maintained their grade. 283 new branches in 4 PSIG states have been opened by PSIG partners.
Financial Literacy and Women Empowerment: Pilot work has begun with MFI partners showing keen interest in rolling out financial inclusion and women's empowerment. The response of MFIs to the pilot programme currently being rolled out in Eastern UP has been very encouraging.</td></tr>
<tr><td>Challenges</td><td>(Capacity-building): Progress with respect to the new product development and technology fund has been limited. Uptake of grants has also been lower than anticipated.
(Financial Literacy and WEE): Although initial pilots are performing well, concerns remain around the pace of delivery.</td></tr>
<tr><td>Future Priorities</td><td>SFIFs to build more acceptance among state stakeholders, regularly following up action points and recommendations arrived at in meetings. Adapt capacity building packages to cater for different sizes and legal forms of MFIs. Small institutions may need capacity building grants to be complemented by additional funds from investors/lenders in order to have much impact. Consider using a dedicated technical service provider to support initiatives around new product development.</td></tr>
<tr><td>Focus on Women and Girls</td><td>There is a specific activity within component 1 targeting women. To date work has primarily focused on technical assistance and training for MFI partners. 3 gender sensitisation training sessions have been conducted and MFI partners have agreed to implement policies to mainstream gender in their institutional systems and processes.</td></tr>
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DFID Kenya

Access to Finance for Development (AFFORD): DFID Kenya is spending £16.2m over 3.5 years (2011-2015) to support a financial sector development programme (AFFORD) implemented by the Financial Sector Deepening Trust Kenya (FSDK). FSDK was set up by DFID Kenya in 2005 as an independent multi-donor special purpose vehicle (SPV). Overall, by increasing access to finance and making financial markets work for the low-income households, the programme aims to generate sustainable improvements in the livelihoods of low-income households through reduced vulnerability to shocks, increased incomes and employment.	
Activities	• Increase outreach of financial services to poor customers • Increase innovations in and expand outreach of small business financing by financial sector • Provision of market data and dissemination of emerging lessons
Effectiveness	The programme adopted a phased approach to learn from what works and build on success. In the current phase (June 2011 – 2015) the programme sets out to double the number of adult Kenyans using regulated financial institutions from 22.6% in 2009 to 40% in 2015 – an increase of about 3m people) and reduce the number of low-income adult Kenyans who are excluded from the financial system from 40% in 2009 to 25% in 2015. Latest available data indicates that AFFORD's main objectives are either already met/exceeded or are on track. Stakeholder feedback is also very positive with FSDK acknowledged as facilitating the development of important technologies (M-Shwari etc). FSDK is noted as a 'core innovator' and their knowledge/research products viewed as catalytic, spurring acknowledgement and usage in other sectors such as agriculture and health.
Challenges	• Monitoring and evaluation (measuring systematic changes and programme attribution) is challenging • General focus on access to financial services as opposed to adoption, usage and quality of offer
Future Priorities	Pursuing wider dimensions of financial inclusion (such as consumer protection, service costs etc). Establishing clearer links between financial inclusion and impacts on households (poverty reduction etc) should also be a focus.
Focus on Women and Girls	The programme has a stated focus on women. The key targets make a reference to women (the programme sets out to double the number of adult Kenyans using regulated financial institutions, with women having a larger share of this increase) but it is difficult to see in the information available the extent to which this is taken up by underlying activities.

DFID Mozambique

<table>
<tr><td colspan="2">Mozambique Access to Finance Programme (MAFiP) (Financial Sector Deepening Mozambique): FSD Moz aims to provide greater access to financial services (e.g. savings, loans, payment mechanisms, insurance, pension services) both to households and businesses in Mozambique. The Programme takes a flexible, M4P approach by systematically addressing market constraints so to enable the financial sector to become more inclusive. Interventions take place at policy, institutions and product level.</td></tr>
<tr><td>Activities</td><td>• Support policy and regulatory changes designed to improve access to finance for low income households and MSME's
• Facilitate expansion of quality financial services for unbanked and underbanked populations, especially in rural areas.
• Support increased financial infrastructure, enabling financial institutions to broaden and deepen the financial services they offer</td></tr>
<tr><td>Effectiveness</td><td>FSD Moz has built a solid foundation of analysis from which it can build interventions. It is in good position to start implementing tangible projects with key commercial and government partners. However progress in this area is important, in order to build credibility and reputation within the financial landscape and support transformative interventions over time.</td></tr>
<tr><td>Challenges</td><td>• Striking the right balance between mapping the landscape and appropriate market partners and practical, direct facilitation
• Effective poverty targeting
• Potential for duplication of interventions as more donors transition to market based financial sector development work in Mozambique</td></tr>
<tr><td>Future Priorities</td><td>Progress on current interventions and expanding pipeline. Specific 'low income' poverty targets can be better defined to better understand the impact of different interventions on target groups. Organisational visibility and impact with senior market players to be strengthened.</td></tr>
<tr><td>Focus on Women and Girls</td><td>FSD Moz has a good gender lens in its existing analysis and project selection. Specific activities include Women's Financial Inclusion workshops. Data on outreach is disaggregated by gender.</td></tr>
</table>

DFID Nepal

<table>
<tr><td colspan="2">Access to Finance for the Poor Programme: Nepal is going through a complex and difficult period of post-conflict adjustment. During the last seven years, delay in the writing of a new constitution and disturbances in the southern belts post the constitution on September 2015 has had a negative impact on investment and growth. Three initial components make up the programme: Access to Finance (Sakchyam); Quick start options (via the Sustainable access to finance and livelihoods programme - SAFAL); and participation in an IFC Equity Fund</td></tr>
<tr><td>Activities</td><td>The programmes access to finance work is split into 4 key activities:
Technical support for financial institutions (FIs) expanding access to finance for MSMEs
Financial support for FIs to expand their outreach in underserved areas, support for the MFI sector and expansion of financial services to remote areas. The financial inclusion component primarily works with MFIs, cooperatives and NGOs to expand outreach to the rural poor.
Support improved financial capability of households and individuals in underserved districts
In addition the SAFAL programme initially extended access to finance work and financial literacy to underserved districts in the country. This component has been completed, but the main successes and learnings have been incorporated into the wider access to finance component (Sakchyam)</td></tr>
<tr><td>Effectiveness</td><td>The programme is doing very well and is achieving results despite the fact that a large component (an IFC Equity Fund) has not been put in place due to a delay in finalising investment managers. The delay was offset by a “quick start” programme: SAFAL which piloted a number of innovations and post discontinuation in June 2015 was fed into work from the wider access to Finance component, Sakchyam. Sakchyam has got off to fast start, rapidly establishing credibility with stakeholders, forging partnerships and launching. In the first year of the Sakchyam component, it is exceeding or on track to exceed most of its output targets. Twenty partnership projects have launched and are expected to reach 210,614 beneficiaries. This is more than half of the overall target of 400,000 people gaining access to financial services and 8000 MSMEs accessing loans.</td></tr>
<tr><td>Challenges</td><td>Some interventions, especially those reaching underserved areas, require a high rate of subsidy
Dual focus of the challenge fund (supporting innovation and incentivising outreach to priority areas) has led to high financial contributions for individual interventions</td></tr>
<tr><td>Future Priorities</td><td>Look to increase focus from small scale pilots to scaling up, rolling out and replicating successful models for outreach. Equally, the Challenge Fund windows may be expanded to include work on scale-up of innovations. Increased coordination with other market actors on financial inclusion.</td></tr>
<tr><td>Focus on Women and Girls</td><td>The programme has a gender strategy developed to support reaching women. To date 62% of the programmes beneficiaries are women.</td></tr>
</table>

DFID Nigeria

<table>
<tr><td colspan="2">Financial Sector Development Programme – Nigeria: This programme is supporting increased access to financial services in Nigeria by making the market for financial services work better for the poor, and by improving regulation. The major component of the support (around £30 million) is an accountable grant to Enhancing Financial Innovation and Access (EFInA). Smaller support is also provided for technical assistance to the Central Bank as well as a new framework for development finance.</td></tr>
<tr><td>Activities</td><td>• EFinA - generate market info; advocacy for conducive regulatory environment; funding private sector innovations
• Other components extend TA for Central Bank
• Support new framework for development finance
• Research and Evaluations</td></tr>
<tr><td>Effectiveness</td><td>EFInA is successfully delivering on most milestones, and in several cases significantly overachieved its targets. It is a pivotal actor in the financial inclusion industry, and is generally perceived as an indispensable source of reliable data and capacity building, in addition to being a neutral facilitator in policy dialogue. The programme is also viewed as a unique and rigorous investor in innovation for financial inclusion. EFInA's work on research and advocacy has led to regulatory improvements and has spearheaded progress in strategic areas such as mobile money and non-interest finance. The programmes Innovation Fund continues to promote new products, services and business models for low-income groups.

Parallel support lent to the Central Bank of Nigeria (CBN) has also been well received and progress is being made with respect to establishing a new Development Finance Institution (DFI). This will be a new mechanism supporting on-lending to Small and Medium Enterprises (SMEs) through commercial banks.</td></tr>
<tr><td>Challenges</td><td>• A proposed Scale Fund has proven unsuitable for the promotion of agent networks.
• An upcoming change in leadership combined with high staff turnover could impede effectiveness in the short term. Corporate governance generally is also a challenge.
• Long-term sustainability and funding.</td></tr>
<tr><td>Future Priorities</td><td>Continue successful work of Access to Finance surveys, adding further analysis and recommendations. Research could be extended to mobile money, non-interest finance and agent networks. Additional rounds of RFPs for the Innovation Fund to be launched and a continued focus on monitoring and evaluation.</td></tr>
<tr><td>Focus on Women and Girls</td><td>Within EFInA there is a focus on women, and gender makes up a cross-cutting lens of the programme. The programme has a specific outcome indicators detailing that at least 50% of increases in outreach of financial services should be to women. To date, 67% of the increase (between 2010-2014) has been to women.</td></tr>
</table>

DFID Pakistan

<table>
<tr><td colspan="2">Pakistan Financial Inclusion Programme (FIP): The FIP programme, implemented through the State Bank of Pakistan (SBP), was introduced in 2008, at a time when 89% of the population did not have access to banking services. The majority of the poor, particularly in rural areas, had no access to formal financial services. In this context, FIP has aimed to transform the financial market and enable it to provide equitable and efficient market-based financial services to the poor and marginalised, including women and young people. FIP is pursuing results in four main areas: microfinance, small and rural enterprise finance, branchless banking, and better financial architecture.</td></tr>
<tr><td>Activities</td><td>A microfinance credit guarantee fund supporting MFIs access to finance and facilitating their on-lending to clients
A credit guarantee scheme for rural SMEs
Capacity building and technical assistance for MFIs
A financial innovation Challenge Fund (seeking out innovations in digital delivery, Islamic finance etc)</td></tr>
<tr><td>Effectiveness</td><td>Since its inception FIP has played a key role in commercialising the microfinance sector, helping to nearly triple the number of microfinance borrowers in the country. FIP has led on several national policy initiatives including a National Financial Inclusion Strategy. The programme has evolved significantly during its course of implementation, being adjusted to respond to emerging needs as well as wider changes in the financial sector architecture of Pakistan. Some of its legacy work will transition to EAGR. Key achievements include leveraging funds for the microfinance sector to facilitate on-lending to clients (£100.6mn since inception). A national financial inclusion strategy has been launched, setting out a range of proposals for tackling financial exclusion in a coordinated manner and the Financial Inclusion Challenge Fund has completed 3 rounds of funding.</td></tr>
<tr><td>Challenges</td><td>Start-up of Karandaaz and its associated fund (Pakistan Microfinance Investment Company) has taken longer than expected delaying transition of support for MFIs from FIP’s Credit Guarantee Facility.
A significant portion of funds remains for reprogramming, meaning a strong exit strategy will be key.</td></tr>
<tr><td>Future Priorities</td><td>As additional initiatives and donors enter the financial inclusion space in Pakistan, greater coordination will be needed. Transition between FIP and EAGR, a parallel programme in Pakistan, needs to be carefully managed and remaining funds should be re-deployed.</td></tr>
<tr><td>Focus on Women and Girls</td><td>The programme has an articulated focus on women. The programme’s A2F survey confirms that more women are engaging with financial services, though it is difficult to see from available materials the extent to which this has been driven by FIP itself.</td></tr>
</table>

Enterprise and Assets Growth Programme: The Enterprise and Assets Growth programme (EAGR) was approved in March 2014. The programme's objective is to support inclusive economic growth, higher incomes and sustainable job opportunities for the poor in Pakistan. It aims to achieve this by improving access to finance for SME's, leveraging private sector capital for the microfinance and the SME sectors, furthering digital financial inclusion and supporting reforms to improve the investment climate in Pakistan.	
Activities	EAGR is a large programme (£200mn) programme focusing primarily on SME growth and investment. Around £30mn of the programme is aimed at financial inclusion, via the Innovation Challenge Facility and the Pakistan Microfinance Investment Company. Overall themes and activities include: • Policy and Knowledge Management, as well as M&E • Innovation Challenge Facility • Technical Assistance for MSMEs (partnership with IFC) • Pakistan Microfinance Investment Company (part of Karandaaz) • SME Credit and Equity Fund
Effectiveness	The Enterprise and Asset Growth programme (EAGR) is still in early staged of implementation and has had a generally positive start. The programme achieved its most critical milestone of establishing a Special Purpose Vehicle, *Karandaaz Pakistan* (KRN), through which the bulk of the programme will be implemented. A strong, private sector Board is in place to provide strategic oversight and steer the company to achieve its objectives. The Bill and Melinda Gates Foundation is providing $16m to finance the establishment and programme budget of a Digital Financial Services Unit to be housed in KRN. The first tranche from the foundation was released in early 2015. The EAGR more widely has also engaged partnerships with CGAP and the IFC.
Challenges	Significant management, technical and lobbying effort is going into defining and achieving consensus on governance and partnership arrangements for new entities (KRN and PMIC) across different stakeholders. EAGR/KRN has been well received by the market, but it will take up to another year for the programme to be fully operational.
Future Priorities	Over the next year the start-up of KRN to be consolidated (adoption of a Board Charter; selection of a CEO etc). The objective is also to have a full team in place for KRN to be able to implement its key activities without external support. Targets should be revisited once KRN is fully operational and there is better visibility on the level of achievement that is possible.
Focus on Women and Girls	The programme has some focus on women within its financial inclusion work, referencing windows for innovation to target women and youth. Women feature in MSME targets and outputs, but less clearly in financial inclusion programme outputs and indicators.

DFID Rwanda

Access to Finance Rwanda: AFR Rwanda is 6 year, £11mn programme, aimed at improving access to financial services for 500,000 individuals. Funding is made up of £10.5 million for the AFR programme and £500,000 for programme oversight, including annual reviews. Access to Finance Rwanda (AFR) is a not-for-profit company limited by guarantee, constituted in February 2011. At the time of establishing the programme access to financial services in Rwanda was low: 52% of the population had no access to any kind of financial services and only 21% had access to formal services. The 2012 Annual Review recorded the results of FinScope 2012 which showed significant improvements in financial inclusion (not attributable to this programme). Access to finance increased from 48% to 72% of the population. Despite this progress, a strong rationale for supporting the Government of Rwanda to deliver its Financial Sector Development Strategy remains. AFR is set to shift to a Phase 2 in 2016, and key activities for this new phase are detailed below	
Activities	In Phase 2, AFR activities will focus on supporting: • The capacity and systems development of financial service providers that serve the poor, with a specific focus on automating the operations of Rwanda's Umurenge Savings and Credit Cooperatives (SACCOs) and their connectivity to microfinance institutions and commercial banks; • The flow of financial services to the agriculture sector; • The development of pensions for informal sector workers to promote long term savings; and • Improved resilience to shocks whilst reducing the risks associated with productive investments through the utilisation of microinsurance.
Effectiveness (Phase 1)	The programme has strategic plan to oversee its wider work as Phase 1 completed. An initial focus on macro level studies is now translating into additional interventions aimed at strengthening financial sector providers and expanding access and usage of financial products. 18 projects are up and running and 6 have fully disbursed funding.
Challenges (Phase 1)	• Collection of robust baseline data has not been consistent, making the measurement of impact more difficult • Monitoring and evaluation of the programme is not consistent and a number of indicators are difficult to asses • Management costs are high
Future Priorities	Preparation for Phase 2 will be a significant focus, along with continued investment in operational (meso/micro) interventions. Effective monitoring and evaluation (impact; attribution etc) should be a top priority, in order to understand the impacts of the programme. Lesson-learning has already improved, but could be strengthened further. Beneficiary feedback should also be carried out and recorded more systematically. Team capabilities in areas linked to M&E could also be strengthened.
Focus on Women and Girls	Women will be clearly targeted within Phase 2 of AFR, with the programme seeking to mainstream gender throughout its different interventions. Capacity building is to be provided to the AFR team to support putting a more effective gender lens into practice.

DFID Tanzania

<table>
<tr><td colspan="2">Financial Sector Deepening Trust – Tanzania: FSDT aims to develop a capable and sustainable financial sector to meet the needs of MSMEs and poor men and women and to contribute to economic growth. FSDT investment and direct engagement with partners contributes to promoting financial inclusion such as through: market data and analysis, support to improve the policy framework for financial services to reach the poor and MSMEs, and support to build the capacity of various institutions in offering innovative financial services or products such as mobile banking. FSDT has been operational since 2005.</td></tr>
<tr><td>Activities</td><td>FSDT invests in a wide portfolio of initiatives, funded projects and grants to sector players seeking to contribute to:
improvements in the policy, legislative and regulatory framework affecting delivery of financial services to the poor
improving financial market integration, such as access to wholesale forms of finance by financial service providers to increase the level of funds intermediated by the financial system
development of more and better financial services and products – especially the range, quality and use of financial services – promoting diversity of services that address the needs of, and are available to, poor households and micro and small enterprises as well as agribusinesses (through a mix of research, challenge fund funding etc)</td></tr>
<tr><td>Effectiveness</td><td>FSDT is seen as doing a lot and doing some things really well. There continues to be perception however that it could do better, be faster and do more. Critique often revolves around speed, responsiveness, communication, expertise, and understanding & working with private sector. An organisational review and change process which started in 2014 is on track and should put FSDT on a good footing to manage better and more. Stakeholders in Tanzania clearly see high value in FSDT and believe no comparable institution or programme that could take its place. Policy level engagement is perceived as particularly strong.</td></tr>
<tr><td>Challenges</td><td>Work on institutional structures and support services for the financial sector continues to be comparatively weak</td></tr>
<tr><td>Future Priorities</td><td>Initial plans for different challenge funds (agriculture etc) have been re-oriented to establish a single challenge fund for the programmes. A clearer approach to working at the “meso” level to be developed and recruitment for key positions in digital finance to be filled. Consider a more competitive process for funding selection.</td></tr>
<tr><td>Focus on Women and Girls</td><td>The programme has an articulated focus on women and youth, though progress is mixed and data disaggregation is sometimes challenging.</td></tr>
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DFID Uganda

<table>
<tr><td colspan="2">Financial Services Inclusion Programme (FSIP): FSIP is a £17mn programme working to increase access to finance and financial information among low-income households. The programme aims to create a deeper, broader and more inclusive financial sector in Uganda, leading to sustainable improvement in the livelihood of poor people. Drawing on the "making markets work for the poor" (M4P) approach, the programme was designed with flexibility to learn from what works and build on success.</td></tr>
<tr><td>Activities</td><td>FSIP aims to reach over 1 million people and 830 Micro, Small and Medium Enterprises (MSMEs) via a combination of financial support for specific initiatives and broader research on the financial sector. Activities include:
Innovative Financial Services: improving the capacity of financial institutions, enabling them to provide innovative services for the poor including targeted savings products, support to informal savings and loans associations and targeted financial education programmes.
Supporting the financial sector by providing appropriate support services (strengthening industry associations and credit reference bureaus for example).
Work for a well-functioning legal and regulatory structure for the delivery of financial services to the poor</td></tr>
<tr><td>Effectiveness</td><td>There is a pipeline of investment projects in various stages of development, though achieving this pipeline has been challenging. Projects and proposals are in various stages of development. It is not possible to objectively assess the quality of portfolio though beneficiary feedback shows a high demand in the marketplace. Pipeline projects have experienced engagement delays and delays in moving through the technical steps in the approval cycle. There has been clear engagement with several institutions and market players and FSDUs brand recognition has started to grow. However the customer experience is variable, and the narrative is not clear across the marketplace. The programme has also faced challenges in developing strong, scalable proposals. General stakeholder feedback strongly indicates that FSIP and FSDU are highly valued and needed to catalyse financial inclusion.</td></tr>
<tr><td>Challenges</td><td>Capacity constraints within FSDU
Building a robust, consistent pipeline
Effective M&E</td></tr>
<tr><td>Future Priorities</td><td>Priorities link to re-orienting and clarifying the FSDU strategy, streamlining leadership and broadening the core team of experts.</td></tr>
<tr><td>Focus on Women and Girls</td><td>Some programme data is disaggregated by gender, but beyond this there seems very little focus on women.</td></tr>
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DFID Zambia

Financial Sector Deepening Programme (FSDZ): FSDZ is a five year programme to support inclusive financial sector development in Zambia. The programme uses an M4P approach to target sector constraints at different levels and achieve increased access for poor households, smallholder farmers and MSMEs to a wide range of financial services from savings, through to loans, payment services, insurance and pensions. The impact of the programme is to make sustainable improvements in the livelihoods of poor people by supporting 138,750 people with increased incomes or a reduction in vulnerability.	
Activities	FSDZ has focused on developing four thematic areas that do not work in isolation but interact with one another, with each contributing in different ways to programme outcomes and outputs. These thematic areas are: • Policy, Information, Insurance and Financial Capability (PIIC) • SME finance • Access to finance for smallholder farmers and households • Digital Financial Services
Effectiveness	The targeted outcome of the programme is a financial sector capable of delivering a wide range of financial services to more people and businesses in Zambia. Within this, the programme aims to provide 300,000 additional people with access to finance (of which 65% will be women); 50,000 smallholder farmers with access to agricultural finance (of which 50% will be women); and 12,000 additional SMEs with finance from banks and MFIs. Initial start-up was challenging, but performance has steadily improved and outputs are now on a positive trajectory. Progress is being made in particular in areas such as insurance (where the programme is extending life insurance to farmers in rural villages, with direct benefits and payouts to their families), microfinance, community finance and capacity building, as well as new product development (for both insurance and SME lending) and regulations.
Challenges	• Inception Phase too short • Striking a balance between scoping and design and pragmatic implementation • Team capacity constraints
Future Priorities	As progress has improve the programme will look more closely at moving to a Special Purpose Vehicle (SPV structure). Coordination with related DFID programmes in Zambia will also increase. Although long term targets should remain, some changes to short term targets to be implemented.
Focus on Women and Girls	The programme has a certain focus on women, with targets for reaching both individuals and smallholder farmers including a gender dimension. The programme has developed a gender strategy but it has yet to be actualised (2014).

DFID Zimbabwe

<table>
<tr><td colspan="2">Pro poor Growth Programme: DFID Zimbabwe's Pro-Poor Growth programme (PPG) has a budget of £15.9 million up to December 2016 to (i) provide support to rural businesses with grants and loans and the provision of business development services; and (ii) increase access to affordable finance for the economically active poor, with a particular focus on empowering women. The programme is being delivered through four components - AECF Zimbabwe; Agro-Initiative Zimbabwe; Zimbabwe Agricultural Development Trust; Zimbabwe MFI fund</td></tr>
<tr><td>Activities</td><td>The PPG programme includes a number of activities. Within financial inclusion specifically, the programme supports:
• The Zimbabwe Agricultural Development Trust which provides loans and technical assistance to financial institutions to stimulate on-lending to agricultural market intermediaries that benefit small-scale farmers
• The Zimbabwe microfinance fund which provides loans and technical assistance to micro-finance institutions (MFIs) to stimulate on-lending to the MFI clients. This facility also promotes the development of legislation and regulations to support micro-finance</td></tr>
<tr><td>Effectiveness</td><td>The Pro-Poor Growth (PPG) programme is on track to deliver on its key targets. The microfinance fund is supporting a robust and inclusive microfinance sector in the country and is on track to deliver against its forecast results. MFI partners have cumulatively disbursed 27,476 loans, mainly in the retail and agribusiness sectors, with 36% of these going to rural areas. The fund has also contributed towards improving the policy environment for the microfinance sector (lobbying and advocacy) and has made progress in introducing an internationally recognised software system for a selection of MFIs. Similarly the Agricultural Development Trust is also on track to deliver on its targets.</td></tr>
<tr><td>Challenges</td><td>• Programme components work separately, and could achieve more with greater linkage
• Zimbabwe Microfinance Fund partners apply different approaches in their support to enterprises and individuals</td></tr>
<tr><td>Future Priorities</td><td>Explore opportunities to increased coordination between different activities and components. The Microfinance Fund specifically could also focus on streamlining the approach used by its partners in providing additional assistance to target populations.</td></tr>
<tr><td>Focus on Women and Girls</td><td>Indirect focus on women through funding for SMEs and microfinance institutions. Implementing organisations have respectively developed gender strategies to improve targeting. By September 2015, the programme had reached an estimated 14,500 women through the ZMF facility.</td></tr>
</table>

Business Enabling Environment Programme (BEEP): The programme is intended to support policy reform in order to improve the business enabling environment to attract and encourage investment and stimulate economic growth. The goal is sustained economic growth in Zimbabwe and integration into regional and global supply chains and markets. The purpose is to improve the business environment so that it is more predictable, less risky and less costly to do business. An improved business environment that is transparent and attractive to investment will facilitate the creation of economic opportunities for Zimbabweans as well as improve access to and cost of financial services in the country. Key outcomes of BEEP include: Providing a detailed analysis of key issues facing business environment reform in Zimbabwe, with a particular focus on finance and agri-business sectors; Delivering business advocacy support; Ensuring that business climate reforms which are undertaken are sustainable (by building the capacity of key public and private stakeholders to manage reforms)	
Activities	The BEEP programme has two main components: • Working to improve public/private dialogue by building the capacity of both MDAs and BMOs through technical assistance. • The provision of advice and technical assistance directly to MDAs to encourage and stimulate reforms in regulations, largely around the financial sector
Effectiveness	Driving changes in public policy is challenging, but BEEP has made some progress. At the last review initial milestones of component had not yet been met, but implementing partners were confident these would be achieved soon. Initial Public Private Dialogues were taking place. Component 2 is still starting up but has also made good progress.
Challenges	• Programme is still in early stages of implementation, with some components taking time to get up and running. Initial progress is positive however.
Future Priorities	Coordination between the 2 components could increase. Indicators to be tweaked to better reflect programme activities.
Focus on Women and Girls	Women are a focus of the programme, both women in business and smallholder farmers.

Regional Funds

<table>
<tr><td colspan="2">FINMARK Financial Inclusion Programme (extension): FINMARK has been supported since 2002 and has the development of financial sectors in Southern Africa as its key goal. It applies an M4P approach to help develop financial sectors in the Southern Africa region in ways that enhance growth (wealth creation) and reduce poverty. The programme has two levels of focus, which drive its underlying activities. It works at a macro level with policy makers and regulators to support greater regional integrations, and also supports direct expansion of financial services to the unbanked.</td></tr>
<tr><td>Activities</td><td>• work with regional policy makers to support regional integration
• address the constraints of poor men & women in the region with regards to accessing financial services</td></tr>
<tr><td>Effectiveness</td><td>Finscope surveys continue to add value and provide market actors with valuable information about the financial inclusion landscape. Finscope data has supported specific market developments in Zambia and Zimbabwe, as well as elsewhere. Finmark support is also appreciated in Lesotho and Swaziland. Overall the programmes contributions of data and targeted technical support are viewed as important and impactful.</td></tr>
<tr><td>Challenges</td><td>• Sustainability is a long term challenge which continues
• Focus on regional financial integration provides challenges in terms of new issues, political sensitivities and the number of institutions/stakeholders involved
• Activities are widespread and there is risk of losing traction with key stakeholders (i.e. the loss of position as a thought-leader"</td></tr>
<tr><td>Future Priorities</td><td>Streamline activities where possible to better meet different expectations of stakeholders. Work to re-position given the creation of peer organisations such as FSDA and FSDs in the Southern Africa region. Less direct technical support is worth considering.</td></tr>
<tr><td>Focus on Women and Girls</td><td>FINMARK has a focus on women and targets are gender disaggregated.</td></tr>
</table>