

# THE MAP TOOLKITS

Making Access Possible



# WELCOME

to the MAP Toolkits – your guides  
to undertaking a financial inclusion  
diagnostic exercise at country level and  
ensuring stakeholder engagement.

# THE MAP PROCESS

## MORE ABOUT THE MAP HUB

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### More about the MAP hub

The founding partners of MAP, referred to as the MAP hub, comprise UNCDF, FinMark Trust and

Cenfri. They are the custodians of the global MAP process.

**UNCDF** ([www.uncdf.org](http://www.uncdf.org)) is the UN's capital investment agency for the world's least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach greater numbers of poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples' lives.

**FinMark Trust** ([www.finmark.org.za.org](http://www.finmark.org.za.org)) is an independent non-profit trust whose purpose is summed up as: 'Making financial markets work for the poor by promoting financial inclusion and regional financial integration'. The trust was established in March 2002 with funding from the UK's Department for International Development (DFID).

**Cenfri** ([www.cenfri.org](http://www.cenfri.org)) is a non-profit think-tank based in Cape Town, South Africa. Cenfri's mission is to support financial sector development and financial inclusion through facilitating better regulation and market provision of financial services. Cenfri does this by conducting research, providing advice and developing capacity-building programmes for regulators, market players and other parties operating in the low-income market.

Making Access Possible (MAP) is a multi-country initiative to support financial inclusion through a process of evidence-based analysis feeding into a financial inclusion roadmap jointly implemented by a range of local stakeholders.

MAP was initiated by the United Nations Capital Development Fund (UNCDF) and is implemented in partnership with FinMark Trust and the Centre for Financial Regulation and Inclusion (Cenfri). In each country, MAP brings together a broad range of stakeholders from within government, the private sector and the donor community to create a set of practical actions aimed at extending financial inclusion tailored to that country.

The toolkits have been developed based on the experience gained from the MAP pilot programme, which consisted of the programme running in Côte d'Ivoire, Ethiopia, Democratic Republic of Congo, Laos, Lesotho, Malawi, Mozambique, Myanmar, Nepal, Swaziland, Thailand and Zimbabwe.

The purpose of the pilot programme was to:

- Test the MAP methodology in a small number of selected countries;
- Build upon the experience gained in the implementation of MAP at country level, in order to refine the methodology for a full global programme; and
- Develop benchmark data on financial inclusion, in order to advance the financial inclusion agenda at global level.

## Understanding the context of MAP

MAP is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro and small businesses. The MAP framework was designed to create the space to convene a wide range of stakeholders around an evidence-based country diagnostic exercise and dialogue, leading to the development of national financial inclusion roadmaps. The roadmap identifies key drivers of financial inclusion and includes specific actions that will contribute to greater financial inclusion in the country.

The thinking and rationale behind the MAP diagnostic framework is largely driven by a market development approach to financial inclusion. Increasingly, it is recognised that it takes a broader range of stakeholders involved in market development activities to deliver the increased range of financial services to meet the needs of the various segments of the population. Thus,

# THE MAP PROCESS

## INTRODUCTION

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the MAP diagnostic framework is viewed as being grounded within the political economy analytical framework. This framework attempts to bridge the traditional concerns of politics and economics, focusing on how power and resources are distributed and contested in different contexts, and the resulting implications for development outcomes.

The MAP diagnostic gets beneath the formal structures to reveal the underlying interests, incentives and institutions that enable or frustrate change.

These insights are important in that they allow us to unpack the drivers behind stakeholder actions and will ground the technical actions in practical solutions that are embedded within stakeholder interests, strategy and long-term vision. The MAP diagnostic exercise attempts to work within the existing structures and institutions in the country to determine a practical solution.

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Experience has shown that technical solutions alone around advancing the challenging agendas on financial inclusion, economic growth and governance will not solve the problem, and nor will they actively develop a market. While a political economy analysis cannot highlight and solve all problems, it is hoped that it can support more effective and politically feasible development strategies – as well as informing more realistic expectations of what can be achieved and highlighting the risks involved. It can also contribute to better results by identifying where the main opportunities and barriers for policy reform exist, and how donors, government and the private sector can use their programming and influencing tools to promote positive change. This understanding is particularly relevant in fragile and conflict-affected environments where the challenge of building peaceful states and societies is fundamentally political (DFID 2009).

Over the years, there have been various interventions in financial inclusion. Although there has been some success, much more can be achieved. While financial transactions are an essential part of the lives of the poor as well as the rich, an estimated 2.5 billion working-age adults globally still lack access to formal financial services.

Research has shown that in countries with developed financial intermediaries, the income of the poorest quintile grows faster than the average GDP per capita, income inequality falls more rapidly, better progress is made in reducing infant mortality, and child enrolment in primary schools increases.

# WHAT IS MAP?

## WHAT SETS MAP APART?



### Related link

DFID (Department for International Development). (2009). *Political Economy Analysis: How to note*. A DFID practice paper. Available online from: [www.odi.org.uk/sites/odi.org.uk/files/odi-assets/events-documents/3797.pdf](http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/events-documents/3797.pdf)

The MAP diagnostic approach looks to build a picture of market demand based on household and individual income, economic activity and current usage of financial services. It is hoped that using an analytical framework that actively highlights market activity and potential opportunity will achieve the following:

- Encourage providers of financial services to deliver products and services to those segments of the population that are currently underserved; and
- Enable policymakers and regulators to understand current policies and regulations that are inhibiting market growth and to develop a strategic vision on financial inclusion and the possible delivery modalities.

### What makes MAP different?

The MAP analytical framework and methodology amalgamate three tested approaches from UNCDF, FinMark Trust and Cenfri:

1. **UNCDF** contributes its tested, collaborative country-level programming framework, which it has honed in 40 countries: in Latin America and the Caribbean, West and Central Africa, Southern and East Asia, and Asia and the Pacific. The collaborative programming framework does not propose a preconceived perspective on the role of different stakeholders (whether government or private sector). Rather, in each case it seeks to work within the practical realities that exist in the country in question, and to optimise the efforts of the different parties involved by facilitating coordinated actions.
2. **FinMark Trust** contributes its experience informing the demand-side perspective of the financial usage debate in 18 countries in Africa and South Asia through the nationally representative FinScope Survey, which provides *quantitative* data. The FinScope Consumer Survey is the primary vehicle. The FinScope Consumer Survey is complemented by *qualitative* demand-side research arising from engagement with a smaller, more focused set of consumers to obtain in-depth information that could provide a more detailed understanding of the reasons for behaviour and perceptions as well as spearhead innovative thinking about products and services. Additionally, FinMark Trust works at country level by promoting and supporting institutional and organisational development in order to increase access to financial services for the unserved and the underserved.
3. **Cenfri** builds upon its experience conducting or overseeing insurance diagnostics in 14 countries in Africa, Asia and Latin America in designing and implementing MAP financial inclusion diagnostics. It emphasises the combination of a robust evidence base and an intense stakeholder dialogue to shape the outcomes of the process, and tailors the approach to trigger practical actions to extend financial inclusion.

Bringing these three approaches together is a process that will lead to practical regulatory and supply-side actions in a programming framework, while keeping the demand-side perspective at its core.

# WHAT IS MAP?

## PARTNERING, AUDIENCE, WORKING WITH THE TOOLKITS

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### Partnering for a common purpose

The MAP framework has been developed by UNCDF in partnership with FinMark Trust and Cenfri and is intended to become a public good that can advance the global financial inclusion agenda.

### Who is the audience for the MAP toolkits?

The toolkits are directed primarily at the consultant team that will conduct the MAP diagnostic exercise in-country, but are equally relevant for those who will oversee the diagnostic exercise, including representatives from financial regulators and supervisors, locally established (i.e. in-country) committees, staff members from donor/funding agencies and contracted service providers.

The toolkits will also be of use to other stakeholders who want to understand the MAP process and diagnostic methodology.

### How should you work with the toolkits?

**Toolkit 1** is designed to provide general background to and an overview of the MAP process, and touches on the various outputs and outcomes of the MAP diagnostic exercise and stakeholder engagement. It allows the reader to get a sense of the different parts of the MAP process and, importantly, how they fit together. The other toolkits (**Toolkits 2–7**, inclusive) deal in detail with different aspects of the MAP process, while **Toolkit 8** is a repository of useful resources. The toolkits are designed so that the reader can work sequentially through them, or can choose to work with only the toolkit/s of interest.

While the MAP process and the various steps associated with key processes that make up the diagnostic exercise and stakeholder engagement are based on research in a number of pilot countries to date, the process as it unfolds in-country is bound to be unique, to some extent, to that context. This, plus the complexity of the process, requires the practitioner to:

- Keep an open and inquiring mind;
- Maintain conceptual clarity as to where in the wider MAP process you are;
- Keep returning to the MAP research hypotheses (*see more about these in **Toolkit 1**, and then in subsequent toolkits*) and testing them against the empirical evidence/data gathered;



**TIP:** If at any point in your work with the toolkits you feel 'lost' in the detail, return to the MAP overview diagram to orient yourself in terms of the bigger picture and the MAP overarching policy objective.

# THE MAP TOOLKIT MENU

## THE TOOLKITS

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### MAP Toolkit Menu

- Maintain the balance between the detail of the research and the bigger picture; and
- Maintain close contact with the various stakeholders and financial services providers to ensure that the research is grounded within the country context.

#### **TOOLKIT 1: MAP Background and High-level Overview**

This toolkit provides a high-level overview of the MAP process, orienting you to the MAP process and providing the 'big picture' into which the other toolkits fit.

#### **TOOLKIT 2: The MAP Process**

This toolkit provides detailed information about running the in-country stakeholder engagement process and the MAP diagnostic exercise, highlighting how the two processes overlap and interact, and explaining how the processes feed into facilitating with stakeholders the development of an in-country financial inclusion roadmap and an action plan.

#### **TOOLKIT 3: Performing the MAP Diagnostic: Analysing the country context**

This toolkit guides you in researching and analysing the country context, which is one of the four areas of focus of data-gathering for the diagnostic exercise.

#### **TOOLKIT 4: Performing the MAP Diagnostic: Analysing the regulations, policy and supervision**

This toolkit guides you in analysing the regulatory environment, and policy and supervision, which is one of the four areas of focus of data-gathering for the diagnostic exercise.

#### **TOOLKIT 5: Performing the MAP Diagnostic: Analysing the demand side**

This toolkit guides you in analysing the demand side, which is one of the four areas of focus of data-gathering for the diagnostic exercise. Note that the demand-side data comprises quantitative data (gathered by means of the FinScope Consumer Survey) and qualitative data.

#### **TOOLKIT 6: Performing the MAP Diagnostic: Analysing the supply side**

This toolkit guides you in analysing the supply side, which is one of the four areas of focus of data-gathering for the diagnostic exercise.

#### **TOOLKIT 7: Completing the MAP Diagnostic: The diagnostic report and recommendations, and the roadmap**

This toolkit guides you in drawing together and synthesising the research and analysis that focused on the four focus areas (context, regulation, the demand side and the supply side) into a diagnostic report, including recommendations. The diagnostic report feeds into the development of the MAP roadmap and the detailed action plan.

#### **TOOLKIT 8: Additional Resources and Support**

This toolkit provides further resources and links to helpful information, including: suggestions regarding organisations and institutions to interview for the diagnostic exercise, indicative interview and focus group questions, sample documents and templates, a glossary of terms, a list of abbreviations used, and a list of references.

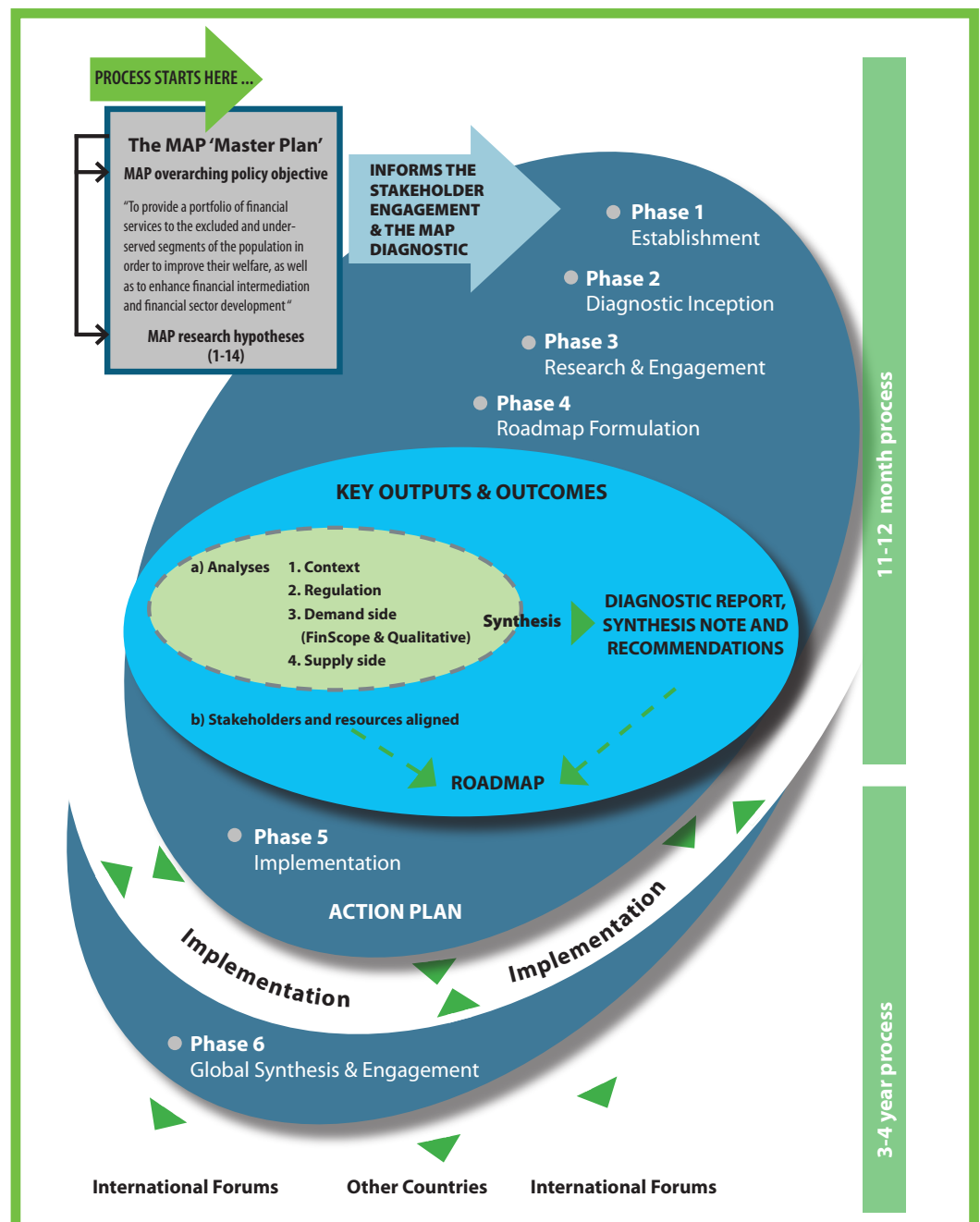


# WHAT IS MAP?

## CONCEPTUAL OVERVIEW, ACKNOWLEDGEMENTS

### Conceptual overview of the MAP process

The diagram below provides a conceptual overview of the components of the MAP process, an indication of the MAP activities, and a sense of the MAP key outputs and outcomes. If at any point in the detail of the MAP process you feel 'lost', return to this diagram to orient yourself.



**MAP Toolkits acknowledgements:** The MAP toolkits were authored by the Cenfri team comprising Christine Hougaard, Herman Smit, Doubell Chamberlain and Hennie Bester. Additional support was provided by Chris Endres, Christiaan Loots, David Saunders and Catherine Denoon Stevens. FinMark Trust provided oversight led by Prega Ramsamy and input from the FinScope team led by Kingstone Mutsonziwa. Sections of the toolkits also drew on inputs by Bankable Frontier Associates.

Overall oversight and editing was done by the UNCDF team comprising Henri Dommel, Hanadi Tutunji and Kameshnee Naidoo. Many thanks to our tireless copy editor, Jacquie Withers, who put in many hours to ensure high-quality documents, and Denise Fouche for the many hours spent on layout and design.

The MAP pilot programme was made possible through the funding of the Swedish International Development Cooperation Agency (Sida), UNCDF, FinMark Trust and various donors at country level.

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