

Indicator description	Number of people with access to financial services as a result of DFID support.
Indicator Type	Peak Year
Technical Definition/ Methodological summary	<p>This is a widely accepted indicator on financial access is focused on outreach. It includes number of individuals reached with financial services (e.g. credit, savings/deposits, insurance, leasing, and transfer payments etc.). DFID is focusing hard on the needs of small businesses in thinking about our policy and programme priorities, because small businesses have a vital role in development through their contribution to economic growth, wealth creation and employment. Therefore it is important to measure impact of DFID programmes on access at two levels – individuals and businesses. However, this methodology note covers outreach of financial services to people only.</p> <p>The data should cover access across the type of products (deposits, credit, insurance etc) and type of institutions delivering the products (formal and informal, commercial banks, specialised state financial institutions, microfinance institutions, cooperatives and credit unions etc). For the purpose of overall corporate reporting, it is intended to collect data on number of people supported under DFID funded programmes to gain access to either one or a range of financial services. However for the purposes of project monitoring and evaluation more detail disaggregation of both types of financial services and types of financial institutions may be desirable in understanding the breadth and depth of financial sector development in a country/region.</p> <p>Access to financial services = access made possible directly under DFID supported programme (e.g. micro credit to small borrowers from MFIs and banks supported by DFID programme) + nationwide expansion in access to financial services resulting from the policy changes and improvements in the enabling environment made possible through DFID support. Data will focus on bilateral activities. In the case multi-donor funded programme, data attributable to DFID should</p>

	<p>be calculated on the basis of DFID's share in the total programme cost. DFID staff time should not be included in the calculation of DFID cost.</p> <p>In the case of programmes funded by DFID in partnership with multilateral or regional institutions such as International Finance Corporation(IFC), African Development Bank (AfDB), International Fun for Agricultural Development (IFAD) etc, results should be reported against DFID share in the total cost of the programme. In case DFID happens to be the only funder of programmes implemented by multilateral institution, this should be explicitly mentioned in the report so that care can be taken at the central level to avoid any possible double counting.</p> <p>Measurement :</p> <ul style="list-style-type: none"> - Direct results will be measured through monitoring and evaluations at the project level. - For DFID programmes supporting policy changes and wider enabling environment (e.g. credit bureau, asset registry), data on their impact on financial access can be obtained from national and international sources. However, most central banks and national sources provide financial services access data in terms of volume or number of loan accounts and/or volume and number deposit accounts, but not in terms of individuals who own them and not give a clear picture of what proportion of the adult population use financial services. In such cases, country offices can commission, wherever possible based on size of programme and staff resources, periodic financial access surveys such as FinScope to collect data on financial access at the household and individual levels. - There may be a possibility of attributing results delivered through our core funding to multilateral organisations. We are currently developing methodologies to capture this.
Rationale	The rise of financial inclusion as an important policy goal. Access to financial services can make a positive difference in the lives of the

	<p>poor. Broad-based wealth and asset creation is a priority for DFID. Given that access to finance is a cross-cutting instrument, data on progress on financial inclusion is important to monitor our direct and indirect impact on MDG1. The inclusion of gender disaggregated statistics reflects DFID's focus on women empowerment and indirectly monitors our impact on MDG3.</p>
<p>Country office role</p>	<p>Country offices will be responsible for providing the results of project monitoring and the data. Country offices will report data and be explicit about what they are measuring and to what extent it fits the definitions set out above. They will be explicit about the regressions used to evaluate survey data and the assumptions used in any estimates and their basis for attribution to DFID. Country offices will be explicit about the specifications of any models, assumptions used in any estimates and the origin of data not collected or calculated by DFID.</p> <p>Country offices will ensure that impact and progress claimed under DFID supported programme are clearly attributable to DFID inputs in the sense that there is a clear and unambiguous link between DFID inputs and the programme outputs, and the impact the programme outputs have in delivering the expansion in financial access claimed under the DFID supported programme. Where DFID is one of the many contributors to the progress, impact data should be attributed to DFID based on DFID's share in the total programme spend and/or programme inputs.</p> <p>Country offices would state upfront the estimated margin of error in the data reported. Margin of error can stem from any or all of three possible areas – attribution, time lag (e.g. older baseline), and double counting.</p> <p>Country offices collect and calculate all estimates for their programme. Investment and Finance Team (IFT) will provide advice and QA to country offices, and aggregate country-level data to produce the final estimate.</p>

<p>Data source</p>	<p>Data will come from:</p> <ul style="list-style-type: none"> • DFID project monitoring and evaluations or project level management information system (MIS) • National statistics such as data published by the country's central bank, national survey organisation, ministry of finance, industry associations etc. • International datasets such as Financial Access dataset from World Bank Working Group on International Remittances, International Monetary Fund, Consultative Group on Assisting the Poor (CGAP) Microfinance Information Exchange etc. • Government systems • Official agency surveys <p>Country Offices could also consider commissioning financial access surveys such as FinScope. FinScope is a FinMark Trust initiative, is a nationally representative study of consumers' perceptions on financial services. This gives useful information on consumers' access and usage of financial services. The sample covers the entire adult population, rich and poor, urban and rural, in order to create a segmentation, or continuum, of the entire market and to lend perspective to the various market segments. FinMark Trust was established in March 2002 and is funded primarily by UK aid from the United Kingdom's Department for International Development (DFID) through its Southern Africa office.</p>
<p>Reporting Organisation</p>	<p>Country offices collect and calculate all estimates for their programme. IFT will provide advice and quality assure to country offices, and aggregate country-level data to produce the final estimate.</p>
<p>Data included</p>	<p>Data will focus on bilateral activities. In the case multi-donor funded programme, data attributable to DFID should be calculated on the basis of DFID's share in the total programme cost.</p> <p>In the case of programmes funded by DFID in partnership with multilateral or regional institutions such as International Finance Corporation (IFC), African Development Bank</p>

	<p>(AfDB), International Fund for Agricultural Development (IFAD) etc, results should be reported against DFID share in the total cost of the programme. In case DFID happens to be the only funder of programmes implemented by multilateral institution, this should be explicitly mentioned in the report so that care can be taken at the central level to avoid any possible double counting.</p>
Data calculation	<p>A widely accepted formula of financial access is one where the entire adult population is broken in to three groups: (A) those who have access to and use financial services; (B) those who have access but do not use it and; (C) those that do not have access. Financial access is defined as A+B.</p> <p>In calculating the number of people reached with financial services, focus would be on number of credit accounts or number of savings accounts or insurance etc held by individuals. Adding up the numbers across all services will be erroneous as the same person may be holding a deposit account, insurance and credit account. It is possible for a person to hold more than one deposit or credit account. Therefore, data would be disaggregated by product type and would be collected in terms of individuals holding the accounts. Access beyond any one particular financial service is a good indicator of the depth of the financial markets.</p>
Worked example	As above and as explained under the heading data measurement.
Most recent baseline	Baseline should be developed as a part of the Monitoring & Evaluation (M&E) arrangements for projects and programmes supported by DFID. Where indicator is used at the national level, the Consultative Group to Assist the Poor's (CGAP) Financial Access 2010 Dataset can be a useful source of baseline information for programme starting in 2011.
Good Performance	Increased access to financial services. This helps poor people reduce vulnerability due to unforeseen events such as illness of the family's main bread-earner and natural disaster (floods, drought), seasonal fluctuations in income etc. It also helps poor

	households to build savings to be able to afford assets or higher education for children etc.
Return format	Number people with access to financial services per year, disaggregated by sex.
Data dis-aggregation	Mandatory: by sex. Additional: by country.
Data availability	Annual, but where more expensive survey methods are used it can be every two years
Time period/ lag	Results reporting two years after intervention
Quality assurance measures	<p>Ensure that where data is quoted from other national and international published sources, that that data comes from internationally reputable sources.</p> <p>Survey methodology should be robust and data should be specific, attributable and timely.</p> <p>Central quality assurance within DFID is carried out by the Investment and Finance Team and Private Sector Department (with support from statisticians and economists' cadre).</p>
Data issues	<p>Double counting remains a big challenge to be addressed – both across product types and product suppliers. This has been explained above.</p> <p>IFT will consult CGAP on the methodology they use to address this issue and adapt this methodology in refining the aggregate data.</p>
Country Office/Spending Department Variation	
Bangladesh	Cumulative
India	
Nepal	
Pakistan	
Yemen	
Middle East and North African Regional Department (MENAD)	