

# BRANCHING OUT: FINANCIAL INCLUSION AT THE MARGINS

## Final Evaluation Report

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# TABLE OF CONTENTS

<b>LIST OF ACRONYMS AND ABBREVIATIONS.....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>5</b>
<b>INTRODUCTION .....</b>	<b>11</b>
<b>OVERVIEW OF THE PROGRAMME .....</b>	<b>11</b>
<b>CONTEXT</b>	
<b>THE BRANCHING OUT PROGRAMME .....</b>	<b>12</b>
<b>EVALUATION APPROACH AND METHODS .....</b>	<b>12</b>
<b>APPROACH</b>	
Theory-based Approach.....	13
Evaluation Matrix.....	15
<b>DATA COLLECTION METHODS.....</b>	<b>15</b>
Desktop Review .....	15
Key Informant Interviews.....	15
Peer Learning Workshop .....	15
<b>DATA COLLECTION SUCCESS FACTORS .....</b>	<b>16</b>
<b>LIMITATIONS AND MITIGATION STRATEGIES.....</b>	<b>16</b>
<b>FINDINGS AND ANALYSIS.....</b>	<b>16</b>
<b>RELEVANCE .....</b>	<b>16</b>
Project and intervention design and approach .....	17
Understanding the needs of marginalised populations .....	17
Meeting the needs of marginalised populations .....	17
Partner selection .....	18
Inclusive and participatory approach to partnerships .....	19
Responsiveness of the Branching Out programme to COVID-19 .....	20
Appropriateness of funding and technical assistance.....	21
Relevance of funding to funded partners' wider aims and budgets.....	21
Relevance of technical assistance to funded partners .....	21
<b>EFFICIENCY .....</b>	<b>22</b>
Project implementation.....	22
Grant application process .....	23
Monitoring and reporting .....	23
<b>INDICATION OF IMPACT.....</b>	<b>23</b>
Pillar 1 and 2: Banking the unbanked and Investing in DFS and FinTechs.....	24
Pillar 3: Technical Assistance .....	30

Pillar 4: COVID-19 Resilience .....	33
<b>KEY FACTORS CONTRIBUTING TO PROGRAMME SUCCESS .....</b>	<b>34</b>
Integrated approach to tackling financial inclusion .....	34
Partner selection.....	35
Comic Relief and JOA’s responsiveness and flexibility .....	35
Implementation of relevant solutions through research .....	35
Accelerated adoption of DFS due to COVID-19 and COVID-19 Resilience Initiative.....	36
<b>KEY FACTORS DETRACTING FROM PROGRAMME SUCCESS.....</b>	<b>36</b>
Effects of the COVID-19 Pandemic.....	36
Limited partner interaction during implementation.....	37
Effect of infrastructural challenges on DFS .....	37
<b>SUSTAINABILITY.....</b>	<b>37</b>
Sustainability at the local level .....	37
Sustainability at the institutional level.....	38
Sustainability at the policy level .....	39
<b>CONCLUSION AND RECOMMENDATIONS .....</b>	<b>39</b>
Conclusion	
Recommendations.....	40
Strategic recommendations.....	40
Operational Recommendations .....	41
<b>APPENDIX I: SUMMARY OF FUNDED PARTNERS AND PROJECTS IMPLEMENTED .</b>	<b>44</b>
<b>APPENDIX II: EVALUATION MATRIX.....</b>	<b>47</b>
<b>APPENDIX III: DATA AND DOCUMENT LIST .....</b>	<b>49</b>
<b>APPENDIX IV: STAKEHOLDER LISTS .....</b>	<b>51</b>

## List of Figures

Figure 1: The Branching Out programme ToC	6
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## List of Boxes

- Box 1: Branching Out programme Pillar 1 and 2 outcomes
- Box 2: Branching Out Programme Pillar 3 outcomes
- Box 3: Branching Out Programme Pillar 4 outcomes
- Box 4: Challenges specific to women

# LIST OF ACRONYMS AND ABBREVIATIONS

<b>BoZ</b>	Bank of Zambia
<b>DAC</b>	Development Assistance Committee
<b>DFA</b>	Digital Field Automation
<b>DFS</b>	Digital Financial Services
<b>FLIS</b>	Financial Literacy and Inclusion Supervision
<b>FSD</b>	Financial Sector Deepening
<b>FSP</b>	Financial Service Provider
<b>F3C</b>	FinClient Centric Cycle
<b>FGD</b>	Focus Group Discussions
<b>FDPs</b>	Forcibly Displaced Persons
<b>FCDO</b>	Foreign, Commonwealth and Development Office
<b>GBP</b>	British Pound Sterling
<b>GNA</b>	Good Nature Agro
<b>HCD</b>	Human Centred Design
<b>IVR</b>	Interactive Voice Response
<b>JOA</b>	Jersey Overseas Aid
<b>KII</b>	Key Informant Interview
<b>KYC</b>	Know Your Customer
<b>LTCE</b>	Long-term Country Engagements
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>MINECOFIN</b>	Ministry of Finance and Economic Planning
<b>MINICT</b>	Ministry of ICT and Innovation
<b>MNO</b>	Mobile Network Operator
<b>MEL</b>	Monitoring, Evaluation and Learning
<b>MSC</b>	Most Significant Change
<b>BNR</b>	National Bank of Rwanda
<b>NGO</b>	Non-Governmental Organisation
<b>NPO</b>	Not-for-Profit Organisation
<b>ODI</b>	Overseas Development Institute
<b>PIA</b>	Pension and Insurance Authority
<b>RCT</b>	Randomised Controlled Trial
<b>RURA</b>	Rwanda Utilities Regulatory Authority
<b>RWF</b>	Rwandan Franc
<b>SEC</b>	Securities Exchange Commission
<b>SHF</b>	Smallholder Farmer
<b>TOR</b>	Terms of Reference
<b>ToC</b>	Theory of Change
<b>TLC</b>	Toronto Learning Centre
<b>UFC</b>	Umutanguha Finance Company
<b>UNCDF</b>	United Nations Capital Development Fund

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<b>VfM</b>	Value for Money
<b>VSLA</b>	Village Savings and Loan Association
<b>ZICTA</b>	Zambian Information Communication Authority
<b>ZMW</b>	Zambian Kwacha

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# EXECUTIVE SUMMARY

## Introduction

The Branching out: Financial Inclusion at the Margins programme (The Branching Out programme) was a five-year programme, funded by Comic Relief and Jersey Overseas Aid (JOA) across three countries between 2017 and 2022. The Branching Out programme sought to address the challenge of financial exclusion amongst bottom of the pyramid communities, particularly women, in Zambia, Rwanda and Sierra Leone.

Comic Relief and JOA provided grant funding and technical assistance to eight funded partners who delivered 15 projects across the following four priority pillars:

- 1. Banking the Unbanked:** This included delivering front-line basic financial services to those that were financially excluded in terms of lacking access to a bank account.
- 2. Investing in digital financial services and FinTechs:** This included accelerating financial inclusion by investing in digital financial services (DFS) and FinTech development.
- 3. Technical Assistance:** This included supporting capacity building of policymakers and regulators to enable regulatory action that is supportive to innovation while still protecting financial consumers, and to enable FinTechs to better navigate the regulatory environment.
- 4. Covid Resilience:** “COVID-19 Resilience” grants were provided to support the development of innovations to address financial inclusion in the wake of COVID-19. The grants supported partners to adapt existing projects, strengthened key players in the financial inclusion ecosystem to explore and develop adoption models and ensured that progress made on existing projects was maintained.

In July 2022, with the majority of funded projects either finished or in the final year of implementation, Genesis Analytics (Genesis) was contracted by Comic Relief to conduct an evaluation of the Branching Out programme. The purpose of this evaluation was to identify and analyse the outcomes achieved through the portfolio of projects funded by the programme in Rwanda, Sierra Leone and Zambia. Additionally, the evaluation documents lessons learnt and provides recommendations that can further inform Comic Relief, JOA and other funders’ financial inclusion programming in the future.

The evaluation was conducted using a theory-based approach, which grounds the evaluation in the Branching Out programme’s Theory of Change (ToC), which was developed during the evaluation inception phase with input from funded partners and the Comic Relief and JOA programme teams for the purpose of the evaluation. The evaluation questions were guided by an evaluation matrix that was structured according to the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria of relevance, efficiency, effectiveness, impact and sustainability. Data collection methods included a comprehensive document review of all relevant Branching Out programme documents and data; 13 key informant interviews (KIIs) with 20 individuals representing funded partners, and Comic Relief and JOA programme staff; and, a peer learning workshop through which funded partners convened to share learnings around project implementation.

## Key Findings

### Relevance

**The design and approach of the Branching Out programme that sought to broaden financial inclusion for marginalised populations by funding interventions across the four priority pillars, was directly relevant to addressing the challenges within the countries of focus that pose a barrier to financial inclusion and have the potential to undermine the relevance of the projects and interventions. The**



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supported projects and their interventions either directly addressed or contributed to increasing or improving financial inclusion in the countries of focus, and thus were aligned to the Branching Out programme ToC. As such, the evaluation concludes that the Branching Out programme's integrated approach to providing holistic support through the four priority pillars was suitable for responding to the complex set of challenges and needs of marginalised populations.

**The majority of the funded partners conducted needs assessments, baseline studies or scoping studies which enabled them to gain a good understanding of, and deep insights into, the needs of excluded and unbanked populations, especially those that are marginalised.** This contributed to the relevance of the various project designs and approaches as this identified the opportunities and barriers to increasing and/or improving financial inclusion in each country's context. The funded partners also made use of external research such as the World Bank Findex Report and FinScope Reports to understand the state of financial inclusion in the countries of focus. Lastly, conducting a needs assessment also enabled funded partners working with FinTechs, policymakers and regulators to understand the institutional and capacity building challenges faced by these organisations thereby enabling the provision of tailored training was aligned to the mandates of these targeted stakeholders.

**The portfolio of partners supported by the Branching Out programme was relevant in achieving the objectives of the programme.** The vast majority of funded partners have been operating in the financial inclusion space for a significant amount of time. As such, these organisations have a good understanding of, and have gained insights into, the needs of marginalised populations such as refugees, youth and women, especially those who are geographically marginalised.

**The Branching Out programme team adopted an inclusive and participatory approach to supporting the portfolio of partners** which included involving funded partners in decision-making processes such as proposal development and grant making under the COVID-19 Resilience pillar. The participatory nature of the project selection process contributed to the relevance of the supported projects as funded partners are closer to the ground and have a better understanding of the needs of marginalised populations and contextual issues that could affect implementation.

**The Branching Out programme team was responsive to the challenges to project implementation posed by the COVID-19 pandemic.** This is evidenced by a flexible grant management approach where funded partners were allowed to revise their targets or to pause intervention activities to enable them to design an alternative approach to reaching marginalised populations.

**The grant funding and technical assistance provided by the Branching Out Programme was relevant to the wider aims and budgets of funded partners.** According to funded partners, the grants provided under the programme were catalytic to their efforts towards contributing to financial inclusion. The technical assistance was only provided to some funded partners and this support was reported to be beneficial in helping funded partners address emerging challenges and effectively implement their projects.

## Efficiency

**The majority of the funded partners were unable to execute their projects on time as a result of the COVID-19 pandemic.** The pandemic contributed to delays in the intervention activities such as financial and digital literacy training and the convening of savings groups due to restrictions around in-person gatherings. As a result, some funded partners were unable to meet their targets during this period.

**Comic Relief and JOA'S application process for the Branching Out programme was efficient.** Funded partners found the application process smooth and did not experience any challenges. The efficiency of the grant application process can be attributed to the Comic Relief internal systems which were reported to be user-friendly. Additionally, the Comic Relief and JOA programme teams were responsive to partner queries and communicated well during the application process.



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**The efficiency of the Branching Out programme with respect to Monitoring Evaluation and Learning (MEL) processes was mixed.** Funded partners were expected to deliver narrative and financial reports on a bi-annual and annual basis. Funded partners reported that the feedback on these reports was useful as it informed project implementation. The evaluation found that funded partners were not required to complete an indicator performance tracking table due to a lack of a clear MEL plan at the programme level. This resulted in limited awareness about the quantitative achievements of the Branching Out programme both at the partner level and aggregate level.

## Indication of impact

The Branching Out programme generated emerging impact across the four priority pillars.

### Impact of Pillar 1 and 2: Banking the unbanked and Investing in digital financial services and FinTechs

- A number of **funded partners likely contributed to improving the financial and digital literacy of previously excluded and unbanked populations** through the provision of financial and digital literacy training to these populations.
- Funded partners such as FSD Zambia, FINCA Zambia and UNCDF Rwanda **enabled the formation and/or digitisation of savings groups**. Additionally, these funded partners **facilitated access to a wider range of formal financial products and services for marginalised populations**, especially women.
- There is evidence of expanded agency banking through projects implemented by funded partners such as FINCA Zambia, GNA, FSD Zambia and UNCDF Rwanda and Zambia. This has contributed to **an increase in the availability and ease of access to formal services for marginalised populations**. The targeted beneficiaries typically do not have access to appropriate digital infrastructure that enables the use of DFS or need to travel long distances to access formal financial institutions. Therefore, the agent networks have significantly reduced the travel time to access financial services.
- It is too early to evaluate the impact of the Branching Out programme on the financial behaviour of beneficiaries and their livelihoods. This is a longer-term outcome that needs to be measured once all funded partners have completed their projects.

### Impact of Pillar 3: Technical Assistance

- **There is evidence of increased buy-in by policymakers and regulators to create a regulatory environment that enables financial inclusion**. Although it is still too early to evaluate this outcome, there is emerging evidence that the projects under this pillar have received positive interest and engagement from policymakers and regulators.
- The capacity building support provided to regulators and FinTechs in Rwanda and Zambia **contributed to garnering support for some intervention activities by government stakeholders**. Additionally, there is evidence of **increased engagement between FinTechs and regulators in these countries**.
- Although the projects supported by the Branching Out programme have influenced the regulatory environment, the impact of the capacity building support is more likely to be realised in the longer term. Engagements with policymakers are generally slow and usually require recurring engagements to result in tangible impact.

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#### Impact of Pillar 4: COVID-19 Resilience

- Funded partners such as GNA and FSD Zambia **contributed to increased resilience for beneficiaries during the COVID-19 pandemic** through the delivery of interventions that provided COVID-19 related financial products and services such as microinsurance as well as critical health information.
- The additional grants under the COVID-19 Resilience pillar **enabled funded partners to adapt their project approaches and contributed to the resilience of beneficiaries during the pandemic**. Additionally, these grants provided **some funded partners with access to funding where they experienced funding withdrawals which resulted in the continuation of interventions targeting marginalised populations**. The grants and technical assistance under Pillar 4 were key in enabling projects to maintain emerging outcomes from implementation and/or build on the impact the projects may have achieved.

#### Key factors contributing to programme success

- Adopting an **integrated approach to tackling financial inclusion** that included providing funding and technical assistance across the four priority pillars enabled the Branching Out programme to support a diverse range of projects that addressed key demand and supply-side barriers as well as the regulatory issues that prevent marginalised populations from being financially included.
- The **partner selection** enabled the Branching Out programme to support a broad range of funded partners that implemented interventions that contributed to increasing and/or improving financial inclusion for marginalised populations.
- The **flexibility and the responsiveness of the Comic Relief and JOA programme teams** was a key element to successful grant management. This included providing funded partners with the onus to change their project design and approach in response to contextual issues thereby resulting in the implementation of relevant interventions that had an impact on marginalised populations.
- Conducting a **needs assessment, research studies and human-centred design (HCD) processes** enabled funded partners to design and implement projects that ensured the extended formal financial products and services were relevant to the varying needs of the target beneficiaries.
- **The advent of the COVID-19 pandemic led to an accelerated cultural shift towards the adoption and use of DFS**. Prior to the pandemic, the appetite for DFS was limited as people in the countries of focus lacked trust in transacting through technological services. The disruptions caused by the pandemic forced people to find alternative ways of conducting daily transactions such as paying for bills, purchasing groceries and accessing financial services. Therefore, the grant funding under the COVID-19 Resilience pillar was well-timed as the partners were able to capitalise on this trend.

#### Key factors detracting from programme success

- **The COVID-19 pandemic affected programme implementation for the majority of the funded partners** by disrupting in-person gatherings for financial and digital literacy training as well as the convening of savings groups. This resulted in funded partners adjusting their targets or changing their design and approaches.

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- There was **limited engagement between funded partners and lack of partner awareness of the other supported interventions in the countries of focus**. This resulted in a missed opportunity to leverage learnings across the portfolio of partners that could have bolstered the effectiveness and/or impact of the programme.
  - The **lack of adequate digital infrastructure** such as network coverage, particularly in geographically marginalised areas affects the adoption and usage of DFS. This in turn limited the impact of projects that sought to use DFS to reach last mile communities.

## Sustainability:

### Sustainability at the local level

Although there is emerging evidence that the funded partners have contributed to increased availability and ease of access of formal financial products and services at the local-level, it is too early to assess the sustainability of the impact of the intervention activities. The lifespan of the supported projects, which was between two and three years, was considered by many stakeholders to be relatively short when compared to other grant making projects that seek to address barriers that lead to the financial exclusion of marginalised populations. This short timeframe limited the achievement of anticipated project outcomes such as contributing to positive financial behaviour change in order to encourage the adoption and usage of formal financial services. These project outcomes are more likely to be realised in the medium to longer term.

### Sustainability at the institutional level

The sustainability of the supported projects appears to be positive across the portfolio of funded partners. In some cases, the funded partners developed core financial products and services that will continue to be offered beyond the Branching Out programme. Although the Branching Out programme did not have a stated objective to support organisations and/or projects that have potential to continue beyond the funding period, the evaluation found that the funded partners intend to continue with project implementation and scale up some of the offered financial products and services.

### Sustainability at the policy level

Given that engaging with policymakers and regulators requires long term programming as changes at the policy level are slow and can affect the sustainability of an intervention, it is still too early to determine the sustainability of the Branching Out programme at the policy level. However, there is evidence of the adoption of intervention activities and financial commitment to creating an enabling environment by policymakers and regulators, which shows that there are limited risks to sustained implementation of these project activities as the government's active involvement shows the prioritisation to adopting and/or scaling these.

## Recommendations

### Strategic Recommendations

- Should Comic Relief and JOA continue to implement financial inclusion programmes, both organisations need to clearly define their strategies and priorities. This will enable Comic Relief and JOA to clearly articulate the impact of their programming. For example, Comic Relief has a strong focus on empowering programme partners and influencing the well-being and livelihoods of women, so the financial inclusion project supported should seek to have an impact beyond financial inclusion. Funding for financial inclusion projects can be provided to partners who are implementing projects that target women, and take a holistic approach to addressing the barriers to economic opportunities thereby

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resulting in programming that has an impact on the livelihoods of women in key income-generating sectors such as entrepreneurship and agriculture should be supported.

- Comic Relief and JOA should continue funding programmes that adopt a holistic approach to addressing the various issues affecting marginalised populations. Using a holistic approach, supported projects are more likely to contribute to increasing and/or improving financial inclusion as well as positively influencing the economic position and livelihoods of the targeted beneficiaries.
- There should be an incorporation of gender mainstreaming in the strategy formulation of Comic Relief and JOA and to the design of future programmes. This will enable funded partners to reach women by designing and implementing interventions that seek to address the barriers that limit the economic development of women.

### Operational Recommendations

- Comic Relief and JOA should support funded partners through grants as well as technical assistance. The provision of technical assistance is beneficial to supporting funded partners to implement relevant and effective projects. The extent to which this technical assistance is provided can be assessed by understanding the needs, priorities and capabilities of the funded partners.
- A flexible approach to grant management should be maintained in future programmes. This will contribute to ensuring that the implemented interventions are responsive to changing conditions at the national, institutional and beneficiary levels. Additionally, adjusting project design, approaches and targets reduces the risk of failure and increases the relevance of the projects. The flexible approach to grant management should be implemented using a formalised structure and assessed on a case-by-case basis to reduce the potential risk of project inefficiencies.
- Longer grant periods should be considered. The length of the grants should be informed by the project type, nature of the intervention and anticipated impact. Having grant periods informed by these factors will ensure that funded partners have sufficient time to effectively implement their interventions as well as build a sustainability strategy to ensure longer term impact.
- A detailed MEL plan should be implemented across the portfolio of partners. This will allow Comic Relief and JOA to better understand the achievements (qualitative and quantitative) of the funded programmes at the partner and aggregate levels, against the intended objectives.
- Cross-country and partner learning should be incorporated into multi-country and integrated programmes. This will contribute to knowledge sharing and increase the visibility of the programme objectives and impact on ecosystem players.
- There should be greater emphasis placed on increasing the visibility of programmes using strategic communication. Comic Relief can leverage their strong communications infrastructure to increase the visibility of the programme, funded partners and supported projects in the broader financial inclusion ecosystem. This has the potential to allow funded partners to showcase their project outcomes and attract further funding.

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# INTRODUCTION

Genesis Analytics (hereafter referred to as Genesis) was contracted by Comic Relief to conduct an Evaluation of the Branching Out: Financial Inclusion at the Margins programme (the Branching Out programme), which was co-funded by Jersey Overseas Aid (JOA), and implemented in Rwanda, Sierra Leone and Zambia. The Branching Out programme is a five-year programme that started in October 2017, and is currently in its final year of implementation.

The purpose of this evaluation was to identify and analyse the outcomes achieved through the portfolio of projects funded by the programme in Rwanda, Sierra Leone and Zambia. Additionally, the evaluation documents lessons learnt that can further inform Comic Relief, JOA and other funders' financial inclusion programming in the future.

The evaluation commenced with a virtual inception meeting on 1 June 2022 between Genesis, Comic Relief and JOA. The meeting was used to review the approach, discuss the context, timelines, scope of the assignment, and understand the priorities of Comic Relief and JOA.

This evaluation report captures the main outcomes of the Branching Out programme to date, including the factors that contributed or detracted from the success of the programme. The findings and the analysis of the evaluation are presented according to the OECD Development Assistance Committee (DAC) criteria: Relevance, Efficiency, Effectiveness, Impact and Sustainability. The report then concludes with key lessons learnt throughout the evaluation and corresponding recommendations. The appendices include the list of stakeholders consulted during the evaluation, the data and documentation reviewed, as well as the evaluation matrix.

## OVERVIEW OF THE PROGRAMME

### CONTEXT

Globally, more than 1.7 billion adults are excluded from formal financial products and services and do not have access to transactional and savings accounts, nor other products and services such as loans and insurance.<sup>1</sup> The vast majority of these financially excluded adults live in the developing world. The challenge of financial exclusion is more pertinent for marginalised groups such as refugees, youth and women. There are a number of financial access (demand-side and supply-side) challenges that are apparent in developing countries, many of which are barriers which particularly affect marginalised populations. The demand-side issues include low awareness of financial products and services, particularly in rural areas; exclusion of populations such as refugees due to the lack of documentation and Know Your Customer (KYC) requirements; limited trust of financial products and services due to fraud; poor agent network development and affordability of financial solutions; limited mobile phone penetration or access to mobile phones, especially among women; and, low levels of financial and digital literacy and capability among marginalised populations. The supply-side issues include a shortage of digital financial services (DFS) expertise by FinTechs; lack of a supportive regulatory environment to promote DFS; and, undeveloped mobile network infrastructure and digital payment platforms.

Women make up a disproportionately large share of the world's unbanked population and face inequalities in economic opportunities that lead to lower incomes and present a barrier to accessing formal financial products and services. In addition, women are often not able to provide the collateral required to access loans from the

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<sup>1</sup> Gates Foundation, Inclusive Digital Financial Services: A Reference Guide for Regulators

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formal financial services providers (FSPs), and further face discrimination within the financial system that inhibits them from opening checking and savings accounts in their own names.<sup>2</sup> Access to affordable financial services can assist unbanked and financially excluded populations in managing financial shocks, smoothing income and acquiring assets thereby improving their livelihoods.

## THE BRANCHING OUT PROGRAMME

Recognising the need to broaden financial inclusion for marginalised populations, Comic Relief, in partnership with JOA, implemented the Branching Out programme in 2017 to address the challenge of financial exclusion amongst bottom of the pyramid communities, particularly women, in Rwanda, Sierra Leone and Zambia. Through the partnership, a total of £7,298,166 was committed to funding projects that aligned with the three priority pillars of the programme:

- 5. Banking the Unbanked:** This included delivering front-line basic financial services to those that were financially excluded in terms of lacking access to a bank account.
- 6. Investing in digital financial services and FinTechs:** This included accelerating financial inclusion by investing in DFS and FinTech development.
- 7. Technical Assistance:** This included supporting capacity building of policymakers and regulators to enable regulatory action that is supportive to innovation while still protecting financial consumers, and to enable FinTechs to better navigate the regulatory environment.

With the rise of the COVID-19 pandemic, additional funding was provided to existing Branching Out programme funded partners. “COVID-19 Resilience” grants were provided to support the development of innovations to address financial inclusion in the wake of COVID-19. The grants supported partners to adapt existing Branching Out projects, strengthened key players in the financial inclusion ecosystem to explore and develop adoption models, and ensured that progress made on existing projects was maintained.

Through the Branching Out programme, eight partners were funded to deliver 15 projects.<sup>3</sup> A summary of the funded partners and the implemented projects is provided in *Appendix I: Summary of funded partners and projects implemented*.

## EVALUATION APPROACH AND METHODS

This section details the overarching approach the evaluation team employed, as well as the associated data collection. This section also includes the successes and limitations faced during the evaluation and the implications of these. Lastly, this section of the report also discusses the process of developing the recommendations, following the analysis, synthesis and drafting of the evaluation findings.

### APPROACH

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<sup>2</sup> Smriti Rao, Gender and Financial Inclusion Through the Post, United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), p.g.4

<sup>3</sup> This evaluation only focuses on thirteen of the funded projects implemented in Zambia, Rwanda and Sierra Leone. The evaluation does not cover the worldwide projects.

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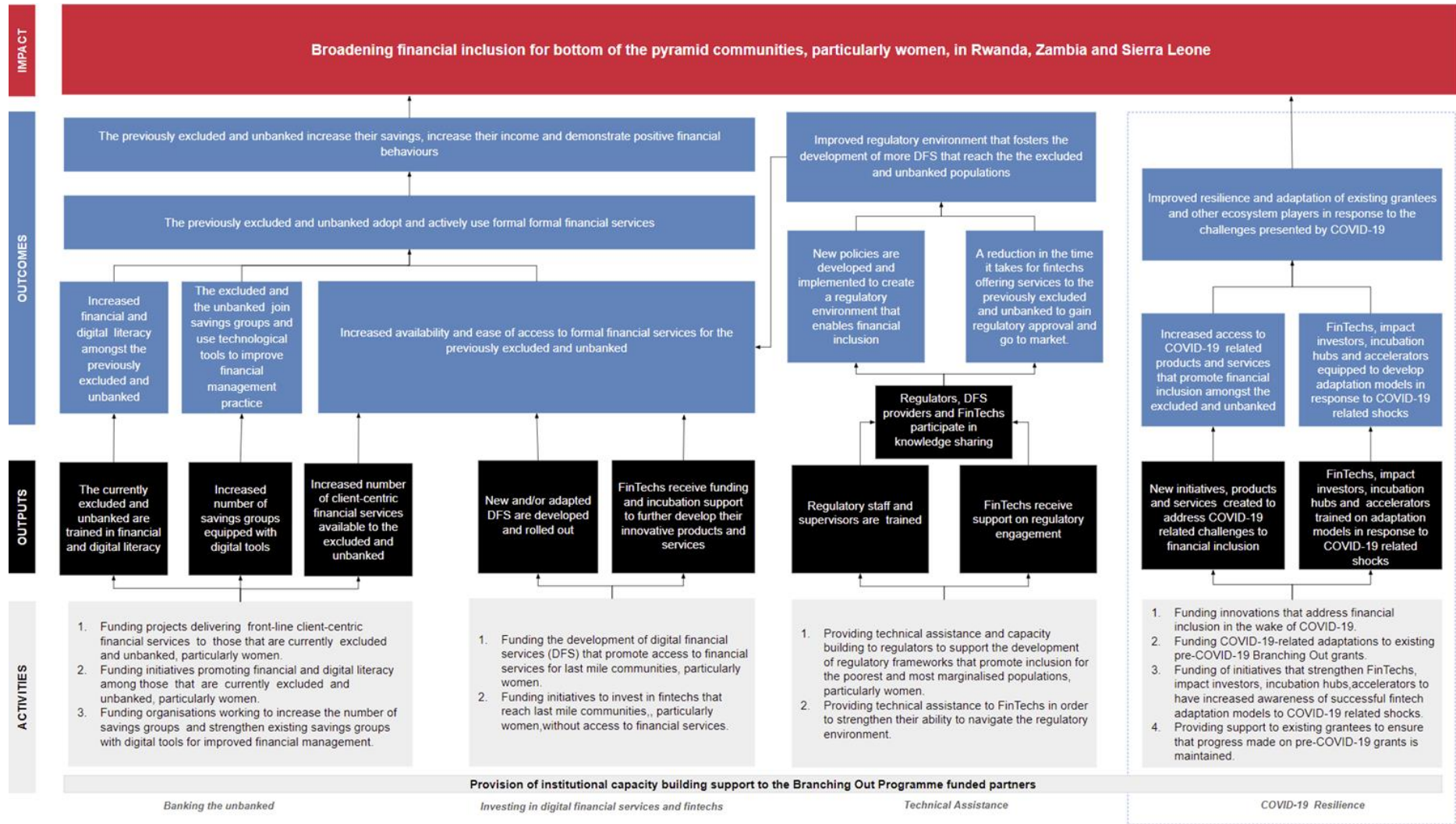
## Theory-based Approach

The evaluation was conducted using a theory-based approach, which grounds the evaluation in the Branching Out programme's Theory of Change (ToC), which was developed during the inception phase with input from Comic Relief and JOA, and validation from funded partners, for the purpose of the evaluation. The Branching Out programme ToC unpacks the programme logic and highlights the underlying assumptions within the programme's impact pathways.

Figure 1 below shows the Branching Out programme ToC, illustrating the programme activities and how these feed into outputs, outcomes and impact.



Figure 1: The Branching Out programme ToC



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## Evaluation Matrix

In order to assess the Branching Out programme holistically, Genesis developed an evaluation framework, presented in *Appendix II: Evaluation Matrix*, which was informed by the ToC above and the Terms of Reference (TOR). This evaluation matrix guided the development of the data collection tools and data analysis hence ensuring objectivity and consistency throughout the evaluation.

## DATA COLLECTION METHODS

The evaluation used a mixed methods approach and made use of both qualitative and quantitative data collected from a range of primary and secondary data sources, as outlined below.

### Desktop Review

The desktop review included an analysis of all relevant documents and data provided by Comic Relief. The purpose of the document and data review was to:

- Gain an understanding of the Branching Out programme approach and objectives in Rwanda, Sierra Leone and Zambia;
- Provide a high-level assessment of the programme's implementation and performance to date; and,
- Identify lessons learnt through the programme and develop a contextual framing for the evaluation findings.

The list of documents and data reviewed by Genesis is provided in *Appendix III: Data and Document List*.

### Key Informant Interviews

The evaluation was primarily informed by data collected through 13 key informant interviews (KIIs) conducted with 20 stakeholders representing the funded partners, and Comic Relief and JOA programme staff. The KIIs were conducted virtually and were guided by semi-structured interview guides that were approved by Comic Relief and JOA during the inception phase. The semi-structured nature of the KIIs allowed the Genesis team to gather the necessary information to answer the evaluation questions while allowing stakeholders the flexibility to share relevant information for the evaluation.

A full list of the stakeholders interviewed is provided in *Appendix IV: Stakeholder Lists*. It is important to note that some of the KIIs were in-depth interviews with a group of representatives from the funded partner organisations.

### Peer Learning Workshop

The Genesis team facilitated a collaborative learning event that was held virtually via Zoom with the funded partners and the Comic Relief and JOA programme teams. This peer learning workshop was held in order to provide a platform for the funded partners to share approaches to effectively reaching unbanked and excluded populations; understand the funded partners' experiences implementing financial inclusion interventions in Rwanda, Sierra Leone and Zambia, including their successes and challenges; and, sharing key lessons learnt from implementation.

The Peer Learning Workshop elevated different types of information that was not shared in the semi-structured interview guides, and demonstrated how different types of engagement are valuable in collecting a holistic picture of experiences.

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## DATA COLLECTION SUCCESS FACTORS

The data collection process was successful as the Comic Relief and JOA programme teams were incredibly responsive and supportive in coordinating the funded partners. The programme teams were clear in their communication with the Genesis team, and with the funded partners regarding their expectations of the evaluation. The funded partners were briefed on the purpose of the evaluation and their involvement in the data collection process. Additionally, all stakeholders were candid with their responses which resulted in a transparent interview process.

## LIMITATIONS AND MITIGATION STRATEGIES

The Genesis team encountered the following limitations during the evaluation:

- **Limited information of the Branching Out programme outcomes and impact at the local and/or beneficiary level.** The information available in the documentation and data shared by Comic Relief as well as the KIs did not extensively highlight the effect of the Branching Out programme on the targeted beneficiaries. This resulted in the Genesis team heavily relying on anecdotal evidence shared by funded partners.
- **The Branching Out programme did not have an established Monitoring, Evaluation and Learning (MEL) system. Therefore, there was no available aggregated data on the performance of the programme.** This meant that the assessment of the efficiency and effectiveness of the Branching Out programme could not be done at an aggregate level. The evaluation team relied on partner level data to gain an understanding of the performance of the programme.
- **There was a high staff turnover within the Comic Relief and JOA programme teams.** This resulted in the evaluation only being able to access limited information about the programme's inception. To ensure that the evaluation reflected on the design and objectives of the Branching Out programme, the Genesis team relied on referrals and introductions from the Comic Relief and JOA programme teams to stakeholders who were involved in the inception of the programme.

It is important to note that these limitations did not have a significantly adverse effect on the evaluation. The data gathered during the evaluation were triangulated across multiple data sources and a sufficient level of consistency across the various data sources was reached.

## FINDINGS AND ANALYSIS

This section presents the overarching findings from the evaluation. The findings are grouped according to the key evaluation questions as outlined in the evaluation matrix, and the conclusions on each of the questions are contained at the end of each sub-section.

## RELEVANCE

Relevance refers to the extent to which the programme's objectives and design respond to the needs of its targeted beneficiaries.<sup>4</sup> This was assessed through the following evaluation questions:

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<sup>4</sup> OECD DAC Criteria. (2022). The six evaluation criteria explained. Available at: <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

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- Were the various projects and their respective interventions suitable for the goal of increasing and improving financial inclusion in Zambia, Rwanda and Sierra Leone?
  - How inclusive and participatory were the supported projects? What were the key features at the design, launch, decision-making and delivery stages of the projects?
  - How effectively did Comic Relief and JOA respond to the COVID-19 pandemic, both through the management of the existing grants, and through additional grants to respond to the urgent needs and opportunities arising from the pandemic?
  - How appropriate was the funding and technical assistance provided to funded partners?

## Project and intervention design and approach

### Understanding the needs of marginalised populations

**Conducting a needs assessment prior to the design of a project is important in ensuring that the intervention activities are responsive to the needs of the targeted beneficiaries.** The evaluation found that the majority of the funded partners conducted needs assessments or baseline studies which enabled them to gain a good understanding of, and deep insights into, the needs of excluded and unbanked populations, especially those that are marginalised. For example, Financial Sector Deepening (FSD) Zambia conducted a scoping study that included focus group discussions (FGDs) with beneficiaries to obtain insights on the needs and the challenges faced by the communities they targeted. Conducting a needs assessment also enabled funded partners working with FinTechs, policymakers and regulators to understand the institutional and capacity building challenges faced by these organisations. For example, in Rwanda and Zambia, the United Nations Capital Development Fund (UNCDF) conducted a scoping study to better understand the capacity of policy makers and regulators and provided tailored training that is aligned to the mandates of these policy makers or regulators.

Additionally, **conducting a scoping study contributed to the relevance of the various project designs and approaches as this identified the opportunities and barriers to increasing and/or improving financial inclusion in each country's context.** According to stakeholder consultations, the funded partners also made use of external research such as the World Bank Findex Report and FinScope Reports to understand the state of financial inclusion in the countries of focus.

In some cases, such as UNCDF Rwanda and UNCDF Zambia, **the Branching Out programme funded projects that were extensions of pre-existing interventions. These funded partners had a good understanding of the needs of the targeted beneficiaries based on their learnings and experience of implementing financial inclusion projects in these geographies.** Undertaking research to gain insight on beneficiary needs ensured interventions were designed with the end-user in mind. This resulted in the design of products and services that were optimised for appropriateness, accessibility and affordability for the target beneficiaries who were predominantly low-income households, individuals and enterprises. For example, the FSD Zambia Client-Centric Approach project partnered with two insurance companies (Hollard Zambia and ZSIC Life) to launch microinsurance products that were designed through human-centred design (HCD). The HCD approach encouraged customer-centricity in the design of the products.

### Meeting the needs of marginalised populations

In order to assess whether the various projects and their respective interventions were suitable for the goal of broadening financial inclusion in Rwanda, Sierra Leone and Zambia, the Genesis team sought to understand the identified needs of the target beneficiaries. The following are the most cited challenges of marginalised

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populations that contribute to financial exclusion, according to the document and data review and stakeholder consultations:

- **Demand-side issues:** low mobile phone penetration rates; low financial and digital literacy levels; and, long distances between communities and agent access points, ATMs and bank branches.
- **Supply-side issues:** limited network connectivity and digital infrastructure; poor agent liquidity management; and, limited capacity of FinTechs (in terms of skills, relevant experience and commercial viability) that limit their ability to scale their DFS solutions.
- **Regulatory environment:** delays in obtaining licencing for FinTechs developing, testing and scaling DFS; stringent KYC requirements; and, limited policies and regulations supporting financial inclusion.

The evaluation found that the design and approach of the Branching Out programme that sought to broaden financial inclusion for marginalised populations by funding interventions across the three priority pillars highlighted in the ToC depicted in *the section above - THE BRANCHING OUT PROGRAMME*, was directly relevant to addressing the challenges within the countries of focus that pose a barrier to financial inclusion and have the potential to undermine the relevance of the projects and interventions. **The supported projects and their interventions either directly addressed or contributed to increasing or improving financial inclusion in the countries of focus, and thus were aligned to the Branching Out programme ToC.** As such, the evaluation concludes that the Branching Out programme's integrated approach to providing holistic support through the three priority pillars was suitable for responding to the complex set of challenges and needs of marginalised populations.

## Partner selection

According to stakeholder consultations, the identification and selection of partners was based on the suitability of the funded partners in contributing to improving or increasing financial inclusion for unbanked and excluded populations. The Comic Relief and JOA programme teams conducted in-country visits and desk-based research to understand the needs of marginalised populations in the focus countries. This resulted in the selection of organisations who were seen to be the “usual actors” in the financial inclusion space.<sup>5</sup>

The evaluation found that **the portfolio of partners was relevant in achieving the objectives of the Branching Out programme.** The funded partners have been operating in the financial inclusion space for a significant amount of time. As such, these organisations have a good understanding of, and have gained insights into the needs of marginalised populations such as refugees, youth and women especially those who are geographically marginalised.

Although the selected partners have deep local knowledge and expertise in each country, one area of criticism is that the Branching Out programme could have supported organisations that do not usually have access to funding to implement their financial inclusion interventions. As Comic Relief and JOA consider funding financial inclusion programmes in the future, they might want to consider funding less established organisations, to help build capacity across the board and to broaden the number of actors in the financial inclusion sphere.

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<sup>5</sup> Usual actors refers to organisations (not-for-profit and profit-making) that have been implementing financial inclusion programmes in Rwanda, Sierra Leone and Zambia for a significant period of time.



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**The flexibility in the partner selection approach enabled the Branching Out programme to work with a diverse set of partners with projects across various intervention areas**, as discussed above. However, a more robust selection criteria would have increased transparency with regards to why partners were chosen, which could have helped to facilitate the strengthening of the base of funded partners, improved alignment with programme objectives and an understanding of funded partner's institutional capabilities. For example, a more robust partner selection process might have helped to mitigate the cancellation of grants where funded partners were not performing as expected. **Having relevant criteria to apply when selecting partners would have informed the programme team whether partners have a track record and/or expertise in the identified intervention, their ability to reach marginalised populations, the partners' selection of local delivery partners and the nature of the onward partnership agreements.** According to stakeholder consultations, there was an instance where a funded partner had organisation specific contracting requirements that required adjustments to the grant agreement which added complications to the contracting process. Secondly, another funded partner underwent a process of being sold which, if the sale went ahead, would have potentially deterred the partner from fulfilling its commitments to the Branching Out programme.

*“A design mistake of the programme was assuming that because a partner was very good in Zambia, they would also be very good in Rwanda, but this was not the case.”*

- Comic Relief and JOA programme staff

## **Inclusive and participatory approach to partnerships**

The evaluation found that **the Branching Out programme team adopted an inclusive and participatory approach to supporting the funded partners.** The funded partners were involved in decision-making processes such as proposal development and grant making. For example, under the COVID-19 Resilience grants, funded partners were involved in a peer review process that informed the selection of projects and interventions that received funding. **The participatory nature of the project selection process contributed to the relevance of the Branching Out programme's supported projects as funded partners are closer to the ground and have a good understanding of the needs of marginalised populations and contextual issues that could affect implementation.**

**The partnership approach also enabled funded partners to take ownership of their project with regards to their intervention design and approach.** Although the relationship between the funded partners, Comic Relief and JOA was governed by the project proposals and grant agreements, the funded partners were solely responsible for deciding which interventions to pursue using the funding they received. The Comic Relief and JOA programme teams provided high-level guidelines on the objectives of the Branching Out programme and the target beneficiaries. According to funded partners, they appreciated the approach to partnership that the Branching Out programme team adopted as it enabled them to be flexible in the design and approach to implementing their projects. Some partners shared that they had to pivot their projects approaches due to learnings from the implementation process or the COVID-19 pandemic. Therefore, **having the flexibility and support of the Branching Out programme team to adapt their projects empowered funded partners to**

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be responsive to the needs of their targeted beneficiaries. This contributed to the implementation of relevant intervention activities and increased impact.

*“From day one, we never felt like they are the donors and we are just recipients. The environment that they created was that we are in this together - partnership is key. During the grant application process, you are not always aware of everything and things change during implementation. Comic Relief and JOA were actively part of the proposal development and implementation process. They were a key resource that provided guidance to our team.”*

- Funded partner

## Responsiveness of the Branching Out programme to COVID-19

**Feedback from funded partners suggests that the Branching Out programme team was responsive to the challenges to project implementation posed by the COVID-19 pandemic.** This is evidenced by the Branching Out programme team being flexible and allowing funded partners to revise their targets or to pause intervention activities to enable them to design an alternative approach to reaching marginalised populations. For example, FSD Zambia’s Smallholder Farmer (SHF) Payments Digitisation project was one of the projects that reduced their targets. Similarly, the Toronto Learning Centre (TLC) started delivering trainings via Zoom instead of in-person.

Additionally, COVID-19 Resilience grants were offered to funded partners to enable them to develop new interventions, financial products and services relevant to the challenges around financial inclusion during the pandemic. For example, Good Nature Agro (GNA) piloted a burial fund for its SHFs where in the unfortunate event of death, an amount of USD 200 was provided to the family members of the deceased. Lastly, the Branching Out programme team provided capacity building to some funded partners to ensure that the progress made on the pre-COVID-19 grants was maintained.

The Branching Out programme team used a consultative process which involved a questionnaire to understand the impact of the COVID-19 pandemic on the funded partners and the supported projects. Through this, the programme team was able to better understand what support was appropriate for each partner based on their stated needs and priorities. The evaluation concludes that **the Branching Out programme team’s response to the funded partner’s needs as a result of the COVID-19 pandemic was relevant as it allowed partners to adapt and implement intervention activities that were not only feasible but also met the changing needs of the target beneficiaries.** For example, a funded partner in Zambia underutilised their project budget as a result of the COVID-19 pandemic. This funded partner made a request to use the available funds on an alternative research study which resulted in the development of a policy and strategy in the digital economy, which was approved. As a result of this study, there has been an acceleration to the government’s response to creating a regulatory environment that has the potential to foster the development and testing of DFS that will contribute to increased or improved financial inclusion in the country.

*“As a result of COVID-19, our budget was underutilised. We negotiated with the donor to implement other projects which they gave us permission to do. We conducted work in the digital economy where we carry out an Inclusive Digital Status Analysis of Zambia. This report has helped the government (with our support) develop an ICT policy and Digital Transformation Strategy.”*

- Funded partner



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## Appropriateness of funding and technical assistance

### Relevance of funding to funded partners' wider aims and budgets

According to some funded partners, **the grants under the Branching Out programme were catalytic to their efforts towards contributing to financial inclusion. Some projects had few other funding sources available and though they could have accessed alternative funding, the likelihood of accessing this funding is low.** For example, GNA reported that the grant was well aligned with its organisational objectives and enabled accelerated implementation of delivering a holistic approach to SHFs in the agricultural value chain. Additionally, it enabled the organisation to achieve some of its goals in their strategy in a shorter period of time.

In other instances, **the grants helped some projects such as UNCDF Rwanda and UNCDF Zambia to access additional funding to scale already existing projects.** The Branching Out programme has thus helped projects to scale up activities by focusing on building on the outcomes already achieved or extending intervention activities to include additional components.

*“Receiving funding from the Branching Out programme did not require us to stop our existing activities. It enabled us to continue our work to expand financial inclusion by extending access to DFS.”*

-Funded partner

All partners in the Branching Out programme portfolio have a strong mission to improve or increase financial inclusion for unbanked and excluded populations in Zambia, Rwanda and Sierra Leone. **There was strong alignment between the objectives of the programme to that of the funded partners.** Feedback from funded partners states that there was alignment not only in their mandate but the type of target beneficiaries as well. This contributed to increased relevance. Given the above, the evaluation concludes that the grants under the programme enabled Comic Relief and JOA to play the role of a cornerstone funder and enabled projects to scale.

### Relevance of technical assistance to funded partners

**The grants and technical assistance provided through the Branching Out programme enabled funded partners to implement their projects.** Technical assistance in this programme refers to the expert in-house one-to-one support that was provided by programme managers. However, the evaluation found that the technical assistance was only provided to some funded partners. It is unclear why the funded partners reported varying levels of technical assistance but it may be the case that the availability of this support was not communicated to funded partners during the contracting process. In addition, the lack of a dedicated programme manager responsible for ensuring the funded partners' needs were understood and the necessary support was provided may have also contributed to this.

However, feedback from the funded partners who received the technical assistance was overwhelmingly positive as they reported that this support was beneficial in helping them address emerging challenges and effectively implement their projects.

*“The technical assistance provided was really helpful in guiding and directing us to implement activities that were aligned to our project focus.”*

- Funded partner

*“Comic Relief and JOA were a useful resource and provided guidance to our project team.”*

- Funded partner

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The evaluation recognises that the provision of technical assistance was not in the scope of the Branching Out programme. However, by streamlining this across the portfolio of partners, Comic Relief and JOA would have had the opportunity to better understand the priorities of funded partners as well as their capacities to implement their projects. **The provision of grants can be more impactful when combined with technical assistance.**

## EFFICIENCY

Efficiency assesses the extent to which the programme spent its available resources in order to deliver its desired activities and achieve the expected results. This was assessed through the following evaluation questions:

- Have each of the funded partners' project activities been executed on time, as expected, and met the expectations?
- How was the programme application process as per the funded partners' experience?
- To what extent were Comic Relief's systems and processes efficient and effective in collecting data for MEL purposes?

### Project implementation

**As a result of the COVID-19 pandemic, the majority of the funded partners were unable to execute their projects on time.** According to stakeholder consultations, the pandemic resulted in delays in the intervention activities such as financial and digital literacy training and the convening of savings groups due to restrictions around in-person gatherings. For example, one funded partner was unable to meet in large groups for over a year (throughout 2020 and part of 2021) which resulted in limited interactions with existing savings groups and the lack of formation of new savings groups. Therefore, the funded partner was unable to meet their targets during this period. As described in *the* section above - *Responsiveness of the Branching Out programme to COVID-19*, the Branching Out programme was responsive to the funded partners' needs with regard to budget and target adjustments as well as intervention design and approaches. This led to funded partners adapting their delivery approaches to suit the change in environment.

*“The COVID-19 restrictions resulted in us closing our offices which affected our operations. We were unable to go to the field or monitor our activities.”*

- Funded partner

*“We weren't able to place agents in certain areas so that slowed down a lot of what we were able to do. Customer numbers were affected because of people not being out and about as much. This affected the motivation of agents because the commissions that they could earn are significantly reduced, which meant re-recruiting and retraining and so on so it definitely had a big impact, which is why we requested an extension because we had to pause things for a while.”*

- Funded partner

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## Grant application process

In selecting funded partners, the Branching Out programme teams used a straight-forward application process that included the submission of a concept note and a full proposal.

**In general, funded partners felt that the Branching Out programme application process was smooth and they did not experience any issues with the application and drafting process.** The efficiency of the grant application process can be attributed to the Comic Relief internal systems which was reported to be user-friendly. Additionally, funded partners reported that the Comic Relief and JOA programme teams were responsive to partner queries and communicated well during the application process. Funded partners appreciated the feedback provided by the programme team during the application process as it enabled them to understand what was expected.

*“Comic Relief has great systems established. They have a portal where you get notifications when things are due and you submit everything there. They are also very accessible and easy to work with. Even during the application process if we had questions, they were very responsive. So, I thought in terms of grant administration, they do an excellent job”*

- Funded partner

## Monitoring and reporting

**The performance of the Branching Out programme with respect to MEL was mixed.** Where the programme did well was to ensure that all funded partners were aware of the narrative and financial reporting that was expected of them as part of the grant agreements. The narrative and financial reports submitted by partners followed a standard template and enabled partners to report on project performance. Funded partners reported that the feedback on the bi-annual and annual reports was useful as it informed project implementation. However, funded partners were not required to complete an indicator performance tracking table<sup>6</sup> that included selected indicators and data on the targets. This was due to **a lack of a clear MEL plan at the programme level as there were no systems and processes in place for project level and programme level data collection.** According to funded partners, there was no directive or agreement on specific indicators to track and the frequency of these. The funded partners designed project indicators and used their internal systems and processes for data collection. This empowered funded partners to take ownership of their projects and the measurement of their progress. However, this resulted in limited awareness about the achievements of the Branching Out programme both at the partner level and aggregate level.

**The limited number of Branching Out programme staff contributed to the insufficient MEL support provided to funded partners.** This challenge was exacerbated by the changes in programme staff both at Comic Relief and JOA. According to stakeholder consultations, an initial MEL plan was designed in the earlier phases of the programme but the change in staff led to the inefficient implementation of this.

## INDICATION OF IMPACT

The assessment of the effectiveness and emerging impact of the Branching Out programme is made against the intended outcomes outlined in the programme ToC. In line with this, the Branching Out programme impact is evaluated against the four thematic pillars of focus depicted in *Figure 1: The Branching Out programme ToC*.

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<sup>6</sup> An indicator performance tracking table is a monitoring tool that provides a snapshot of the project status. It focuses on measuring the project impacts, outcomes, outputs and inputs that are monitored during project implementation to assess progress toward project objectives.

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The evaluation assesses the achievement of outcomes stemming from activities under each pillar and discusses the evidence available to support a claim of impact or the lack thereof. It is worth noting that the majority of projects, particularly those under Pillars 1 and 2, have not yet concluded (as of August 2022), and as such the final results and subsequent impact of these projects are yet to be realised. Thus, the analysis provided below will assess the evidence that has emerged thus far.

## Pillar 1 and 2: Banking the unbanked and Investing in DFS and FinTechs

As illustrated in the Branching Out programme ToC, the expected outcomes under Pillar 1 and 2 are listed in **Box 1** below.

### Box 1: Branching Out programme Pillar 1 and 2 outcomes

1. Increased financial and digital literacy amongst the previously excluded and unbanked.
2. The excluded and the unbanked join savings groups and use technological tools to improve financial management practice.
3. Increased availability and ease of access to formal financial services for the previously excluded and unbanked.
4. The previously excluded and unbanked adopt and actively use formal financial services.
5. The previously excluded and unbanked increase their savings, increase their income and demonstrate positive financial behaviours.

### Outcome 1: Increased financial and digital literacy amongst the previously excluded and unbanked.

Evidence suggests that **the Branching Out programme has likely contributed to improving the financial and digital literacy of previously excluded and unbanked populations through supporting funded partners such as GNA, FINCA, FSD Zambia and UNCDF Rwanda in providing financial and digital literacy training to these populations.** Examples of this likely impact are presented below:

- GNA delivered financial literacy training focused on budgeting, determining farm profitability and setting financial targets for the short term to over 4,000 SHFs. According to programme documentation, the majority of the SHFs that participated in this training compiled forward-looking farm financial plans that outline their financial targets over the short term. Furthermore, 31% of the SHFs attended the training with their spouses. **It is likely that this contributed to improving household-level financial literacy as it was reported that the training resulted in increased financial planning between the SHF spouses and their children. In addition, by encouraging participatory decision-making in household finances, this project contributed to gender equity and women's empowerment in household decision-making.**

It is too soon to establish if the financial literacy training has empowered the SHFs to make changes to their financial behaviours and management. However, given that all participating SHFs compiled financial plans, this will potentially have positive financial outcomes. The financial literacy training in addition to GNA's other interventions (e.g., provision of pre-harvest payments) is expected to further contribute to enabling SHFs to smooth their income in the long term.

- FSD Zambia delivered financial education training of trainers to 497 headpersons (such as community leaders or chiefs) as part of their Client-Centric Approaches and Randomised Controlled Trials (RCT) Evidence for Financial Inclusion project. The financial education training curriculum was designed to build basic financial literacy skills amongst community members. Through this network of headpersons,

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71,260 people were provided with financial literacy training, of which approximately 72% were women. This far exceeds the target of 11,000 that was projected at the start of the project.

It is likely that the project contributed to improving the financial literacy of marginalised populations, particularly women. As part of the Digitising Agriculture Payments and Value-Added Services for SHFs project, FSD Zambia also delivered financial literacy and agriculture training to 5,091 SHFs using an Interactive Voice Response (IVR) system. **This initiative has contributed to building the financial capabilities of these SHFs which will have an impact on the profitability and productivity of their farms.**

- UNCDF Rwanda delivered digital and financial literacy training to 53,637 beneficiaries through an IVR solution and the LENGA Application.<sup>7</sup> This exceeded the target of 8,000 beneficiaries that was projected at the start of the project. **Through this app, refugees and host communities, as well as the general public have increased access to financial and digital skills and can continue to review what they have learned which contributes to sustainability of the training beyond the Branching Out programme.** According to data provided by UNCDF Rwanda, **the majority of these beneficiaries showed improvement in the usage of digital tools.** This indicates that the intervention has likely contributed to improved digital literacy outcomes amongst target beneficiaries. In addition, stakeholder consultations reported that **the Central Bank has taken interest in the app and is investigating ways to scale this at a national level.** This indicates that **this intervention has the potential to have an extended impact on populations beyond the target beneficiaries.** The below quote from a project beneficiary exemplifies the impact of UNCDF's project at the beneficiary level.<sup>8</sup>

*“When we arrived at the Mahama Refugee Camp, I was sick. So, the Umutanguha Finance Company (UFC) staff came to teach us the importance of savings and how we can expand our businesses. We kept saving but we were also in the savings and loan groups. In the group, you borrow money to start a small business. After training, I went to the UFC to seek a loan. We worked with the UFC to train us and later they gave us a loan. My business is thriving. The UFC has been a great bank for us – they have been helping us. When I started my business for the first time, I started from Rwf 50,000. I gradually increased to Rwf 100,000, up to Rwf 300,000 and continued to work with savings groups.”*

- UNCDF Rwanda project participant

- FINCA Zambia partnered with FinTech - Mosabi, to develop a proof of concept for a financial literacy platform that uses culturally appropriate lessons and animations to train both agents and clients in financial literacy.<sup>9</sup> According to the pilot results, **only customers that were forecasted to have higher savings balances than at the baseline derived benefit from the training and it had little effect on average savings balances.** Stakeholder consultations revealed that FINCA is still fine-tuning their financial literacy programming to ascertain how they can make more of an impact through this training. Although evidence of realised outcomes and impact is still forthcoming, the test and implement

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<sup>7</sup> The LENGA Application is an app that is geared towards providing digital and financial literacy to Rwandans. It includes six training modules on creating savings plans, making a budget, understanding different types of savings groups, comparing financial services and deciding whether to borrow.

<sup>8</sup> Excerpt from Channel Eye article. Today we meet Axella, to understand how Comic Relief's Red Nose Day has helped transform her family's life, Channel Eye, published 16/03/2022 <https://channeleye.media/comic-relief-2022-01/>

<sup>9</sup> The platform will track views and quizzes to ascertain the knowledge retention of participants.

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approach they have taken in designing this intervention is a positive way to ensure they eventually design and scale a financial literacy intervention that is likely to have an impact.

### **Outcome 2: The excluded and the unbanked join savings groups and use technological tools to improve financial management practices**

The provision of support from funded partners like FSD Zambia, FINCA Zambia and UNCDF Rwanda to formalise and/or digitise savings groups has **contributed to facilitating access to a wider range of formal financial products and services to marginalised populations, especially women.** Examples of this likely impact are presented below:

- **FSD Zambia facilitated the formation of savings groups amongst SHFs in geographically marginalised areas where access to formal financial services is very limited.** The project reached the SHFs through partnerships with community leaders and local NGOs. These partnerships played a critical role in accessing SHFs in these hard-to-reach areas and also increased the likelihood of adoption of the training as these partners are viewed as trusted members of the community. According to programme documentation, 2,901 savings groups were formed with a total of 59,177 members (of whom 72% are women). The accumulated savings across these groups was ZMW 17,822,796 which is equivalent to GBP 910,586 with loan fund use of 76% of the savings. Assessments conducted by FSD Zambia indicate that **vulnerable households benefited from improved access to finance which enabled target beneficiaries to expand their businesses and smooth consumption.**
- FINCA Zambia launched a digitised group savings product that aims at digitising informal savings groups or village savings and loan associations (VSLAs), allowing for more secure and convenient financial management of the funds in the savings group. This product gives savings groups the ability to use a mobile application instead of a cash box to store their funds and as such mitigates the risk of funds being stolen or mismanaged. According to data provided by FINCA, **VSLA members are actively using the accounts, making more transactions per week than the average FINCA customer.** FINCA's project has not yet concluded thus the final results of this activity are forthcoming, however, **preliminary results indicate that this product contributes positively to aiding savings groups in the region to improve their financial management practices.**
- UNCDF Rwanda contributed to expanding financial inclusion for refugees, particularly women, through supporting NGOs to form 879 savings groups in refugee camps and surrounding host communities and supporting 8,295 saving groups members (over 60% of whom are women), to transact digitally. The savings groups were also equipped and trained with digital platforms in order to digitise their saving and transacting. Anecdotal evidence gathered suggests that **women who were part of these savings groups have been able to access capital through which they have expanded their business, increased profits and ultimately improved their livelihoods.** The quote below, from a news article, highlights an example of the impact of UNCDF at the beneficiary level.<sup>10</sup>

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<sup>10</sup> Excerpt from Channel Eye article. Today we meet Faustine, to understand how Comic Relief's Red Nose Day has helped transform her family's life, Channel Eye, published 16/03/2022 <https://channeleye.media/comic-relief-2022-01/>



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*“One person who has benefited from this programme is Faustine (36). Faustine fled the conflict in Burundi in August 2015 and has been living in Mahama Camp since then. She joined Branching Out in 2021, and after being trained on business, saving and investing, Faustine decided to join the bank’s loan scheme to expand her tailoring business. Despite some challenges, including the impacts of COVID-19 on her business, the profits have increased, and she now has three sewing machines. In the workshop she has built with her husband, Faustine said: ‘The challenges we often face here in the camp are that women are poor. But when you have something that is generating income there is a difference.’”*

- Excerpt from Channel Eye article about the impact of UNCDF Rwanda’s project

### **Outcome 3: Increased availability and ease of access to formal financial services for the previously excluded and unbanked**

The Branching Out programme enabled funded partners such as FINCA Zambia, GNA, FSD Zambia, UNCDF Zambia and UNCDF Rwanda to **expand agency banking to increase the availability and ease of access to formal services for marginalised populations who typically do not have access to the appropriate digital infrastructure to use DFS or need to travel long distances to access formal financial institutions.** Examples of this likely impact are presented below:

- Through the expansion of their agent network, particularly in geographically marginalised areas, FINCA has been able to **reduce the travel time for clients to agents and improved the ease of access to financial services for clients.** On average, clients used to travel about six kilometres to reach agent locations and now that travel distance has been reduced. In addition, through the launch of their Digital Field Automation (DFA) platform, which is still being piloted with a small number of agents, they have been able to reduce the account opening time from one hour to less than ten minutes. The FINCA project has not yet concluded, but to date, the two agents that were included in the pilot were able to open about 243 accounts. **These results are promising and indicate that once FINCA has further expanded their agent network and scaled DFA to the rest of the agent network, it will be able to grow its client base exponentially and further reduce barriers to access to financial services to new and existing clients.**
- GNA registered SHFs on the Paycode platform that enables them to receive pre-and-post-harvest payments as well as save. A total of 8,588 SHFs (36% of whom were women) were reached and transactions were conducted through Paycode. The use of the Paycode system enables GNA to reduce the number of days for SHF payment from an average of 26 days to a maximum of 8 days. GNA also provided farmers with digital financial services that enabled farmers to manage their finances. **This intervention coupled with the financial literacy training contributes to improving financial inclusion amongst this target demographic.**



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*“When Nakaleti became a GNA farmer in the 2020/2021 farming season, she was looking forward to the sure market for her crop. Farmers that had been in the system for longer told her she would get good prices for her crop and all she had to do was wait for the standard 2 to 3 weeks to get her money. She was one of the happiest farmers to receive her crop payment from GNA in less than two weeks from the time she sold the crop. It was her first year to grow with GNA and had the perception that payments were sometimes delayed. She found the Paycode system quick, convenient and secure. She was also happy to learn that you could also keep money in the card and she saved some money for future instances.”*

- Excerpt from Channel Eye article about the impact of GNA’s project

Further, GNA’s work has attracted **key ecosystem players such as mobile network operators (MNO) and multi-national FSPs which presents a potential to further expand and accelerate financial inclusion in Zambia.** For example, through GNA’s engagement with MTN, the largest mobile network operator in Zambia, MTN has added Kasengewa in Eastern Province (one of the remote regions GNA operates in) to their list of priority areas for rural expansion. Once this is implemented, MTN’s network coverage will serve a 30-to-50-kilometre radius which will remove the connectivity challenges that hinder the expansion of DFS in the area. Another example of the ecosystem interest garnered by GNA is that Standard Chartered Bank has shown interest in adopting GNA’s Grower Score.<sup>11</sup> The internal credit rating developed by GNA will provide FSPs, such as commercial banks, with SHF data, which is required to adequately provide this target group with financial services. **This addresses the lack of KYC which hinders FSPs from lending to SHFs as they are viewed as a risky target demographic.** The emerging interest from non-partner organisations is an indication that **other ecosystem players are becoming more aware of the opportunities and strategies for reaching unbanked and excluded populations as a result of the Branching Out programme.**

- FSD Zambia provided support in the form of technical assistance and funds to 10 FSPs to develop and/or deliver financial products and services to SHFs. Through these products and services, they targeted 30,000 SHFs accessing financial services, however, they only managed to enrol 215 SHFs for digital payments and only 106 of them actually completed a transaction. According to project reports, these results can be attributed to various challenges such as poor harvests, particularly in the cotton and apiculture value chains which resulted in agri-businesses opting for cash payments, poor macroeconomic conditions in Zambia and the economic effects of COVID-19. FSD Zambia has subsequently adjusted targets for this project to 10,000 and requested a no-cost extension for an additional year. As such results of this intervention are still emerging.

Under FSD Zambia’s Client-Centric Approaches project, microinsurance products were provided to 466 micro, small and medium enterprises (MSMEs) against various financial shocks. The endline results of the RCT for Evidence on Financial Inclusion project are still forthcoming, however, the preliminary results from FSD Zambia indicate that **over 30,000 people have been reached in the Luapula Province and now have access to financial services that they can use to improve their homes, grow their businesses and create sustainable livelihoods.**

- Through their Improving Digital Financial Inclusion in Zambia project, UNCDF Zambia worked with partners to build the capacity of FinTechs in developing and scaling digital financial products and

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<sup>11</sup> The GNA Grower Score is an internal credit score that determines the creditworthiness of SHFs using data on SHF loan repayment data.

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services that have to date benefited 57,972 people in Zambia of whom 52% are women. They also conducted innovative agent model pilots through which agents offered both financial and non-financial services. **Agents under this pilot were able to earn extra income from commission generated through the provision of other services like bill payments and solar pay-go. As a result of diversifying agents' services, UNCDFs generated more traffic for agents and resulted in increased turnover and improvement of their liquidity levels.** Should this pilot be scaled up, this represents an opportunity for the expansion of digital financial services for underserved populations in Zambia, particularly in rural areas.

Through UNCDF Rwanda's partnerships with FSPs, such as Equity Bank and Umutanguha Finance Company, to provide refugee camps and their surrounding host communities with access to financial services, 22,817 beneficiaries have access to value-adding financial services.

According to stakeholder consultations, as a result of the success of the partnerships with FSPs, **participating FSPs have now been sensitised to the commercial value of servicing these previously underserved populations in refugee camps and surrounding host communities.** A CEO in a participating FSP indicated that they were able to generate about USD 10 million in revenue from servicing the refugee camps and as such, it has opened their eyes to the commercial viability of servicing these populations. This presents an opportunity for future linkage of FSPs with these underserved communities and the potential for further expansion of financial inclusion to these previously excluded populations.

#### **Outcome 4: The previously excluded and unbanked adopt and actively use formal financial services**

As highlighted above, **there is evidence of the project beneficiaries taking up formal financial services. However, there is limited data on the actual usage of these financial services.** According to stakeholder consultations, the COVID-19 pandemic had an accelerated impact on the adoption of DFS. The pandemic made it more challenging to transact in cash for day-to-day activities such as buying groceries, paying for bills etc., which encouraged people, particularly those previously excluded from DFS, to adopt accessible financial services such as e-wallets, mobile money and services offered by funded partners such as GNA, FINCA and FSD Zambia which deliver services primarily through an agency banking. By investing in DFS and FinTechs under Pillar 2, the Branching Out programme has contributed to **the adoption and usage of DFS addressed both geographical and cultural barriers to accessing formal financial services that marginalised populations face.** Examples of instances where funded partners have contributed to the adoption and usage of formal financial services by previously excluded and unbanked populations are:

- In extending formal financial products and services through digitisation for beneficiaries in refugee camps and surrounding host communities in Rwanda, over 22,817 beneficiaries under the UNCDF Rwanda project are accessing and actively using accounts registered with formal financial service providers as a result of UNCDF's partnerships with FSPs.
- According to the 2021 impact assessment conducted by FSD Zambia, access and usage of financial services among FSD Zambia's clients increased between 2019 and 2020.
- The 2020 FinScope Zambia report also indicated that financial inclusion had increased from 59.3% in 2015 to 69.4% in 2020.

The examples above are preliminary indications of increased usage of digital and formal financial services, which can be attributed to the positive results from the financial and digital literacy training that was delivered through a number of projects, as well as the accelerated adoption of DFS from the COVID-19 pandemic.

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## Outcome 5: The previously excluded and unbanked increase their savings, increase their income and demonstrate positive financial behaviours

While the interventions under Pillars 1 and 2 contributed to the adoption and increased usage of formal financial services for previously excluded and unbanked populations, **it is too early to evaluate the impact of the Branching Out programme on the financial behaviour of beneficiaries and their livelihoods.** This is a longer-term outcome and **the two to three-year project timeframes are too short for funded partners to observe the impact of extending formal financial services on behavioural change and the livelihoods of beneficiaries.** Additionally, the majority of funded partners that have completed their projects have not collected impact data at the beneficiary level so the evaluation was unable to ascertain whether the supported projects have contributed to increased savings and income. However, there is some anecdotal evidence collected through the Most Significant Change (MSC) stories from the different projects which suggest that there are cases of beneficiaries increasing their income as a result of the interventions delivered under the Branching Out programme. An example of this is given in the excerpt below.

*“Mr. Tembo is satisfied with his FINCA savings account. As a Private Extension Agent for Good Nature Agro, he receives his wages via direct deposit. He now has a way of storing his money safely, and transfers it to his mobile money account whenever he wants to access it. Mr. Tembo also uses his FINCA account for savings, and is happy to be earning 10% interest instead of saving money at home. He hopes to be able to save and acquire credit in the future through the transaction history he’s building so he can invest in a cattle-trading business.”*

- Excerpt from GNA report about the impact of the SHF project on a beneficiary

## Pillar 3: Technical Assistance

As illustrated in the Branching Out programme ToC, the expected outcomes under Pillar 3 are listed in Box 2 below.

### Box 2: Branching Out Programme Pillar 3 outcomes

1. New policies are developed and implemented to create a regulatory environment that enables financial inclusion.
2. A reduction in the time it takes for FinTechs offering services to the previously excluded and unbanked to gain regulatory approval and go to market.
3. Improved regulatory environment that fosters the development of more DFS that reach the excluded and unbanked populations

## Outcome 1: New policies are developed and implemented to create a regulatory environment that enables financial inclusion

**While there is evidence of increased buy-in by policymakers and regulators to create a regulatory environment that enables financial inclusion, it is still too early to evaluate the contribution of the Branching Out programme interventions under Pillar 3.** This is a longer-term outcome that may only be realised beyond the programme. However, there is emerging evidence that some traction was gained amongst key stakeholders in the policy/regulation space. In Zambia for example, the Branching Out programme had a number of projects that have received positive interest and engagement from regulators. TLC’s Financial Literacy and Inclusion Supervision (FLIS) project that provided capacity-building support to three supervisory

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bodies – namely the Bank of Zambia (BoZ), the Securities exchange commission (SEC) and the Pension and Insurance Authority (PIA) – resulted in the development of 16 action plans on selected topics that the stakeholders determined to be priorities for their relative organisations. Below is some feedback provided by the stakeholders on the impact of the capacity-building support.

*“The BoZ participants found the training enriching and relevant. We look forward to the impact of this training on our quest to increase financial inclusion.”*

- BoZ representative

*“The programme has been enlightening and I feel equipped to contribute to improving the supervision practices at the Authority.”*

- PIA representative

In Sierra Leone, the Branching Out programme supported the ODI Fellowship where a Financial Inclusion specialist, James Thalla-Joel, was placed in the Bank of Sierra Leone. **As a result, the Branching out programme has contributed to a shift in policy.** Specifically, the ODI Fellow provided the Bank’s team with assistance in drafting a new financial inclusion strategy, which was subsequently launched in April 2022. According to stakeholder consultations, prior to having a financial inclusion specialist, there was limited appetite within the Bank to prioritise financial inclusion. The ODI Fellowship has contributed to educating stakeholders in the Bank on financial inclusion and its importance.

### **Outcome 2: A reduction in the time it takes for FinTechs offering services to the previously excluded and unbanked to gain regulatory approval and go to market**

One of the barriers to promoting financial inclusion for the poorest and most marginalised populations through the development of DFS is the lack of an enabling environment that promotes the development, testing and scaling of solutions by FinTechs. To address this, the Branching Out programme funded projects with UNCDF Rwanda, UNCDF Zambia and TLC that involved creating an enabling environment for FinTechs by addressing the regulatory barriers faced when testing innovations, and building the capacity of regulators to support the development of regulation that promotes financial inclusion.

**The regulatory projects implemented under Pillar 3 contributed to building the capacity of key stakeholders such as government ministries by providing them with technical assistance tailored to their needs and priorities.** The evaluation found that the technical assistance and capacity building to key stakeholders from government institutions such as the BoZ, SEC and PIA contributed to garnering increased buy-in, support for some intervention activities and engagement between FinTechs and regulators. The following are examples of how the Branching Out programme has contributed to impact at the policy level:

- There is evidence of sustained support to FinTechs as a result of the FinTech landscape mapping conducted by UNCDF Rwanda that engaged key stakeholders such as the Central Bank of Rwanda (BNR), Rwanda Utilities Regulatory (RURA), the Ministry of Finance and Economic Planning (MINECOFIN), the Ministry of ICT and Innovation (MINICT), ICT Chamber and FinTech Association of Rwanda. This mapping exercise found that the state of the FinTech market in Rwanda was lacking; FinTechs did not have the adequate business skills and expertise to run the businesses and the digital solutions developed were not commercially viable to attract investment to test or scale further. As a result of these findings, a FinTech Incubation Hub was established to support start-ups with funding, technical assistance, networking and support in navigating government regulations.

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- Evidence suggests that through engagements with UNCDF Rwanda, the Ministry of ICT and ICT Chambers have been further sensitised to the value of supporting FinTechs. As a result of the landscape mapping conducted by UNCDF Rwanda, the FinTech Incubation Hub will be housed under the Ministry of ICT. Additionally, the Ministry of ICT and ICT Chamber are committed to raising funds for the incubation hub which suggests government buy-in on the importance of technical assistance and creating an enabling environment.
  - The Ministry of ICT and Innovation, in partnership with the Ministry of Trade and Industry (MINICOM), committed USD 15,000 to support the business operations of three out of four start-ups that graduated from UNCDF Rwanda's start-up acceleration support. According to KIIs, there is increasing evidence of government support for the development of start-ups in Rwanda.
  - UNCDF Rwanda is a part of the ICT sector working group which is an opportunity to continue to advocate and influence policy changes on key issues affecting the growth of the FinTech sector in Rwanda.
  - UNCDF Zambia launched a Regulatory Playbook for FinTechs that aims to provide better information and regulatory guidance for FinTechs entering the market. The playbook was drafted in consultation with key stakeholders such as BoZ, SEC and ZICTA and was widely accepted within the market.
  - UNCDF Zambia in partnership with the SEC launched a Regulatory Sandbox in 2021 that will support innovation in the market with close regulatory oversight. This Sandbox is enabling the development and testing of innovations in the digital economy. An example of a FinTech that was impacted by the Sandbox is Premium Credit. Premium Credit participated in the regulatory mapping sessions, through which they were able to attain the appropriate licensing for their organisation. The impact of this is highlighted in the excerpt below:

***“Premium Credit is a FinTech that works in the digital lending space in Zambia, targeting individuals who are traditionally financially excluded from accessing to credit. They have streamlined their processes to provide feedback to loan applicants within a matter of hours. However, like many FinTechs with lending activities, this Premium Credit was under the impression that it could not meet requirements for the Microfinance license given by the Bank of Zambia. It opted to rather use a Moneylenders License, granted by the Magistrate’s Court, which protects the moneylender from default by providing legal recognition of their activities. During the regulatory mapping session, the regulatory and policy consultant was able to outline how the FinTech could meet the necessary requirements.”***

- Excerpt from a UNCDF report about the impact of the project on a beneficiary FinTech

- UNCDF Zambia provided regulatory capacity building to support various stakeholders to understand artificial intelligence and how to create policies and regulations that can encourage the adoption and acceleration of digital technologies. As a result, regulators better understand how to respond to the various needs of FinTechs operating in the Zambian market.
- TLC conducted long-term country engagements (LTCE) that aimed to strengthen the capacity of three supervisory agencies in Zambia by implementing cross-sectoral project activities in technology risk, FinTech, financial literacy and inclusion. This resulted in the development of action plans such as the

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FLIS programme and frameworks such as the Inclusive Green Finance Policy Framework for cooperation and information sharing for local financial sector supervisors and regulators.

### **Outcome 3: Improved regulatory environment that fosters the development of more DFS that reach the excluded and unbanked populations**

The interventions supported by the Branching Out programme have influenced the regulatory environment by building the capacity of regulators. According to stakeholder consultations, the projects under Pillar 3 contributed to an increase in the regulators' commitment to building a supportive environment for FinTechs that offer DFS. This is a longer-term outcome that is more likely to be realised after the programme timeframe as work with policymakers and regulators is slow and usually requires recurring engagements to observe the impact. However, the interventions implemented by UNCDF Zambia and UNCDF Rwanda discussed above resulted in the sensitisation of policymakers and regulators to the challenges faced by FinTechs and other FSPs in navigating the regulatory environment. This is expected to result in the Branching Out programme contributing to moving the needle on regulations required to foster the development of more DFS that serve excluded and unbanked populations.

## **Pillar 4: COVID-19 Resilience**

As illustrated in the Branching Out programme ToC, the expected outcomes under Pillar 4 are listed in Box 3 below.

### **Box 3: Branching Out programme Pillar 4 outcomes**

1. Increased access to COVID-19 related products and services that promote financial inclusion amongst the excluded and unbanked.
2. FinTechs, impact investors, incubation hubs and accelerators equipped to develop adaptation models in response to COVID-19 related shocks.
3. Improved resilience and adaptation of existing grantees and other ecosystem players in response to the challenges presented by COVID-19.

### **Outcome 1: Increased access to COVID-19-related products and services that promote financial inclusion amongst the excluded and unbanked**

The Branching Out programme contributed to increased resilience for beneficiaries through supporting partners like GNA and FSD Zambia to deliver COVID-19 related products and services. The following are examples of how the Branching Out programme has contributed to impact under the Pillar:

- GNA also provided 9,200 SHFs with access a burial fund which, in the unfortunate event of death, allows members to cover one primary farmer and one co-farmer with the option of adding additional farmers at an additional cost. **Thus, through these interventions, GNA has provided farmers with value-added financial services that have contributed to smoothing their income and helping them manage financial shocks.**
- FSD Zambia implemented a COVID-19 cash shake-off project which aimed to distribute phones to those who are geographically marginalised so that they could access information and DFS during the pandemic. **Through this project, 44,000 beneficiaries received phones and opened e-wallet accounts which provided instant access to financial services, access to agricultural products and critical public health information for these beneficiaries.** In addition, 15,800 mini solar chargers were provided to selected districts with low cell phone penetration and high poverty. This aided those who faced power access challenges to be able to charge their handsets.



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## Outcome 2: FinTechs, impact investors, incubation hubs and accelerators equipped to develop adaptation models in response to COVID-19-related shocks

This outcome relates to worldwide projects that were implemented by Accion. These projects were not assessed as part of this evaluation.

## Outcome 3: Improved resilience and adaptation of existing grantees and other ecosystem players in response to the challenges presented by COVID-19

**The additional grants provided by the Branching Out programme projects under the COVID-19 Resilience pillar enabled funded partners to adapt their project approaches and contribute to the resilience of beneficiaries during the pandemic.** For example, FSD Zambia experienced a major funding withdrawal from the United Kingdom's Foreign, Commonwealth and Development Office (FCDO) due to the re-prioritisation of funding in the wake of the COVID-19 pandemic. The Branching Out programme's flexibility and willingness to step in with additional funding ensured that FSD Zambia was able to continue implementing its project on client-centric product approaches and to conduct an RCT that has contributed to expanding access to appropriate financial products for marginalised communities in Zambia.

According to funded partners, the grants and technical assistance under Pillar 4 were key in enabling projects to maintain emerging outcomes from implementation and/or build on the impact the projects may have achieved.

# KEY FACTORS CONTRIBUTING TO PROGRAMME SUCCESS

Through consultation with the funded partners and the Comic Relief and JOA programme teams, the following factors were identified as contributors to the effectiveness and impact, and in turn success, of the Branching Out programme:

## Integrated approach to tackling financial inclusion

The Branching Out programme took **an integrated approach to tackling financial inclusion which included providing funding and technical assistance across the four priority pillars. This enabled the programme to support a diverse range of projects that aimed to improve and/or increase financial inclusion in Rwanda, Zambia and Sierra Leone.** The evaluation found that this contributed to the relevance and impact achieved by the programme, as the funded partner interventions addressed key demand and supply-side barriers as well as regulatory issues that prevent marginalised populations from being financially included. The evaluation concludes that the overarching ToC for the Branching Out programme was robust and was optimal in guiding the programme on what interventions to support under the four priority pillars. This contributed towards the increased relevance of the approach to partner selection, project design and approach to ensure that the various interventions were addressing the needs of marginalised populations. Furthermore, the ToC clearly mapped out what the Branching Out programme could reasonably achieve in its five-year lifespan and how the funded partners and supported projects were expected to contribute to the broader objectives of Comic Relief and JOA.

Additionally, **the funded partners also worked closely with delivery partners who played a critical role in extending the intervention activities to beneficiaries in hard-to-reach areas but also influenced the effectiveness and sustainability of the interventions.** Many of the delivery partners were private sector organisations that had considerable networks or experience in engaging marginalised populations, and this



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contributed to the relevance of the design and approach of the supported projects. The financial inclusion space continues to experience challenges and requires partnerships between development practitioners and private sector organisations to ensure that sustainable, holistic interventions are designed to foster the development of suitable DFS and client-centric products and services for the previously excluded and unbanked. However, establishing partnerships is not without challenges as the financial sector has not sufficiently evolved to be cognisant of its capacity to influence social outcomes by designing appropriate and accessible products and services for marginalised populations. It is important to ensure that there is alignment of overarching objectives and that the delivery partners have the adequate capacity to support the implementation of the projects.

## Partner selection

The eight funded partners supported by the Branching Out programme **implemented various interventions that contributed to increasing and/or improving financial inclusion for marginalised populations**. The Branching Out programme partnered with a broad range of organisations: agile private sector FinTechs, GNA (which reaches SHFs in rural areas), large multi-lateral development organisations (e.g., UNCDF, which have a strong track record in influencing the regulatory environment), and FSPs (that focus on extending appropriate financial products and services that expand financial inclusion for the previously unbanked and excluded populations).

The evaluation found that **all funded partners have expertise and the capacity to deliver financial inclusion initiatives which contributed to the Branching Out programme achieving its outcomes**. Additionally, **the funded partners have a deep understanding of the local context and what interventions would be appropriate for those geographies**. This is evidenced by the likes of FINCA Zambia and FSD Zambia which have well-resourced local teams that are able to design and execute programmes that are relevant to the Zambian context.

## Comic Relief and JOA's responsiveness and flexibility

**The flexibility of the Comic Relief and JOA programme teams was noted as an important element of good partnerships**. If funded partners have the onus to change their project design and approach in response to contextual issues or the needs of beneficiaries, there is a stronger chance that the interventions will be relevant and will contribute to the intended impact, particularly in a rapidly changing environment, as was experienced during the Branching Out programme's implementation period. According to funded partners, Comic Relief and JOA adopted a highly responsive and flexible approach to grant making. The flexibility to change project design and shift targets ensured that organisations were able to take a "test and implement" approach to project management. In this way, funded partners pivoted and adapted their projects and were able to manage project delays or failures.

Lastly, the Comic Relief and JOA programme teams managed to support project implementation during the COVID-19 pandemic despite the delays and challenges in implementation due to restrictions that affected in-person interactions. Funded partners such as GNA and FSD Zambia received additional funding from the Branching Out programme that enabled them to extend DFS to their beneficiaries who could not transact using the agent network during the pandemic. The responsive nature of the programme team allowed the funded partners to capitalise on the accelerated adoption of and cultural shift towards DFS.

## Implementation of relevant solutions through research

According to the document review and stakeholder consultations, **the majority of projects conducted pre-implementation needs assessments, research studies and HCD processes that ensured that the design**

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**of financial products and services was relevant to the varying needs of the target beneficiaries.** As highlighted in *the section above - Understanding the needs of marginalised populations*, funded partners such as FINCA conducted a baseline survey to determine the socio-economic status of customers and collect other demographic data in order to design products to better suit their target beneficiaries. TLC also conducted in-depth interviews with four regulators to understand their respective needs, challenges and opportunities as they relate to regulating the FinTech industry.

## Accelerated adoption of DFS due to COVID-19 and COVID-19 Resilience Initiative

**Engagements with stakeholders suggest that the advent of the COVID-19 pandemic led to an accelerated cultural shift towards the adoption and use of DFS.** Stakeholders reported that prior to the pandemic, the appetite and trust for DFS was limited, particularly because people lacked trust in transacting through technological services. However, the disruptions caused by COVID-19 forced people to find alternative ways of conducting daily transactions such as paying for bills, purchasing groceries and accessing financial services. The introduction of the COVID-19 Resilience Initiative enabled funded partners to adapt their approaches in order to optimise for impact and ensure the sustainability of their projects. Programme data shows that funded partners adapted well to the challenges presented by the COVID-19 pandemic with organisations such as TLC moving their regulatory and supervisory training online, GNA accelerating digital payments for farmers and FSD Zambia providing geographically marginalised populations with access to mobile phones and solar chargers so that they could continue to access information about COVID-19 and digital financial services.

## KEY FACTORS DETRACTING FROM PROGRAMME SUCCESS

The following factors have been identified as those currently limiting or with the potential to limit the effectiveness and impact, and in turn success, of the Branching Out programme

### Effects of the COVID-19 Pandemic

**The COVID-19 pandemic affected programme implementation for the majority of the funded partners by disrupting in-person gatherings for financial and digital literacy training as well as the convening of savings groups.** This inability to meet in-person resulted in delays in project implementation and affected the ability of funded partners to meet project targets. According to stakeholder consultations, the long-term impact of the COVID-19 pandemic has affected the livelihoods of some beneficiaries, and in turn their adoption and usage of formal financial products and services. For example, under the GNA project, beneficiaries such as the SHFs and agri-businesses experienced a decrease in their finances which in turn reduced the uptake of formal financial products and services introduced to them through the project. The economic impact of the pandemic on the beneficiaries may therefore have negatively affected the emerging impact of the programme overall. This is particularly the case in Zambia, where mounting public debt and the effects of climate change have been compounded by the economic impact of the COVID-19 pandemic. In 2020, the southwest of Zambia experienced the worst drought in almost 40 years which led to widespread crop failure and affected Zambia's production of hydroelectric electricity, upon which it relies for 80% of its electricity supply. This led to power cuts for 14 to 20 hours a day and subsequently had significant effects on SHFs and other target beneficiaries of

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financial products who were not able to operate their businesses. These wider economic trends have negatively impacted the ability of target beneficiaries to generate income thus diminishing their propensity to make use of DFS.

## Limited partner interaction during implementation

According to stakeholder consultations, **there was a lack of engagement and awareness between the portfolio of funded partners and supported interventions across the countries of focus.** There was a missed opportunity to leverage cross-project or cross-country learnings that could have bolstered the impact and effectiveness of certain projects. For example, in Zambia, FINCA experienced challenges with finalising their financial education and coaching model for agents and clients and is still in the process of developing its model. This is in contrast to GNA which has managed to deliver financial education to SHFs in Zambia. This example illustrates a potential opportunity where GNA and FINCA Zambia could have shared learnings that would have been beneficial to both organisations as they are implementing similar project activities. It would have been beneficial for the Branching Out programme to facilitate or at least initiate regular knowledge sharing sessions in the form of webinars or workshops, for example.

## Effect of infrastructural challenges on DFS

Models like agency banking rely on the existence of robust ICT systems to thrive. Thus, **the lack of ICT infrastructure such as network poles and internet coverage in countries like Zambia, particularly in rural areas, results in insufficient bandwidth, network failures and ultimately, poor functionality and downtime of agent banking systems.** In addition, for projects addressing financial inclusion for last mile communities in rural areas, such as those implemented by GNA and FSD Zambia, much of the target populations are located in difficult-to-reach, sparsely populated remote areas. The lack of appropriate infrastructure limited the impact of these projects as they make reaching these populations challenging and costly. It is important for interventions seeking to extend the usage of DFS to address the infrastructural challenges that limit the relevance of these digital solutions and in turn affect adoption.

# SUSTAINABILITY

The evaluation also assessed the programme's sustainability, that is, the extent to which the impact of the interventions is likely to continue beyond the end of the Branching Out programme. This section assesses the changes that the Branching Out programme has resulted in at the local, institutional and policy levels which can bring about sustainable changes to broadening financial inclusion for bottom of the pyramid communities in Rwanda, Sierra Leone and Zambia, that will likely continue beyond the programme. As such, this section also explores the areas that exhibit the potential for enhanced sustainability of the programme as well as the risks to sustainability.

## Sustainability at the local level

**At the local level, it is too early to understand the potential sustainability of the impact of the intervention activities.** There is emerging evidence that the funded partners have contributed to increased availability and ease of access of formal financial products and services. The use of DFS and agent-assisted financial transactions has resulted in positive outcomes which may contribute to the sustainability of the extended access to formal financial products and services for the targeted populations. For example, FINCA has established an agent network in various geographies in Zambia which has encouraged a shift in the use of mobile wallets. This

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may have an impact on sustainability as clients are able to adopt and use financial products and services without the barrier of distances to banks and ATMs. FINCA's sustainability strategy includes the recruitment of more agents to extend the number of people reached as well as adding a wider range of services beyond transactions and savings such as bill payments, e-purchases using agents. However, cash plays a strong role in countries such as Zambia and this means that continued financial literacy training is required as clients are likely to fall back to relying on cashing in and out instead of the extended benefits of digital financial products and services. This highlights the need for continued implementation to build the financial capabilities and contribute to improved financial behaviours that will encourage active usage and enable sustainability of local level outcomes.

**The lifespan of the supported projects, which is between two and three years, is considered by many stakeholders to be relatively short when compared to other grant making projects that seek to address barriers that lead to the financial exclusion of marginalised populations. Additionally, it is also a short time for FinTechs to realise commercial viability of their digital innovations (this typically takes three to five years depending on the solution) which makes it challenging to justify further support for particular products and services.** According to the stakeholder consultations, the limited timeframe is also too short to achieve anticipated results in interventions seeking to contribute to positive financial behaviour change in order to encourage the adoption and usage of formal financial services. These intervention activities may take a longer time to materialise. For projects that targeted beneficiaries in the agricultural value chain, such as the project implemented by GNA, the outcomes emerging from this are expected to take time given the seasonal nature and the unique challenges that the sector faces.

## Sustainability at the institutional level

**The sustainability of the projects that the Branching Out programme has supported appears to be positive across the portfolio of funded partners. In some cases, the funded partners developed core financial products and services that will continue to be offered beyond the programme.** Although the Branching Out programme did not have a stated objective to support organisations and/or projects that have potential to continue beyond the funding period, the evaluation found that the funded partners intend to continue with project implementation and scale up some product and service delivery. The main aim of this is to build on the impact achieved to date and strengthen their sustainability strategies.

The majority of the funded partners are not-for-profit organisations (NPOs) or non-governmental organisations (NGOs). The nature of these organisations is that they rely on donor funds and as a result, their interventions are usually not sustainable by design. However, **the funded partners are reputable organisations who have been implementing financial inclusion programmes for a significant time period and can sufficiently raise funding.** It might be easier for larger partner organisations such as UNCDF to access other funding sources whereas smaller NGOs such as GNA might find it more challenging. In order to support funded partners, the Branching Out programme will need to be intentional about sharing learnings about the supported projects throughout the financial inclusion ecosystem. This will increase visibility of the project outcomes and has the potential to attract future funding for the partners.

On the other hand, **social development projects that are implemented by for-profit organisations such as FINCA and GNA are more likely to be sustainable as these projects have a better chance of continuing their activities beyond the Branching Out programme.** These organisations are permanent actors in the financial inclusion market and there is willingness to continue to invest in their interventions. For example, FINCA has implemented a sustainability strategy to continue to extend its agent network beyond the Branching Out programme.

Lastly, some of the projects experienced delays in implementation or had to revise their project approaches due to the COVID-19 pandemic. According to the stakeholders consulted, **the provision of no-cost extensions**

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**enabled funded partners to continue the implementation of intervention activities.** These extensions provided the funded partners with an opportunity to achieve outcomes that can contribute to the sustainability of their interventions and attract funding to extend their impact.

## Sustainability at the policy level

**Generally, engaging with policymakers and regulators requires long term programming as changes at the policy level are slow and can affect the sustainability of an intervention.** However, the Branching Out programme's funded partners have contributed to building the capacity of government ministries and increased their focus on the provision of technical assistance and financial support to FinTechs that are developing DFS that have the potential to reach unbanked and excluded populations in a short period of time. As discussed in *the section above - INDICATION OF IMPACT*, there is evidence of some components of the various interventions being adopted and/or supported by the government to ensure there is continuation going forward. **Given the adoption of intervention activities and financial commitment to creating an enabling environment, there are limited risks to sustained implementation of these project activities as the government's active involvement shows the prioritisation to adopting and/or scaling these.**

# CONCLUSION AND RECOMMENDATIONS

## Conclusion

The evaluation concludes that the objectives and activities of the Branching Out Programme were largely relevant to the needs and goals of both funded partners and project beneficiaries. Comic Relief and JOA's approach to grant making provided funded partners with the freedom to design interventions based on their expertise, experience and extensive understanding of the needs of beneficiaries in the countries of focus. This ensured that the projects designed were relevant to the local context and relevant to addressing the challenges of financial exclusion. In addition, the Comic Relief and JOA programme teams' flexibility allowed funded partners to adapt programmes where necessary and ensured that the funding remained relevant to the funded partner organisations' needs and goals. This in turn meant that the interventions remained relevant to the needs and goals of beneficiaries. Further, the evaluation found that the majority of partners conducted some form of needs assessment, whether it be in the form of pre-implementation research, scoping studies and stakeholder consultations. This was an exercise of good practice in the design of the various interventions and ensured that relevance was further inscribed in the various supported projects.

In terms of efficiency, the evaluation found that the COVID-19 pandemic limited the ability of the majority of funded partners to execute their projects efficiently. Some projects have not yet concluded and have obtained no-cost extensions largely due to the impact of the COVID-19 pandemic on project implementation. In the advent of the COVID-19 pandemic, many projects could not continue with activities like convening savings groups, conducting field visits and providing certain services. The evaluation found that, despite the pandemic and staff turnover at both Comic Relief and JOA, the Branching Out programme team has administered the grants with efficiency. Funded partners across the board have praised Comic Relief and JOA for their exceptionally responsive, flexible and empathetic approach to grant management. All in all, the majority of funded partners were highly satisfied with the engagement they had with the Branching Out programme team.

Recognising that the majority of projects have not yet been completed and as such the outcomes and impact of the activities of these projects are still forthcoming, the evaluation concludes that the majority of programme activities have contributed to broadening financial inclusion for bottom of the pyramid communities, especially women. The variety of interventions tackling financial inclusion at various levels coupled with the selection of

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strong implementing partners with excellent track records of delivering financial inclusion initiatives greatly contributed to realising the impact of the overall programme. The vast majority of partners delivered interventions that served large populations of socially and geographically marginalised people in Rwanda, Sierra Leone and Zambia. A number of projects garnered significant interest from key stakeholders in the financial inclusion ecosystem such as large traditional FSPs, MNOs, government ministries and financial sector regulators. They thus have the potential to generate even further impact beyond the timeframe of these projects. Further, the Branching Out programme funded projects that not only aimed to create demand and supply of DFS but that also directly engaged regulators in order to influence the development of regulatory environments that foster the development of new DFS that serve marginalised populations. Through this, the Branching Out programme further amplified both impact and sustainability of financial inclusion initiatives in these ecosystems.

## Recommendations

### Strategic recommendations

- **The Branching Out programme should articulate the impact of its programming beyond financial inclusion to account for differences in strategic priorities between Comic Relief and JOA.** The funding of financial inclusion interventions within Comic Relief can consider financial inclusion as a broader focus to other objectives such as improvements in the livelihoods of women in key sectors such as entrepreneurship and agriculture. For example, the Branching Out programme funded some projects such as UNCDF's refugee projects and the GNA SHF-focused interventions which included a holistic approach to addressing the different barriers that not only affect financial inclusion but also the economic activities of the targeted beneficiaries. As a result, the projects not only contributed to financial exclusion but also had an impact on the improved livelihoods for marginalised populations. By articulating the more holistic impact of the Branching Out programme, Comic Relief can justify funding financial inclusion projects as they have the potential to address the overall wellbeing of targeted communities.
- **Comic Relief and JOA should continue funding programmes that implement a holistic approach to addressing various issues affecting marginalised populations.** The Branching Out programme has funded some projects that have included support to marginalised populations across different areas. For example, UNCDF provided access for credit, digital and financial literacy and business management training to its beneficiaries. GNA also supported farmers across all stages of the value chain by providing access to inputs, credit and markets. By providing holistic support, these projects have not only contributed to increasing and/or improving financial inclusion but have influenced the economic position and livelihoods of the targeted communities thereby enabling them to adopt and use formal financial services which impacts the sustainability of the intervention's activities.
- **Comic Relief and JOA can better incorporate the mainstreaming of gender from their strategy formulation through to programming activities in future programmes.** The funded partners, Comic Relief and JOA were all committed to reaching women through the provision and use of formal financial services that contribute to the financial inclusion of women, especially those that are geographically marginalised. While the Branching Out programme reached women through the various interventions, gender was not mainstreamed into programme activities. There are specific challenges that affect the financial inclusion of women which need to be considered during the design and implementation of programmes, as outlined in Box 4 below.

#### **Box 4: Challenges specific to women**



- *Lack of mobile phones:* Targeting rural women using digital solutions is challenging as a large proportion of them do not own mobile phones. Additionally, the majority of these populations are not educated which affects their ability to fully use digital solutions.
- *Traditional and cultural norms:* Women typically do not participate in household and financial decision-making which affects the adoption and usage of formal financial services.
- *Convenience of cash:* Women typically perceive cash to be more convenient than money stored in a wallet or in a bank account as it is easily accessible for daily needs.

The following are ways through which gender mainstreaming can be achieved in future programmes:

- At a **strategic level**, programmes need to consider gender throughout their strategy and not just at the activity or output levels. Gender outcomes should be clearly articulated in the programme's vision, incorporated throughout the programme's theory and results management framework, and worked into all aspects of the programme design.
- At the **funded partner level**, requiring partners to collect sex-disaggregated data should not be a tick-box exercise. Funded partners should be encouraged to make use of the sex-aggregated data to inform gender appropriate interventions. For Comic Relief, having well documented sex-disaggregated data also provides scope for the programme to focus on sectors that are known to have a livelihood impact, on women in particular.
- At the **policy and regulation level**, programmes seeking to create an enabling environment should encourage gendered impacts of policy and regulatory changes in the engagement of policy makers and regulators.

## Operational Recommendations

- **The provision of grants is more impactful when combined with technical assistance.** The Branching Out programme was successful in identifying organisations that are able to implement projects with interventions that contributed to positive outcomes. Should Comic Relief and JOA continue to intervene in the financial inclusion space, we recommend that investments are made to provide technical assistance to funded partners. The technical assistance such as expert advice from the programme managers, provided to funded partners in the early years of the programme was considered to be beneficial to the relevance and effectiveness of projects. However, the Branching Out programme did not provide technical assistance to all funded partners. This could be streamlined across the portfolio of partners and phased appropriately throughout the lifespan of a programme. For example, at the beginning of a project, some technical assistance can be provided to allow the programme team to better understand the funded partners' priorities and capabilities. If necessary, this can be followed by more focused technical assistance during project implementation.
- **A flexible approach to grant management should be continued.** Programmes are implemented in complex and dynamic environments where constant changes occur at national, institutional and community/beneficiary levels. While sticking to a proposal plan is valuable in that it provides guidance, being rigid about changing market/institutional conditions or failure to adapt implementation based on learning can lead to project failure. Comic Relief and JOA's flexibility around grant disbursements supported the effective implementation of the supported projects. Therefore, allowing funded partners to adjust their activities from the proposal when necessary is an element of programme management that should be continued in future programmes. The evaluation found that the use of non-cost extensions is an effective way of ensuring that funded partners can continue their intervention activities thereby providing them with an opportunity to reach their targets, achieve their intended outcomes and implement a sustainability strategy that will ensure continuity and impact post-funding.

In order to reduce the potential risk of project inefficiencies, the adjustment to project targets, design and approaches should be formalised and assessed on a case-by-case basis. Future programming



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should consider developing a standardised process for evaluating the legitimacy of grant extensions and target revision requests. This standardisation can be developed by ensuring programmes have pre-determined strategic goals and objectives with intended outcomes outlined in a predefined ToC. Thus, when requests are made by grantees to revise their project design and/or approaches, these revisions can be assessed to see how they might impact the attainment of the programme's wider goals and objectives. Additionally, the assessment of the viability of target revisions can use a target value-for-money (VFM) figure that should be maintained per beneficiary reached during project implemented. This value can be calculated by dividing the total grant amount awarded to a project by the total number beneficiaries the project intends to serve. For future programmes, a maximum VFM figure can be determined upfront so that when target revision requests are made by grantees these requests can be assessed in relation to the predetermined VFM target.

- **Consider longer grant time periods depending on the project type, nature of the intervention and expected impact.** Given the multi-dimensional nature of the challenges faced by marginalised populations, it is important to support integrated programming that seeks to address challenges affecting financial inclusion. However, in order to understand the emerging impact, future programmes should consider supporting funded partners over a longer period of time. According to stakeholder consultations, two to three years of project implementation is often insufficient – depending on the type of intervention – to build a sustainability strategy to ensure long term impact. For example, for projects supporting FinTechs, two to three years is not a sufficient time to realise commercial viability of their digital innovations (this typically takes three to five years depending on the solution) which makes it challenging to justify further support for particular products and services.

Comic Relief and JOA should therefore consider increasing the length of their grants to take place over a longer period of time as this will give funded partners enough time to implement effectivity, track progress, realise the intended outcomes for their interventions and design a sustainability strategy.

- **Ensure a comprehensive MEL plan is implemented across all supported projects.** A finding from this evaluation is the lack of comprehensive indicator tracking at the project level and at an aggregated programme level which makes it difficult to draw conclusions on the Branching Out programme's quantitative achievements against intended objectives.
- **For multi-country and integrated programming, cross-country and partner learning is essential.** The Branching Out programme's funded partners indicated that they could have greatly benefited from cross-country learnings and opportunities to connect with other organisations working in the sector. Future programmes would benefit from collective learning initiatives, such as internal webinars or workshops, to facilitate knowledge sharing amongst funded partners and ecosystem players, and from a joint platform or webpage to act as a repository for information on the programme, funded partners and the supported projects. This would help to ensure that new linkages are formed, possibilities for joint advocacy and partnerships are opened and learnings from project implementation are captured and shared.

In addition, funded partners suggested that Comic Relief and JOA should leverage any expertise and/or experience to connect partners with the right knowledge or resources required to execute their projects and beyond. During the earlier years of the programme, some of the funded partners benefited from support from the programme managers. Given the important implementation role that programme managers fulfil, the evaluation recommends that an effective staff retention strategy or efficient handover process is implemented to ensure continuity in the support provided to funded partners.

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- **There should be greater emphasis placed on increasing the visibility of programmes using strategic communication.** There was a missed opportunity under the Branching Out programme to leverage Comic Relief's strong communications infrastructure to increase the visibility of the programme, funded partners and the supported projects in the broader financial inclusion ecosystem. Doing so would contribute to sharing programme learnings with a broader audience but also supporting funded partners seeking further funding beyond a programme. Having structures of knowledge sharing both internally and externally would be beneficial as this would facilitate capturing and disseminating of learnings emerging from Comic Relief or JOA-funded programmes.

## APPENDIX I: SUMMARY OF FUNDED PARTNERS AND PROJECTS IMPLEMENTED

Project Delivery Country	Partner Name	Project Name	Description	Project Area
Rwanda	UN Capital Development Fund (UNCDF)	Expanding financial access and digital and financial literacy for refugees	This project focused on addressing demand-side, supply-side and policy interventions with the aim of reaching forcibly displaced persons (FDPs) and surrounding host communities with appropriate, convenient and affordable client-centric financial services supported by the provision of targeted financial and digital literacy initiatives.	Banking the Unbanked
		Driving regulatory innovation through FinTech demand	This project focused on supporting the start-up ecosystem with the aim of understanding the policy and regulatory environment governing innovation and the FinTech sector in Rwanda. UNCDF Rwanda focused on engaging the regulator, addressing regulatory barriers and emphasising the FinTech sector's need to access shared payment to shared payment and agent infrastructure.	Technical Assistance
Zambia	UN Capital Development Fund (UNCDF)	UNCDF Proposal Zambia/ Improving Digital Financial in Zambia	This project aimed to address the challenges faced by DFS providers in Zambia from developing and implementing financial products and services. UNCDF Zambia worked with DFS stakeholders to iterate, design and test solutions so that they could prove their commercial viability and unlock private investment.	Banking the Unbanked
		Driving regulatory innovation through FinTech demand	This project aimed to improve the enabling environment for financial sector innovation. UNCDF worked with FinTechs who required regulatory support by building the capacity of regulators so that they can work with FinTechs, and assisting regulators create an enabling environment for testing innovation and obtaining regulatory licenses.	Technical Assistance
	FINCA	Moving the Needle on Financial Inclusion	This project focused on supporting FINCA's business model and the implementation of a new agent model. A tablet-based interface was used to support agents to complete transactions in an offline environment to overcome the barriers to telecommunication infrastructure when moving off the Line of Rail, and, to originate loans from the field and open bank accounts for the first time, services previously requiring clients to enter a physical branch.	Banking the Unbanked

Project Delivery Country	Partner Name	Project Name	Description	Project Area
	Financial Sector Deepening (FSD) Zambia	Client-centric product approaches and randomised control trial (RCT) evidence for financial inclusion	<p>This project explored experimental financial educational methods with traditional chief leadership. The financial inclusion component involved increasing access to appropriate financial services for smallholder farmers (SHFs) by supporting dialogues with government and private sector and expanding savings group coverage in Luapula Province. FSDZ conducted a RCT to prove the effectiveness of traditional leadership in financial inclusion in rural communities.</p> <p>Additionally, the project included a FinClient Centric Cycle (F3C) that aimed to increase the number of unserved and underserved households accessing formal financial services. FSDZ supported the development, testing and delivery of client-centric products by formal FSPs, delivering financial education, influencing the speed of approval of financial products by regulators and incorporating human-centred design (HCD) in product or service design and delivery.</p>	Banking the Unbanked
		Digitising agriculture payments and value-added services of smallholder farmers	The project aimed to increase access and use of digital agriculture payment and value-added services to SHFs in the cotton and horticulture value chains by digitising payments and payment infrastructure. Additionally, the project included a financial literacy and education component that targeted women SHFs to reduce the gender gap that exists in uptake of DFS.	Digital Financial Services
		COVID-19 cash shake-off and savings group protection	This project included two components: 1) Research on the operations of savings groups during the COVID-19 pandemic to inform the expansion of DFS that can support these groups to survive and thrive during shocks, and, 2) A cash shake-off that focused on distributing mobile handsets and mini-chargers to women and vulnerable households that were used to deliver health information about COVID-19 and financial education with a focus on the use of mobile money.	COVID-19 Resilience Initiative
	Toronto Learning Centre (TLC)	Promoting financial inclusion and stability to advance sustainable economic development	TLC conducted regulatory interventions that focused on engaging stakeholders such as the Bank of Zambia, Pensions and Insurance Authority, and Securities and Exchange Commission. The project supported the three regulators in moving toward a risk-based supervision instead of a compliance-based regulation. The aim of the project was to create a regulatory environment which opens the market up to new actors based on a more measured approach.	Technical Assistance
	Good Nature Agro (GNA)	Depth Catalysing Scale: Deepening financial engagement in a seed outgrower to prepare for growth	Through this project, GNA launched mobile money solutions and provided training on financial literacy in collaboration with FINCA Zambia. GNA facilitated SHF access to formal saving accounts at FINCA, farmers were enabled to save or deposit money safely, while financial literacy trainings sought to empower them to make sound financial decisions and targeted saving plans for their income. Additionally, GNA provided flexible payment schemes, farmers also had a constant flow of revenue so they did not have to fall back on predatory loans.	Digital Financial Services
		Offline Digital Services for Farmers: Innovations for the financial inclusion of farmers	This project aimed to improve access to relevant financial services for 9,500 smallholder farmers in the face of the instability and threat of COVID-19. The smallholder farmers were provided with access to an offline affordable transaction account, relevant insurance products, and financial literacy training paired with	COVID-19 Resilience Initiative

Project Delivery Country	Partner Name	Project Name	Description	Project Area
			COVID-19 health messaging.	
Sierra Leone	Overseas Development Institute (ODI)	ODI Fellowship Scheme	This project placed early career economists in Sierra Leone to carry out analytical work in financial inclusion for the poor by placing them in government positions. The ODI Fellows were fully embedded in government ministries to improve the policy environment. The aim of these placements was to improve policy that will in turn increase opportunities for poor rural communities to access financial services.	Technical Assistance
Rwanda, Zambia, Sierra Leone	TLC	Financial sector inclusion and resiliency	This project focused on building the capacity of supervisory authorities post COVID-19 to implement appropriate supervisory frameworks and practices to promote responsible financial sector development to help vulnerable populations. The project also involved research on how COVID-19 has affected the face-to-face delivery of financial services to vulnerable populations.	COVID-19 Resilience Initiative
	Accion	FinTech Resilience in COVID-19	This project included global research that focused on improving the resilience of FinTechs during the COVID-19 pandemic. Accion conducted surveys and engaged with FinTechs to understand the strategies FinTechs adopted to sustain the delivery of service to the bottom of the pyramid populations. The aim of this research was to support FinTechs to access investment and expertise to enable FinTechs to expand access to financial services to unserved and underserved populations.	COVID-19 Resilience Initiative
Worldwide	Accion	Inclusive FinTech 50 (IF50): Emerging FinTechs for financial inclusion	This project focused on supporting promising early-stage FinTechs that serve unbanked and underserved populations to become more visible to investors by hosting regional events and investor roundtables. Additionally, Accion used the data gathered from the supported FinTechs to conduct knowledge sharing with the aim of providing the financial inclusion sector with better data which would contribute to promoting greater and more impactful investment in FinTechs.	Digital Financial Services

*Note: This evaluation only focuses on the projects implemented in Zambia, Rwanda and Sierra Leone and does not cover the worldwide projects*

## APPENDIX II: EVALUATION MATRIX

Focus Area	Evaluation Questions	Secondary data	Primary data	
		Desktop, document and data review	KIIs	Online peer learning workshop
Relevance	Were the various projects and their respective interventions suitable for the goal of increasing and improving financial inclusion in Rwanda, Sierra Leone and Zambia?	x	x	x
	How inclusive and participatory were the supported projects (where applicable)? What were the key features at the design, launch, decision-making and delivery stages?	x	x	
	How effectively did Comic Relief and JOA respond to the COVID-19 pandemic, both through the management of the existing grants and through making additional grants to respond to urgent needs and opportunities arising from the pandemic?	x	x	
	How appropriate was the funding and technical assistance provided to funded partners?	x	x	
	What is the wider benefit of the programme on the funded partners (and their delivery partners, where applicable)? Has the programme influenced their capacity and operations?	x	x	x
Effectiveness	What outcomes have been achieved at the policy, institutional and local level in Rwanda, Sierra Leone and Zambia?	x	x	x
	What have been the key factors leading to successful outcomes for bottom of the pyramid communities?	x	x	x
Efficiency	Have each funded partners' project activities been executed on time, as expected, and at meeting the quality expectations?	x	x	
	How was the programme application process as per the funded partners' experience?		x	
	To what extent were projects implemented according to the proposal? Did funded partners take a 'test and refine' approach to implementation?	x	x	
	To what extent were Comic Relief's systems and processes efficient and effective in collecting data for MEL purposes?	x	x	



Focus Area	Evaluation Questions	Secondary data	Primary data	
		Desktop, document and data review	KIIs	Online peer learning workshop
<b>Coherence</b>	How did the programme identify its portfolio of partners to ensure projects complemented those of other stakeholders in the financial inclusion ecosystem?		x	x
<b>Impact</b>	To what extent were the funded partners successful in furthering financial inclusion in Rwanda, Sierra Leone and Zambia particularly with regards to bottom of the pyramid communities, digital financial services, and the growth of policy environments conducive to greater financial inclusion?	x	x	x
	Are there possible avenues of expansion of financial inclusion programming in both countries? If so, what do these look like?		x	x
	What are the beneficial-level outcomes of the projects?	x	x	x
<b>Sustainability</b>	How sustainable is the programme at the individual project level? To what extent will the work realistically continue beyond the funding period?	x	x	x
	What evidence is there that the changes in financial inclusion achieved at the policy, institutional and local level will be sustained over the long term?	x	x	x
	What is the continued need for support and investment in this space? How should funders/policy makers respond?		x	x
	What does quality and effective service delivery look like when supporting bottom of the pyramid communities to increase their access to financial services?		x	x
	What are the conditions that can foster effective and active engagement between bottom of the pyramid communities, supervisory bodies and FSPs?		x	x
<b>Ecosystem level learnings</b>	Is there a continued need for support and investment in the financial inclusion space? How should funders or policy makers respond to this need?			x
	What conditions are required for engagement between FSPs, regulators and bottom of the pyramid communities?			x
	What is quality and effective service delivery when supporting bottom of the pyramid communities to increase access to financial services?			x

## APPENDIX III: DATA AND DOCUMENT LIST

<b>Programme Level Documents</b>	
<b>Name</b>	<b>Year</b>
Branching Out funded partners contact details	2022
Original - Comic Relief Partnership Agreement Signed 070917	2022
<b>Branching Out MEL Framework</b>	
CR JOA - Participatory M&E Approach	2018
JOA MEL Plan	2018
JOA Output Tracker	2022
MEL at Comic Relief	2019
MEL Framework	2021
RND19 log frame	2021
<b>Branching Out Programme initiation</b>	
2.5 Jersey Overseas Aid Partnership - IGC September 2018.Doc	2021
November Social Investment Committee papers.outlook	2020
<b>Branching Out Annual Reports</b>	
Jersey Overseas Aid Annual Report, 2018	2018
Branching Out: Financial Inclusion at the Margins Annual Report, 2019	2019
<b>2020 Reports</b>	
Branching Out: Financial Inclusion at the Margins Annual Report, 2020	2020
<b>Appendices</b>	
Appendix I - RFP - Branching Out Covid-19 Resilience Initiative	2020
Appendix II - Communications Strategy	2020
Appendix III - BO Phase II - Concept Note Draft 20201016	2020
<b>Financial Report</b>	
Appendix III - BO Phase II - Concept Note Draft 20201016	2020
Appendix III - BO Phase II - Concept Note Draft 20201016	2020
<b>Invoice</b>	
Branching Out Invoice 2020-21	2020
Branching Out Invoice 2020-21	2020
Copy of JOA 2020 Sales Invoice Request Form	2020

<b>Programme Level Documents</b>	
<b>Name</b>	<b>Year</b>
<b>2021 Reports</b>	
Branching Out: Financial Inclusion at the Margins Annual Report, 2021	2021
<b>Appendices</b>	
Appendix I - Resilient and Inclusive Financial Services Delivery During COVID-19	2021
Appendix II - Communications Strategy	2021
<b>Draft Contract</b>	
Branching Out - Draft Extension Contract.Doc	2021
<b>Financial Report</b>	
Annual Financial Report 2021	2021
<b>COVID-19 Programme Design</b>	
2. Panel Papers	2020
3. Peer to Peer Responses 20200715	2020
Update for JOA Board 20200720	2020

## APPENDIX IV: STAKEHOLDER LISTS

### Branching Out programme team - Comic Relief and JOA

Organisation	Stakeholder Name	Role	Contact Email
Comic Relief	Sian Herschel	Interim Branching Out Programme Manager	<a href="mailto:S.Herschel@comicroelief.com">S.Herschel@comicroelief.com</a>
	Emma Frobisher	Evidence and Learning Senior Associate	<a href="mailto:E.Frobisher@comicroelief.com">E.Frobisher@comicroelief.com</a>
	José Morell-Ducos	Portfolio Manager: Financial Inclusion	<a href="mailto:Morellducos.j@gmail.com">Morellducos.j@gmail.com</a>
JOA	Gillian Challinor	Senior Programme Officer	<a href="mailto:g.challinor@joa.je">g.challinor@joa.je</a>
	Rebecca Curtis	Monitoring & Impact Officer	<a href="mailto:r.curtis@joa.je">r.curtis@joa.je</a>

### Branching Out programme funded partners

Country	Organisation	Project Name	Stakeholder Name	Contact Email
Zambia	UNCDF	UNCDF Proposal Zambia	Kilyelyani "Killy" Kanjo	<a href="mailto:kilyelyani.kanjo@uncdf.org">kilyelyani.kanjo@uncdf.org</a>
		Driving Regulatory Innovation through FinTech Demand	Isaac Holly	<a href="mailto:isaac.holly@uncdf.org">isaac.holly@uncdf.org</a>
	FINCA	FINCA Zambia - Moving the Needle on Financial Inclusion	Leslie Enright	<a href="mailto:Leslie.Enright@finca.org">Leslie.Enright@finca.org</a>
			Adam O'Kane	<a href="mailto:Adam.OKane@finca.org">Adam.OKane@finca.org</a>
	FSD	Client-Centric Product Approaches and RCT Evidence for Financial Inclusion	Engwase Mwale	<a href="mailto:Emwale@fsdzambia.org">Emwale@fsdzambia.org</a>
			Mauwa Lungu	<a href="mailto:MLungu@fsdzambia.org">MLungu@fsdzambia.org</a>
		Digitising Agriculture Payments and Value Added-Services of SHFs	Bruce Mushipi	<a href="mailto:Bmushipi@fsdzambia.org">Bmushipi@fsdzambia.org</a>
	COVID-19 Cash Shake-Off and Savings Group Protection			
	GNA	Offline Digital Services for Farmers: Innovations for the Financial Inclusion of farmers	Changwe Kumalinga	<a href="mailto:changwe.kumalinga@goodnatur.eagro.com">changwe.kumalinga@goodnatur.eagro.com</a>
				Depth Catalysing Scale: Deepening Financial Engagement in a Seed Outgrower to Prepare for Growth
	TLC	Promoting Financial Inclusion and Stability to Advance Sustainable Economic Development	Colleen Maclean	<a href="mailto:CMacLean@torontocentre.org">CMacLean@torontocentre.org</a>
			Shelina Visram	<a href="mailto:svisram@torontocentre.org">svisram@torontocentre.org</a>
Rwanda	UNCDF	Expanding Financial Access & Digital and Financial Literacy for Refugees	Roselyne Uwamahoro	<a href="mailto:roselyne.uwamahoro@uncdf.org">roselyne.uwamahoro@uncdf.org</a>
		Driving Regulatory Innovation through FinTech Demand		
Sierra Leone	ODI	ODI Fellowship	James Thalla-Joel	<a href="mailto:j.thalla-joel.fs@odi.org.uk">j.thalla-joel.fs@odi.org.uk</a>

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