



# Global Microscope 2019

## The enabling environment for financial inclusion

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## About this report

The Global Microscope assesses the enabling environment for financial inclusion across 5 categories and 55 countries. In this 2019 edition, the EIU examines how countries are promoting financial inclusion for both women and men, 11 new gender-focused indicators have been added to the framework.

The Microscope was originally developed for countries in the Latin American and Caribbean regions in 2007 and was expanded into a global study in 2009. Most of the research for this report, which included interviews and desk analysis, was conducted between June and September 2019.

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Center for Financial Inclusion at Accion, IDB Invest and IDB LAB.

The complete index, as well as detailed country analysis, can be viewed on these websites:

[www.eiu.com/microscope2019](http://www.eiu.com/microscope2019)

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## Executive summary

The 2019 Global Microscope analyses the practices used by governments and regulators around the world to increase financial inclusion among their populations. The index focuses on the regulatory and policy environments exclusively and does not reflect financial inclusion outcomes. The 2019 Microscope also incorporates a specific gender perspective to better understand how financial inclusion policies affect women differently, and how policymakers can narrow the gender gap in financial inclusion. Although overall access to the financial system has increased, the World Bank's Global Findex shows that the gender gap in access to financial accounts has also increased in Microscope countries over the past decade, on average. To examine how countries are promoting financial inclusion for both women and men, 11 new gender-focused indicators have been added to this edition of the Microscope.

Legal barriers continue to impede women's access to financial services. According to the World Bank's Women, Business and the Law 2019 report, women have three-quarters of the rights that are recognised for men in the average economy. The 2019 Global Microscope considers some of these legal inequalities, as well as the *de facto* barriers related to enablers such as access to national IDs, the Internet and mobile phones.

### Key findings

**The overall enabling environment for financial inclusion has improved globally. Latin America remains the region with the most conducive regulatory and policy environment for financial inclusion.**

While increases in countries' scores across the index provide evidence of more favourable environments for financial inclusion around the world, Colombia, Peru and Uruguay maintained their rankings at the top of the 2019 Microscope. These three countries improved their overall scores, as well as their scores for specific domains.

**Countries continue to adopt financial inclusion strategies and incorporate digital approaches to inclusion.**

One-fifth of the countries included in the 2019 Microscope improved their performance in the area of financial inclusion strategies. Argentina and Costa Rica have both issued new strategies. Russia also issued a national strategy on financial inclusion, which employs a digital approach and includes online resources related to financial literacy and a smartphone-based instant payment system. Honduras's strategy also received credit for a digital approach in 2019, having set goals for e-wallets and other digital financial services.

**Improved frameworks for digital financial services increase certainty for financial innovators.**

Ten of the 55 countries in the 2019 Microscope improved their fintech frameworks. Rwanda passed regulations governing payment system providers, lifted barriers for remote

account opening and established a dedicated unit responsible for cyber-security and data protection. Sierra Leone and Thailand also made progress that increased their scores significantly in this area: Sierra Leone has established a regulatory sandbox for fintech firms, and Thailand's regulators have allowed innovations such as equity crowdfunding for Thai firms. As a result of these efforts, Rwanda, Sierra Leone and Thailand join seven other countries from the previous edition of the Microscope who have frameworks that provide legal certainty for fintech innovations.

#### **Data protection and cyber-security laws are evolving to respond to challenges in the digital era.**

In 2018 and 2019 several countries introduced data protection and cyber-security laws that protect users of financial services. For instance, Vietnam issued a cyber-security law that applies to financial firms, fintech services and e-commerce, as well as Internet services, social networks, IT services and individuals. Uganda's Data Protection and Privacy Act became law in February 2019 and applies to financial service providers as well as other entities. In October 2018 the government of Uruguay issued a data protection law that applies to database owners and data processors in all economic sectors. In Rwanda, the newly established Information Society Authority is implementing data and cyber-security laws and shares data protection and privacy enforcement responsibilities for financial service providers with the central bank.

## **Gender-related findings**

**Men and women have similar legal requirements to open accounts in all but one of the countries in the 2019 Microscope, but few governments actively collect data on women's financial inclusion or include specific actions targeting women in national strategies.**

The 2019 Microscope added 11 indicators to better assess what governments are doing to address the gender gap in financial inclusion. Only one of the 55 countries included in this year's Microscope (Cameroon) places regulatory barriers on women opening accounts. However, few governments take proactive steps to reduce the gender gap in account ownership specifically, and in financial inclusion more broadly. Collecting data on women's use of financial services can help governments to identify factors that prevent women from achieving greater financial inclusion. At present, however, just one-quarter of countries collect and publish comprehensive sex-disaggregated data on demand and supply for financial products (nine countries in Latin America, four in Africa and one in South Asia) Only one-third of countries in the 2019 Microscope include a gender approach in their financial inclusion strategies, and even fewer have set clear, gender-related goals.

**Practical impediments—such as access to ID, the Internet and mobile phones—limit women's ability to take advantage of growing digital channels for financial inclusion.**

Data from the 2019 Microscope and the Global Findex show that women's access to national ID and mobile phones may have an effect in the gender gap in account ownership. In countries where women have better or similar access to ID than men, the average gender gap in account ownership is 8%, compared with an average of

9% for all countries. When women have better or similar access to mobile phones than men, the average gender gap in account ownership is 6%. Furthermore, in countries where women have better access to mobile phones, the average gender gap in account ownership has fallen by 1% since 2011, compared with an overall average increase of 1% across all countries.

**Most countries need to achieve greater gender balance in top decision-making positions at financial-sector regulators.**

In 37 of the 2019 Microscope's 55 countries, women accounted for less than 25% of decision-makers at financial regulators. Women held more than half of these decision-making positions in just one country in the index: Bolivia (where the national parliament also has a female majority). The data on women leaders in financial-sector regulators mirrors data from the private sector. According to a 2016 study by Oliver Wyman (a consultancy), women accounted for just 20% of the membership of financial service boards of directors, and just 16% of executive committee members. The same study noted that at current growth rates, executive committees would not achieve 30% female representation until 2048.

## Overall results

### Overall score

Rank		Country	Score	Change	Rank		Country	Score	Change
1	↔	Colombia	82	+1	=29	▲11	Cameroon	51	+8
2	↔	Peru	80	+2	=29	▲7	Egypt	51	+6
3	↔	Uruguay	76	+1	=29	▲2	Morocco	51	+1
4	▲2	Mexico	74	+4	32	▲2	Trinidad and Tobago	50	+1
=5	▼1	India	71	-1	=33	▲2	Turkey	49	+1
=5	▼1	Philippines	71	-1	=33	▲4	Vietnam	49	+5
=7	▲2	Argentina	70	+6	=35	▼4	Ghana	48	-2
=7	↔	Indonesia	70	+1	=35	▼12	Jamaica	48	-6
9	↔	Brazil	69	+5	37	▼10	Senegal	47	-5
10	▲1	Rwanda	68	+6	38	▼1	Nicaragua	45	+1
=11	▼3	Chile	65	-1	39	▲2	Nepal	44	+4
=11	▲2	China	65	+4	=40	▲7	Madagascar	43	+7
=13	▲10	El Salvador	63	+9	=40	▼21	Nigeria	43	-13
=13	▼2	South Africa	63	+1	42	▼16	Sri Lanka	42	-11
15	▼1	Tanzania	62	+2	43	▲1	Guatemala	41	+2
16	▼2	Paraguay	61	+1	44	▲6	Lebanon	40	+7
17	▲13	Costa Rica	58	+7	45	▼1	Ethiopia	39	0
18	↔	Bolivia	57	0	46	▼5	Bangladesh	38	-2
=19	▼3	Panama	56	-3	=47	▼3	Cambodia	37	-2
=19	▲8	Russia	56	+4	=47	▲1	Uganda	37	+3
21	↔	Pakistan	55	0	49	▲3	Haiti	34	+8
=22	▲15	Dominican Republic	54	+10	=50	n/a	Côte d'Ivoire	33	n/a
=22	▼1	Honduras	54	-1	=50	▲1	Myanmar	33	+2
=22	▲1	Kenya	54	0	52	▼4	Venezuela	32	-2
=22	▼6	Thailand	54	-5	53	▼12	Tunisia	30	-10
=26	▼7	Ecuador	53	-3	54	▼1	Sierra Leone	28	+6
=26	▲1	Mozambique	53	+1	55	▼2	DRC	21	-1
28	▲3	Jordan	52	+2					

## Introduction

The 2019 Global Microscope analyses the policies used by governments and regulators around the world to increase financial inclusion among their populations. Informed by the vision of the Center for Financial Inclusion at Accion (CFI), the Microscope defines financial inclusion as access to a full suite of quality financial services for customers who possess financial capability, provided via a diverse and competitive marketplace. The Microscope covers five domains:

1. **Government and Policy Support**
2. **Stability and Integrity**
3. **Products and Outlets**
4. **Consumer Protection**
5. **Infrastructure**

The 2019 Microscope also incorporates a specific gender perspective to better understand how financial inclusion policies affect women differently, and how policymakers can narrow the gender gap in financial inclusion. Although overall access to the financial system has increased, the World Bank's Global Findex shows that the gender gap in access to financial accounts has also increased in Microscope countries over the past decade, on average. To examine how countries are promoting financial inclusion for both women and men, 11 new gender-focused indicators have been added to this edition of the Microscope.

While a number of factors contribute to differences in access to financial services between women and men, the 2019 Microscope's gender-focused indicators seek to document how policy and regulatory approaches to financial inclusion (e.g. national

strategies), as well as factors that enable women to take advantage of new channels into the financial system (e.g. access to the Internet), contribute to or diminish this persistent gender gap. The 11 indicators measure the following:

1. Government collection of sex-disaggregated financial inclusion data
2. Inclusion of a gender approach in national financial inclusion strategies
3. Inclusion of a gender approach in financial literacy strategies and programmes
4. Inclusion of a gender approach in digital literacy strategies and programmes
5. Women's participation in decision-making at financial regulators
6. Non-discrimination in account opening
7. Diversity programmes for non-banking or correspondent agents
8. Gender gap in access to national identification (ID)
9. Non-discrimination in access to national ID
10. Gender gap in Internet access
11. Gender gap in access to a mobile phone

These indicators are spread across the Microscope's five domains but are mostly concentrated within the Government and Policy Support domain and the Infrastructure domain.

Legal barriers continue to impede women's access to financial services. According to the World Bank's *Women, Business and the Law 2019* report, women have three-quarters of the rights that are recognised for men in the average

**Table 1. Gender disparities in access to national ID, the Internet and mobile phones**

Among the 55 countries in the Microscope, men's access to the following key enablers outpaces women's access:

 National identification system	 Internet	 Mobile phone
21 countries	41 countries	34 countries

economy.<sup>1</sup> Limitations on women's movements, ability to get a job, opportunities to start a business and other rights inevitably affect their ability to participate in the formal financial system. The World Bank's report examined reforms undertaken between 2008 and 2017 to improve gender equality and found that progress was slowest in recognising women's legal rights to manage assets. This indicates that women still face important legal barriers to participating in the financial system on an equal footing with men.

The 2019 Global Microscope considers some of these legal inequalities in its analysis of the environment for financial inclusion in 55 countries around the world. It also analyses other potential de facto barriers that might affect potential users of digital financial services such as disparities in access to national ID, the Internet and mobile phones (see Table 1). While relatively few countries impose legal restrictions on women's access to these key enablers, these disparities persist. For example, in legal terms, women and men have the same access to national ID in all but five of the 55 countries in the index (Cameroon, Egypt, Haiti, Pakistan and Tunisia). Despite this, men's access to national

ID, the Internet and mobile phones continues to outpace women's in a majority of the countries in the index.

Women also have less access to financial accounts than men, again despite a general lack of legal impediments. Although Cameroon was the only country in the 2019 Microscope where legal requirements for opening an account are different for women and men, the average gender gap in access to financial accounts in Microscope countries remains at 9%, according to the Global Findex.

As financial inclusion policy shifts its focus towards the promotion of digital financial services, regulators and policymakers must address this digital gender gap or risk contributing to even greater disparities in access to financial services between women and men. Although nearly four-fifths of countries in the Microscope have strategies or initiatives to promote digital literacy, only one-fifth incorporate a gender approach into these programmes.

Providing access to digital tools, and developing individuals' capability to use these tools, are important determinants of financial inclusion, but they also introduce new risks for low-income populations. In Kenya, for example—a pioneer in mobile money—the 2019 FinAccess Household Survey found that reports of individuals losing money due to fraud or user

<sup>1</sup> World Bank Group. 2019. "Women, business and the law 2019." [https://openknowledge.worldbank.org/bitstream/handle/10986/31327/WBL2019.pdf?sequence=4&isAllowed=y]. The report examines 187 economies, with scores ranging from 25.63 (where women have approximately one-quarter of the rights of men) to 100 (full equality).

error were highest for mobile money, compared with other financial institutions.<sup>2</sup> For consumers who connect to the formal financial system for the first time via digital financial services, negative experiences can affect their trust in those specific channels and the broader financial system.

As the landscape for financial inclusion continues to evolve, and as financial service providers adopt new technologies and approaches, governments will need to implement policies to ensure that potential users develop the necessary capabilities and possess key enablers to access and use these products (such as national ID and mobile phones). This includes developing and implementing policies specifically designed to address gender disparities in access to these enablers. To support this effort, the 2019 Global Microscope examines the policy and practice of financial inclusion, and countries' use of gender-specific approaches, in order to identify ideas and initiatives that promote more equitable access to the financial system for low- and middle-income individuals, and for women in particular.

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<sup>2</sup> FinAccess. 2019. "2019 FinAccess household survey." [<https://s3-eu-central-1.amazonaws.com/fsd-circle/wp-content/uploads/2019/04/09103904/2019-FinAccess-Report-13-06-2019.pdf>].

## Key findings

### **The overall enabling environment for financial inclusion has improved globally. Latin America and the Caribbean remain the region with the most conducive regulatory environment and infrastructure for financial inclusion.**

While increases in countries' scores across the index provide evidence of more favourable environments for financial inclusion around the world, Colombia, Peru and Uruguay maintained their rankings at the top of the 2019 Microscope. These three countries improved their overall scores, as well as their scores for specific domains.

Colombia ranked first overall in the 2019 Microscope. Compared with its scores in the previous edition of the Microscope, Colombia showed improvement in the Stability and Integrity and Product Outlets domains. Recent changes have lifted prior restrictions on the activities of banking and non-banking institutions related to remote account opening and customer due diligence (CDD) requirements. These changes have allowed financial institutions to issue simplified accounts with similar requirements than those imposed on firms specialised in electronic deposits and payments (SEDPEs).

Peru ranked second overall in the 2019 Microscope. Compared with its scores in the previous edition of the Microscope, Peru showed the greatest improvement in the Consumer Protection domain—specifically, for its data protection framework for financial customers, which is enforced by a specialised agency housed in the Ministry of Justice. Colombia and Uruguay also performed well on data protection, contributing to score increases

in the Consumer Protection domain for both countries. In Colombia, data protection is overseen by both the competition regulator and the financial-sector supervisor. In Uruguay, a new law was implemented in 2019 that expanded its data protection regime.

Uruguay ranked third overall in the 2019 Microscope. Compared with its scores in the previous edition of the Microscope, Uruguay showed the greatest improvement in the Infrastructure domain. Women in Uruguay now have as much access to the Internet as men, and they have slightly better access to mobile phones and the national ID system than men. Access to these enablers ensures that women can take advantage of new digital financial service offerings in the country. However, Uruguay still lacks an automated know-your-client (KYC) system, which would facilitate the adoption of digital financial services by both women and men.

Overall, the average scores for the 55 countries included in the 2019 Microscope increased across four of the five domains included in the study. Government and policy support was the only domain where the average score decreased, driven down by the inclusion of new gender indicators. This demonstrates that there are opportunities for improvement in integrating a gender component into financial inclusion efforts worldwide. For example, while three-quarters of the countries in the 2019 Microscope collect some data on financial inclusion, only one-quarter disaggregate that data by gender. Across all the countries included in the 2019 Microscope, Chile (ranked 11th overall) stands out as the only country to have collected this kind of data for more than a decade (see Box 3).

## In focus: **Government and policy support**

The government and policy support category assesses the degree of coordination and the incentives that governments are putting in place to create favorable environments for financial inclusion.

### 1. Government and policy support

Indicator #	Indicator name	Sub-indicator #	Sub-indicator name	Question name
1.1	Broad strategies for financial inclusion	1.1.1	Intra-governmental cooperation, strategy and implementation	Evidence of intra-government coordination and implementation
1.1	Broad strategies for financial inclusion	1.1.2	Intra-governmental cooperation, strategy and implementation	Data collection by the government
1.1	Broad strategies for financial inclusion	1.1.3	Intra-governmental cooperation, strategy and implementation	Evidence of intra-government coordination and implementation
1.1	Broad strategies for financial inclusion	1.1.4	Target agent network	Strategy to expand agent networks
1.2	Promotion of financial and digital literacy	1.2.1	Financial literacy	Support for financial literacy and/or strengthening capabilities
1.2	Promotion of financial and digital literacy	1.2.2	Digital literacy and strengthening capabilities	Support for digital literacy and/or strengthening capabilities
1.3	Incentives for digitisation and emerging technologies	1.3.1	Government payments (G2P and P2G)	Initiative for digitisation of government payments (G2P and P2G)
1.3	Incentives for digitisation and emerging technologies	1.3.1	Government payments (G2P and P2G)	Percentage of G2P recipients that receive payments into an account
1.3	Incentives for digitisation and emerging technologies	1.3.1	Government payments (G2P and P2G)	Online portal for P2G or B2G digital payments
1.3	Incentives for digitisation and emerging technologies	1.3.2	Fostering innovation	Approach to authorization and oversight of financial innovation

Compared with their scores in the previous edition of the Microscope, Pakistan and Argentina showed the greatest improvement in the Government and Policy Support domain in 2019. Pakistan has revised its financial inclusion strategy, with an emphasis on digital payments, and Argentina has issued a draft of its financial inclusion strategy (after nearly two years in development). Both countries' strategies

also include a gender focus. In Argentina's case, maintaining a gender perspective is a cross-cutting objective in the strategy, and the government has already taken steps to develop and measure sex-disaggregated financial inclusion indicators and to push forward a gender parity initiative in the national government. Pakistan's strategy includes initiatives designed to increase women's

financial literacy and capabilities, specific goals for account uptake among women (20m digital accounts) and a specialised refinancing facility for women entrepreneurs.

In the Stability and Integrity domain, the average score increased in the 2019 Microscope compared with the 2018 edition. Rwanda and Uruguay led the index in this area, thanks to proportionate market entry requirements such

as ownership rules, initial capital requirements, and licensing and operating requirements (e.g. the number of branches) for banks, non-bank financial institutions, e-money issuers and cross-border payment providers. Overall, about one-fifth of the countries in the index had proportionate market entry requirements for these institutions, and a similar number had proportionate ongoing operating requirements.

## In focus: **Stability and integrity**

The stability and integrity domain assesses the regulation, supervision and monitoring of financial services providers that serve low and middle-income populations, to ensure prudential stability and financial integrity. The assessment prioritizes a risk-based approach so that regulation does not unnecessarily inhibit market entry for products that can advance financial inclusion.

### 2. Stability and integrity

Indicator #	Indicator name	Sub-indicator #	Sub-indicator name	Question name
2.1	Market entry	2.1.1	Market entry restrictions for banks	Disproportionate initial requirements for banks
2.1	Market entry	2.1.2	Market entry restrictions for non-bank financial institutions	Disproportionate initial requirements for non-bank financial institutions
2.1	Market entry	2.1.3	Market entry restrictions for e-money issuers	Disproportionate initial requirements for e-money issuers
2.1	Market entry	2.1.4	Market entry restrictions for cross-border payment providers	Disproportionate initial requirements for cross-border payment providers
2.2	Ongoing requirements	2.2.1	Ongoing requirements for banks	Disproportionate ongoing requirements for banks
2.2	Ongoing requirements	2.2.2	Ongoing requirements for non-bank financial institutions	Disproportionate ongoing requirements for non-bank financial institutions
2.2	Ongoing requirements	2.2.3	Ongoing requirements for e-money issuers	Disproportionate ongoing requirements for e-money issuers
2.2	Ongoing requirements	2.2.4	Ongoing requirements on cross-border payment providers	Disproportionate ongoing requirements for cross-border payment providers
2.3	Customer due diligence	2.3.1	Risk-based AML/CFT framework	Harmonised framework with FATF guidelines
2.3	Customer due diligence	2.3.2	Customer due diligence requirements	Disproportionate customer due diligence requirements for providers serving low-income customers
2.4	Supervisory capacity	2.4.1	Political independence of financial regulation	Influence of politics in financial regulation
2.4	Supervisory capacity	2.4.2	Technical capacity to supervise financial services that facilitate financial inclusion	Technical expertise to supervise non-bank financial institutions
2.4	Supervisory capacity	2.4.3	Technical capacity to supervise financial services that facilitate financial inclusion	Technical expertise to supervise digital financial services
2.4	Supervisory capacity	2.4.4	Technical capacity to supervise financial services that facilitate financial inclusion	Proportion of women in top decision making in the financial regulatory bodies
2.4	Supervisory capacity	2.4.5	Technical capacity to supervise financial services that facilitate financial inclusion	Regulatory technology
2.4	Supervisory capacity	2.4.6	Monitoring and data collection of financial services providers not regulated as financial institutions	Market monitoring
2.5	Commitment to Cybersecurity	2.5.1	Government commitment to Cybersecurity	Overall commitment to cybersecurity

In the Products and Outlets domain, Bolivia remained the top scorer, with the only perfect score in any of the five domains. In Bolivia, non-bank agents can open savings and e-money accounts for customers; regulations restrict excessive borrowing by requiring that loan

repayment obligations cannot exceed 25% of monthly income; authorities have kept pace with advances like digital financial services, updating regulations in 2017; and an inclusive insurance framework has existed since 2000.

### In focus: **Products and outlets**

The product and outlets domain assesses the regulation of specific products and outlets that focus and/or reach low income populations

#### 3. Products and outlets

Indicator #	Indicator name	Sub-indicator #	Sub-indicator name	Question name
3.1	Accounts at financial institutions and e-money	3.1.1	Account opening	Account opening requirements
3.1	Accounts at financial institutions and e-money	3.1.2	Account opening	Non-discrimination account opening
3.1	Accounts at financial institutions and e-money	3.1.3	Account opening	Remote account opening
3.1	Accounts at financial institutions and e-money	3.1.4	Safeguarding customer funds	Deposit insurance
3.1	Accounts at financial institutions and e-money	3.1.5	Safeguarding customer funds	E-money safeguarding mechanisms
3.2	Credit portfolios for middle and low-income customers (microcredit, consumer credit, digitally-delivered nanocredit)	3.2.1	Credit risk management	Risk-management framework for consumer credit
3.2	Credit portfolios for middle and low-income customers (microcredit, consumer credit, digitally-delivered nanocredit)	3.2.2	Overindebtedness	Restrictions for excessive borrowing
3.3	Emerging services	3.3.1	Legal certainty for Fintech and other emerging services	Fintech framework
3.4	Inclusive insurance	3.4.1	Proportionate regulation	Dedicated inclusive insurance framework
3.5	Financial outlets (Agents, merchants and electronic channels)	3.5.1	Ease of operation	Actors who can serve as financial outlets
3.5	Financial outlets (Agents, merchants and electronic channels)	3.5.2	Breadth of operations	Services that financial outlets can offer
3.5	Financial outlets (Agents, merchants and electronic channels)	3.5.3	Liability	Responsibility over outlets actions

In the Consumer Protection domain, Colombia overtook South Africa to become the top scorer, although both countries increased their scores. They are also the only two countries to achieve perfect scores for protection for financial service users (Indicator 4.1 in the Microscope), and they

belong to a small group of just nine countries that promote diversity among financial service provider agents (Indicator 4.1.4). For example, South Africa's Black Economic Empowerment programme includes quotas and targets for workers in the financial sector.

### In focus: **Consumer protection**

The consumer protection domain assesses consumer protection and privacy regulation and enforcement capabilities

#### 4. Consumer protection

Indicator #	Indicator name	Sub-indicator #	Sub-indicator name	Question name
4.1	Financial services users	4.1.1	Consumer protection framework and enforcement	Dedicated financial consumer protection framework
4.1	Financial services users	4.1.2	Transparency	Disclosure of relevant product information
4.1	Financial services users	4.1.3	Fair Treatment	Aggressive sales and debt collection practices
4.1	Financial services users	4.1.4	Fair Treatment	Non-discrimination in financial services provision
4.1	Financial services users	4.1.5	Inclusive provision of financial services	Diversity of agents
4.1	Financial services users	4.1.6	Dispute resolution	Standards for complaint resolutions
4.1	Financial services users	4.1.7	Financial outlets and agents	Protections for financial outlets and agents users
4.1	Financial services users	4.1.8	Digital financial services and e-money	Protection for digital financial services users
4.1	Financial services users	4.1.9	Government payments	Protection for government payment recipients
4.2	Inclusive Insurance users	4.2.1	Protection for inclusive insurance providers	Harmonised requirements for inclusive insurance products
4.3	Data privacy and cybercrime protection	4.3.1	Data protection and privacy	Data privacy laws
4.3	Data privacy and cybercrime protection	4.3.2	Cybercrime legal protection	Law related to Cybercrime
4.3	Data privacy and cybercrime protection	4.3.3	Privacy laws enforcement	Data privacy enforcement entity

Infrastructure was the most improved domain in the 2019 Microscope, with more than four-fifths of countries improving their scores. Costa Rica, El Salvador, Kenya, Lebanon, Panama and Uganda received credit for improvements in their electronic KYC (e-KYC) systems. For example, banks in Costa Rica can now access an international e-KYC registry, and institutions in El Salvador and Panama can use remotely

submitted digital photos of identity documents to verify customer identities. This method can also be used in Uganda to open mobile money accounts (but not bank accounts; banks are currently negotiating with the government to connect their systems to the national identification registry). Electronic signatures are accepted for identity verification in Kenya, Lebanon and Panama.

## In focus: Infrastructure

The infrastructure domain assesses the infrastructure that facilitates financial inclusion as well as the policy and regulatory actions that governments can take to improve these types of infrastructure

### 5. Infrastructure

Indicator #	Indicator name	Sub-indicator #	Sub-indicator name	Question name
5.1	Payments infrastructure	5.1.1	Access to cash-in/cash-out and transaction points	ATMs per 10,000 people
5.1	Payments infrastructure	5.1.1	Access to cash-in/cash-out and transaction points	POS terminals per 10,000 people
5.1	Payments infrastructure	5.1.2	Access to retail payment infrastructure	Mandated fair and non-discriminatory access to payment infrastructure
5.1	Payments infrastructure	5.1.3	Access to telecommunications bearer services	Mandated fair and non-discriminatory access to telecommunications infrastructure
5.1	Payments infrastructure	5.1.4	Interoperability	Degree of interoperability
5.2	Digital IDs	5.2.1	Digital ID system	National ID system with digital applications
5.2	Gender gap in national IDs	5.2.1.b	Gender Gap in ID system	Difference in access to an ID between men and women
5.2	Digital IDs	5.2.2	Automated KYC	e-KYC verification systems
5.2	Digital IDs	5.2.3	Non discriminatory access to IDs	Non discriminatory access to IDs
5.3	Connectivity	5.3.1	Internet access	Percentage of households with Internet access
5.3	Connectivity	5.3.2	Gender gap in internet access	Difference in access to internet between men and women
5.3	Connectivity	5.3.3	Network coverage	Coverage of 2G network
5.3	Connectivity	5.3.3	Network coverage	Coverage of 3G network
5.3	Connectivity	5.3.5	Mobile subscribers	Mobile - cellular telephone subscribers
5.3	Connectivity	5.3.6	Gender gap in mobile subscribers	Difference in access to a mobile phone between men and women
5.4	Credit information and other data-sharing systems	5.4.1	Comprehensive information	Information stored by credit-reporting systems
5.4	Credit information and other data-sharing systems	5.4.2	Access to records	Correction of errors in credit-reporting information
5.4	Credit information and other data-sharing systems	5.4.3	Coverage of credit reporting systems	Coverage of public credit registry
5.4	Credit information and other data-sharing systems	5.4.3	Coverage of credit reporting systems	Coverage of credit bureau coverage

El Salvador, Costa Rica, Argentina, Brazil and Rwanda demonstrated some of the most significant score increases in the 2019 Microscope, reflecting a number of important developments. Costa Rica and Argentina have issued financial inclusion strategies, and El Salvador is working on the creation of a supervisory framework for financial technology (fintech). Since 2018 Brazil has eased account-opening requirements for e-money accounts that use prepaid cards, requiring only the user's full name, ID number and an online login to manage the account. In Rwanda, banks, microfinance institutions and e-money issuers can now use technology to provide remote account-opening services.

Nigeria experienced the largest score decrease in the 2019 Microscope, in the Government and Policy Support domain. Its scores also decreased in the Consumer Protection domain and the Products and Outlets domain. Nigeria does not incorporate a gender approach in its financial inclusion or financial literacy strategies, does not collect data on financial services for low-income populations and does not have a digital literacy strategy.

**Countries continue to adopt financial inclusion strategies and incorporate digital approaches to inclusion.**

One-fifth of the countries included in the 2019 Microscope improved their performance in the area of financial inclusion strategies. As mentioned above, Argentina and Costa Rica have both issued new strategies, although implementation has not yet begun. Russia also issued a national strategy on financial inclusion, which employs a digital approach and includes online resources related to financial literacy and a smartphone-based instant payment system. Honduras's strategy also received credit for a digital approach in 2019, having set goals for e-wallets and other digital financial services.

Nicaragua and Sierra Leone both increased implementation of their respective strategies: Nicaragua has gradually developed regulations to reach financial inclusion goals, including agent banking rules; and Sierra Leone has established working groups involving important stakeholders to address financial inclusion measures included in its strategy.

**Improved frameworks for fintech and digital financial services increase certainty for financial innovators.**

Beyond the overarching strategies mentioned above, countries have also improved specific regulations related to fintech and digital financial services. In Brazil, a new national digital ID system will facilitate growth and inclusion in the sector. In El Salvador, regulators have eliminated a disproportionate tax on financial transactions and created a simplified bank account that clients can open remotely.

In addition, ten of the 55 countries in the 2019 Microscope improved their fintech frameworks. Rwanda's framework promotes growth, having passed regulations governing payment system providers, lifted barriers for remote account opening and established a dedicated unit responsible for cyber-security and data protection. Sierra Leone and Thailand also made progress that increased their scores significantly in this area: Sierra Leone has established a regulatory sandbox for fintech firms, and Thailand's regulators have allowed innovations such as equity crowdfunding for Thai firms. As a result of these efforts, Rwanda, Sierra Leone and Thailand join seven other countries from the previous edition of the Microscope who have frameworks that provide legal certainty for fintech innovations. In 2019 seven additional countries took initial steps to regulate the sector, which means that 20 countries in total now have working groups for fintech. Despite this progress, however, 25 countries in the index

have not yet decided how to approach the fast-evolving space of financial innovation.

However, even as fintech regulation matures in some countries, there is a need to improve the supervision capacity for digital financial services. In the 2019 Microscope, only nine countries demonstrated having dedicated technical experts with advanced capacity to supervise digital financial services. Argentina has demonstrated advanced capacity to supervise these services, following the creation of working groups where stakeholders present opinions

and proposals, which are then compiled into technical papers for review by regulators before issuing new rules and supervisory guidelines. Pakistan has also achieved advanced capacity for supervision by establishing a public-private technical committee, and Colombia has established both a specialised group and a regulatory sandbox for supervising emerging services. In Uruguay, regulators responsible for different aspects of supervision co-operate via a financial stability committee.

### Box 1. Basic enablers for digital financial inclusion

Within the overall framework for promoting digital financial inclusion, the Consultative Group to Assist the Poor (CGAP) has identified four basic enablers: allowing non-banks to issue e-money, the presence of financial service agents, proportionate customer due diligence and effective financial consumer protection.<sup>3</sup> Indicators in the 2019 Microscope cover these four enablers.

Only four countries scored perfectly across all four enablers: Colombia, India, Jamaica and Uruguay. In these countries, a range of providers are capable of providing digital financial services to populations on the margins of the formal financial system, regulations control for some of the risks inherent in these services, and clear rules mark out spaces appropriate for innovation to achieve greater financial inclusion. In countries without proportionate regulations, the growth of unregulated or under-regulated digital financial services can have deleterious effects.

**Table 2. Key enablers of digital financial inclusion**

	E-money issuance by Nonbanks	Use of Agents	Risk-Based Customer Due Diligence	Consumer Protection
	2.1.3) Market entry restrictions for e-money issuers	3.5) Financial outlets (Agents, merchants and electronic channels)	2.3.2.a) Disproportionate due diligence requirements for providers serving low-income customers	4.1.7.a) Protection for digital financial services users
Colombia	●	●	●	●
India	●	●	●	●
Jamaica	●	●	●	●
Uruguay	●	●	●	●
Peru	●	●	●	●
Mexico	●	●	●	●
Argentina	●	●	●	●
Indonesia	●	●	●	●
Philippines	●	●	●	●
Brazil	●	●	●	●
Rwanda	●	●	●	●
Chile	●	●	●	●
China	●	●	●	●
South Africa	●	●	●	●
El Salvador	●	●	●	●
Tanzania	●	●	●	●
Paraguay	●	●	●	●
Costa Rica	●	●	●	●
Bolivia	●	●	●	●
Pakistan	●	●	●	●
Panama	●	●	●	●
Russia	●	●	●	●

3 Consultative Group to Assist the Poor. "Regulation for inclusive digital finance." [https://www.cgap.org/topics/collections/regulation-inclusive-digital-finance].

### Cyber-security and privacy laws are evolving to respond to challenges in the digital era.

In 2018 and 2019 several countries introduced data protection and cyber-security laws that protect users of financial services. For instance, Vietnam issued a cyber-security law that applies to financial firms, fintech services and e-commerce, as well as Internet services, social networks, IT services and individuals. Uganda's Data Protection and Privacy Act became law in February 2019 and applies to financial service providers as well as other entities. In October 2018 the government of Uruguay issued a data protection law that applies to database owners and data processors in all economic sectors. In Rwanda, the newly established Information

Society Authority is implementing data and cyber-security laws and shares data protection and privacy enforcement responsibilities for financial service providers with the central bank.

Overall, just 20 of the 55 countries in the 2019 Microscope have comprehensive data privacy laws, but nearly three-quarters have some data privacy regulations that affect financial services. There are opportunities to improve both the use and the strength of government entities tasked with enforcing data privacy. Just over half of the countries in the index have a government entity with the capacity to enforce data protection laws, and this capacity is only considered strong in 15 of those countries.

**Table 3. Countries with comprehensive data protection framework and strong enforcement capacity**

Countries with comprehensive data protection framework and strong enforcement capacity

	4.3.1.a) Existence of data protection laws	4.3.3.a) Data privacy enforcement entity
	Comprehensive legal framework for data protection	Data privacy enforcement entity with strong capacity
Argentina	●	●
Cameroon	●	●
Colombia	●	●
Dominican Republic	●	●
Ghana	●	●
Madagascar	●	●
Mexico	●	●
Morocco	●	●
Paraguay	●	●
Peru	●	●
Philippines	●	●
Russia	●	●
Rwanda	●	●
Senegal	●	●
South Africa	●	●
Trinidad and Tobago	●	●
Turkey	●	●
Uganda	●	●
Uruguay	●	●
Vietnam	●	●

Authorities in some countries in the 2019 Microscope have proposed updated data protection regulations but have not yet enacted them. Kenya's government presented a data protection bill modelled on the European Union's General Data Protection Regulation in 2018, but it has not yet become law. The bill would also establish a data privacy enforcement entity in the country. Similarly, Argentina's executive branch proposed an updated data protection law in 2018, but Congress has not yet codified these changes into law. As Table 3 shows, Argentina's data privacy agency lacks strong capacity to enforce existing regulations.

In the 2019 Microscope, Colombia was the only country to achieve the highest score across all eight of these indicators. This result is indicative of the level of financial consumer protection that users of digital financial services in Colombia receive. E-money issuers in the country are regulated by the same entity as banks and must abide by the same consumer protection regulations, and e-money deposits receive pass-through deposit insurance. A regulatory sandbox has allowed regulators and

innovators in Colombia to experiment, and the authorities have been quick to issue rules on relevant issues, such as regulating crowdfunding and allowing commercial banks to invest in fintech.

South Africa received the highest score on six of the eight indicators, and India, Mexico, Tanzania and Uruguay received the highest score on five of the eight indicators.

Among these top performers, all countries safeguard e-money via some sort of deposit insurance or protection. This type of protection provides security to users of these new technologies, avoids creating regulatory imbalances between different types of institution, and ensures that digital financial inclusion does not place new consumers in the financial system at a disadvantage compared with those transacting with more traditional institutions. Additionally, these countries all require financial institutions to maintain liability for the actions of their agents, ensuring that customers whose nearest access point is an agent do not receive less protection than customers who can visit a bank branch.

## Box 2. Case study on Kenya's indebtedness crisis from digital loans

As digital financial services reach more individuals and enable them to transact more rapidly, both digital financial consumer protection and financial literacy help to ensure that challenges such as over-indebtedness and predatory lending do not undermine gains in financial inclusion. The growth of digital loans in Kenya provides an example of how limited oversight, the need for increased financial literacy and insufficient consumer protection have contributed to a market that is oversaturated with lenders (estimates of the number of lenders range from 49 to more than 200).<sup>4</sup> This hyper-competitive market may have lowered lending standards; 2.7m Kenyans were negatively listed in credit-reporting bureaus between 2014 and 2017, and 400,000 of them were listed for loan amounts of less than US\$2.<sup>5</sup>

### Kenya's experience highlights several important lessons:

- Financial literacy and capabilities are important. Reports on the situation in Kenya note that many borrowers lack knowledge on key topics such as the cost of borrowing.<sup>6</sup> For example, the 2019 FinAccess Household Survey tested individuals' ability to correctly calculate the interest on a loan and found that 39% calculated the interest incorrectly and 17% did not know how to calculate the interest at all. Just 43% calculated the interest correctly.<sup>7</sup>
- Insufficient consumer protection for digital financial services creates opportunities for fraud, unfair pricing and over-indebtedness. In a review of the digital loan application process, MicroSave Consulting found irregularities including requests for applicants to upload photos of themselves, requests for large and varied amounts of information that did not appear to have been reviewed by a regulatory body, and a lack of mechanisms to verify customers' self-reported income.<sup>8</sup>
- Limited oversight creates opportunities for arbitrage and market bubbles. While mobile operators and banks are subject to regulatory oversight, fintech firms are under-regulated.<sup>9</sup> Additionally, interest rate caps on bank loans do not apply to digital lenders. As banks reduced loans to low-income and high-risk borrowers, digital lenders were able to fill the gap because they were not subject to the same requirements as banks.<sup>10</sup>

Recent information from MicroSave Consulting did show an improvement in credit quality for digital loans in 2018, with the percentage of non-performing loans decreasing from nearly 25% of loans in 2016 to 9% at the end of 2018. The consultancy attributes this improvement to several factors, including more detailed customer data for lenders who have spent more time in the market, improvements in credit assessment, greater customer knowledge about the consequences of defaulting on a loan, and changes to products to make them more suitable for specific customer groups.<sup>11</sup>

4 Mutungi, Angela. 2019. "Regulate digital loans to protect consumers from preying fintechs." Business Daily. [<https://www.businessdailyafrica.com/corporate/tech/Regulate-digital-loans-to-protect-consumers/4258474-5117010-pb501jz/index.html>]. Patascore Ltd. 2019. "Patascore is changing the face of the digital lending space in Kenya." Medium. [[https://medium.com/@hello\\_54610/patascore-is-changing-the-face-of-the-digital-lending-space-in-kenya-8bda24c511a8](https://medium.com/@hello_54610/patascore-is-changing-the-face-of-the-digital-lending-space-in-kenya-8bda24c511a8)].

5 Mustafa, Zeituna, Mercy Wachira, Vera Bersudskaya, William Nanjero and Graham A. N. White. 2017. "Where credit is due: Customer experience of digital credit in Kenya." MicroSave. [[http://www.microsave.net/wp-content/uploads/2018/10/Where\\_Credit\\_Is\\_Due\\_Customer\\_Experience\\_of\\_Digital\\_Credit\\_In\\_Kenya.pdf](http://www.microsave.net/wp-content/uploads/2018/10/Where_Credit_Is_Due_Customer_Experience_of_Digital_Credit_In_Kenya.pdf)].

6 Business Daily. 2019. "Alarm as easy digital loans yoke more Kenyans to debt." [<https://www.businessdailyafrica.com/datahub/Alarm-as-easy-digital-loans-yoke-more-Kenyans-to-debt/3815418-5063014-en2bp7z/index.html>].

7 FinAccess. 2019. "2019 FinAccess household survey." [<https://s3-eu-central-1.amazonaws.com/fsd-circle/wp-content/uploads/2019/04/09103904/2019-FinAccess-Report-13-06-2019.pdf>].

8 Mustafa, Zeituna, Mercy Wachira, Vera Bersudskaya, William Nanjero and Graham A. N. White. 2017. "Where credit is due: Customer experience of digital credit in Kenya." MicroSave. [[http://www.microsave.net/wp-content/uploads/2018/10/Where\\_Credit\\_Is\\_Due\\_Customer\\_Experience\\_of\\_Digital\\_Credit\\_In\\_Kenya.pdf](http://www.microsave.net/wp-content/uploads/2018/10/Where_Credit_Is_Due_Customer_Experience_of_Digital_Credit_In_Kenya.pdf)].

9 Obiero, Olivia, and Wanjiku Kiarie. 2019. "Is there room for optimism in the Kenyan digital credit sector?" MicroSave Consulting. [<https://www.microsave.net/2019/09/19/is-there-room-for-optimism-in-the-kenyan-digital-credit-sector/>].

10 Sunday, Frankline, and Macharia Kamau. 2019. "Mobile loans: The new gold rush minting billions from the poor." Standard Digital. [<https://www.standardmedia.co.ke/article/2001331308/mobile-loans-the-new-gold-rush-minting-billions-from-the-poor>].

11 Obiero, Olivia, and Wanjiku Kiarie. 2019. "Is there room for optimism in the Kenyan digital credit sector?" MicroSave Consulting. [<https://www.microsave.net/2019/09/19/is-there-room-for-optimism-in-the-kenyan-digital-credit-sector/>].

**Nearly all countries have created a financial literacy strategy, and most are implementing activities to educate consumers. However, few focus on building financial capabilities.**

Nearly all countries in the 2019 Microscope (with the exception of Lebanon, Nicaragua, Venezuela and Vietnam) have a financial literacy strategy, and almost three-quarters are actively implementing those strategies. However, expanding on education to strengthen financial capabilities among consumers requires innovative approaches that go beyond pamphlets, disclosures and short training sessions. Several countries in the 2019 Microscope are implementing leading practices, based on lessons learned in financial inclusion worldwide. For example, Chile, Argentina, the Dominican Republic and Jordan have incorporated financial literacy topics into their national curricula, providing opportunities to teach students, monitor learning results and outcomes, and adjust approaches in future iterations in order to effectively build financial capabilities.

Brazil's financial education programme for adults complements the country's cash transfer programme to embed capacity-building into government-to-person (G2P) delivery. Through the programme, recipients receive customised financial education and advice using educational technologies. Educational innovations—specifically, edutainment—have also played a role in Cambodia's efforts to strengthen financial capabilities. In 2017 the central bank and partners launched a comic book for young people and their families that covers topics such as negotiating, selecting and using financial products responsibly and learning to communicate effectively with financial institutions. An initiative in Egypt also targets young people, working to improve financial literacy training for them, and combining education with the development of financial products tailored to the needs of the country's children and youth.

## Gender-related findings

**Men and women have similar legal requirements to open accounts in all but one of the countries in the 2019 Microscope, but few governments actively collect data on women's financial inclusion or include specific actions targeting women in national strategies.**

The 2019 Microscope added 11 indicators to better assess what governments are doing to address the gender gap in financial inclusion. According to the World Bank's Women Business and the Law, only one of the 55 countries included in this year's Microscope (Cameroon) places regulatory barriers on women opening accounts. However, few governments take proactive steps to reduce the gender gap in account ownership specifically, and in financial inclusion more broadly.

Collecting data on women's use of financial services can help governments to identify factors that prevent women from achieving greater financial inclusion. At present, however, just one-quarter of countries collect and publish comprehensive sex-disaggregated data on demand and supply for financial products (nine countries in Latin America, four in Africa and one in South Asia). The World Bank's Global Findex includes disaggregated demand-side data, but countries that collect their own demand-side data can understand both women's and men's use of financial services in greater detail. For example, since 2018 Colombia has collected detailed information on microloans (including loan amounts, enabling it to determine that women have loans for smaller amounts than men), and it is currently studying strategies to improve women's access

to microcredit. In Peru, the government collects data on women's location and use of savings and credit products. Mexico publishes quarterly financial inclusion data, including for low-income women, and regulators in Bolivia publish sex-disaggregated data on satisfaction with financial services (in addition to more general statistics, such as the percentage of women borrowers). In Pakistan, data demonstrated that 53% of the population were financially excluded in 2015, and that exclusion was higher among women, only 11% of whom had access to a bank account. Supply-side data can give regulators a better understanding of usage by those already included in the financial system. Honduras for example, collects sex-disaggregated data on the types of products and balance levels.

Despite the existence of data showing that more women are financially excluded than men, only one-third of countries in the 2019 Microscope include a gender approach in their financial inclusion strategies, and even fewer have set clear, gender-related goals. Madagascar is one of the few countries with gender-related goals and is currently implementing a national financial inclusion project that aims to reach 8,000 new female microfinance customers and provide mobile-based financial education to 30,000 women. Mozambique's financial inclusion strategy sets targets for increasing women's access to savings, credit and e-money accounts by 2022. Pakistan aims to increase the number of women-owned digital accounts to 20m (although this is still less than one-third of the total), and a public-private agreement in South Africa aims to increase black women's participation in the financial sector.

### Box 3. Good practices from Chile

Chile is one of the 14 countries in the 2019 Microscope that collects sex-disaggregated data on financial services for low-income populations, and it is the only country in the world to have continuously collected and published such data since 2002. A 2016 case study<sup>12</sup> documented how Chile began to collect this data and identified lessons learned during this process. The case study reports that the collection of sex-disaggregated data on the use of financial services began in the early 2000s as the result of a **concerted effort by Chile's national government to insert gender issues into the agenda throughout government agencies**. Early in this process, policymakers identified the **disaggregation of data sets as a priority** in order to inform public policy decisions and facilitate the monitoring of gender goals. The government integrated this gender approach into its existing performance management programme, and by 2005 **gender goals had become part of the performance system** used to incentivise government employees. Crucially, the financial regulator decided to **concentrate responsibility** for collecting sex-disaggregated data in a single unit, and to **publish an annual report** that highlights women's role and presence in the financial system. This has contributed to a virtuous cycle in which growing amounts of data on women's use of financial services drive policymakers and others to ask more questions, and to collect more data. The desire for sex-disaggregated data has spilled over into the **co-operative sector**, and even the **banking association** has started to separate women and men in data it collects on customer satisfaction.

As the 2019 Microscope documents, simply collecting data is not sufficient to increase women's financial inclusion. Data collection in Chile for example has not led to a reduction in the gender gap which, according to the Global Findex actually saw an increase in its gender gap between 2011 and 2017 from 2% to 6%. Although 14 countries in the index publish data on women's use of financial services, very few have included clear, gender-related goals in their financial inclusion strategies.

<sup>12</sup> Data2X. 2019. "Catalysing inclusive financial systems: Chile's commitment to women's data." [[https://data2x.org/wp-content/uploads/2019/05/Chile-Case-study\\_English\\_Final.pdf](https://data2x.org/wp-content/uploads/2019/05/Chile-Case-study_English_Final.pdf)].

**Practical impediments—such as access to ID, the Internet and mobile phones—limit women’s ability to take advantage of growing digital channels for financial inclusion.**

According to Women, Business and the Law the requirements for obtaining a national ID differ for women and men in five countries in the 2019 Microscope: Cameroon, Egypt, Haiti, Pakistan and Tunisia. In addition, data from the UN World Population Prospects, shows that in 21 countries, men have better access to national ID than women. All countries in the Microscope require ID to open an account, and reduced access to national ID in countries such as Madagascar, Myanmar, Pakistan, Ethiopia and Mexico serves as a de facto barrier to account opening for women. Women’s access to national ID exceeded men’s in just nine countries, including five in Latin America and the Caribbean (Haiti, Guatemala, Colombia, El Salvador and Panama).

The de facto barriers that impede women’s access to digital financial services are even greater. Men have better access to the Internet than women in three-quarters of the countries in the index (41 of 55), while women have better access than men in just four countries (the Philippines, China, Argentina and Jordan). Without sufficient access to the Internet, women lose access to digital financial channels; these channels can reduce the financial and physical transaction costs associated with accessing the financial system. Women’s access to mobile phones is only slightly better than men’s: men have better access than women in 34 countries, while women have better access than men in just three countries (Argentina, Brazil and South Africa). As the technology of choice for accessing e-money and mobile wallets, women’s reduced access to mobile phones limits their ability to access these

innovations, even as many national regulators seek to spur their development and adoption.

Data from the 2019 Microscope and the Global Findex show that women’s access to national ID and mobile phones can affect the gender gap in account ownership. In countries where women have better or similar access to ID than men, the average gender gap in account ownership is 8%, compared with an average of 10% for all countries in the Findex. When women have better or similar access to mobile phones than men, the average gender gap in account ownership is 6%. Furthermore, in countries where women have better access to mobile phones, the average gender gap in account ownership has fallen by 1% since 2011, compared with an overall average increase of 1% across all countries.

**Most countries need to achieve greater gender balance in top decision-making positions at financial-sector regulators.**

In 37 of the 2019 Microscope’s 55 countries, women accounted for less than 25% of decision-makers at financial regulators. Women held more than half of these decision-making positions in just one country in the index: Bolivia (where the national parliament also has a female majority).<sup>13</sup> The data on women leaders in financial-sector regulators mirrors data from the private sector. According to a 2016 study by Oliver Wyman (a consultancy), women accounted for just 20% of the membership of financial service boards of directors, and just 16% of executive committee members.<sup>14</sup> The same study noted that at current growth rates, executive committees would not achieve 30% female representation until 2048.

<sup>13</sup> Escudero, Irene, Carlos Heras, and Alice Campaignolle. 2018. “Las mujeres bolivianas que ponen cara a la política.” El País. [https://elpais.com/elpais/2018/01/11/planeta\_futuro/1515674514\_106471.html].

<sup>14</sup> Oliver Wyman. 2016. “Women in financial services 2016.” [https://www.oliverwyman.com/our-expertise/insights/2016/jun/women-in-financial-services-2016.html].

A 2018 study by the International Monetary Fund (IMF) noted that “women are underrepresented at all levels of the global financial system, from depositors and borrowers to bank board members and regulators.”<sup>15</sup> Corroborating the 2016 Oliver Wyman study, the IMF found that fewer than 2% of CEOs at financial institutions and less than 20% of executive board members were women. The study provides a convincing argument for increasing diversity in general, and for increasing the proportion of women in leadership roles at financial institutions and regulators in particular. After controlling for specific factors related to countries and institutions, the study found that both the presence of women as employees in banks and a higher proportion of women serving on banks’ boards were associated with improved financial resilience. For regulators, a higher proportion of women on the boards of bank supervision agencies was associated with increased bank stability. The IMF study posits four possible explanations for these associations: women may be better risk managers than men, discriminatory hiring practices could result in only exceptionally well-qualified women reaching regulatory boards, more women on boards could promote increased diversity of thought, and regulators that choose to hire women for top decision-making positions may be better managed.

The IMF’s findings have important implications for the data collected as part of the 2019 Microscope. The Microscope showed that women hold higher proportions of top decision-making positions at financial-sector regulators in Bolivia, Colombia, Ghana, Morocco, Peru, Rwanda and Uruguay, among others, compared with other countries.

15 Sahay, Ratna, and Martin Cihak. 2018. “Women in finance: A case for closing gaps.” IMF. [<https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2018/09/17/women-in-finance-a-case-for-closing-gaps-45136>].

## Country summaries

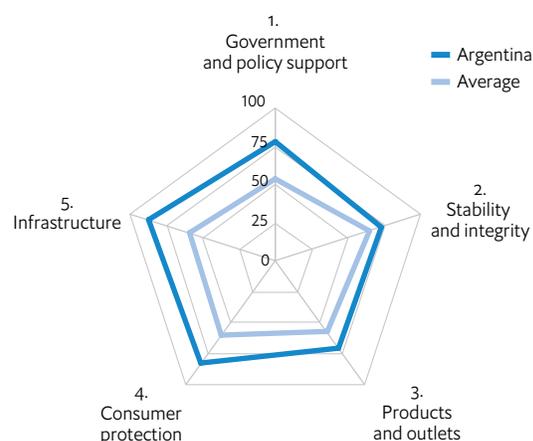
Argentina	30	Mexico	58
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## Argentina

**Overview:** In July 2017 the government of Argentina created a Financial Inclusion Co-ordinating Committee under the Ministry of Finance. In May 2018 Congress approved the Productive Financing Law (No. 27440), which requires the government to create a financial inclusion strategy.

**Highlights:** In November 2018 the Central Bank issued regulations permitting the creation of agent networks, which previous editions of the Global Microscope had identified as one of the main areas for improvement. The Financial Inclusion Co-ordinating Committee issued a draft National Financial Inclusion Strategy for public comment in April 2019.



### Summary of Argentina's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>70</b>	<b>=7</b>	<b>52</b>
1 Government and policy support	79	7	54
2 Stability and integrity	73	16	65
3 Products and outlets	70	=13	57
4 Consumer protection	83	7	60
5 Infrastructure	87	1	59

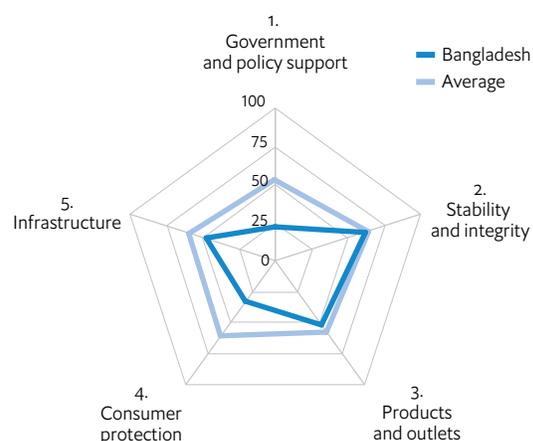
Argentina: strengths		Argentina: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	3.2 Credit portfolios for middle- and low-income customers	=43
3.4 Inclusive insurance	=1	2.5 Commitment to cyber-security	=31
3.5 Financial outlets (agents, merchants and electronic channels)	=1	3.3 Emerging services	=11



## Bangladesh

**Overview:** The financial inclusion department of the Bangladesh Bank oversees financial inclusion policy and has established a working group to support the formulation of a national financial inclusion strategy. The final draft of this strategy was submitted to the cabinet in 2019, with an approved implementation period of 2019-24. However, as of June 2019 this strategy had not yet been finalised.

**Highlights:** In 2019 the Bangladesh Post Office launched a new mobile money service called Nagad, in partnership with a private operator. In addition to standard features (such as cash in/cash out), Nagad allows individuals to sign up via the digital Know Your Customer (KYC) system, using a national identity card. This should help to promote the adoption of financial services within low-income segments of the population.



### Summary of Bangladesh's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>38</b>	<b>46</b>	<b>52</b>
1 Government and policy support	22	55	54
2 Stability and integrity	62	=29	65
3 Products and outlets	52	=31	57
4 Consumer protection	33	47	60
5 Infrastructure	48	=42	59

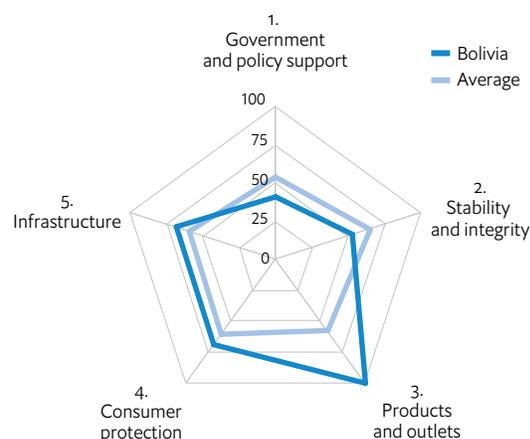
Bangladesh: strengths		Bangladesh: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	4.2 Inclusive insurance users	=42
3.5 Financial outlets (agents, merchants and electronic channels)	=1	3.4 Inclusive insurance	=25
4.1 Financial services users	=10	3.3 Emerging services	=31



## Bolivia

**Overview:** In 2013 Bolivia implemented the Financial Services Law (FSL), which includes provisions for increasing financial inclusion, particularly by directly lending to certain sectors. The FSL created the Committee on Financial Stability (CFS), which has members from various government agencies. This committee is responsible for monitoring financial stability and issuing policy to promote the use of financial services that serve all sections of society, including the poor.

**Highlights:** Use of financial services continues to grow. The Supervising Authority of Financial Institutions (ASFI) reported in June 2019 that deposits grew by 3% and outstanding credits grew by almost 11% year on year. The ASFI also introduced a new travelling fair to promote financial literacy, called Digital Financial City (Ciudad Digital Financiera).



### Summary of Bolivia's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>57</b>	<b>18</b>	<b>52</b>
1 Government and policy support	41	=40	54
2 Stability and integrity	52	=46	65
3 Products and outlets	100	1	57
4 Consumer protection	69	27	60
5 Infrastructure	69	=15	59

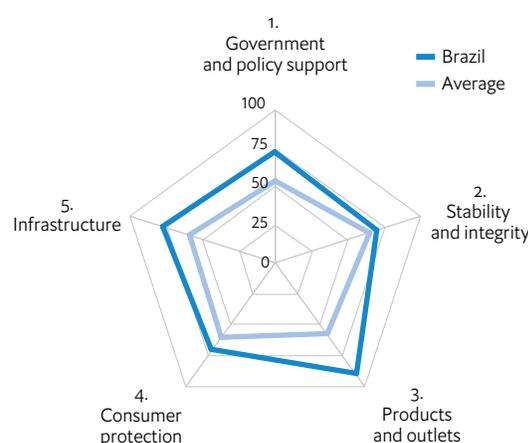
Bolivia: strengths		Bolivia: areas for improvement	
Indicator	Rank	Indicator	Rank
3.1 Accounts at financial institutions and e-money	=1	1.3 Incentives for digitisation and emerging technologies	54
3.2 Credit portfolios for middle- and low-income customers	=1	2.5 Commitment to cyber-security	=49
3.3 Emerging services	=1	4.3 Data privacy and cybercrime protection	=46



## Brazil

**Overview:** Brazil established the National Partnership for Financial Inclusion in 2012 and publishes annual reports on the partnership's goals. Brazil's enabling environment for financial inclusion has been strengthened by its extensive financial agent network, enabled by proportionate regulations; its dedication to advancing and maintaining the prevalence of digital transactions and financial technology; and its commitment to financial literacy.

**Highlights:** In 2019 the Central Bank of Brazil launched Agenda BC#, a work agenda focused on technological evolution to resolve structural issues in the financial system. Inclusion is now one of the four dimensions of Agenda BC#, along with competitiveness, transparency and education. Brazil's overarching goal is to make it easier for everybody—small and large companies, investors and borrowers, Brazilian citizens and foreigners—to access the financial market.



### Summary of Brazil's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>69</b>	<b>9</b>	<b>52</b>
1 Government and policy support	72	=10	54
2 Stability and integrity	70	=18	65
3 Products and outlets	90	=4	57
4 Consumer protection	71	=23	60
5 Infrastructure	78	5	59

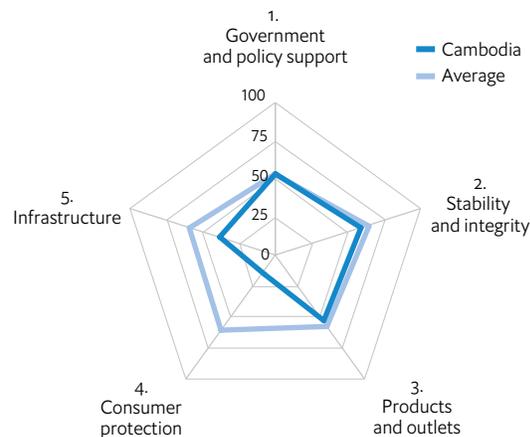
Brazil: strengths		Brazil: areas for improvement	
Indicator	Rank	Indicator	Rank
3.1 Accounts at financial institutions and e-money	=1	2.4 Supervisory capacity	=34
3.2 Credit portfolios for middle- and low-income customers	=1	3.3 Emerging services	=11
3.4 Inclusive insurance	=1	4.1 Financial services users	=40



# Cambodia

**Overview:** Cambodia has a strategy to promote financial-sector development but it has not established specific financial inclusion goals. The Financial Sector Development Strategy (FSDS) has a section on microfinance that broadly covers financial inclusion. The government is currently working on framing a financial inclusion strategy, and the National Bank of Cambodia is working to promote digital transformation in the financial services sector. However, there is no evidence of a comprehensive strategy to achieve this.

**Highlights:** Banks and other financial institutions have continued to expand their outreach to the rural population. Initiatives to promote digital literacy will continue, such as the New Generation Schools (NGS) project, which aims to improve the standard of schools in co-operation with Microsoft.



## Summary of Cambodia's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>37</b>	<b>=47</b>	<b>52</b>
1 Government and policy support	54	=27	54
2 Stability and integrity	59	=34	65
3 Products and outlets	53	=27	57
4 Consumer protection	14	53	60
5 Infrastructure	39	50	59

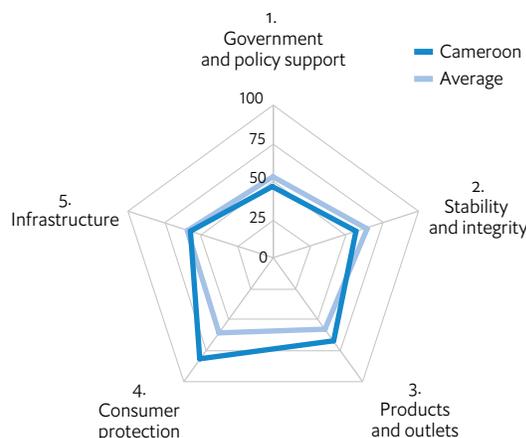
Cambodia: strengths		Cambodia: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=1	4.2 Inclusive insurance users	=42
2.2 Ongoing requirements	=11	3.4 Inclusive insurance	=25
1.3 Incentives for digitisation and emerging technologies	28	4.3 Data privacy and cybercrime protection	=53



## Cameroon

**Overview:** Cameroon continues to work on developing its national strategy for financial inclusion. With support from the French government, the government of Cameroon has commissioned two studies during the past year on financial services demand and supply among the underserved.

**Highlights:** Banks, non-bank financial institutions, e-money issuers and agents have continued to expand their services to the low-income population, especially in rural and remote areas (although these efforts have been affected by conflict in parts of the country). Programmes to promote digital literacy continue, such as the E-National Higher Education Network Project and the Connect My School Project.



### Summary of Cameroon's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>51</b>	<b>=29</b>	<b>52</b>
1 Government and policy support	47	31	54
2 Stability and integrity	58	=36	65
3 Products and outlets	67	=16	57
4 Consumer protection	82	8	60
5 Infrastructure	57	35	59

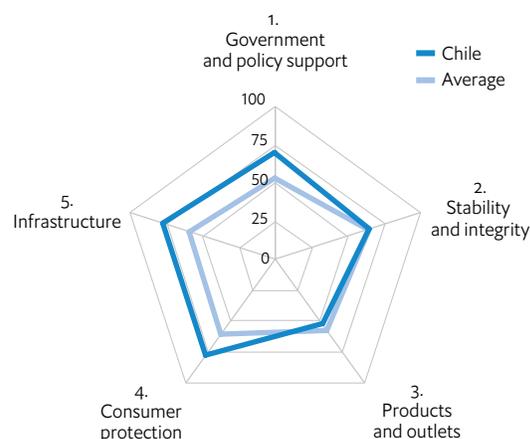
Cameroon: strengths		Cameroon: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle and low-income customers	=1	1.3 Incentives for digitisation and emerging technologies	52
3.4 Inclusive insurance	=1	3.3 Emerging services	=31
4.2 Inclusive Insurance users	=1	2.4 Supervisory capacity	25



## Chile

**Overview:** In 2014 the government of Chile created the Commission for Financial Inclusion, but it has not yet developed a comprehensive financial inclusion strategy. However, the country has developed a comprehensive, sex-disaggregated database on financial services supply and demand, and this data is regularly published in government reports (e.g. “Financial Inclusion: Progress and Pending Challenges”). In 2018 the commission presented the National Strategy for Financial Education, which aims to boost access to financial services by promoting well-informed decisions and co-ordination among actors in the sector.

**Highlights:** In 2019 the Financial Markets Commission (CMF) became the unified regulator of the financial industry. It now supervises over 70% of Chile’s financial activities. In April 2019 the Ministry of Finance announced



that it will present a fintech bill to Congress, proposing regulation for emerging forms of financial technology. In January 2019 the new Law to Modernise Banking Legislation began to gradually take effect, aligning the banking sector with Basel III standards.

### Summary of Chile’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>65</b>	<b>=11</b>	<b>52</b>
1 Government and policy support	70	=14	54
2 Stability and integrity	65	=24	65
3 Products and outlets	53	=27	57
4 Consumer protection	78	12	60
5 Infrastructure	77	=6	59

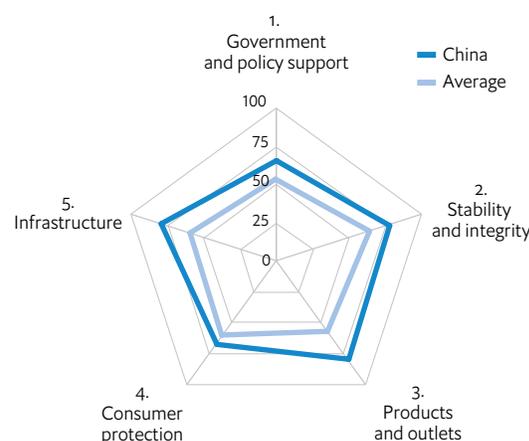
Chile: strengths		Bolivia: areas for improvement	
Indicator	Rank	Indicator	Rank
1.2 Promotion of literacy and capability	=1	3.4 Inclusive insurance	=25
4.2 Inclusive insurance users	=1	1.3 Incentives for digitisation and emerging technologies	45
4.1 Financial services users	=3	4.3 Data privacy and cybercrime protection	36



## China

**Overview:** China has a comprehensive and co-ordinated strategy to promote financial inclusion, reflected in the Plan for Promoting the Development of Financial Inclusion (2016-20). The strategy includes a forward-looking digital approach, as the country continues to see new financial technology innovations as key drivers of inclusion. China has made important strides towards promoting greater competition in the market. In 2018 it opened its payments market, allowing foreign players to access its online payments and settlement system. This has enabled qualifying institutions to provide domestic and cross-border transaction services.

**Highlights:** The People's Bank of China has mandated that non-bank payment companies place 100% of their customer deposit funds in centralised, interest-free accounts to protect



them. The Fintech Committee has also stressed the importance of strengthening guidance for innovation and increasing regulation of fintech companies to reduce financial risk.

### Summary of China's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>65</b>	<b>=11</b>	<b>52</b>
1 Government and policy support	66	=18	54
2 Stability and integrity	78	=9	65
3 Products and outlets	80	10	57
4 Consumer protection	67	28	60
5 Infrastructure	80	4	59

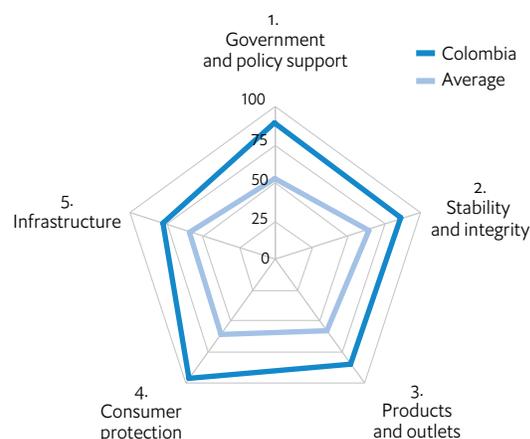
China: strengths		China: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	2.4 Supervisory capacity	=37
3.2 Credit portfolios for middle- and low-income customers	=1	1.1 Broad strategies for financial inclusion	=31
3.3 Emerging services	=1	4.3 Data privacy and cybercrime protection	39



## Colombia

**Overview:** The government of Colombia has been implementing its National Financial Inclusion Strategy since July 2014 via an inter-institutional committee. This committee is composed of key ministries that interact with the private sector. The strategy has primarily focused on increasing people’s access to the banking system and their use of financial products, and on enhancing financial literacy.

**Highlights:** Digital transformation has become a key consideration in recent financial inclusion efforts. A law passed in May 2019 formally adopted a sandbox regulatory approach, adding to prior regulations passed in July and December 2018 to facilitate crowdfunding and banks’ investments in fintech, respectively.



### Summary of Colombia’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>82</b>	<b>1</b>	<b>52</b>
1 Government and policy support	90	1	54
2 Stability and integrity	87	6	65
3 Products and outlets	85	=8	57
4 Consumer protection	97	1	60
5 Infrastructure	77	=6	59

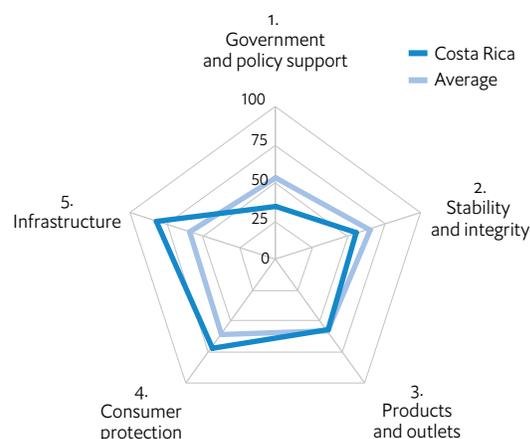
Colombia: strengths			Colombia: areas for improvement	
Indicator	Rank		Indicator	Rank
1.1 Broad strategies for financial inclusion	=1		2.5 Commitment to cyber-security	20
2.3 Customer due diligence	=1		5.1 Payments infrastructure	=18
3.1 Accounts at financial institutions and e-money	=1		5.3 Connectivity	18



## Costa Rica

**Overview:** In April 2019 the president, Carlos Alvarado, launched a plan to promote financial inclusion via the state-owned banking system (banca estatal). The plan aims to increase access to banks by reducing transaction costs and encouraging individuals and microfinance institutions (MFIs) to create new accounts. The strategy intends to increase financial inclusion by over 6% over a four-year period, requiring co-ordination between the Costa Rica National Bank, the Ministry of Finance, the Popular Bank and the Community Development Bank.

**Highlights:** In January 2019 the government launched a national financial education strategy, in collaboration with the private sector. The strategy includes a gender approach, and one of the plan's main actions targets women—one of



the most indebted segments of the population. Other relevant efforts include the introduction of simplified bank accounts in 2015 and the launch of electronic wallets in 2019.

### Summary of Costa Rica's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>58</b>	<b>17</b>	<b>52</b>
1 Government and policy support	35	=45	54
2 Stability and integrity	55	42	65
3 Products and outlets	57	=25	57
4 Consumer protection	72	=19	60
5 Infrastructure	82	=2	59

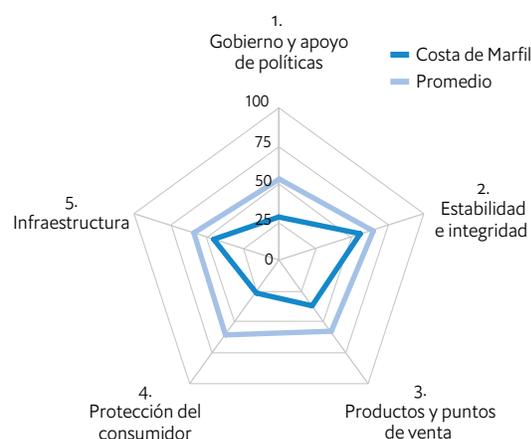
Costa Rica: strengths		Costa Rica: areas for improvement	
Indicator	Rank	Indicator	Rank
3.4 Inclusive insurance	=1	3.2 Credit portfolios for middle and low-income customers	=43
3.5 Financial outlets (agents, merchants and electronic channels)	=1	1.1 Broad strategies for financial inclusion	=46
4.2 Inclusive insurance users	=1	3.3 Emerging services	=31



## Côte d'Ivoire

**Overview:** In 2016 the West African Monetary Unit's (WEAMU) Council of Ministers adopted a regional financial inclusion strategy, and the Ivorian government adopted a Financial Sector Development Strategy (FSDS) to strengthen the stability of financial services and promote development of the sector. The government has also taken steps to digitise payments, creating public service payment platforms and digitising school fees.

**Highlights:** In May 2018 the Agency for the Promotion of Financial Inclusion (APIF) was created to lead the implementation of the financial inclusion strategy. In May 2019 the country adopted the first five-year financial inclusion national strategy for the period 2019-24.



### Summary of Cote d'Ivoire's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>33</b>	<b>=50</b>	<b>52</b>
1 Government and policy support	28	51	54
2 Stability and integrity	56	41	65
3 Products and outlets	37	=45	57
4 Consumer protection	26	50	60
5 Infrastructure	45	45	59

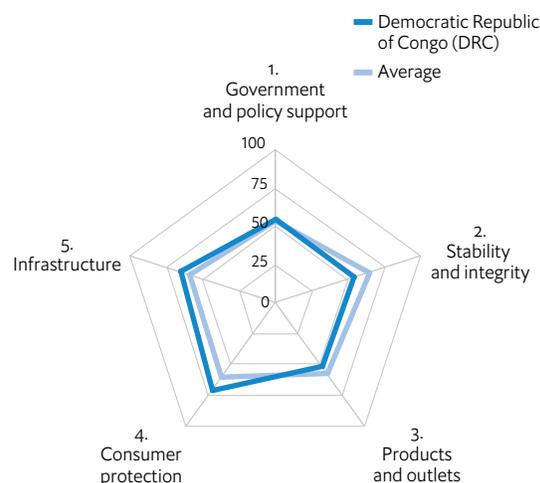
Cote d'Ivoire: strengths		Cote d'Ivoire: areas for improvement	
Indicator	Rank	Indicator	Rank
3.4 Inclusive insurance	=1	4.2 Inclusive insurance users	=42
2.1 Market entry	27	3.3 Emerging services	=31
2.2 Ongoing requirements	=23	3.2 Credit portfolios for middle- and low-income customers	=50



## Democratic Republic of Congo (DRC)

**Overview:** Under the former president, Joseph Kabila, the DRC launched the Roadmap to Financial Inclusion 2016-2021. In this plan, the government pledged to partner with selected financial service providers, industry associations, development agencies and donors to promote financial inclusion. The DRC also has a National Strategy for Microfinance, which was drafted in 2008. However, in 2016 the Banque Central du Congo (BCC) reported that microfinance activities had been negatively affected by economic, political and security instability in the country.

**Highlights:** Political instability, persistent security and public health challenges (particularly in the eastern part of the DRC) and poor infrastructure have hindered the Central Bank's microfinance activities and limited progress in implementing the government's Roadmap to Financial Inclusion 2016-21.



### Summary of DRC's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>21</b>	<b>55</b>	<b>52</b>
1 Government and policy support	30	=49	54
2 Stability and integrity	43	52	65
3 Products and outlets	25	=52	57
4 Consumer protection	12	55	60
5 Infrastructure	23	55	59

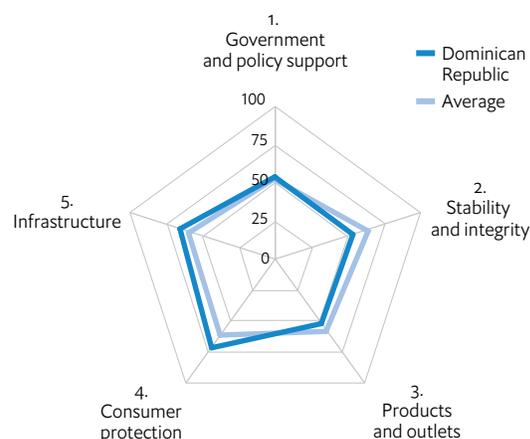
DRC: strengths		DRC: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=25	5.4 Credit information and other data-sharing systems	=54
3.5 Financial outlets (agents, merchants and electronic channels)	=39	4.3 Data privacy and cybercrime protection	=39
2.2 Ongoing requirements	=42	4.2 Inclusive insurance users	=42



## Dominican Republic

**Overview:** Improving financial inclusion is part of a national strategy, and the government has launched initiatives to expand credit, including cash transfer financing programmes. The agent banking network is well established, and mobile payments are widely used by financial and microfinance institutions. Microfinance regulations were passed in 2014. The Banco Central de la República Dominicana (BCRD, the central bank) has implemented financial literacy programmes and a survey of financial culture.

**Highlights:** In 2019 the BCRD launched a “virtual classroom” to expand knowledge of the country’s payments systems and other financial concepts. It also passed cyber-security regulations that apply to all financial institutions and has started to draft fintech regulations, empowering an internal team to collaborate with the private sector to promote digital



payments. Expansive monetary policy measures implemented in the past year have promoted credit growth, extending subsidised lending to manufacturing, agriculture and commerce, as well as small and medium-sized enterprises, consumers and low-income housing.

### Summary of Dominican Republic's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>54</b>	<b>=22</b>	<b>52</b>
1 Government and policy support	54	=27	54
2 Stability and integrity	54	=43	65
3 Products and outlets	52	=31	57
4 Consumer protection	72	=19	60
5 Infrastructure	66	19	59

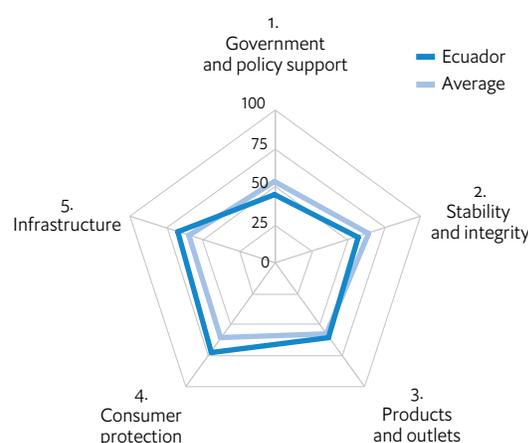
Dominican Republic: strengths		Dominican Republic: areas for improvement	
Indicator	Rank	Indicator	Rank
3.5 Financial outlets (agents, merchants, and electronic outlets)	=26	2.2 Ongoing requirements	=51
4.3 Data privacy and cybercrime protections	=13	2.4 Supervisory capacity	=30
4.1 Financial services users	=10	3.4 Inclusive insurance	=29



## Ecuador

**Overview:** Ecuador does not have a financial inclusion strategy or an official working committee, and organisations in the private and social sectors continue to push for a national focus on financial inclusion. Non-bank financial institutions in the “popular and solidarity” sector serve low-income populations, but there has been a moratorium on creating new savings and loan co-operatives in the sector since 2015, amid concerns about solvency at some institutions.

**Highlights:** In June 2019 the Central Bank of Ecuador announced that it is working with the World Bank on a year-long technical assistance programme to create and implement a national financial inclusion strategy. Regulations authorising banks to offer mobile wallets are expected this year.



### Summary of Ecuador's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>53</b>	<b>=26</b>	<b>52</b>
1 Government and policy support	45	34	54
2 Stability and integrity	58	=36	65
3 Products and outlets	60	=22	57
4 Consumer protection	72	=19	60
5 Infrastructure	67	=17	59

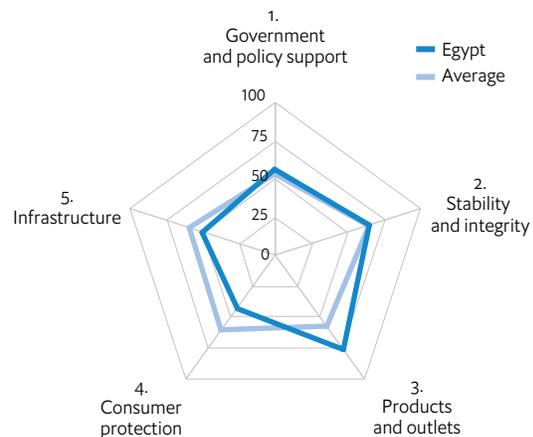
Ecuador: strengths		Ecuador: areas for improvement	
Indicator	Rank	Indicator	Rank
3.1 Accounts at financial institutions and e-money	=1	3.4 Inclusive insurance	=25
2.3 Customer due diligence	=1	3.3 Emerging services	=31
3.2 Credit portfolios for middle- and low-income customers	=1	2.4 Supervisory capacity	49



# Egypt

**Overview:** In 2017 the government of Egypt launched the Sustainable Development Strategy (SDS, “Egypt’s Vision 2030”), in which financial inclusion is the main priority. The Central Bank of Egypt also established a Financial Inclusion Unit. An independent central administration (the National Council for Payments) was established by decree in 2017 to protect consumers of financial services and begin the move towards a cashless economy.

**Highlights:** Following approval by the Egyptian parliament, the Electronic Payments Act came into effect in June 2019. This law, drafted by the Central Bank of Egypt, provides legal recognition of e-money. It also requires government and private-sector entities to make all payments to subsidiaries, suppliers and contractors electronically.



## Summary of Egypt’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>51</b>	<b>=29</b>	<b>52</b>
1 Government and policy support	57	=23	54
2 Stability and integrity	65	=24	65
3 Products and outlets	77	11	57
4 Consumer protection	43	=43	60
5 Infrastructure	50	=39	59

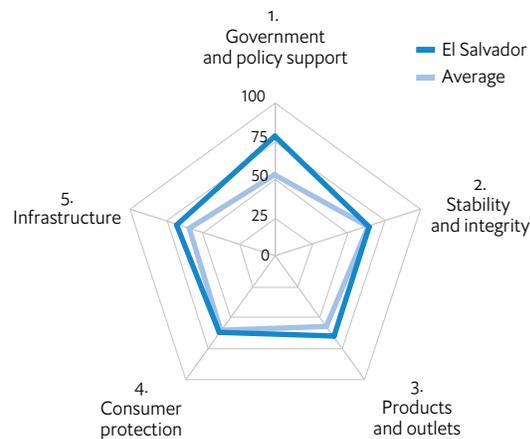
Egypt: strengths		Egypt: areas for improvement	
Indicator	Rank	Indicator	Rank
3.4 Inclusive insurance	=1	1.1 Broad strategies for financial inclusion	=50
3.5 Financial outlets (agents, merchants and electronic channels)	=1	5.2 Digital IDs	54
2.5 Commitment to cyber-security	2	4.1 Financial services users	=53



## El Salvador

**Overview:** In 2015 the government of El Salvador passed the Law to Facilitate Financial Inclusion. Subsequent efforts—undertaken in co-ordination with public, private and international actors—have expanded access to financial services through the introduction of e-money providers, electronic wage payments and larger agent networks.

**Highlights:** In January 2019 the Supreme Court of El Salvador declared that the tax on financial transactions greater than US\$1,000 was unconstitutional (previously authorised by the Law of Tax on Financial Transactions No. 764/2016). The use of electronic financial services is growing, and in 2018 DaviPlata introduced the first completely online/mobile savings account in El Salvador, allowing users to open and control accounts remotely.



### Summary of El Salvador’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>63</b>	<b>=13</b>	<b>52</b>
1 Government and policy support	80	6	54
2 Stability and integrity	65	=24	65
3 Products and outlets	65	=18	57
4 Consumer protection	62	31	60
5 Infrastructure	69	=15	59

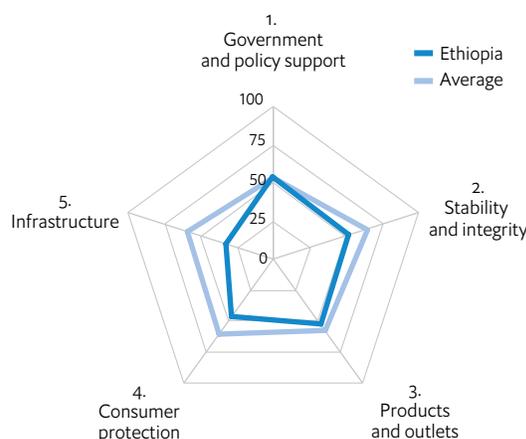
El Salvador: strengths			El Salvador: areas for improvement		
Indicator	Rank		Indicator	Rank	
1.2 Promotion of literacy and capability	=1		3.4 Inclusive insurance	=25	
3.5 Financial outlets (agents, merchants and electronic channels)	=1		2.5 Commitment to cyber-security	=51	
2.1 Market entry	19		4.3 Data privacy and cybercrime protection	=29	



# Ethiopia

**Overview:** Ethiopia’s first National Financial Inclusion Strategy was published in 2017. The prime minister, Abiy Ahmed, has been pushing for economic reform and to open the financial sector to foreign investment since he took office in April 2018. The state’s financial regulator (the National Bank of Ethiopia) is in the process of reviewing its directives and identifying areas in need of improvement, including digital banking, which is significantly underdeveloped.

**Highlights:** The Central Bank of Ethiopia announced the opening of an all-female branch in Addis Ababa in April 2019. In the same month, the United Nations secretary-general’s special advocate for inclusive finance for development visited the country and highlighted the need to unlock economic opportunities for poor women and rural communities. The government agreed in June 2019 to end Ethio Telecom’s monopoly of the telecommunications sector and grant licences to foreign operators by the end of 2019.



## Summary of Ethiopia’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>39</b>	<b>45</b>	<b>52</b>
1 Government and policy support	54	=27	54
2 Stability and integrity	52	=46	65
3 Products and outlets	53	=27	57
4 Consumer protection	47	=40	60
5 Infrastructure	32	52	59

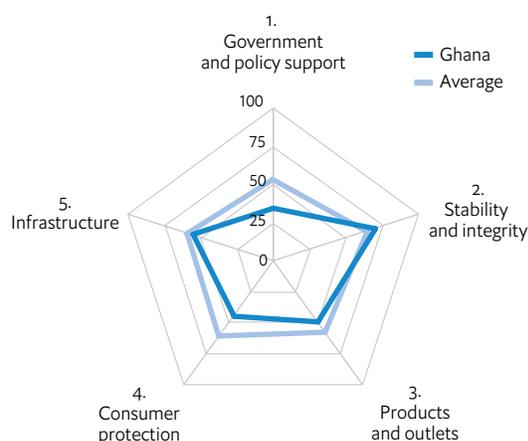
Ethiopia: strengths		Ethiopia: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	3.3 Emerging services	=31
1.2 Promotion of literacy and capability	=5	5.2 Digital IDs	55
3.5 Financial outlets (agents, merchants and electronic channels)	=26	5.1 Payments infrastructure	=52



# Ghana

**Overview:** Ghana’s much anticipated Financial Inclusion and Development Strategy came into effect in July 2019 and will drive efforts until 2023 in five key areas: financial stability; access, quality and use of financial services; financial infrastructure; financial consumer protection; and financial capability.

**Highlights:** Along with a clearly articulated financial inclusion strategy, the passage of the National Payments Systems and Services Act in March 2019 brings regulation up to date with the increasingly electronic environment and is expected to support continued growth in electronic payments in Ghana. Interoperability has improved significantly since the country’s first Mobile Money Interoperability System was launched in May 2018, through the Ghana Interbank Payment and Settlement Systems.



A second phase, launched at the end of 2018, will complete the financial inclusion triangle by allowing the movement of money between and among telecommunications companies, banks and e-zwich accounts.

## Summary of Ghana’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>48</b>	<b>=35</b>	<b>52</b>
1 Government and policy support	35	=45	54
2 Stability and integrity	70	=18	65
3 Products and outlets	50	=35	57
4 Consumer protection	45	42	60
5 Infrastructure	56	36	59

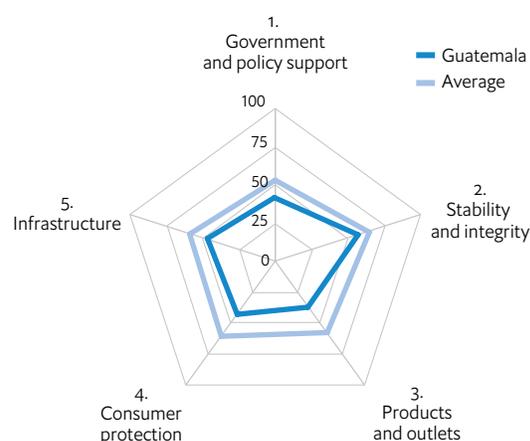
Ghana: strengths		Ghana: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	4.2 Inclusive insurance users	42
3.1 Accounts at financial institutions and e-money	=1	3.4 Inclusive insurance	=25
3.5 Financial outlets (agents, merchants and electronic channels)	=1	3.3 Emerging services	=31



## Guatemala

**Overview:** The Superintendence of Banks (SIB) and the Banco de Guatemala (Banguat, the central bank) have been working on a national financial inclusion strategy since 2017 and are due to launch it soon. In April 2019 the Monetary Board (Junta Monetaria) formally announced the establishment of the Commission on Financial Inclusion.

**Highlights:** In July 2019 the SIB announced the launch of the Unit of Innovation and Development (UNIDE), which is co-ordinated through the SIB Innovation Hub. The hub will act as a regulatory sandbox for fintech companies and will liaise between the government and start-ups to identify trends in the market, study new business models and develop appropriate regulatory frameworks.



### Summary of Guatemala's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>41</b>	<b>43</b>	<b>52</b>
1 Government and policy support	42	=38	54
2 Stability and integrity	58	=36	65
3 Products and outlets	37	=45	57
4 Consumer protection	43	=43	60
5 Infrastructure	47	44	59

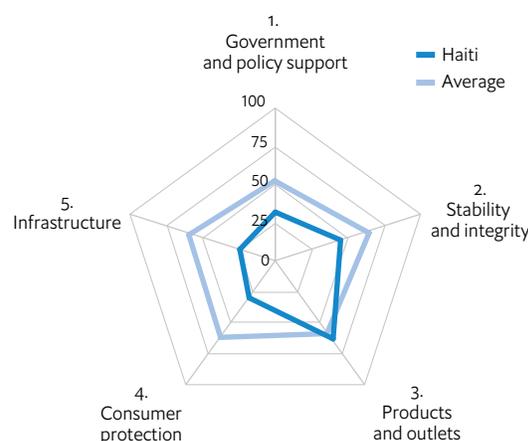
Guatemala: strengths		Guatemala: areas for improvement	
Indicator	Rank	Indicator	Rank
3.5 Financial outlets (agents, merchants and electronic channels)	=26	3.4 Inclusive insurance	=25
2.1 Market entry	30	3.3 Emerging services	=31
2.3 Customer due diligence	=25	4.3 Data privacy and cybercrime protection	52



## Haiti

**Overview:** Haiti approved a national inclusion document in 2015 (the *Projet de Stratégie Nationale d'Inclusion Financière*), outlining short-, medium- and long-term implementation plans, in conjunction with financial institutions, the private sector, government and civil society.

**Highlights:** In April 2019 the United States Agency for International Development (USAID) published the FinScope Consumer Survey, in collaboration with the Banque de la République d'Haiti (BRH) and other partners. Agent banking networks have expanded, and the BRH hosted a fintech seminar in May 2019, reiterating the important role digital financial services will play in deepening financial inclusion in the country.



### Summary of Haiti's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>34</b>	<b>49</b>	<b>52</b>
1 Government and policy support	32	47	54
2 Stability and integrity	45	=50	65
3 Products and outlets	63	=20	57
4 Consumer protection	30	49	60
5 Infrastructure	25	54	59

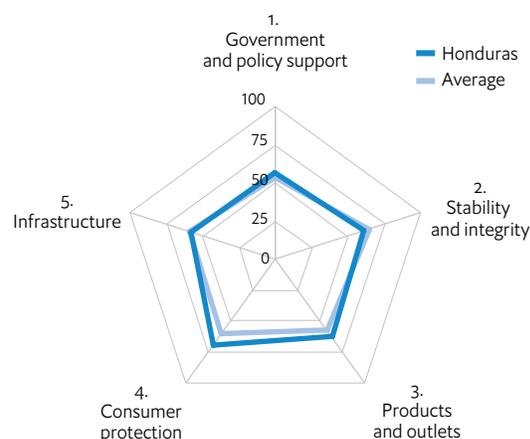
Haiti: strengths		Haiti: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	3.4 Inclusive insurance users	=25
3.5 Financial outlets (agents, merchants and electronic channels)	=1	2.5 Commitment to cyber-security	54
2.3 Customer due diligence	=25	5.1 Payments infrastructure	52



## Honduras

**Overview:** Honduras launched its financial inclusion strategy in 2015. As part of this strategy, regulations for e-money have been issued (via Central Bank of Honduras Agreement No. 1/2016) and new financial education programmes have been launched. However, the decision to leave implementation of the strategy to a special office in the executive branch, instead of more established institutions or regulators, has made its co-ordination more difficult.

**Highlights:** In February 2019 the National Banking and Insurance Commission created the Fintech and Technological Innovation Committee to promote regulatory innovation aimed at financial inclusion. Despite issuing e-money regulations in 2016, the main provider—which is active in the market—has not completed the licensing process.



### Summary of Honduras's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>54</b>	<b>=22</b>	<b>52</b>
1 Government and policy support	56	=25	54
2 Stability and integrity	61	=32	65
3 Products and outlets	63	=20	57
4 Consumer protection	70	=25	60
5 Infrastructure	58	=33	59

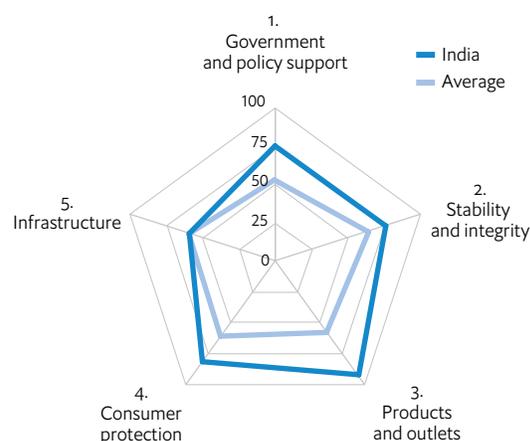
Honduras: strengths		Honduras: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	3.4 Inclusive insurance	=25
3.5 Financial outlets (agents, merchants and electronic channels)	=1	2.5 Commitment to cyber-security	54
4.2 Inclusive insurance users	=1	4.3 Data privacy and cybercrime protection	=42



## India

**Overview:** The Reserve Bank of India (RBI) has prepared a draft National Strategy for Financial Inclusion to deepen financial services' coverage in the country. The long-awaited strategy is expected to be finalised in 2019 and will cover a five-year period.

**Highlights:** The RBI set up a high-level committee to review the existing status of digitisation and devise a medium-term strategy for increasing digital payments. In August 2019 the RBI released the Enabling Framework for Regulatory Sandbox (RS), which creates the basis for a regulatory sandbox that will allow fintech start-ups to live-test innovative products and services.



### Summary of India's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>71</b>	<b>=5</b>	<b>52</b>
1 Government and policy support	76	=8	54
2 Stability and integrity	76	12	65
3 Products and outlets	92	3	57
4 Consumer protection	81	9	60
5 Infrastructure	60	31	59

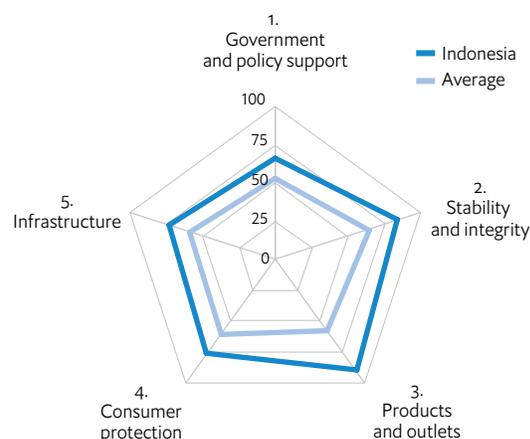
India: strengths		India: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	2.4 Supervisory capacity	=29
3.2 Credit portfolios for middle- and low-income customers	=1	5.3 Connectivity	=45
3.3 Emerging services	=1	1.1 Broad strategies for financial inclusion	=19



## Indonesia

**Overview:** Indonesia launched the revised National Strategy for Inclusive Finance (SNKI) in 2016. To facilitate effective implementation, a National Council of Inclusive Finance was established, chaired by the president of Indonesia. The strategy promotes financial literacy and has a gender focus.

**Highlights:** The Financial Services Authority (OJK) issued regulations on digital innovation in financial services in 2018. Since 2018 users have been able to access borrowers' information through a Debtor Information System (SID) by visiting the OJK's offices. Indonesia has adequate regulations on customer protection, and these regulations specify standards for complaint resolution for the financial services sector.



### Summary of Indonesia's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>70</b>	<b>=7</b>	<b>52</b>
1 Government and policy support	66	=18	54
2 Stability and integrity	84	7	65
3 Products and outlets	90	=4	57
4 Consumer protection	77	13	60
5 Infrastructure	73	12	59

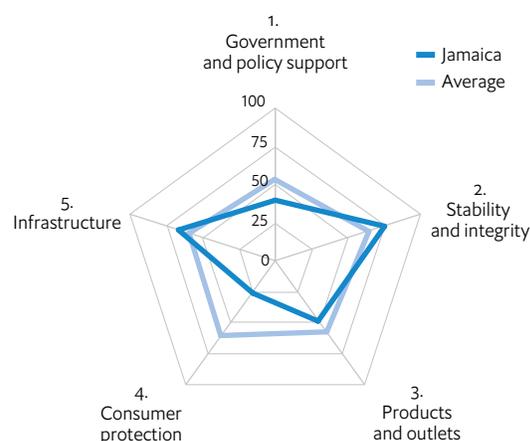
Indonesia: strengths		Indonesia: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	1.1 Broad strategies for financial inclusion	=31
3.3 Emerging services	=1	4.3 Data privacy and cybercrime protection	19
3.4 Inclusive insurance	=1	5.4 Credit information and other data-sharing systems	=25



## Jamaica

**Overview:** Jamaica’s Financial Inclusion Strategy of 2016-20 made financial inclusion a priority through the creation of the National Financial Inclusion Council, in collaboration with various public- and private-sector actors. The 2014 Banking Services Act, the 2016 Banking Services Regulations and the 2013 Consumer Protection (Amendment) Act provide the main regulatory thrust behind financial inclusion in Jamaica. The government has implemented a regulatory sandbox framework to support the financial technology payment system, enabling the development of financial technology that can help to extend access to financial services to low- and middle-income populations.

**Highlights:** Over the past year the Data Protection Act and Microcredit Act have both been tabled as bills in parliament. If enacted in their current form, they would represent major progress towards financial inclusion,



providing comprehensive legal frameworks for data protection and microcredit. There are also ongoing developments in fintech, with the central bank supporting the regulatory sandbox framework.

### Summary of Jamaica’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>48</b>	<b>=35</b>	<b>52</b>
1 Government and policy support	41	=40	54
2 Stability and integrity	75	13	65
3 Products and outlets	48	=37	57
4 Consumer protection	25	51	60
5 Infrastructure	67	=17	59

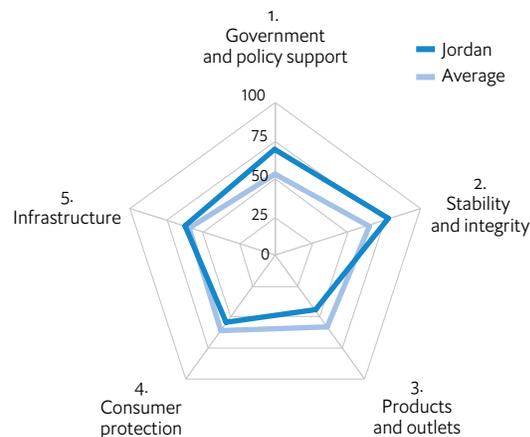
Jamaica: strengths		Jamaica: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=1	4.2 Inclusive insurance users	42
2.2 Ongoing requirements	=1	3.4 Inclusive insurance	=25
3-5 Financial outlets (agents, merchants and electronic channels)	=1	3.3 Emerging services	=31



# Jordan

**Overview:** The Central Bank of Jordan (the country’s primary financial regulatory body) issued the National Financial Inclusion Strategy 2018-20 in December 2017. There is evidence that this strategy is being implemented, with Jordan constantly issuing new regulations and laws in line with the strategy’s goals.

**Highlights:** This year the United Nations (UN) communicated its readiness to support Jordan’s financial inclusion plans. This major development occurred following a visit by Queen Maxima of the Netherlands, in her capacity as the UN secretary-general’s special advocate for inclusive finance.



## Summary of Jordan’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>52</b>	<b>28</b>	<b>52</b>
1 Government and policy support	69	=16	54
2 Stability and integrity	78	=9	65
3 Products and outlets	45	=40	57
4 Consumer protection	55	=34	60
5 Infrastructure	62	=26	59

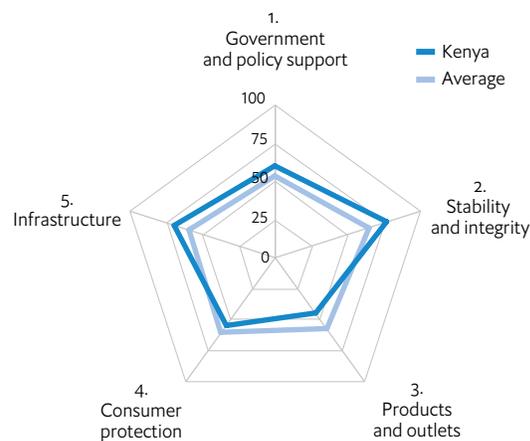
Jordan: strengths		Jordan: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	3.3 Emerging services	=31
3.2 Credit portfolios for low- income customers	=1	4.3 Data privacy and cybercrime protection	=50
4.2 Inclusive insurance users	=1	3.4 Inclusive insurance	=25



# Kenya

**Overview:** Kenya’s parliament is currently considering the draft Financial Markets Conduct Bill, which would regulate non-cash payments and restrict predatory lending by fintech companies—a major issue in recent years. The Central Bank of Kenya has also proposed establishing a new regulator (the Financial Markets Conduct Authority) to oversee fintech companies.

**Highlights:** A number of bills that will affect the provision of financial services were drafted in 2018 and are currently under discussion. The 2018 Data Protection Bill would protect personal financial information. The 2018 Microinsurance Regulations and the 2018 Insurance (Amendment) Bill would define microinsurance as a policy available to low-income populations



and introduce index-based insurance. Lastly, the draft 2018 Microfinance (Amendment) Bill would update the framework for microfinance for the first time since 2008.

## Summary of Kenya’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>54</b>	<b>=22</b>	<b>52</b>
1 Government and policy support	60	22	54
2 Stability and integrity	77	11	65
3 Products and outlets	45	=40	57
4 Consumer protection	55	=34	60
5 Infrastructure	70	14	59

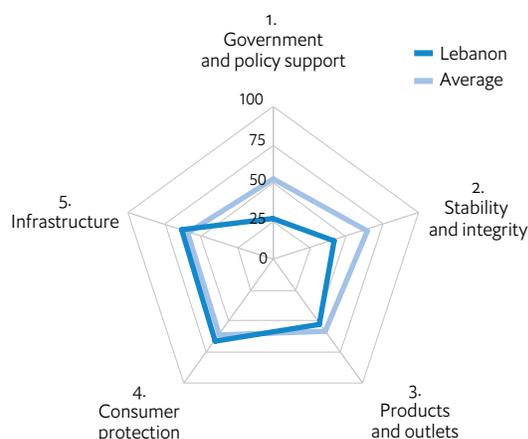
Kenya: strengths		Kenya: areas for improvement	
Indicator	Rank	Indicator	Rank
2.2 Ongoing requirements	=1	3.4 Inclusive insurance	=25
3.1 Accounts at financial institutions and e-money	=1	3.3 Emerging services	=31
2.1 Market entry	=1	3.2 Credit portfolios for middle- and low-income customers	=43



# Lebanon

**Overview:** In 2017 the Banque Du Liban (BDL, the primary financial regulatory body in Lebanon) created a financial inclusion strategy. However, there is very little evidence of active implementation or updates, and the non-banking financial institutions (NBFI) sector remains largely unregulated, despite the strategy calling for the creation of a regulatory body.

**Highlights:** Progress has been slow this year in Lebanon. However, there is movement towards an official launch of the BDL's crypto-currency, which would potentially be used to facilitate local payments.



## Summary of Lebanon's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>40</b>	<b>44</b>	<b>52</b>
1 Government and policy support	27	=52	54
2 Stability and integrity	42	53	65
3 Products and outlets	52	=31	57
4 Consumer protection	66	=29	60
5 Infrastructure	63	=23	59

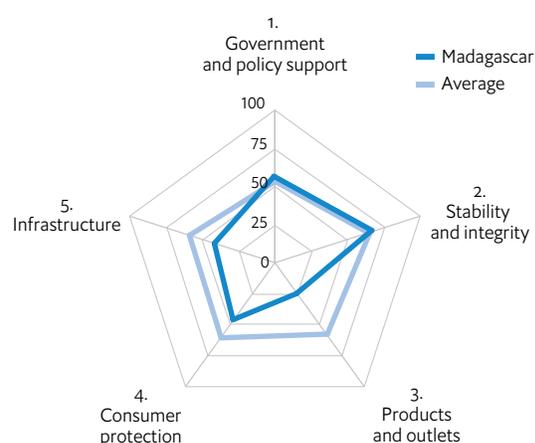
Lebanon: strengths		Lebanon: areas for improvement	
Indicator	Rank	Indicator	Rank
3.3 Emerging services	=1	3.4 Inclusive insurance	=25
4.2 Inclusive insurance	=1	4.3 Data privacy and cyberprotection	=48
5.2 Digital IDs	=10	1.2 Promotion of literacy and capability	=45



## Madagascar

**Overview:** In 2014 the government of Madagascar transformed the existing microfinance agency under the Ministry of Finance into the National Coordination for Financial Inclusion. As part of the country’s first National Financial Inclusion Strategy (2013-17), the Making Access Possible (MAP) process was launched, and a FinScope Consumer Survey was conducted in 2015.

**Highlights:** In November 2018 the government of Madagascar adopted a National Financial Inclusion Strategy for 2018-22, which includes a range of digitisation components. In the same month the Madagascar Financial Inclusion Project was launched, financed by the World Bank. Its objectives include the digitisation of government payments and microfinance institutions, as well as a range of activities focused on improving the financial inclusion of women in Madagascar.



### Summary of Madagascar’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>43</b>	<b>=40</b>	<b>52</b>
1 Government and policy support	56	=25	54
2 Stability and integrity	67	23	65
3 Products and outlets	25	=52	57
4 Consumer protection	47	=40	60
5 Infrastructure	42	48	59

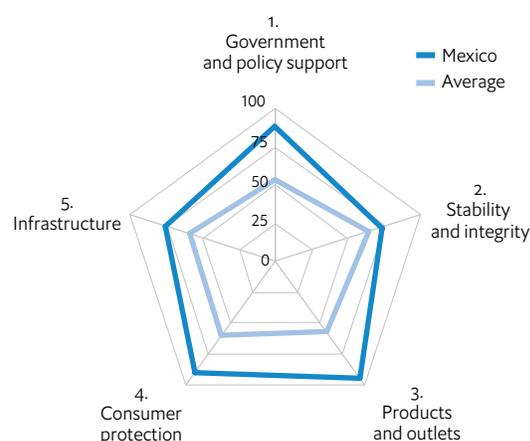
Madagascar: strengths		Madagascar: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=1	3.4 Inclusive insurance	=25
2.2 Ongoing requirements	1	3.3 Emerging services	=31
1.2 Promotion of literacy and capability	=5	3.2 Credit portfolios for middle- and low-income customers	=50



## Mexico

**Overview:** The government of Mexico has been implementing a National Financial Inclusion Policy since 2016. The National Council on Financial Inclusion (CONAIF) co-ordinates efforts across government agencies, financial institutions, and telecommunications and technology companies.

**Highlights:** The government, which was inaugurated in December 2018, is placing additional emphasis on the financial inclusion of women and migrants. It has launched new initiatives, such as granting interest-free microloans, authorising minors aged 15 to 17 to open bank accounts and revamping state-owned development banks. The government and the private sector have recently joined efforts to boost electronic payments through the use of QR codes.



### Summary of Mexico's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>74</b>	<b>4</b>	<b>52</b>
1 Government and policy support	89	2	54
2 Stability and integrity	74	=14	65
3 Products and outlets	95	2	57
4 Consumer protection	90	3	60
5 Infrastructure	76	=10	59

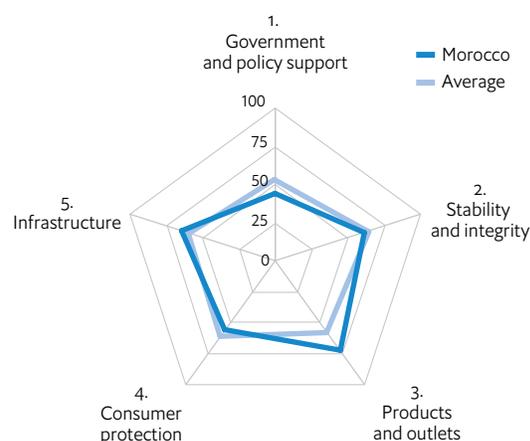
Mexico: strengths		Mexico: areas for improvement	
Indicator	Rank	Indicator	Rank
4.2 Inclusive insurance users	=1	5.1 Payments infrastructure	17
1.1 Broad strategies for financial inclusion	=1	2.4 Supervisory capacity	=18
3.1 Accounts at financial institutions and e-money	=1	5.3 Connectivity	=22



## Morocco

**Overview:** The Central Bank (Bank Al Maghreb) initiated the development of a financial inclusion strategy in 2015, in collaboration with the World Bank and the German Society for International Co-operation (GIZ). At the beginning of 2016 a study was launched (using a participative approach) to define the main components of an appropriate strategy for the Moroccan context.

**Highlights:** The Central Bank published the key points of the National Financial Inclusion Strategy in February 2019. The strategy includes eight levers, with a particular focus on the most excluded populations (unemployed women in rural areas, youth and small businesses).



### Summary of Morocco's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>51</b>	<b>=29</b>	<b>52</b>
1 Government and policy support	44	=35	54
2 Stability and integrity	61	=32	65
3 Products and outlets	72	12	57
4 Consumer protection	56	=32	60
5 Infrastructure	65	=20	59

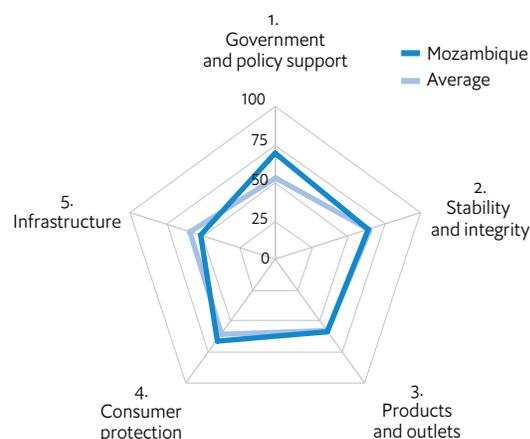
Morocco: strengths			Morocco: areas for improvement		
Indicator	Rank		Indicator	Rank	
2.3 Customer due diligence	=1		4.2 Inclusive insurance users	=42	
3.5 Financial outlets (agents, merchants and electronic channels)	=1		1.3 Incentives for digitisation and emerging technologies	=48	
4.3 Data privacy and cybercrime protection	=7		2.4 Supervisory capacity	35	



## Mozambique

**Overview:** Mozambique’s government has made considerable progress towards financial inclusion following the implementation of the 2016-22 Financial Inclusion Strategy, in collaboration with both the public and the private sector. Led by the Bank of Mozambique, the strategy involves co-ordination with 12 government agencies, including the Institute for Insurance Supervision, the Ministry of Economy of Finance and the National Statistics Institute.

**Highlights:** In 2018 the government signed a Financial Sector Deepening Memorandum of Understanding with private-sector stakeholders to increase levels of access to financial products. In 2019 the Financial Inclusion Strategy underwent its mid-term review. Mozambique’s Finscope survey, last completed in 2014, is being repeated in 2019 to update the available information.



### Summary of Mozambique’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>53</b>	<b>=26</b>	<b>52</b>
1 Government and policy support	70	=14	54
2 Stability and integrity	64	27	65
3 Products and outlets	58	24	57
4 Consumer protection	66	=29	60
5 Infrastructure	52	38	59

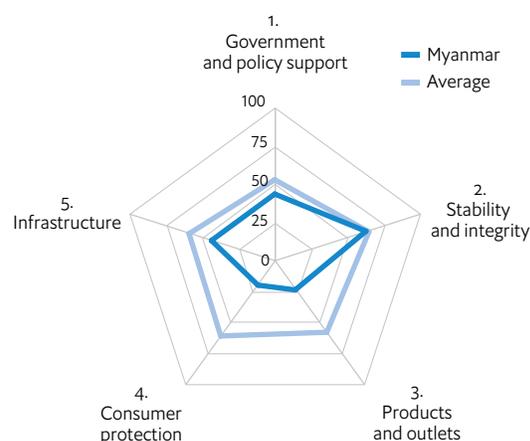
Mozambique: strengths		Mozambique: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=1	3.3 Emerging services	=31
2.2 Ongoing requirements	=1	2.4 Supervisory capacity	55
2.3 Customer due diligence	=1	2.5 Commitment to cyber-security	=47



## Myanmar

**Overview:** The National Financial Inclusion Roadmap (2014-20) has guided efforts to improve financial inclusion in Myanmar. However, there is no evidence that the strategy has incorporated a digital approach. The government of Myanmar has worked with international donors to support financial inclusion efforts. The United Nations Capital Development Fund (UNCDF) Myanmar is currently implementing the Expanding Financial Access (EFA) programme, which aims to increase formal inclusion in Myanmar from 30% to 40% by 2020. The government is also working with the Livelihood and Food Security Fund (LIFT) to provide financial literacy training.

**Highlights:** In August 2018 the Directorate of Investment and Company Administration (DICA) launched the MyCo online system, which companies are now expected to register with and use to pay fees. The Internal Revenue Department is also implementing an e-system



to allow taxpayers to pay taxes online. There have been changes in the regulations governing open investment by foreign companies in the financial services sector, with 35% foreign ownership now permitted in both local banks and insurance companies. A credit bureau is being established to strengthen risk management in the sector.

### Summary of Myanmar's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>33</b>	<b>=50</b>	<b>52</b>
1 Government and policy support	44	=35	54
2 Stability and integrity	63	28	65
3 Products and outlets	23	55	57
4 Consumer protection	19	52	60
5 Infrastructure	44	=46	59

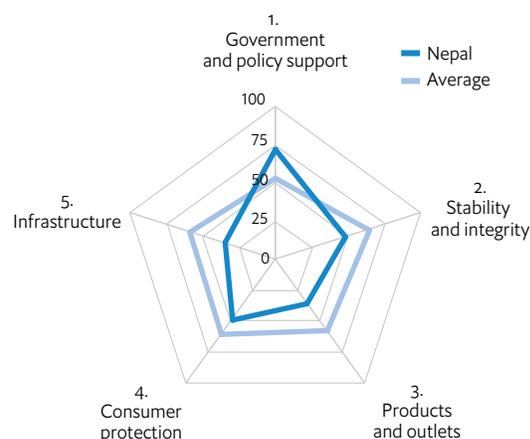
Myanmar: strengths			Myanmar: areas for improvement		
Indicator	Rank		Indicator	Rank	
1.2 Promotion of literacy and capability	=1		5.4 Credit information and other data-sharing systems	=54	
2.2 Ongoing requirements	=19		4.2 Inclusive insurance users	=42	
2.3 Customer due diligence	=25		3.4 Inclusive insurance	=25	



## Nepal

**Overview:** The Nepal Financial Inclusion Roadmap (2017-22), released in July 2016, guides financial inclusion initiatives in the country. The strategy aims to orient the banking system towards universal banking, increasing the availability of financial services in rural and remote areas and initiating reforms to enhance the regulatory framework and capabilities, with the objective of developing more resilient financial systems. The Nepal Rastra Bank's (NRB) Third Strategic Plan (2017-21) also identifies financial inclusion as a strategic priority, and the Monetary Policy of 2017-18 focused on deepening financial inclusion by enhancing financial literacy and access to finance.

**Highlights:** The first federal budget, for fiscal year 2018-19, aims to digitise government payments and revenue collection. In 2018 the Finance Ministry launched a campaign to open



bank accounts for every Nepalese citizen within one year. The NRB's regulation department has upgraded its reporting system to ensure efficient compliance control, data analysis and policy formulation.

### Summary of Nepal's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>44</b>	<b>39</b>	<b>52</b>
1 Government and policy support	72	=10	54
2 Stability and integrity	48	48	65
3 Products and outlets	35	47	57
4 Consumer protection	49	39	60
5 Infrastructure	35	51	59

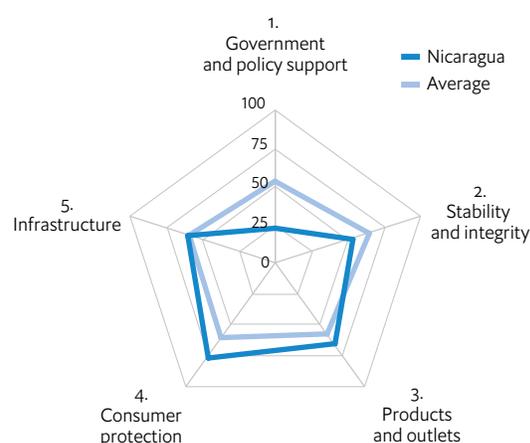
Nepal: strengths		Nepal: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=23	3.4 Inclusive insurance	=25
1.3 Incentives for digitisation and emerging technologies	=25	3.3 Emerging services	=31
3.2 Credit portfolios for middle- and low-income customers	=17	5.4 Credit information and other data-sharing systems	52



## Nicaragua

**Overview:** Financial inclusion in Nicaragua relates mainly to microfinance, which was regulated in 2011. Microfinance institutions (MFIs) are under the aegis of the Comisión Nacional de Microfinanzas (CONAMI), which has gradually improved its supervisory capacity. Government-sponsored lending programmes are channelled through two state-financed institutions: the Cooperativa de Ahorro y Credito Caja Rural Nacional (CARUNA, the rural savings and loans co-operative) and Banco Produzcamos. These are key components of the government’s efforts to increase inclusion.

**Highlights:** The government passed a tax reform package in 2019, which levies a 15% tax on capital gains, affecting the financial sector. The Superintendencia de Bancos y Otras Instituciones (SIBOIF) issued a norm for a simplified account in 2017, which has enabled



account opening. In 2016 the Central Bank of Nicaragua launched a new ACH system, in co-operation with the six major banks, through the UniRed network. Nicaragua published a microinsurance norm in 2015, and MFIs offer microinsurance products.

### Summary of Nicaragua’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>45</b>	<b>38</b>	<b>52</b>
1 Government and policy support	24	54	54
2 Stability and integrity	53	45	65
3 Products and outlets	65	=18	57
4 Consumer protection	76	=14	60
5 Infrastructure	61	=28	59

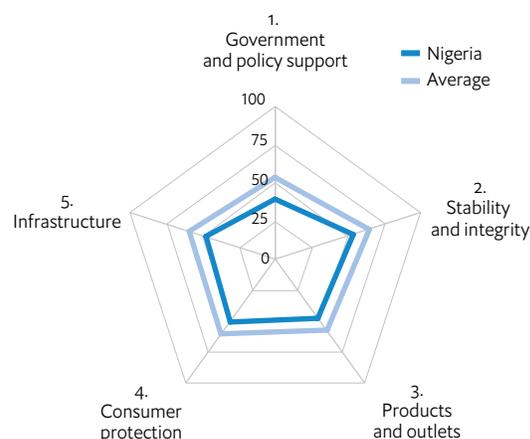
Nicaragua: strengths		Nicaragua: areas for improvement	
Indicator	Rank	Indicator	Rank
3.4 Inclusive insurance	=1	3.3 Emerging services	=31
3.5 Financial outlets (agents, merchants and electronic channels)	=1	1.2 Promotion of literacy and capability	=54
4.2 Inclusive insurance users	=1	3.3 Emerging services	=31



## Nigeria

**Overview:** In 2018 the government of Nigeria revisited the National Financial Inclusion Strategy (established in 2012), which focused on agency banking, mobile banking/mobile payments, linkage models and client empowerment. In the same year a memorandum of understanding (MOU) on digital payment systems was signed between the Central Bank of Nigeria (CBN) and the Nigerian Communications Commission. This suggests that a move towards a more coherent digital approach may be likely in the near future.

**Highlights:** The National Financial Inclusion Strategy states that the government of Nigeria aims to achieve full digitisation of federal government flows by 2020. In October 2018 newly introduced guidelines from the Central Bank of Nigeria enabled mobile money



operators to convert to payment service banks in order to operate in the Nigerian market. Payment service banks are not authorised to provide loans.

### Summary of Nigeria's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>43</b>	<b>=40</b>	<b>52</b>
1 Government and policy support	40	=42	54
2 Stability and integrity	54	=43	65
3 Products and outlets	48	=37	57
4 Consumer protection	51	37	60
5 Infrastructure	48	=42	59

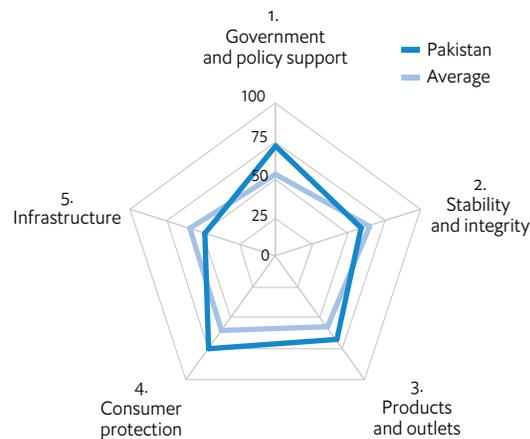
Nigeria: strengths		Nigeria: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	3.3 Emerging services	=31
3.1 Accounts at financial institutions and e-money	=14	2.4 Supervisory capacity	=50
3.5 Financial outlets (agents, merchants and electronic channels)	=26	3.2 Credit portfolios for middle- and low-income customers	=43



## Pakistan

**Overview:** In 2018 Pakistan revised its 2015 National Financial Inclusion Strategy (NFIS). The revised strategy places an emphasis on promoting digital payments, with the aim of increasing the number of digitised accounts to 65m by 2023.

**Highlights:** The State Bank of Pakistan (SBP, the central bank) implemented reforms in 2019 that will allow non-banking entities to directly issue e-money, through the Regulations for Electronic Money Institutions (EMIs). Previously, Pakistan had a bank-led model, where mobile operators set up microfinance banks in order to issue e-money. This change is likely to enable further innovation in digital finance.



### Summary of Pakistan's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>55</b>	<b>21</b>	<b>52</b>
1 Government and policy support	72	=10	54
2 Stability and integrity	59	=34	65
3 Products and outlets	67	=16	57
4 Consumer protection	75	16	60
5 Infrastructure	49	41	59

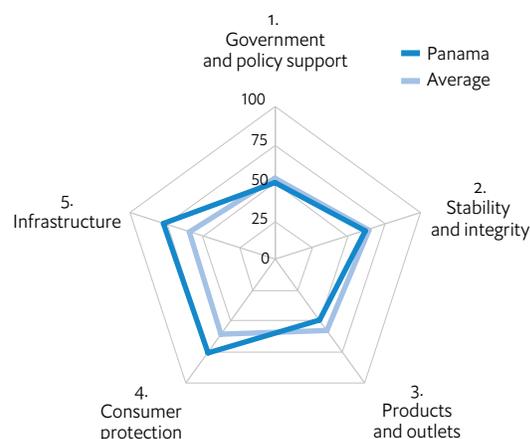
Pakistan: strengths		Pakistan: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	3.3 Emerging services	=31
3.4 Inclusive insurance	=1	5.3 Connectivity	55
3.5 Financial outlets (agents, merchants and electronic channels)	=1	3.1 Accounts at financial institutions and e-money	=54



## Panama

**Overview:** Panama has a series of standards in place that permit the use of non-banking agents, simplified accounts and digital payment channels to facilitate access to financial services among low-income populations.

**Highlights:** In May 2019 the government proposed an official National Strategy for Financial Inclusion. The 2018 Bill for the Modernisation and International Competitiveness of the Financial System (No. 629) is also expected to introduce a digital transformation approach to the country’s financial system. In June 2019 the Financial Action Task Force (FATF) placed Panama back on its grey list of countries that are high risk for money laundering and the financing of terrorism.



### Summary of Panama’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>56</b>	<b>=19</b>	<b>52</b>
1 Government and policy support	50	30	54
2 Stability and integrity	62	=29	65
3 Products and outlets	50	=35	57
4 Consumer protection	76	=14	60
5 Infrastructure	77	=6	59

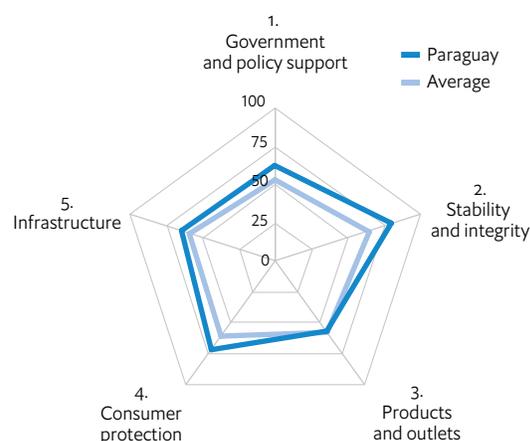
Panama: strengths		Panama: areas for improvement	
Indicator	Rank	Indicator	Rank
4.2 Inclusive insurance users	=1	3.4 Inclusive insurance	=25
2.2 Ongoing requirements	=11	1.1 Broad strategies for financial inclusion	=50
1.3 Incentives for digitisation and emerging technologies	=7	4.3 Data privacy and cybercrime protection	=37



## Paraguay

**Overview:** In 2014 the government of Paraguay created the National Committee on Financial Inclusion (CNIF) and a National Strategy for Financial Inclusion (ENIF). Successful co-ordination within the public and private sectors has led to the implementation of financial education programmes, e-money issuers and simplified digital accounts. Paraguay's existing regulatory structure for non-banking financial institutions remains weak.

**Highlights:** The CNIF is currently evaluating the advancements and weaknesses of the 2014-18 ENIF and is expected to update the strategy to cover the 2019-23 period. Following the 2018 creation of the Paraguayan Chamber of Fintech, new legislation is expected later this year to regulate sectors of the fintech industry.



### Summary of Paraguay's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>61</b>	<b>16</b>	<b>52</b>
1 Government and policy support	63	=20	54
2 Stability and integrity	80	8	65
3 Products and outlets	57	=25	57
4 Consumer protection	72	=19	60
5 Infrastructure	65	=20	59

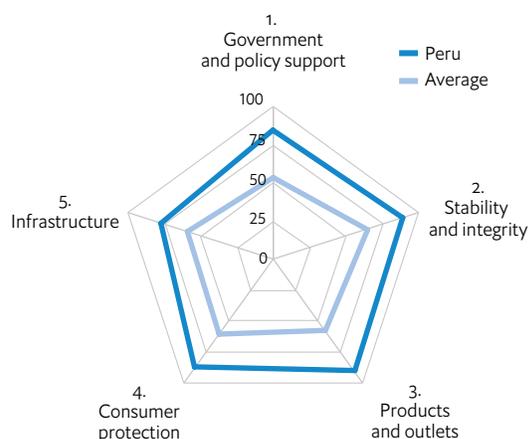
Paraguay: strengths		Paraguay: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=1	3.4 Inclusive insurance	=25
2.3 Customer due diligence	=1	1.1 Broad strategies for financial inclusion	=31
4.3 Data privacy and cybercrime protection	=3	5.4 Credit information and other data-sharing systems	36



## Peru

**Overview:** Peru’s regulatory framework for financial inclusion is guided by the Multisectoral Commission on Financial Inclusion and the National Strategy for Financial Inclusion (ENIF, first issued in 2015). Government stakeholders, the private sector and civil society co-operate to promote financial inclusion, but demand for formal financial services has been weak due to a lack of products that truly meet the needs of the diverse population.

**Highlights:** In July 2019 the Ministry of the Economy and Finances issued Supreme Decree No. 255-2019-EF, which revises the 2015 ENIF, recognises the structural challenges to financial inclusion, and focuses on three pillars: access, effective use and quality services.



### Summary of Peru’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>80</b>	<b>2</b>	<b>52</b>
1 Government and policy support	85	5	54
2 Stability and integrity	89	4	65
3 Products and outlets	90	=4	57
4 Consumer protection	87	=5	60
5 Infrastructure	77	=6	59

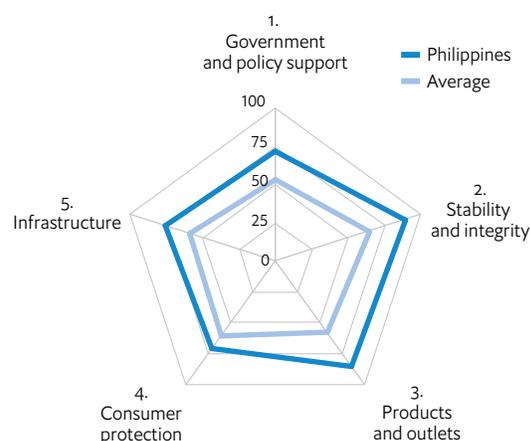
Peru: strengths		Peru: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	2.5 Commitment to cyber-security	34
2.1 Market entry	=1	5.3 Connectivity	=43
2.2 Ongoing requirements	=1	3.3 Emerging services	=11



## Philippines

**Overview:** In 2016 the Office of the Presidency institutionalised the Financial Inclusion Steering Committee (FISC)—the governing body that provides strategic direction, guidance and oversight in the implementation of the National Strategy for Financial Inclusion (NSFI). The Philippines has increased its focus on digital financial inclusion, with the launch of a biometric national identification system and a programme to provide a one-stop shop for online government services. Efforts are being made to increase financial and digital literacy, but they lack gender goals.

**Highlights:** Bangko Sentral ng Pilipinas has created a support institution to focus on digital financial technology for reaching the underserved. Interoperability in retail payments is still constrained by a limited number of



participating institutions and high transaction costs. The supervision of non-banks and MFIs needs strengthening as do dispute resolution mechanisms for government payments.

### Summary of Philippines's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>71</b>	<b>=5</b>	<b>52</b>
1 Government and policy support	72	=10	54
2 Stability and integrity	90	3	65
3 Products and outlets	85	=8	57
4 Consumer protection	71	=23	60
5 Infrastructure	76	=10	59

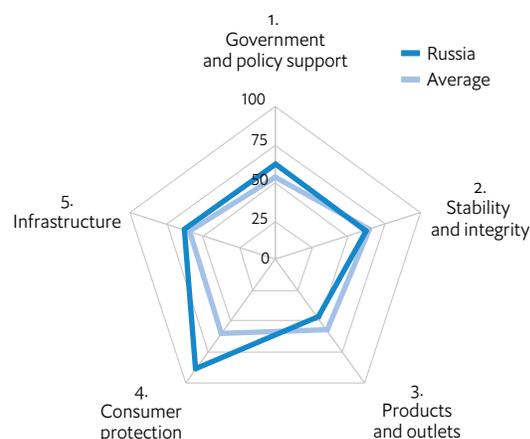
Philippines: strengths		Philippines: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	2.5 Commitment to cyber-security	34
2.1 Market entry	=1	5.3 Connectivity	=43
2.2 Ongoing requirements	=1	3.3 Emerging services	=11



## Russia

**Overview:** In 2018 Russia adopted the Strategy for Raising Financial Inclusion 2018-20. The Central Bank of the Russian Federation is the main body responsible for financial inclusion and has a service for consumer protection and financial inclusion.

**Highlights:** In 2019 a policy titled “Main Directions of Development of the Financial Market for 2019-21” was adopted, along with an action plan for its implementation. These documents both include measures to increase financial inclusion. In addition, the Fast Payment System (Sistema Bystrykh Platezhei) was launched in February 2019. This system enables instant payments between personal accounts at 14 different financial institutions via a smartphone application.



### Summary of Russia’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>56</b>	<b>=19</b>	<b>52</b>
1 Government and policy support	63	=20	54
2 Stability and integrity	62	=29	65
3 Products and outlets	47	39	57
4 Consumer protection	89	4	60
5 Infrastructure	63	=23	59

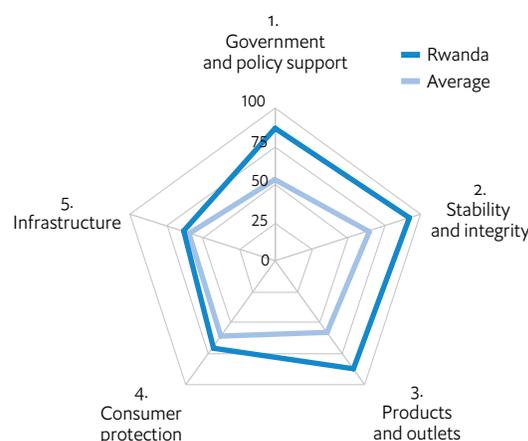
Russia: strengths		Russia: areas for improvement	
Indicator	Rank	Indicator	Rank
3.5 Financial outlets (agents, merchants and electronic channels)	=1	3.4 Inclusive insurance	=25
4.2 Inclusive insurance users	=1	3.3 Emerging services	=31
4.3 Data privacy and cybercrime protection	1	1.1 Broad strategies for financial inclusion	=31



## Rwanda

**Overview:** Rwanda adopted its Financial Inclusion Programme (2016-20) in 2015. The National Bank of Rwanda is steadily implementing this programme, with the aim of reaching 90% inclusion by 2020.

**Highlights:** In December 2018 the National Bank adopted a new microinsurance regulation, which encourages the development of products targeting the informal sector and low-income customers. The National Bank has also assumed full responsibility for microfinance regulation, improving the regulatory atmosphere by ending double regulation. An initiative to create a centralised agent system has been introduced, and the system may be implemented by the end of 2019.



### Summary of Rwanda's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>68</b>	<b>10</b>	<b>52</b>
1 Government and policy support	87	3	54
2 Stability and integrity	92	=1	65
3 Products and outlets	87	7	57
4 Consumer protection	70	=25	60
5 Infrastructure	63	=23	59

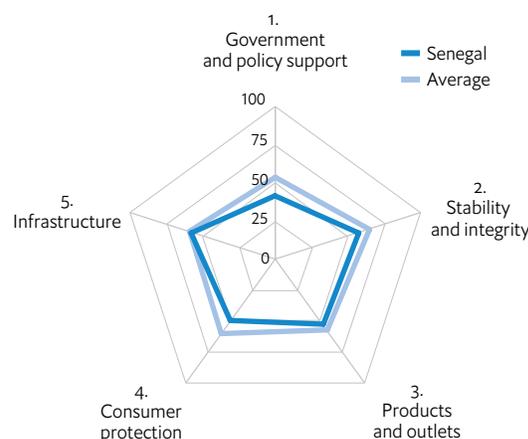
Rwanda: strengths		Rwanda: areas for improvement	
Indicator	Rank	Indicator	Rank
3.3 Emerging services	=1	3.2 Credit portfolios for middle and low-income customers	=32
3.4 Inclusive insurance	=1	5.1 Payments infrastructure	=40
3.1 Accounts at financial institutions and e-money	=1	4.2 Inclusive insurance users	=29



## Senegal

**Overview:** The Central Bank of West African States (BCEAO) has created an enabling environment for digital financial services that includes the promotion of electronic payments, microfinance institutions and other digital financial services. Non-banks can receive e-money issuer licences, which allows mobile network operators and other agents to improve access to financial services in Senegal. In 2016 the government began issuing e-IDs to citizens, and as of 2017 an estimated 67% of adults had one. Mobile money continues to drive financial inclusion in Senegal, and in 2018 the government announced a new initiative to speed up infrastructure development for the digitisation of government operations throughout rural areas.

**Highlights:** Senegal's Ministry of Finance, Economy and Planning (MEFP) is in the process of reviving a strategy to address financial



inclusion that aligns with regional standards. There have been no significant advances towards financial inclusion since 2018.

### Summary of Senegal's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>47</b>	<b>37</b>	<b>52</b>
1 Government and policy support	42	=38	54
2 Stability and integrity	58	=36	65
3 Products and outlets	53	=27	57
4 Consumer protection	50	38	60
5 Infrastructure	58	=33	59

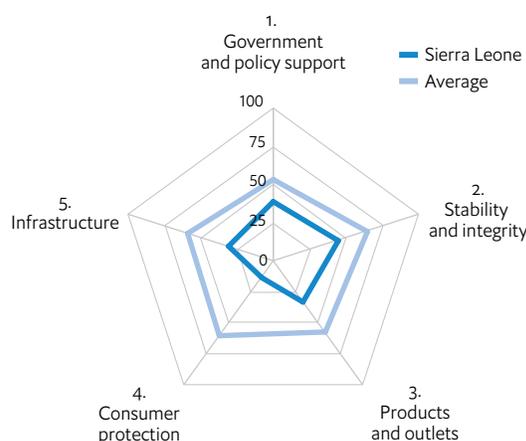
Senegal: strengths			Senegal: areas for improvement		
Indicator	Rank		Indicator	Rank	
4.3 Data privacy and cybercrime protection	3		2.3 Customer due diligence	=55	
2.1 Market entry	18		4.2 Inclusive insurance users	42	
2.2 Ongoing requirements	=15		3.3 Emerging services	=31	



## Sierra Leone

**Overview:** Sierra Leone's National Strategy for Financial Inclusion (2017-20) is in its third year of implementation. Discussions are already underway to draft a second plan that builds on progress made since 2017.

**Highlights:** Aided by strong political support and continued technical support from international partners, Sierra Leone has used a regulatory sandbox approach to support innovative pilot projects aimed at tackling financial inclusion through two rounds of the Sierra Leone FinTech Challenge. The creation of a Financial Inclusion Secretariat within the Bank of Sierra Leone in 2019 has given renewed impetus to efforts aimed at achieving greater interoperability, creating a nationwide digital identification system (using blockchain technology) and developing agency banking guidelines. The secretariat is tasked with achieving the goals outlined in the national strategy.



### Summary of Sierra Leone's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>28</b>	<b>54</b>	<b>52</b>
1 Government and policy support	39	=43	54
2 Stability and integrity	45	=50	65
3 Products and outlets	33	=48	57
4 Consumer protection	13	54	60
5 Infrastructure	31	53	59

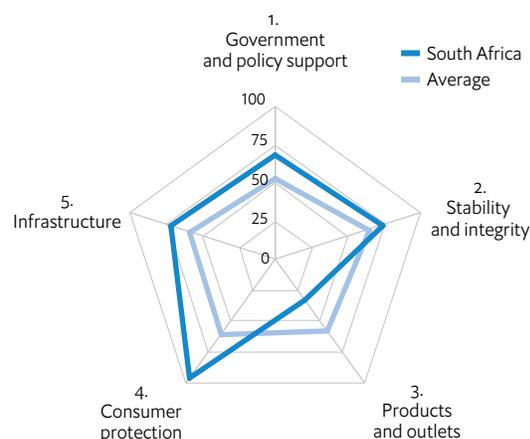
Sierra Leone: strengths			Sierra Leone: areas for improvement		
Indicator	Rank		Indicator	Rank	
3.3 Emerging services	=1		3.2 Credit portfolios for middle- and low-income customers	=50	
2.3 Customer due diligence	=1		4.2 Inclusive insurance users	=42	
1.3 Incentives for digitisation and emerging technologies	=29		3.4 Inclusive insurance	=25	



## South Africa

**Overview:** Although South Africa does not have an overarching national financial inclusion strategy, it has developed a series of strategies to promote and encourage financial inclusion. Compared with other countries in Africa, South Africa has high levels of financial literacy, as well as high levels of Internet and mobile phone penetration. Despite this, public trust in the banking sector and its high fee structures present obstacles to financial inclusion. South Africa also mandates that e-money can only be issued by South African banks, which has stunted development of the e-money sector.

**Highlights:** 2019 is an election year, so there have been no major public-sector developments regarding financial inclusion. The latest version of the National Credit Act passed the National Assembly in September 2018 but is awaiting a presidential signature.



### Summary of South Africa's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>63</b>	<b>=13</b>	<b>52</b>
1 Government and policy support	69	=16	54
2 Stability and integrity	74	=14	65
3 Products and outlets	33	=48	57
4 Consumer protection	96	2	60
5 Infrastructure	72	13	59

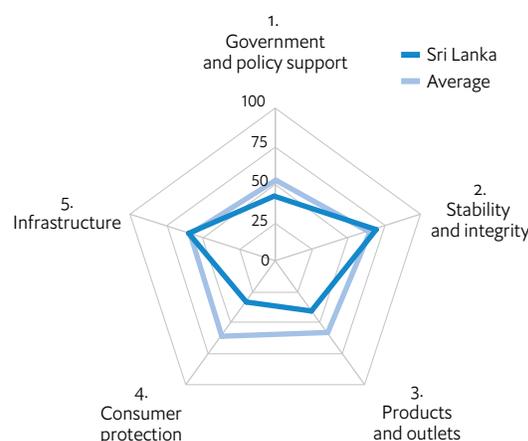
South Africa: strengths		South Africa: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	3.4 Inclusive insurance	=25
4.1 Financial services users	=1	3.3 Emerging services	=31
4.2 Inclusive insurance users	=1	3.2 Credit portfolios for middle- and low-income customers	=43



## Sri Lanka

**Overview:** In January 2018 the Central Bank of Sri Lanka (CBSL) partnered with the International Finance Corporation (IFC) to develop the country's first National Financial Inclusion Strategy, with the support of the Ministry of National Policies and Economic Affairs and the Ministry of Finance and Mass Media. The strategy's main focus is digital finance, including a national payment platform. The strategy is expected to come into effect in 2019.

**Highlights:** In 2018 the Central Bank of Sri Lanka conducted 154 programmes on financial literacy, entrepreneurship development and skills development, with a special focus on those who lack access to the formal financial sector. The government also conducted financial inclusion programmes that targeted women in various parts of the country. In terms of legislation, the Establishment of a National Quick Response



Code Standard for Local Currency Payments and the Payment and Settlement System Circulars of 2019 have contributed to financial inclusion. The former allows low-value merchants to accept QR codes, and the latter requires SMS notifications to be sent to consumers for financial transactions.

### Summary of Sri Lanka's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>42</b>	<b>42</b>	<b>52</b>
1 Government and policy support	43	37	54
2 Stability and integrity	70	=18	65
3 Products and outlets	40	44	57
4 Consumer protection	32	48	60
5 Infrastructure	59	32	59

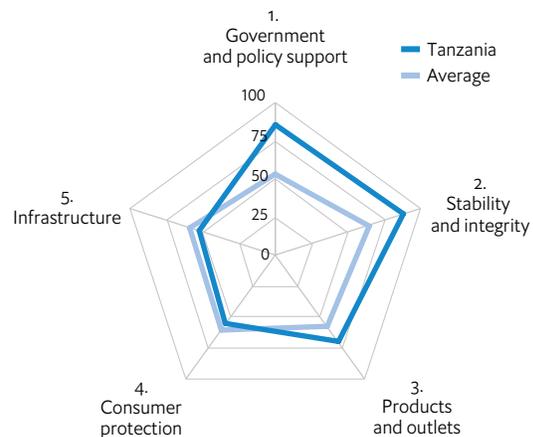
Sri Lanka: strengths		Sri Lanka: areas for improvement	
Indicator	Rank	Indicator	Rank
2.2 Ongoing requirements	=1	4.2 Inclusive insurance users	=42
2.3 Customer due diligence	=1	3.4 Inclusive insurance	=25
2.1 Market entry	=20	3.2 Credit portfolios for middle- and low-income customers	=50



## Tanzania

**Overview:** In 2017 Tanzania’s Financial Inclusion National Council (a policymaking body for the national agenda in the area of financial inclusion) published the National Financial Inclusion Framework 2018-22. This framework guides policy implementation and structural changes aimed at achieving greater financial access and interoperability.

**Highlights:** The Bank of Tanzania has developed and is currently implementing a new payment switch programme (the Tanzania Instant Payment System), which will connect all banks, e-money providers and financial institutions. Over the past two years the government has also provided all adult Tanzanians with basic national IDs, and efforts are underway to provide them with digital IDs.



### Summary of Tanzania’s performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>62</b>	<b>15</b>	<b>52</b>
1 Government and policy support	86	4	54
2 Stability and integrity	88	5	65
3 Products and outlets	70	=13	57
4 Consumer protection	56	=32	60
5 Infrastructure	53	37	59

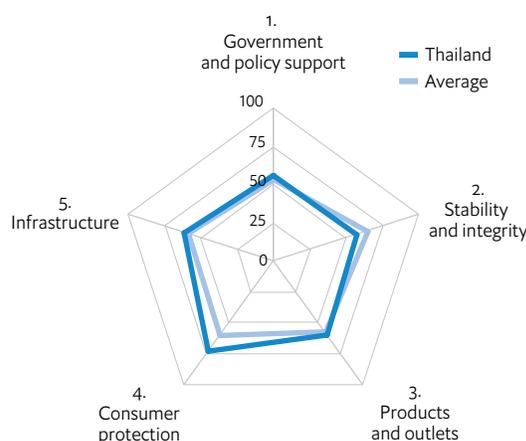
Tanzania: strengths		Tanzania: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	3.3 Emerging services	=31
2.3 Customer due diligence	=1	5.4 Credit information and other data-sharing systems	=42
3.5 Financial outlets (agents, merchants and electrical channels)	=1	5.3 Connectivity	=50



## Thailand

**Overview:** Thailand has specific institutions that promote financial inclusion, but there is no single, comprehensive strategy document. The Bank of Thailand (the central bank) published its Financial Sector Master Plan Phase III (2016-20) in 2016, which promotes electronic financial and payment services and aims to enhance the efficiency of the financial system. Thailand is also taking steps to become a cashless society through its National e-Payment Master Plan.

**Highlights:** The regulatory environment for financial inclusion remains unchanged. The authorities encourage the expansion of commercial banks into microfinance, but their microloan portfolio is still tiny. The authorities say they favour the entry of new (private) providers, but highly subsidised government programmes and stringent regulations preclude the entry of new microfinance institutions.



### Summary of Thailand's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>54</b>	<b>=22</b>	<b>52</b>
1 Government and policy support	57	=23	54
2 Stability and integrity	58	=36	65
3 Products and outlets	60	=22	57
4 Consumer protection	73	=17	60
5 Infrastructure	62	=26	59

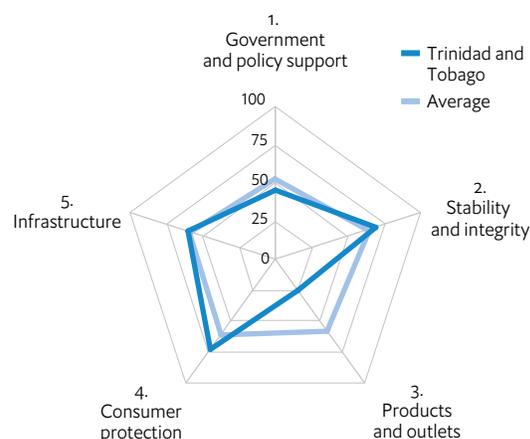
Thailand: strengths		Thailand: areas for improvement	
Indicator	Rank	Indicator	Rank
3.3 Emerging services	=1	3.4 Inclusive insurance	=25
4.2 Inclusive insurance users	=1	2.3 Customer due diligence	=53
2.5 Commitment to cyber-security	5	1.1 Broad strategies for financial inclusion	=39



## Trinidad and Tobago

**Overview:** Trinidad and Tobago's Strategic Plan for 2016-17 to 2020-21 is the main policy document for financial inclusion, and the Central Bank of Trinidad is responsible for leading policy co-ordination. The 2008 Financial Institutions Act, the 2014 Moneylenders Act and the 2007 Consumer Protection and Safety Act provide the main regulatory thrust for financial inclusion, with the Central Bank acting as the primary regulator of all financial institutions. The government continues to move towards improving its payments platform, with the aim of transitioning from the existing online portal (TTConnect) to a fully digital government funds transfer system by the end of 2019. The country continues to lack a comprehensive regulatory framework for agent banking, remote account opening, microcredit and inclusive insurance.

**Highlights:** Following the launch of the National Financial Education Committee in March 2018, led by the Central Bank's Office



of the Financial Ombudsman, Trinidad and Tobago has implemented financial literacy and digital literacy programmes designed to increase financial inclusion. Overall capacity remains an issue, as the central bank does not have sufficient technical expertise to regulate emerging services, and the variety of mobile money platforms remains limited.

### Summary of Trinidad and Tobago's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>50</b>	<b>32</b>	<b>52</b>
1 Government and policy support	46	=32	54
2 Stability and integrity	69	22	65
3 Products and outlets	25	=52	57
4 Consumer protection	73	=17	60
5 Infrastructure	61	=28	59

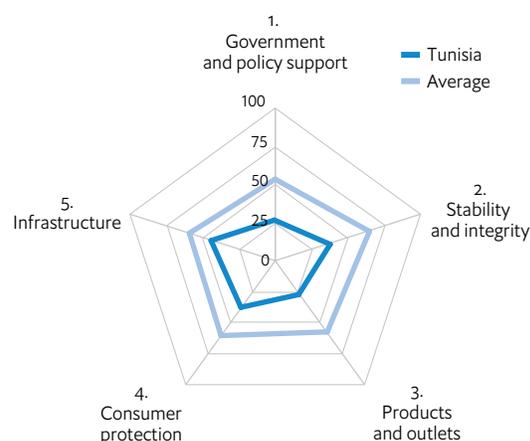
Trinidad and Tobago: strengths		Trinidad and Tobago: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=1	3.5 Financial outlets (agents, merchants and electrical channels)	=55
2.2 Ongoing requirements	=1	3.4 Inclusive insurance	=25
2.3 Customer due diligence	=1	3.2 Credit portfolios for middle- and low-income customers	=50



## Tunisia

**Overview:** In 2018 the government of Tunisia introduced a new Banking Law (2016-48) for financial service providers, which was further strengthened by the Central Bank Circular 2018-16.

**Highlights:** In 2018 the Ministry of Finance introduced the National Financial Inclusion Strategy for 2018-22, which is to be implemented by a multi-stakeholder National Committee of Financial Inclusion. The Ministry of Finance and the Committee for Financial Sector Reform developed a nationwide action plan for the de-cashing strategy, furthering the development of electronic payment systems in Tunisia. The Central Bank Circular 2018-16, issued on December 31, 2018, authorised payment institutions to carry out digital payments.



### Summary of Tunisia's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>30</b>	<b>53</b>	<b>52</b>
1 Government and policy support	27	=52	54
2 Stability and integrity	38	=54	65
3 Products and outlets	27	51	57
4 Consumer protection	37	46	60
5 Infrastructure	44	=46	59

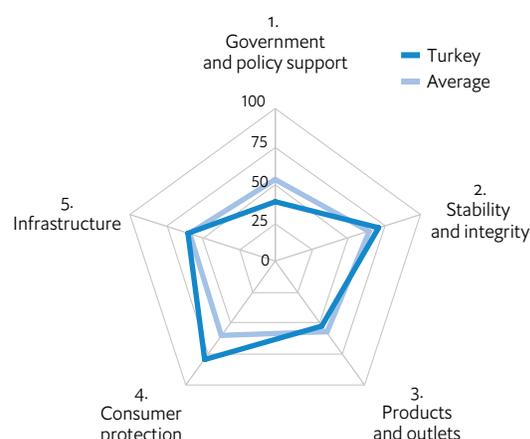
Tunisia: strengths		Tunisia: areas for improvement	
Indicator	Rank	Indicator	Rank
5.2 Digital IDs	=14	4.2 Inclusive insurance users	=42
5.3 Connectivity	19	3.4 Inclusive insurance	=25
3.1 Accounts at financial institutions and e-money	=30	3.3 Emerging services	=31



# Turkey

**Overview:** Turkey developed a Financial Inclusion Strategy in 2014. However, the action plans attached to the strategy—which focused on financial education and financial consumer protection—expired in 2017, and no new plans have been drafted.

**Highlights:** There have been no changes in the regulatory environment for financial inclusion. The financial sector in general has faced increased risks since mid-2018, due to the lira slide and subsequent economic recession. The Financial Technologies Permanent Sub-Committee, established by the main financial regulatory bodies in July 2018, has continued to discuss a strategy and road map for the fintech industry, with potential benefits for financial inclusion.



## Summary of Turkey's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>49</b>	<b>=33</b>	<b>52</b>
1 Government and policy support	39	=43	54
2 Stability and integrity	71	17	65
3 Products and outlets	52	=31	57
4 Consumer protection	80	=10	60
5 Infrastructure	61	=28	59

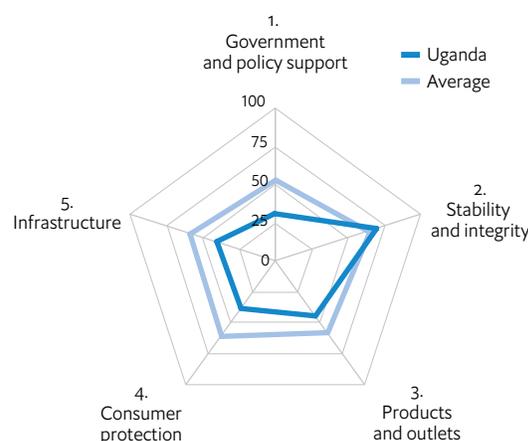
Turkey: strengths		Turkey: areas for improvement	
Indicator	Rank	Indicator	Rank
3.2 Credit portfolios for middle- and low-income customers	=1	3.4 Inclusive insurance	=25
2.5 Commitment to cyber-security	1	1.1 Broad strategies for financial inclusion	=50
2.3 Customer due diligence	=1	5.1 Payments infrastructure	48



## Uganda

**Overview:** The Ministry of Financial Planning and Economic Development and the Bank of Uganda (BoU) continue to spearhead implementation of the National Strategy for Financial Inclusion, which will drive the process until 2022.

**Highlights:** The roll-out of agency banking regulations in 2018 has expanded access to financial services at a time when taxation of the mobile money sector has negatively affected financial inclusion efforts. Data protection was strengthened in February 2019 when the Uganda Data Protection and Privacy Act was signed into law. After broad consultation on the National Payment Bill in 2018, the BoU is confident that legislation to improve interoperability will be in place by the end of 2019.



### Summary of Uganda's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>37</b>	<b>=47</b>	<b>52</b>
1 Government and policy support	31	48	54
2 Stability and integrity	70	=18	65
3 Products and outlets	45	=40	57
4 Consumer protection	38	45	60
5 Infrastructure	40	49	59

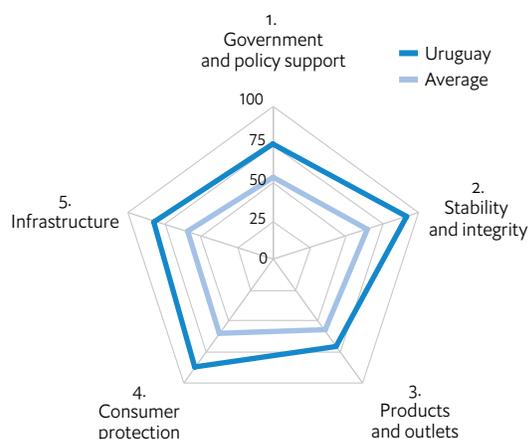
Uganda: strengths		Uganda: areas for improvement	
Indicator	Rank	Indicator	Rank
2.3 Customer due diligence	=1	4.2 Inclusive insurance users	=42
5.2 Digital IDs	=9	3.4 Inclusive insurance	=25
3.2 Credit portfolios for middle- and low-income customers	=17	5.1 Payments infrastructure	55



## Uruguay

**Overview:** In 2014 Uruguay implemented the Law for Financial Inclusion (Ley de Inclusion Financiera), which created various incentives for users to access formal bank accounts and electronic payment services. The Ministry of the Economy and Finances (MEF) oversees implementation of the law.

**Highlights:** The MEF continues to launch initiatives to promote financial inclusion. In April 2019 it announced that all government entities would accept electronic payments from August 2019. Following the passage of the Law for Financial Inclusion, 1.1m electronic money instruments and almost 800,000 new debit cards have been issued, allowing more than 1m people (approximately 40% of the population aged 15 years and above) to access a free electronic money account or instrument, with a set of associated services, at no cost.



### Summary of Uruguay's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>76</b>	<b>3</b>	<b>52</b>
1 Government and policy support	76	=8	54
2 Stability and integrity	92	=1	65
3 Products and outlets	70	=13	57
4 Consumer protection	87	=5	60
5 Infrastructure	82	=2	59

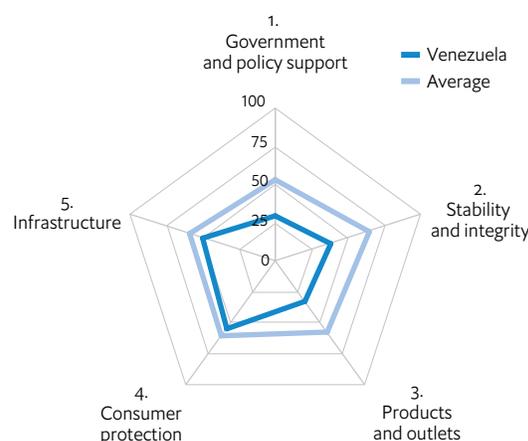
Uruguay: strengths		Uruguay: areas for improvement	
Indicator	Rank	Indicator	Rank
2.1 Market entry	=1	3.4 Inclusive insurance	=25
2.2 Ongoing requirements	=1	3.3 Emerging services	=11
2.3 Customer due diligence	=1	5.2 Digital IDs	=23



## Venezuela

**Overview:** The environment for financial inclusion in Venezuela has deteriorated significantly due to a combination of inadequate legislation and a severe economic crisis. Financial inclusion has not been a priority in the government's development agenda, and shortages of cash have deeply affected all economic sectors. In August 2017 the Superintendence of Banks (SUDEBAN) prohibited non-banking agents from conducting a number of cash transactions, forcing banks and other financial providers to shut down branches in remote areas and reduce their network of agents. The outdated regulatory framework exacerbates this situation.

**Highlights:** In 2018 the government of Venezuela became the first country to launch its own cryptocurrency (the Petro), in an attempt to save itself from high levels of foreign debt and hyperinflation. However, this digital



transformation did not aim to achieve greater financial inclusion, and it has been non-existent in practice. In 2019 the International Monetary Fund (IMF) estimated that Venezuela's annual inflation rate would reach 10,000,000 % by the end of the year.

### Summary of Venezuela's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>32</b>	<b>52</b>	<b>52</b>
1 Government and policy support	30	=49	54
2 Stability and integrity	38	=54	65
3 Products and outlets	33	=48	57
4 Consumer protection	55	=34	60
5 Infrastructure	50	=39	59

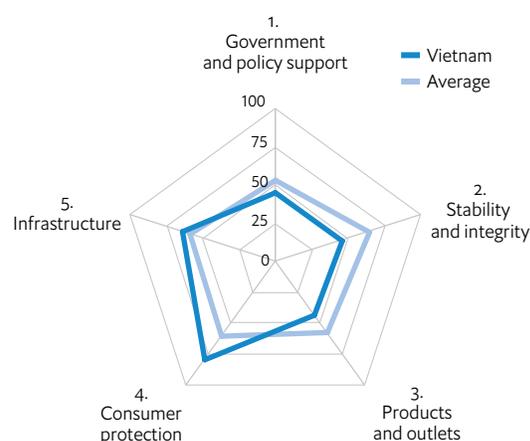
Venezuela: strengths			Venezuela: areas for improvement		
Indicator	Rank		Indicator	Rank	
4.2 Inclusive insurance users	=1		3.3 Emerging services	=31	
1.3 Incentives for digitisation and emerging technologies	=7		1.2 Promotion of literacy and capability	=54	
5.3 Connectivity	=22		1.1 Broad strategies for financial inclusion	=55	



## Vietnam

**Overview:** The State Bank of Vietnam (SBV) has not issued policies or legislation as part of a national financial inclusion strategy. In 2018, however, the government issued Decision No. 986/QĐ-TTg on the Development Strategy of Vietnam Banking Sector to 2025, with Orientations to 2030. This outlines goals for modernising the SBV, improving financial supervision, promoting competition in financial services and developing modern products for financial inclusion. The SBV is currently working with international entities to develop a financial inclusion strategy.

**Highlights:** In 2016 the government announced a plan to increase the percentage of cashless payments to over 90% by 2020. However, data from 2019 shows that less than 12% of all payments are cashless, and nearly all small-value payments (under US\$5) are still made in cash. The government is considering tax incentives to increase the use of electronic payments.



### Summary of Vietnam's performance

Category	Score	Rank	Average score
<b>Overall score</b>	<b>49</b>	<b>=33</b>	<b>52</b>
1 Government and policy support	46	=32	54
2 Stability and integrity	46	49	65
3 Products and outlets	43	43	57
4 Consumer protection	80	=10	60
5 Infrastructure	64	22	59

Vietnam: strengths		Vietnam: areas for improvement	
Indicator	Rank	Indicator	Rank
4.2 Inclusive insurance users	=1	3.4 Inclusive insurance	=25
1.3 Incentives for digitisation and emerging technologies	=7	1.2 Promotion of literacy and capability	=45
4.3 Data privacy and cybercrime protection	=9	2.2 Ongoing requirements	55

## Methodology

The Global Microscope is a benchmarking tool created in 2007 to evaluate the enabling environment for financial inclusion in countries across the globe. The 12th iteration of the study is sponsored by the Bill and Melinda Gates Foundation, IDB Lab and IDB Invest members of the Inter-American Development Bank and the Center for Financial Inclusion at Accion. In 2018, the Global Microscope framework was completely redesigned to reflect the changes in the field of financial inclusion after the emergence of digital financial services. The 2018 framework evaluates how policy, regulation and infrastructure enables the provision of financial services to low and middle income population. The framework looks at a broad suite of financial services including deposits, savings, credit, insurance and remittances. This year we added 11 new indicators to document policy and regulatory approaches to financial inclusion (e.g. national strategies), as well as factors that enable women to take advantage of new channels into the financial system. The results are broadly comparable with the 2018 findings with the exception of indicators noted below in this methodology paper. The results however are not comparable with previous editions of the Microscope as the framework was completely overhauled in 2018.

### Categories

The index contains 20 indicators and 71 questions organised across five categories:

**1) Government & Policy Support:** This category assesses the degree of coordination and the incentives that governments are putting in place to create favourable environments for financial inclusion

**2) Stability and integrity:** This category assesses the regulation, supervision and monitoring of financial services providers that serve low and middle-income populations. The evaluation of this category incorporates a risk-based approach to balance financial inclusion goals with financial stability and integrity goals

**3) Products and Outlets:** This category assesses the regulation of a selection of products and outlets that focus and/or reach low and middle-income populations

**4) Consumer Protection:** This category assesses consumer protection and privacy regulation and enforcement

**5) Infrastructure:** This category assesses the infrastructure that facilitates financial inclusion as well as the policy and regulatory actions that governments can take to improve these types of infrastructure

### Regional Representation

Like the previous iterations of the Microscope beginning 2011, the Microscope covers 55 countries. In 2018 the EIU selected a revised set of countries where financial inclusion reflecting a varied combination of emerging markets, and to reflect countries that have had interesting or unexpected financial inclusion outcomes. Chad is the only country from last year's edition that was excluded from the 2019 Global Microscope. Cote d'Ivoire was included in this year's study for the first time.

### Scoring Criteria

The scoring criteria (see Appendix 1) is detailed but also subjective in nature. The Economist Intelligence Unit research team reviewed each response thoroughly, calibrated scores and

conducted cross-country comparisons, so as to ensure that scores were properly justified and consistent across all countries. Consequently, scores are best understood by reading both the scoring criteria and the written justifications provided for each indicator found in the accompanying excel model available at: [www.eiu.com/microscope2018](http://www.eiu.com/microscope2018)

### Changes to indicator framework

Various changes were made to the indicator framework in 2019. In addition to general refinements, several indicators were added or modified to capture issues around gender equality in financial inclusion. 3 indicators were removed from the index, 8 indicators were added, and changes were made to 15 existing indicators. Full details of all these changes follow below.

#### **Changes to indicator framework:**

##### **Deleted indicators**

Four questions were removed from the index in 2019. Questions shown here are those referenced in 2018 index.

##### **1.1.3.a) Evidence of public-private coordination and implementation**

Is there evidence of coordination between the government and a variety of service providers in the private sector to promote financial inclusion?

##### **1.3.1.d) Targeted transfers**

Has the government established a targeting method to avoid exclusion errors in government transfers?

##### **3.2.1.b) Risk-management framework for microcredit**

Is there a differentiated and comprehensive risk-management framework for microcredit portfolios that cover most of the market for middle and low-income customers?

*Note: Microcredit is now incorporated in indicator 3.2.1.a)*

##### **5.3.3.c) Coverage of 4G network**

Percentage of the population covered by at least a 4G mobile network

#### **Changes to indicator framework:**

##### **New indicators**

The following eight indicators were added to the index in 2019:

##### **1.1.3.a) Gender approach included in national strategy**

Does the national strategy include a gender approach?

##### **1.1.4.a) Existence of targets on agent networks**

Does the government strategy include a target on the size of agent networks?

##### **2.4.2.c) Female representation in decision making process**

Are there any women occupying top decision-making positions in the financial regulatory bodies?

##### **3.1.1.b) Non-discrimination account opening**

Does the law place any restrictions to account opening based on sex?

##### **4.1.4.a) Diversity of agents**

Are there programmes or strategies to encourage diversity (of gender, race, religion, caste, ethnicity) among providers and agents of financial services?

##### **4.1.6.a) Protections for financial outlets and agents' users**

Are outlets and agents subject to similar transparency, fair treatment and dispute resolution requirements as banks and other non-bank financial institutions?

##### **5.2.1.b) Gender Gap in ID system**

Percentage difference between women without access to an ID compared to men

##### **5.2.3.a) Non-discriminatory access to IDs**

Do laws or regulations place any restrictions to access of digital ID's and/or eKYC verification systems based on sex?

## Changes to indicator framework: Modified indicators

The wording and/or scoring system was modified for 15 indicators in 2019.

### 1.2.1a) Support for financial literacy

Scoring change. Becomes score 0-3 (was 0-2). Additional scoring point available if government strategy includes a gender approach.

2018	2019
<p>Is there evidence of government efforts to promote and/or achieve financial literacy and capability? Is there evidence of their implementation either in the public or the private sector?</p> <p>0 = There is no evidence of government or private sector efforts to promote financial literacy</p> <p>1 = There is a government strategy to promote financial literacy but no evidence of implementation OR there is evidence of private sector efforts to promote financial literacy but no coordination with the government</p> <p>2 = There is a government strategy to promote financial literacy and it is being implemented either by the government, the private sector or both</p>	<p>Is there evidence of a government strategy or government programs to promote financial literacy and/or strengthen capabilities? Does it include a gender approach?</p> <p>0 = There is no evidence of a government strategy or programs to promote financial literacy and capabilities</p> <p>1 = There is a government strategy to promote financial literacy but no evidence of implementation</p> <p>2 = There is a government strategy to promote financial literacy and it is being implemented, but it does not have a gender approach</p> <p>3 = There is a government strategy to promote financial literacy, it is being implemented and it has a gender approach</p>

### 1.2.2.a) Support for digital literacy

Scoring options change. Point awarded for gender component. Indicator remains 0-3, unchanged from 2018.

2018	2019
<p>Does the government have a plan or strategy that addresses digital literacy, especially for students, as well as training for teachers?</p> <p>0 = No, the government does not have a plan or strategy that addresses digital literacy for students and training for teachers</p> <p>1 = Yes, the government's plan or strategy addresses digital literacy for students, but it does not include training for teachers, or the plan is outdated</p> <p>2 = Yes, the government's plan or strategy is current, addresses digital literacy for students and includes training for teachers</p> <p>3 = Yes, the government's plan or strategy is current, addresses digital literacy for students and includes training for teachers and is introduced at the primary school level</p>	<p>Is there evidence of a government strategy or program to promote digital literacy and/or strengthening capabilities? Does it include a gender approach?</p> <p>0 = There is no evidence of a government strategy or programs to promote digital literacy and capabilities</p> <p>1 = There is a government strategy to promote digital literacy but no evidence of implementation</p> <p>2 = There is a government strategy to promote digital literacy and it is being implemented, but it does not have a gender approach</p> <p>3 = There is a government strategy to promote digital literacy, it is being implemented and it has a gender approach</p>

**1.3.1.b) Percentage of G2P payments deposited into an account**

Scoring change. In 2018 the % value was banded into a qualitative score 0-4. In 2019 the score is calculated as a min/max on the % value.

**1.3.2.a) Approach to authorization and oversight of financial innovation**

Wording change

2018	2019
<p>Have financial authorities fostered innovation in the financial sector through a 'test and learn', 'wait and see' or 'regulatory sandbox' approach for authorization and oversight of innovative financial services? Are there explicit protocols to foster innovation for any of these approaches?</p> <p>0 = No 1 = Yes</p>	<p>Has the government mandated and created formal spaces for financial innovation? (for example, a sandbox, office hours with regulators, test and learn financial regulation)</p> <p>0 = There are no formal spaces or mechanisms for financial innovation 1 = There are formal spaces or mechanisms for financial innovation</p>

**2.1.4.a) Disproportionate initial requirements for cross-border payment providers**

Scoring change. Was score 0-4 in 2018, now score 0-2.

2018	2019
<p>Do cross-border payment providers face disproportionate restrictions in the following areas that affect the entrance of new providers who serve low and middle-income customers?</p> <ol style="list-style-type: none"> <li>Overall licensing framework for cross-border payments</li> <li>Funding or ownership of domestic and/or foreign institutions that perform financial services</li> <li>Initial capital requirements</li> <li>Initial operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> </ol>	<p>Do cross-border payment providers face disproportionate restrictions in the following areas that affect the entrance of new providers who serve low and middle-income customers?</p> <ol style="list-style-type: none"> <li>Overall licensing framework for cross-border payments (Here the important questions is if non-banks can get licenses for cross border payments)</li> <li>Funding or ownership of domestic and/or foreign institutions that perform financial services.</li> </ol> <p>0 = Cross-border payment providers face disproportionate restrictions in all of these areas 1 = Cross-border payment providers face disproportionate restrictions in one of these areas 2 = Cross-border payment providers do not face disproportionate restrictions in any of these areas</p>

**2.2.4.a) Disproportionate ongoing requirements for cross-border payment providers**

Scoring change. Was score 0-6 in 2018, now score 0-3.

2018	2019
<p>Do cross-border payment providers face disproportionate requirements in the following areas?</p> <ol style="list-style-type: none"> <li>1. Restrictions on the vehicles to receive remittances (e.g. can they be delivered to local e-money or mobile money accounts, basic accounts, savings accounts?)</li> <li>2. Market distorting pricing control</li> <li>3. Taxation of operations</li> <li>4. Ongoing capital requirement</li> <li>5. Ongoing operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> <li>6. Differences in transaction and balance limits between countries</li> </ol> <p>0 = Cross-border payment providers face disproportionate restrictions in all of these areas            1 = Cross-border payment providers face disproportionate restrictions in five of these areas            2 = Cross-border payment providers face disproportionate restrictions in four of these areas            3 = Cross-border payment providers face disproportionate restrictions in three of these areas            4 = Cross-border payment providers face disproportionate restrictions in two of these areas            5 = Cross-border payment providers face disproportionate restrictions in one of these areas            6 = Cross-border payment providers don't face disproportionate restrictions in any of these areas</p>	<p>Do cross-border payment providers face disproportionate requirements in the following areas?</p> <ol style="list-style-type: none"> <li>1. Restrictions on the vehicles to receive remittances (e.g. can they be delivered to local e-money or mobile money accounts, basic accounts, savings accounts?)</li> <li>2. Market distorting pricing controls</li> <li>3. Taxation of operations</li> </ol> <p>0 = Cross-border payment providers face disproportionate restrictions in all of these areas            1 = Cross-border payment providers face disproportionate restrictions in two of these areas            2 = Cross-border payment providers face disproportionate restrictions in one of these areas            3 = Cross-border payment providers don't face disproportionate restrictions in any of these areas</p>

**2.4.2.a) Technical expertise to supervise non-bank financial institutions**

Wording and scoring option changes

2018	2019
<p>Is there a specialised capacity in the regulatory agency to supervise non-bank financial institutions that serve middle and low-income customers? By capacity we refer to regulators with technical expertise.</p> <p>0 = Regulators do not have technical expertise to supervise non-bank financial institutions            1 = Regulators have sufficient technical expertise to supervise non-bank financial institutions            2 = Regulators have advanced technical expertise to supervise non-bank financial institutions</p>	<p>Is there a dedicated unit or dedicated technical experts in the regulatory agency and/or Central Bank to supervise non-bank financial institutions like MFIs?</p> <p>0 = There is no evidence of a unit or dedicated technical experts to supervise non-bank financial institutions            1 = There are dedicated technical experts with sufficient capacity to supervise non-bank financial institutions            2 = There are dedicated technical experts with advanced capacity to supervise non-bank financial institutions</p>

**2.4.2.b) Technical expertise to supervise digital financial services**

Wording and scoring option changes

2018	2019
<p>Is there a specialised capacity in the regulatory agency to supervise DFS that serve middle and low-income customers? By capacity we refer to regulators with technical expertise.</p> <p>0 = Regulators do not have technical expertise to supervise digital financial services</p> <p>1 = Regulators have sufficient technical expertise to supervise digital financial services</p> <p>2 = Regulators have advanced technical expertise to supervise digital financial services</p>	<p>Is there a dedicated unit or dedicated technical experts in the regulatory agency and/or Central Bank to supervise digital financial services?</p> <p>0 = There is no evidence of a unit or dedicated technical experts to supervise digital financial services</p> <p>1 = There are dedicated technical experts with sufficient capacity to supervise digital financial services</p> <p>2 = There are dedicated technical experts with advanced capacity to supervise digital financial services</p>

**2.4.2.d) Regulatory technology**

Wording change (question only, not scoring options).

2018	2019
<p>Are supervisors' regulators leveraging technology, that is, using new tools or approaches to supervise non-banks in the provision of digital financial services?</p> <p>0 = Regulators are not leveraging technology for digital supervision</p> <p>1 = Regulators are leveraging technology for digital supervision</p>	<p>Are supervisors and/or regulators leveraging regtech, that is, using technology tools or approaches to supervise the provision of financial services?</p> <p>0 = Regulators are not leveraging technology for digital supervision</p> <p>1 = Regulators are leveraging technology for digital supervision</p>

**3.1.1.a) Account opening requirements**

Wording change (question only, not scoring options)

2018	2019
<p>Are account-opening requirements proportionate for accounts at financial institutions and e-money?</p> <p>0 = Account opening requirements are not proportionate</p> <p>1 = Account opening requirements are either proportionate for accounts or for e-money but not for both</p> <p>2 = Account opening requirements are proportionate for both accounts at financial institutions and e-money</p>	<p>Are account-opening requirements proportionate for accounts at financial institutions and e-money based on the amounts these accounts hold?</p> <p>0 = Account opening requirements are not proportionate</p> <p>1 = Account opening requirements are either proportionate for accounts or for e-money but not for both</p> <p>2 = Account opening requirements are proportionate for both accounts at financial institutions and e-money</p>

**3.2.1.a) Risk-management framework for consumer credit**

Scope change: Question now covers both consumer credit and micro-credit.

2018	2019
<p>Is there a differentiated and comprehensive risk-management framework for consumer credit portfolios that cover most of the market for middle and low-income customers?</p> <p>0= There is no differentiated risk-management framework for consumer credit</p> <p>1= There is a differentiated risk-management framework for consumer credit, but supervision of its status is limited</p> <p>2= There is a differentiated risk-management framework for consumer credit and the regulator supervises its status</p>	<p>Is there a differentiated and comprehensive risk-management framework for credit portfolios (including microcredit) that cover most of the market for middle and low-income customers?</p> <p>0= There is no differentiated risk-management framework for consumer credit</p> <p>1= There is a differentiated risk-management framework for consumer credit, but supervision of its status is limited</p> <p>2= There is a differentiated risk-management framework for consumer credit and the regulator supervises its status</p>

**3.4.1.a) Dedicated inclusive insurance framework**

Wording change (question and scoring options)

2018	2019
<p>Is the regulation for inclusive insurance proportionate? In this context, proportionate regulation is commensurate with the nature, scale and complexity of the risks involved and does not overreach.</p> <p>0 = There is no dedicated regulation for inclusive insurance products</p> <p>1 = There is dedicated regulation for inclusive insurance products, but the requirements are not proportionate</p> <p>2 = There is a dedicated and proportionate regulation for inclusive insurance</p>	<p>Is there dedicated regulation for inclusive insurance and are requirements for providers proportionate to those established for other financial services providers?</p> <p>0 = There is no dedicated regulation for inclusive insurance products</p> <p>1 = There is dedicated regulation for inclusive insurance products, but the requirements are not proportionate</p> <p>2 = There is a dedicated and proportionate regulation for inclusive insurance</p>

**4.3.1.a) Existence of data protection laws and privacy bills**

Wording change (question and scoring options)

2018	2019
<p>Does the country have a data protection law and/or privacy bill?</p> <p>0 = The country does not have a data protection law and/or privacy bill</p> <p>1 = The country has a data protection law and/or privacy bill</p>	<p>Are there data privacy laws?</p> <p>0 = The country does not have any data protection regulations that impact the provision of financial services.</p> <p>1 = The country has some data protection regulations that impact the provision of financial services but does not have a comprehensive legal framework governing data protection and privacy.</p> <p>2 = The country has a comprehensive legal framework governing data protection that applies both to financial service providers and to other entities and individuals.</p>

**5.1.4.a) Degree of interoperability**

Wording change (question and scoring options)

2018	2019
<p>What are the main payment networks (i.e. Visa, Mastercard, Safaricom, Tigo)? Are there major barriers for interoperability among these networks? Possible barriers include policy (e.g. there is no mandate for networks to provide access for low income populations), competition (e.g. there are a few major players with exclusive access to these networks) and cost (e.g. the networks are open but prohibitively expensive for MFIs and other low income providers)</p> <p>0 = There are major barriers to interoperability in the retail payments system</p> <p>1 = There are some barriers to interoperability in the retail payment system</p> <p>2 = There are no barriers to interoperability in the retail payments system and interoperability serves as a major driver of an inclusive retail payments market</p>	<p>What are the main payment networks (i.e. Visa, Mastercard, Safaricom, Tigo)? Are there major barriers for interoperability among these networks? Possible barriers include policy (e.g. there is no mandate for networks to provide access for low income populations), competition (e.g. there are a few major players with exclusive access to these networks) and cost (e.g. the networks are open but prohibitively expensive for MFIs and other low income providers)</p> <p>0 = There are major barriers to interoperability in the retail payments system</p> <p>1 = There are some barriers to interoperability in the retail payment system</p> <p>2 = There are no barriers to interoperability in the retail payments system and interoperability serves as a major driver of an inclusive retail payments market</p>

**5.2.1.a) National ID system with digital applications**

Scoring change. Was score 0-4 in 2018, now score 0-2.

2018	2019
<p>Is there a national identification system and does it have digital applications (e-ID)?</p> <p>0 = A reliable national ID system does not exist</p> <p>1 = There is a reliable national ID that is sufficient to address most KYC concerns but most low-income people do not have such IDs</p> <p>2 = There is a reliable national ID that is sufficient to address most KYC concerns and the majority of the low-income population has one</p> <p>3 = There is a reliable national e-ID that is sufficient to address most KYC concerns</p> <p>4 = There is a national e-ID that is multi-purpose and is used in most e-services, including digital signature and/or remote online services</p>	<p>Is there a national identification system and does it have digital applications (e-ID)?</p> <p>0 = No national ID system</p> <p>1 = National ID exists but it is not e-ID</p> <p>2 = National ID exists and it is at least partially an e-ID</p>

## Sources

There are 51 questions in the framework that were scored by the EIU research team based on 143 in-depth personal interviews with regional and country experts, as well as practitioners and regulators. Interviews were complemented with secondary research and analysis of laws, regulations and other legal documents, Economist Intelligence Unit proprietary country rankings and reports, scholarly studies, websites of governmental authorities and international organisations, websites of industry associations, and local and international news-media reports.

The EIU leveraged secondary sources to score the remaining 23 indicators to provide the most up-to-date and comprehensive analysis of the financial inclusion environment. The Global Microscope 2018 uses data collected from the following databases.

### Secondary sources

Indicator	Source
1.3.1.b Percentage of G2P recipients that receive payments into an account	The World Bank (WB). The Global Findex Database, 2017 <a href="https://globalfindex.worldbank.org/">https://globalfindex.worldbank.org/</a>
2.5.1.a Overall commitment to cybersecurity 4.3.2.a Law related to Cybercrime	The International Telecommunication Union (ITU). The Global Cybersecurity Index (CGI), 2017. <a href="https://www.itu.int/en/ITU-D/Cybersecurity/Pages/GCI.aspx">https://www.itu.int/en/ITU-D/Cybersecurity/Pages/GCI.aspx</a>
3.2.2.a Restrictions for excessive borrowing 4.1.2.a Disclosure of relevant product information 4.1.3.a Non-discrimination in financial services provision 4.1.3 b Aggressive sales and debt collection practices 4.1.4.a Standards for complaint resolutions	The World Bank (WB). Global Financial Inclusion and Consumer Protection Survey (FICP), 2017. <a href="https://www.worldbank.org/en/topic/financialinclusion/brief/ficpsurvey">https://www.worldbank.org/en/topic/financialinclusion/brief/ficpsurvey</a>
4.3.1.a Data protection laws and privacy bills 5.2.1.a National ID system with digital applications	The World Bank (WB). Identification for Development (ID4D), 2017. <a href="http://id4d.worldbank.org/global-dataset">http://id4d.worldbank.org/global-dataset</a>
5.2.1.b Gender gap in ID system	The World Bank (WB). ID4D-Findex Survey, 2018. <a href="https://id4d.worldbank.org/global-dataset">https://id4d.worldbank.org/global-dataset</a>
5.1.1.a ATMs per 10,000 people 5.1.1.b POS terminals per 10,000 people	The World Bank (WB). Global Payments Systems Survey (GPSS), 2015. <a href="http://www.worldbank.org/en/topic/financialinclusion/brief/gpss">http://www.worldbank.org/en/topic/financialinclusion/brief/gpss</a>
5.3.2.a Difference in access to internet between men and women 5.3.6.a Difference in access to a mobile phone between men and women	The Gallup World Poll, 2018. <a href="https://www.gallup.com/analytics/232838/world-poll.aspx">https://www.gallup.com/analytics/232838/world-poll.aspx</a>
5.3.1.a Percentage of households with Internet access 5.3.3.a Coverage of 2G network 5.3.3.b Coverage of 3G network 5.3.5.a Mobile - cellular telephone subscribers	The International Telecommunication Union (ITU). World Telecommunications/ICT Indicators Database, 2018. <a href="https://www.itu.int/pub/D-IND-WTID.OL-2018">https://www.itu.int/pub/D-IND-WTID.OL-2018</a>
5.4.3.a Coverage of public credit registry 5.4.3.b Coverage of credit bureau coverage	The World Bank (WB). Doing Business Project, 2018. <a href="https://data.worldbank.org/products/wdi">https://data.worldbank.org/products/wdi</a>

For the general and specific-country bibliography, please visit: [www.eiu.com/microscope2019](http://www.eiu.com/microscope2019)

## Estimating missing data points

Some of the sources used to score the 23 quantitative indicators did not cover the same countries than the 2019 Microscope and had data limitations as a result. The EIU conducted primary and secondary research to score the countries where data was missing.

For data gaps on the Global Findex we assumed missing values were equal to 0 based on primary and secondary research that revealed that these countries had no initiatives to digitise payments or very recent initiatives which would result in a low percentage of digitised payments.

For data gaps on the World Bank Global Payment Systems data on the number of point-of-sale (POS) terminals per 10,000 people, an estimation method was used to score missing countries using averages based on income groups as per World Bank's classification for Cameroon, El Salvador, Nicaragua, Chad, Cameroon, Haiti, Madagascar, Nepal, Senegal, Sierra Leone, Panamá, Ecuador, Guatemala, Ghana, Kenya. In the case of Venezuela this was scored based on secondary research.

For data gaps on ITU's World Telecommunications/ICT Indicators the gap for Sierra Leone was filled using an estimate based on a regional average of Sub Saharan Africa from GSM intelligence.

## Normalization and Weights

Once the raw scores are assigned, each score is then normalised to a 0–100 range and then aggregated across indicators. Normalisation rebases the raw indicator data to a common unit, to make them comparable. The data in the Microscope are already in a fixed range, for example, 0–100, 0–4, so they have been transformed using the min/max of the fixed range. For example, if the indicator is in a 0–100 range, a raw data value of 0 gives a score of 0,

and a raw data value of 100 gives a score of 100. If the indicator is in a 0–4 range, a raw data value of 0 gives a score of 0, and a raw data value of 4 gives a score of 100.

For the purpose of this research we have assigned equal weights to each of the categories in the Index. These weights were determined given that there is no consensus on whether one of the categories is more important than others to enable financial inclusion. Different countries may have different challenges and priorities. For this reason, the user is able to customise the weights in the excel model available in [www.eiu.com/microscope2019](http://www.eiu.com/microscope2019)

## Adjustment factor

Like in previous editions of the study, the overall scores of the 2019 Global Microscope are adjusted to reflect a country's political environment. Political risk can be an important barrier to the provision of affordable and quality financial services. The study uses the EIU's Risk Briefing research to score the extent to which political institutions are sufficiently stable to support the needs of businesses and investors. If the country has a perfect score for political stability, no reduction is applied. For a country with the worst possible political stability score, the overall score is reduced by 25%.

## Appendix 1: Detailed scoring guidelines

	Sub-indicator name	Question 2019	Source	Scoring guidelines
1.1.1	Intra-governmental cooperation, strategy and implementation	Is there evidence of coordination and active implementation between government agencies to promote financial inclusion? Does it include a digital transformation approach?	EIU	<p>0 = There is no evidence of coordination between government agencies</p> <p>1 = There is either a strategy or a working committee that promotes financial inclusion but no evidence of implementation or a digital approach</p> <p>2 = There is either a strategy or a working committee that promotes financial inclusion and evidence of implementation but no digital approach</p> <p>3 = There is either a strategy or a working committee that promotes financial inclusion with a digital approach and there is tangible evidence of the strategy's implementation</p>
1.1.2	Data collection	Does the government regularly collect and publish comprehensive data about financial services for low-income populations? Is the data disaggregated by gender?	EIU	<p>0 = The government does not collect comprehensive data about financial services for low-income populations or collects data but does not publish it</p> <p>1 = The government collects and publishes data about financial services for low-income populations but it is not comprehensive or it is not published regularly</p> <p>2 = The government regularly collects and publishes data about financial services for low-income populations that is comprehensive but it is not disaggregated by gender</p> <p>3 = The government regularly collects and publishes comprehensive data about financial services for low-income populations that is disaggregated by gender</p>
1.1.3	Intra-governmental cooperation, strategy and implementation	Does the national strategy include a gender approach?	EIU	<p>0 = There is no evidence of a financial inclusion strategy or no evidence of a gender approach in the existing financial inclusion strategy</p> <p>1 = There is evidence of a gender approach in the existing financial inclusion strategy</p>
1.1.4	Target agent network	Does the government strategy include a target on the size of agent networks?	EIU	<p>0 = There is no evidence of a financial inclusion strategy or no evidence of a target to expand agent networks</p> <p>1 = There is evidence of a target for expanding agent networks</p>
1.2.1	Financial literacy	Is there evidence of a government strategy or government programs to promote financial literacy and/or strengthen capabilities? Does it include a gender approach?	EIU	<p>0 = There is no evidence of a government strategy or programs to promote financial literacy and capabilities</p> <p>1 = There is a government strategy to promote financial literacy but no evidence of implementation</p> <p>2 = There is a government strategy to promote financial literacy and it is being implemented</p> <p>3 = There is a government strategy to promote financial literacy, it is being implemented and it has a gender approach</p>

	Sub-indicator name	Question 2019	Source	Scoring guidelines
1.2.2	Digital literacy and strengthening capabilities	Is there evidence of a government strategy or program to promote digital literacy and/or strengthening capabilities? Does it include a gender approach?	EIU	<p>0 = There is no evidence of a government strategy or programs to promote digital literacy and capabilities</p> <p>1 = There is a government strategy to promote digital literacy but no evidence of implementation</p> <p>2 = There is a government strategy to promote digital literacy and it is being implemented</p> <p>3 = There is a government strategy to promote digital literacy, it is being implemented and it has a gender approach</p>
1.3.1	Government payments (G2P and P2G)	Does the government have an initiative to digitise government payments? Are digital accounts fully mandated or is digitization limited to some areas?	EIU	<p>0 = The government does not have an initiative, strategy, committee or action plan to digitise payments</p> <p>1 = The government has an initiative, strategy, committee or action plan to digitise payments</p>
1.3.1	Government payments (G2P and P2G)	What percentage of government to person (G2P) recipients received these payments into a financial institution account, into a card, or into a mobile money account?	World Bank Global Findex 2017	
1.3.1	Government payments (G2P and P2G)	Does the government have an online portal for digital P2G or B2G tax payments and payments for other government services?	EIU	<p>0 = The government does not have online portals to allow users to make tax payments and payments for other government services digitally</p> <p>1 = The government has online portals to allow users to make some tax payments or payments for other government services digitally but not all</p> <p>2 = The government has online portals to allow users to make all government payments digitally</p>
1.3.2	Fostering innovation	Has the government mandated and created formal spaces for financial innovation (for example a sandbox, office hours with regulators, test and learn financial regulation)	EIU	<p>0 = There are no formal spaces or mechanisms for financial innovation</p> <p>1 = There are formal spaces or mechanisms for financial innovation</p>

	Sub-indicator name	Question 2019	Source	Scoring guidelines
2.1.1	Market entry restrictions for banks	<p>Do banks face disproportionate restrictions in the following areas that affect the entrance of new providers who serve low and middle-income customers?</p> <ol style="list-style-type: none"> <li>1. Funding or ownership of domestic and/or foreign institutions that perform financial services</li> <li>2. Licensing requirements</li> <li>3. Initial capital requirements</li> <li>4. Initial operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> </ol>	EIU	<p>0 = Banks face disproportionate restrictions in all of these areas            1 = Banks face disproportionate restrictions in three of these areas            2 = Banks face disproportionate restrictions in two of these areas            3 = Banks face disproportionate restrictions in one of these areas            4 = Banks do not face disproportionate restrictions in any of these areas</p>
2.1.2	Market entry restrictions for non-bank financial institutions	<p>Do non-bank financial institutions disproportionate restrictions in the following areas that affect the entrance of new providers who serve low and middle-income customers?</p> <ol style="list-style-type: none"> <li>1. Funding or ownership of domestic and/or foreign institutions that perform financial services</li> <li>2. Licensing requirements</li> <li>3. Initial capital requirements</li> <li>4. Initial operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> </ol>	EIU	<p>0 = Non-bank financial institutions face disproportionate restrictions in all of these areas            1 = Non-banks financial institutions face disproportionate restrictions in three of these areas            2 = Non-bank financial institutions face disproportionate restrictions in two of these areas            3 = Non-banks financial institutions face disproportionate restrictions in one of these areas            4 = Non-bank financial institutions do not face disproportionate restrictions in any of these areas</p>

	Sub-indicator name	Question 2019	Source	Scoring guidelines
2.1.3	Market entry restrictions for e-money issuers	<p>Do e-money issuers face disproportionate restrictions in the following areas that affect the entrance of new providers who serve low and middle-income customers?</p> <ol style="list-style-type: none"> <li>1. No legal recognition</li> <li>2. Restrictions on the range of actors who can act as e-money issuers (e.g. only banking institutions)</li> <li>3. Further restrictions: <ol style="list-style-type: none"> <li>a. Funding or ownership of domestic and/or foreign institutions that perform financial services</li> <li>b. Licensing requirements</li> <li>c. Initial capital requirements</li> <li>d. Initial operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> </ol> </li> </ol>	EIU	<p>0 = There is no legal recognition of e-money and there is no evidence of e-money issuers operating legally</p> <p>1 = There is legal recognition of e-money but banks are the only actors allowed to issue e-money</p> <p>2 = There is legal recognition of e-money and a variety of actors is allowed to issue money, but there are disproportionate requirements in all of the areas described in further restrictions</p> <p>3 = There is legal recognition of e-money and a variety of actors is allowed to issue money, but there are disproportionate requirements in three of the areas described in further restrictions</p> <p>4 = There is legal recognition of e-money and a variety of actors is allowed to issue money, but there are disproportionate requirements in two of the areas described in further restrictions</p> <p>5 = There is legal recognition of e-money and a variety of actors is allowed to issue money, but there are disproportionate requirements in one of the areas described in further restrictions</p> <p>6 = There is legal recognition of e-money and a variety of actors is allowed to issue money, and there are no disproportionate requirements in any of the areas described in further restrictions</p>
2.1.4	Market entry restrictions for cross-border payment providers	<p>Do cross-border payment providers face disproportionate restrictions in the following areas that affect the entrance of new providers who serve low and middle-income customers?</p> <ol style="list-style-type: none"> <li>1. Overall licensing framework for cross-border payments (Here the important questions is if non-banks can get licenses for cross border payments)</li> <li>2. Funding or ownership of domestic and/or foreign institutions that perform financial services</li> </ol>	EIU	<p>0 = Cross-border payment providers face disproportionate restrictions in all of these areas</p> <p>1 = Cross-border payment providers face disproportionate restrictions in one of these areas</p> <p>2 = Cross-border payment providers do not face disproportionate restrictions in these areas</p>

	Sub-indicator name	Question 2019	Source	Scoring guidelines
2.2.1	Ongoing requirements for banks	<p>Do banks face disproportionate requirements in the following areas that hinder the operation of providers who serve low and middle-income customers?</p> <ol style="list-style-type: none"> <li>1. Market distorting pricing controls</li> <li>2. Taxation of operations</li> <li>3. Ongoing capital requirements</li> <li>4. Ongoing operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> </ol>	EIU	<p>0 = Banks face disproportionate restrictions in all of these areas            1 = Banks face disproportionate restrictions in three of these areas            2 = Banks face disproportionate restrictions in two of these areas            3 = Banks face disproportionate restrictions in one of these areas            4 = Banks do not face disproportionate restrictions in any of these areas</p>
2.2.2	Ongoing requirements for non-bank financial institutions	<p>Do non-bank financial institutions serving low and middle-income customers face disproportionate requirements in the following areas?</p> <ol style="list-style-type: none"> <li>1. Market distorting pricing controls</li> <li>2. Taxation of operations</li> <li>3. Ongoing capital requirements</li> <li>4. Initial operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> </ol>	EIU	<p>0 = Non-bank financial institutions face disproportionate restrictions in all of these areas            1 = Non-banks financial institutions face disproportionate restrictions in three of these areas            2 = Non-bank financial institutions face disproportionate restrictions in two of these areas            3 = Non-banks financial institutions face disproportionate restrictions in one of these areas            4 = Non-bank financial institutions do not face disproportionate restrictions in any of these areas</p>
2.2.3	Ongoing requirements for e-money issuers	<p>Do e-money issuers face disproportionate requirements in the following areas?</p> <ol style="list-style-type: none"> <li>1. Market distorting pricing controls</li> <li>2. Taxation of operations</li> <li>3. Ongoing capital requirements</li> <li>4. Ongoing operational requirements such as number of branches, location, entry fee, and/or data housing if relevant</li> </ol>	EIU	<p>0 = E-money issuers are not legally recognized or face disproportionate restrictions in all of these areas            1 = E-money issuers face disproportionate restrictions in three of these areas            2 = E-money issuers face disproportionate restrictions in two of these areas            3 = E-money issuers face disproportionate restrictions in one of these areas            4 = E-money issuers do not face disproportionate restrictions in any of these areas</p>

	Sub-indicator name	Question 2019	Source	Scoring guidelines
2.2.4	Ongoing requirements on cross-border payment providers	Do cross-border payment providers face disproportionate requirements in the following areas? 1. Restrictions on the vehicles to receive remittances (e.g. can they be delivered to local e-money or mobile money accounts, basic accounts, savings accounts?) 2. Market distorting pricing controls 3. Taxation of operations	EIU	0 = Cross-border payment providers face disproportionate restrictions in all of these areas 1 = Cross-border payment providers face disproportionate restrictions in two of these areas 2 = Cross-border payment providers face disproportionate restrictions in one of these areas 3 = Cross-border payment providers don't face disproportionate restrictions in any of these areas
2.3.1	Risk-based AML/ CFT framework	Does the country have an Anti-Money Laundering/ Combating the Financing of Terrorism legal framework harmonised with FATF guidelines? Does it adopt the risk-based approach?	EIU	0 = AML/ CFT framework is not harmonized with FATF guidelines 1 = AML/CFT framework is harmonized with FATF guidelines or has a risk based approach 2 = AML/CFT framework is harmonized with FATF and it has a risk based approach.
2.3.2	Customer due diligence requirements	Are either banks, non-bank financial institutions serving low and middle-income customers, e-money issuers, and/or cross-border payment providers disproportionately constrained by customer due diligence requirements?	EIU	0 = Customer due diligence requirements are unduly constraining the market for providers serving low and middle-income customers 1 = Customer due diligence requirements are unduly constraining the market for some providers serving low and middle-income customers 2 = Customer due diligence requirements are not unduly constraining the market for providers serving low and middle-income customers
2.4.1	Political independence of financial regulation	Is financial regulation heavily swayed by political dynamics?	EIU	0 = Financial regulation is often swayed by political dynamics 1 = Financial regulation is sometimes swayed by political dynamics 2 = Financial regulation is independent from political dynamics
2.4.2	Technical capacity to supervise financial services that facilitate financial inclusion	Is there a dedicated unit or dedicated technical experts in the regulatory agency and/or Central Bank to supervise non-bank financial institutions like MFIs?	EIU	0 = There is no evidence of a unit or dedicated technical experts to supervise non-bank financial institutions 1 = There are dedicated technical experts with sufficient capacity to supervise non-bank financial institutions 2 = There are dedicated technical experts with advanced capacity to supervise non-bank financial institutions
2.4.3	Technical capacity to supervise financial services that facilitate financial inclusion	Is there a dedicated unit or dedicated technical experts in the regulatory agency and/or Central Bank to supervise digital financial services?	EIU	0 = There is no evidence of a unit or dedicated technical experts to supervise digital financial services 1 = There are dedicated technical experts with sufficient capacity to supervise digital financial services 2 = There are dedicated technical experts with advanced capacity to supervise digital financial services
2.4.4	Technical capacity to supervise financial services that facilitate financial inclusion	Are there any women occupying top decision making positions in the financial regulatory bodies?	EIU	0 = 0 - 10% of top decision making positions are held by women 1 = 10% - 25% of top decision making positions are held by women 2 = 25% - 50% of top decision making positions are held by women 3 = > 50% of top decision making positions are held by women

	Sub-indicator name	Question 2019	Source	Scoring guidelines
2.4.5	Technical capacity to supervise financial services that facilitate financial inclusion	Are supervisors and/or regulators leveraging regtech, that is, using technology tools or approaches to supervise the provision of financial services?	EIU	0 = Regulators are not leveraging technology for digital supervision 1 = Regulators are leveraging technology for digital supervision
2.4.6	Monitoring and data collection of financial services providers not regulated as financial institutions	Do authorities regularly monitor the market for providers that are not regulated as financial institutions but provide financial services that can impact the financial system and pose a risk for stability and integrity?	EIU	0 = Regulators are not monitoring the market to reduce the risk from non-regulated financial institutions 1 = Regulators are monitoring the market to adequately reduce the risk to the financial system from non-regulated financial institutions in operation but it is not on a regular basis 2 = Regulators are regularly monitoring the market to adequately reduce the risk to the financial system from non-regulated financial institutions in operation
2.5.1	Government commitment to Cybersecurity	What is the level of commitment of governments to cybersecurity, taking into account the legal, technical, organizational, capacity building and cooperation recommendations identified by specialist agencies?	United Nations - Global Cybersecurity Index 2018	An overall score based on commitment to five pillars: 1. Legal: Measured based on the existence of legal institutions and frameworks dealing with cybersecurity and cybercrime. 2. Technical: Measured based on the existence of technical institutions and frameworks dealing with cybersecurity. 3. Organizational: Measured based on the existence of policy coordination institutions and strategies for cybersecurity development at the national level. 4. Capacity Building: Measured based on the existence of research and development, education and training programmes; certified professionals and public sector agencies fostering capacity building. 5. Cooperation: Measured based on the existence of partnerships, cooperative frameworks and information sharing networks.
3.1.1	Account opening	Are account-opening requirements proportionate for accounts at financial institutions and e-money based on the amounts these accounts hold?	EIU	0 = Account opening requirements are not proportionate 1 = Account opening requirements are either proportionate for accounts or for e-money but not for both 2 = Account opening requirements are proportionate for both accounts at financial institutions and e-money
3.1.2	Account opening	Does the law place any restrictions to account opening based on sex?	EIU	0 = There are different requirements to open accounts based on sex 1 = The same requirements apply to open accounts regardless of sex
3.1.3	Account opening	Do regulations contain provisions that allow remote account opening by banks, non-banks, e-money issuers and/or agents?	EIU	0 = There are substantial barriers for remote account opening by banks, non-banks, e-money issuers and agents 1 = There are no substantial barriers for remote account opening by banks but there are barriers for non-banks and e-money issuers and/or agents OR remote account opening is permissible for e-money issuers but not for banks 2 = There are no substantial barriers for remote account opening by banks, non-banks, e-money issuers and agents
3.1.4	Safeguarding customer funds	Does deposit insurance exist and is it available to all deposit-holding financial institutions?	EIU	0 = Deposit insurance is not available or only available to deposits safeguarded in banks 1 = Deposit insurance is available to all deposit-holding financial institutions

	Sub-indicator name	Question 2019	Source	Scoring guidelines
3.1.5	Safeguarding customer funds	Are funds held in e-money accounts adequately protected through the following mechanisms: (i) prefunding and storage of funds in safe, liquid investments; (ii) isolation of customer funds using a trust or similar fiduciary arrangement; and (iii) application of direct or pass-through deposit insurance to e-money account balances?	EIU	0 = Funds held in e-money accounts are not protected through any of the three mechanisms. 1 = One of the three mechanisms listed is in place to protect funds held in e-money accounts
3.2.1	Credit risk management	Is there a differentiated and comprehensive risk-management framework for credit portfolios (including microcredit) that cover most of the market for middle and low-income customers?	EIU	0= There is no differentiated risk-management framework for consumer credit 1= There is a differentiated risk-management framework for consumer credit, but supervision of its status is limited 2= There is a differentiated risk-management framework for consumer credit and the regulator supervises its status
3.2.2	Over indebtedness	Do specific legal provisions exist to restrict excessive borrowing by individuals?	EIU	0 = There is no specific legal provision to restrict excessive borrowing 1 = There is a specific legal provision to restrict excessive borrowing
3.3.1	Legal certainty for Fintech and other emerging services	Is there a proportionate dedicated legal framework that contemplates regulation and/or monitoring of emerging services such as P2P lending and crowd-funding?	EIU	0 = There is no framework or working group on fintech or there is a framework but the requirements are disproportionate to the services provided 1 = There is a working group on fintech but no specific requirements have yet been established 2 = There is a proportionate legal framework in place
3.4.1	Proportionate regulation	Is there dedicated regulation for inclusive insurance and are requirements for providers proportionate to those established for other financial services providers?	EIU	0 = There is no dedicated regulation for inclusive insurance products 1 = There is dedicated regulation for inclusive insurance products but the requirements are not proportionate 2 = There is a dedicated and proportionate regulation for inclusive insurance
3.5.1	Ease of operation	Do regulations allow a wide range of actors to serve as financial outlets and are they conducive to the creation of commercially viable models?	EIU	0 = There are both limits on who can serve as an agent, and disproportionate restrictions that affect commercial viability 1 = There are either limits on who can serve as an agent or disproportionate restrictions that affect commercial viability 2 = Regulations allow a wide range of actors and are conducive to the creation of commercially viable models
3.5.2	Breadth of operations	Are agents and other financial outlets allowed to offer a wide range of services to their customers on behalf of providers?	EIU	0 = Outlets face disproportionate restrictions that limit the range of services to customers 1 = Outlets are allowed to offer a wide range of services to their customers
3.5.3	Liability	Do agent regulations state that the provider is responsible for the actions performed by the agent on behalf of the providers?	EIU	0 = Financial institutions do not retain any responsibility for the actions of agents, outlets, and electronic channels 1= Financial institutions retain responsibility for some of the actions of their agents, outlets, and electronic channels 2= Financial institutions retain responsibility for all of the actions of their agents, outlets, and electronic channels

	Sub-indicator name	Question 2019	Source	Scoring guidelines
4.1.1	Consumer protection framework and enforcement	Is there a framework and a specialised capacity in place for financial-consumer protection?	EIU	0= No consumer-rights framework is in place 1= Consumer-rights framework exists, but no specialised capacity is in place 2= Consumer-rights framework exists and some specialised capacity is in place 3= Consumer-rights framework exists and specialised capacity is in place
4.1.2	Transparency	Are there clear rules that require providers of financial services to disclose information about the overall cost of the products and consumer rights and obligations?	EIU	0 = There are no requirements 1 = There are requirements
4.1.3	Fair Treatment	Are there clear rules set by the regulator aimed at preventing aggressive sales or unreasonable collection practices?	EIU	0 = There are not clear rules to prevent aggressive sales or unreasonable collection practices 1 = There are clear rules to prevent aggressive sales or unreasonable collection practices
4.1.4	Fair Treatment	Are there clear rules requiring non-discrimination in financial-services provision in terms of gender, race, religion, caste, ethnicity, etc.?	EIU	0 = There are not clear rules requiring non-discrimination 1 = There are clear rules requiring non-discrimination
4.1.5	Inclusive provision of financial services	Are there programmes or strategies to encourage diversity (of gender, race, religion, caste, ethnicity) among providers and agents of financial services?	EIU	0 = There is no evidence of programmes or strategies to encourage diversity among providers 1 = There is evidence of programmes or strategies to encourage diversity among providers
4.1.6	Dispute resolution	Are there standards in place requiring financial-service providers to deal with consumer complaints?	EIU	0 = The law does not set any standards for complaints resolution 1 = The law sets some standards for complaints resolution in these areas 2 = The law sets most of the standards for complaints resolution in these areas
4.1.7	Financial outlets and agents	Are outlets and agents subject to similar transparency, fair treatment and dispute resolution requirements as banks and other non-bank financial institutions?	EIU	0 = Agents are not subject to the same consumer protection requirements 1 = Agents are subject to some of the same consumer protection requirements but not all 2 = Agents are subject to the same consumer protection requirements as banks and non-bank"
4.1.8	Digital financial services and e-money	Are e-money providers and other DFS providers subject to similar transparency, fair treatment and dispute resolution requirements as banks and other non-bank financial institutions?	EIU	0 = E-money providers and other DFS providers are subject to few or no consumer protection requirements that are the same as or similar to the requirements for banks and other NBFIs. 1 = E-money providers and other DFS providers are subject to some consumer protection requirements that are the same as or similar to the requirements for banks and other NBFIs, but not all. 2 = E-money providers and other DFS providers are subject to all consumer protection requirements that are the same as or similar to the requirements for banks and other NBFIs.

	Sub-indicator name	Question 2019	Source	Scoring guidelines
4.1.9	Government payments	Are government payments subject to transparency, fair treatment and dispute resolution requirements that are similar to those for banks and non-bank financial institutions?	EIU	0 = Government payments are not subject to the same consumer protection requirements 1 = Government payments are subject to some of the same consumer protection requirements but not all 2 = Government payments are subject to the same consumer protection requirements as banks and non-bank financial institutions
4.2.1	Protection for inclusive insurance providers	Does consumer protection regulation stipulate requirements for insurance customers? Do requirements resemble those of financial services providers?	EIU	0 = The regulation does not stipulate requirements for insurance customers 1 = The regulation stipulates requirements but they are not proportionate to the requirements of financial services providers 2 = The regulation stipulates requirements and they are proportionate to the requirements of financial services providers
4.3.1	Data protection and privacy	Are there data privacy laws?	EIU	0 = The country does not have any data protection and privacy regulations that impact the provision of financial services. 1 = The country has some data protection and privacy regulations that impact the provision of financial services but does not have a comprehensive legal framework governing data protection and privacy. 2 = The country has a comprehensive legal framework governing data protection and privacy that applies both to financial service providers and to other entities and individuals.
4.3.2	Cybercrime legal protection	Does the country have a law related to cybercrime?	United Nations - Global Cybersecurity Index 2018	EIU team will answer
4.3.3	Privacy laws enforcement	Is there a government entity that enforces privacy laws and does it have the capacity to enforce them?	EIU	0 = There is no government entity with a mandate to enforce data protection laws 1 = There is a government entity but its capacity to enforce data protection laws is limited 2 = There is a government entity with strong capacity to enforce data protection laws
5.1.1	Access to cash-in/cash-out and transaction points	How accessible is the payments infrastructure to low and middle-income populations? (Branches, ATMs, PoS devices, and mobile money/banking agents)	World Bank	Automatic teller machines (ATMs) per 10,000 people
5.1.1	Access to cash-in/cash-out and transaction points	How accessible is the payments infrastructure to low and middle-income populations? (Branches, ATMs, PoS devices, and mobile money/banking agents)	World Bank	Point-of-sale (POS) terminals per 10,000 people

	Sub-indicator name	Question 2019	Source	Scoring guidelines
5.1.2	Access to retail payment infrastructure	Do regulations mandate fair and non-discriminatory commercial access to retail payment infrastructure including:	EIU	
		1. National payment systems and switches		0 = Regulations do not mandate fair and non-discriminatory commercial access to national payment systems and switches 1 = Regulations mandate fair and non-discriminatory commercial access to national payment systems and switches
		2. ATMs		0 = Regulations do not mandate fair and non-discriminatory commercial access to ATMs 1 = Regulations mandate fair and non-discriminatory commercial access to ATMs
		3. Automatic Clearing Houses		0 = Regulations do not mandate fair and non-discriminatory commercial access to ACHs 1 = Regulations mandate fair and non-discriminatory commercial access to ACHs
		4. Credit and debit card networks		0 = Regulations do not mandate fair and non-discriminatory commercial access to credit card networks 1 = Regulations mandate fair and non-discriminatory commercial access to credit card networks
5.1.3	Access to telecommunications bearer services	Do regulations mandate fair and non-discriminatory commercial access to telecommunications bearer services such as USSD, SMS, and internet?	EIU	0 = Regulations do not mandate fair and non-discriminatory commercial access to telecommunications bearer services such as USSD, SMS, and internet 1 = Regulations mandate fair and non-discriminatory commercial access to telecommunications bearer services such as USSD, SMS, and internet
5.1.4	Interoperability	What are the main payment networks (i.e Visa, Mastercard, Safaricom, Tigo)? Are there major barriers for interoperability among these networks? Possible barriers include policy (e.g. there is no mandate for networks to provide access for low income populations), competition (e.g. there are a few major players with exclusive access to these networks) and cost (e.g. the networks are open but prohibitively expensive for MFIs and other low income providers)	EIU	0 = There are major barriers to interoperability in the retail payments system 1 = There are some barriers to interoperability in the retail payment system 2 = There are no barriers to interoperability in the retail payments system and interoperability serves as a major driver of an inclusive retail payments market
5.2.1	Digital ID system	Is there a national identification system and does it have digital applications (e-ID)?	World Bank ID4D Dataset	0 = No national ID system 1 = National ID exists but it is not e-ID 2 = National ID exists and it is at least partially an e-ID
5.2.1.b	Gender Gap in ID system	Percentage difference between women without access to an ID compared to men	ID4D Findex Survey Data	Calculated by subtracting the share of women without an ID indicator from share of men without an ID in the ID4D Findex Survey Database

	Sub-indicator name	Question 2019	Source	Scoring guidelines
5.2.2	Automated KYC	Is there an automated mechanism for e-KYC verification (like an e-signature) provided or approved by the government?	EIU	0 = No, the government does not provide an automated mechanism for e-KYC or has not approved one 1 = Yes, there is an automated mechanism for e-KYC verification provided or approved by the government
5.2.3	Non-discriminatory access to IDs	Do laws or regulations place any restrictions to access of digital ID's and/or eKYC verification systems based on sex?	EIU	0 = Laws and/or regulations place additional restrictions to access of IDs based on sex 1 = Laws and/or regulations do not place additional restrictions to access of IDs based on sex
5.3.1	Internet access	Percentage of households with Internet access	ITU	Internet users as a % of households
5.3.2	Gender gap in internet access	Percentage difference between women who stated that they had access to the internet in their homes compared to men	Gallup World Poll	Percent of females whose home has access to the internet
5.3.3	Network coverage	Percentage of the population covered by at least a 2G mobile network	ITU	Network coverage (minimum 2G), % of population
5.3.3	Network coverage	Percentage of the population covered by at least a 3G mobile network	ITU	Network coverage (minimum 3G), % of population
5.3.5	Mobile subscribers	Mobile-cellular telephone subscriptions per 100 inhabitants	ITU	Mobile subscribers, per 100 inhabitants
5.3.6	Gender gap in mobile subscribers	Percentage difference between women who stated that they had a mobile phone for personal calls compared to men	Gallup World Poll	Percent of females whose home has access to a cellular phone
5.4.1	Comprehensive information	Is the information stored by credit-reporting systems comprehensive, regularly updated and accessed by providers?	EIU	0= Credit-reporting systems do not exist OR credit bureaus store information that has none of the items required for a score of "3" 1= Credit-reporting systems store information that has one of the items needed for a score of "3" 2= Credit-reporting systems store information and it is both comprehensive and accessed by providers, but not updated regularly OR regularly updated but not comprehensive 3= Credit-reporting systems store information that is comprehensive, regularly updated and accessed by providers
5.4.2	Access to records	Can individuals access their records and are they able to correct any errors? Is there a fee to access the records?	EIU	0= Individuals cannot access their records or correct any errors 1= Individuals may access their records, but may not correct any errors 2= Individuals may access their records, but the error-correction process is difficult OR expensive 3= Individuals may access their records and the error-correction process is easy and inexpensive

	<b>Sub-indicator name</b>	<b>Question 2019</b>	<b>Source</b>	<b>Scoring guidelines</b>
5.4.3	Coverage of credit reporting systems	Public credit registry coverage (% of adults)	World Bank	Public credit registry coverage reports the number of individuals and firms listed in a public credit registry with current information on repayment history, unpaid debts, or credit outstanding. The number is expressed as a percentage of the adult population.
5.4.3	Coverage of credit reporting systems	Private credit bureau coverage (% of adults)	World Bank	Private credit bureau coverage reports the number of individuals or firms listed by a private credit bureau with current information on repayment history, unpaid debts, or credit outstanding. The number is expressed as a percentage of the adult population.

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