



Schweizerische Eidgenossenschaft
Confédération suisse
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Swiss Agency for Development
and Cooperation SDC

SDC Financial Sector Development Guidance

Updated Version 2021

ied | e+i | fsd

inclusive economic development
employment + income
financial sector development



“Financial inclusion means that individuals, households, and businesses have **opportunities to access and the **ability to use** appropriate financial services that **meet their needs** and are **delivered in a responsible & sustainable way.**”**

SDC Financial Sector Development Guidance, October 2021



Rationale for SDC's Financial Sector Development Guidance

- Functioning **financial systems are indispensable** to improve living conditions of SDC's target group: people in poverty and the poorest of the poor.
- **Financial Sector Development (FSD) is crucial** to advance on transversal topics.
- **Two global objectives are imperative** for SDC's FSD interventions. :

Sustainable Development Goals (SDGs)



«Leave no one behind» (LNOB) approach

Financial inclusion allows the weakest to contribute to reaching the SDGs and to improve their living conditions. Digital finance can boost and expand financial inclusion to the weakest.



SDC's Financial Systems Development Guidance

- The FSDG defines **objectives and principles** orienting SDC's FSD activities.
- Acquaint the reader with **SDC's «way of thinking»**.
- **Methods and practices** regarding FSD.
- It is directed toward:
 - ✓ **Programme officers and decision-makers** at SDC cooperation offices and headquarters
 - ✓ **Partner** implementing agencies;
 - ✓ **Experts** in partner countries and regions.

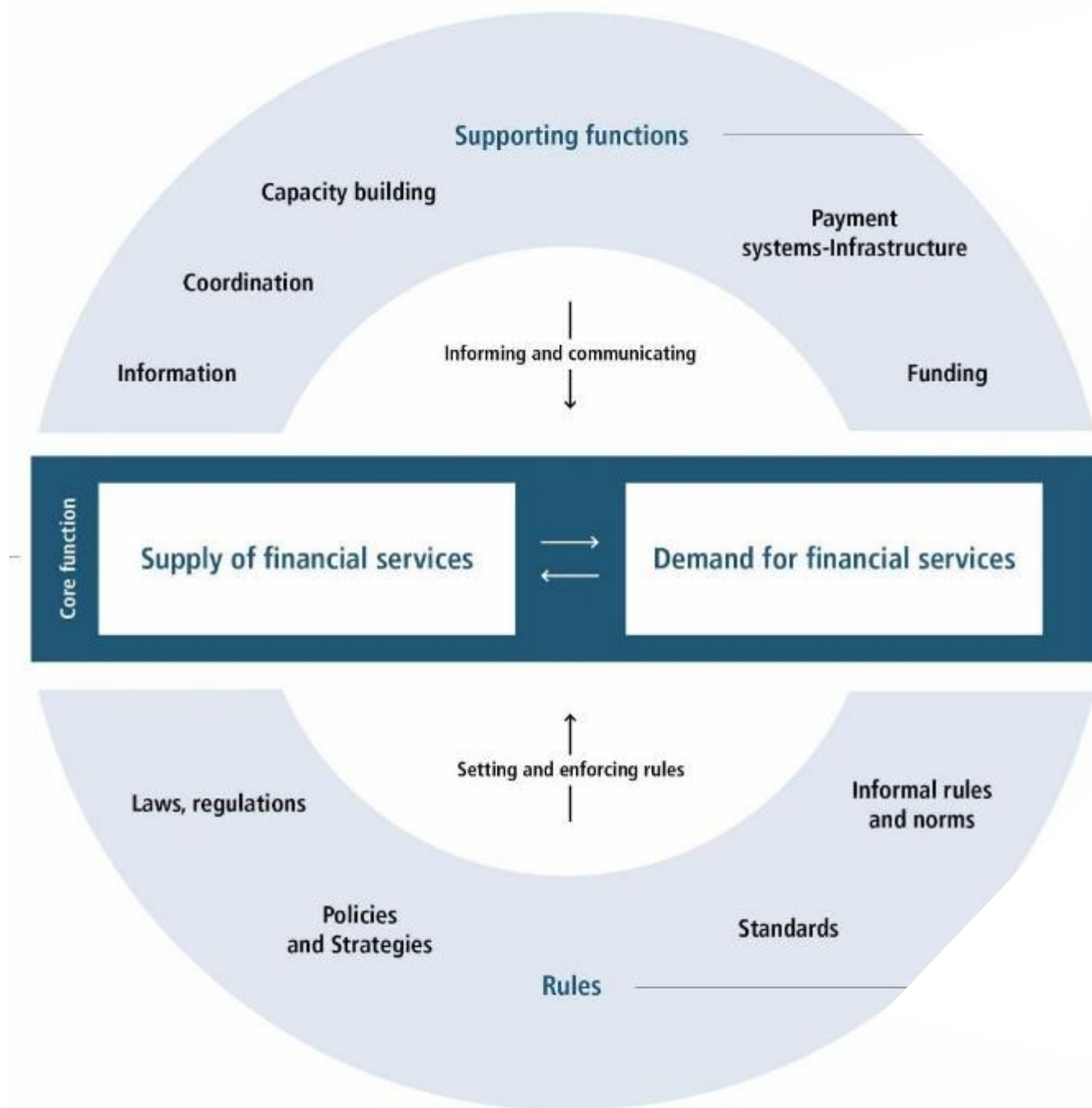
THE FSDG IS FOR YOU – MAKE USE OF IT!





Key Concepts – Financial Systems

- SDC applies Market System Development (MSD) approach in FSD to reach results at scale.
- SDC's general objectives focus on all **four levels** of financial systems:
 - ✓ **Demand side**
 - ✓ **Supply side**
 - ✓ **Supporting functions**
 - ✓ **Supervision, rules, regulations**
- SDC further prioritises strengthening **transversal topics**





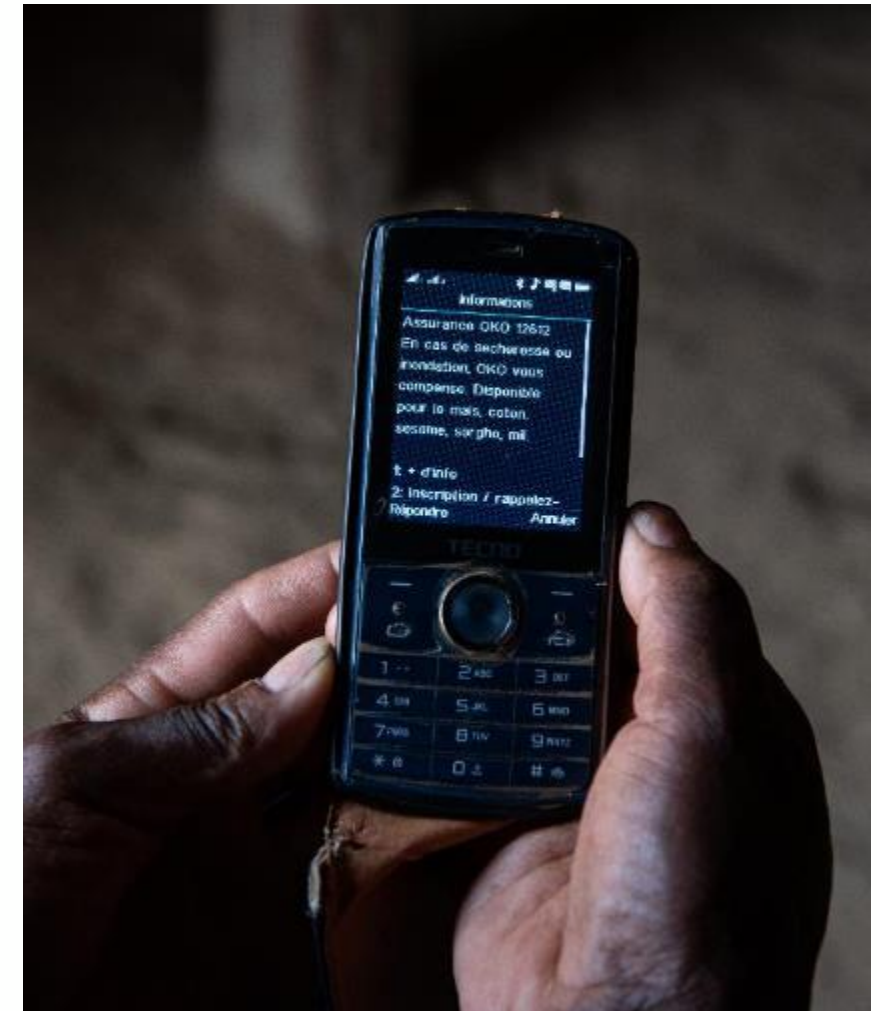
Key Concepts - Financial Inclusion





SDC's Principles in Supporting FSD

1. Build on **SDC's strengths**.
2. Focus SDC **expertise** where it can complement accessible local and regional expertise.
3. Foster partner **financial institutions' ownership**.
4. Leverage **synergies**.
5. **Capacity development** is essential at all levels.
6. Boost development & dissemination of **innovative technologies**.
7. Capitalise, exchange and disseminate practical **experiences and good practices**.





Outlook and Priorities

Challenges and Potentials

- Climate change.
- Equal opportunities for women and youth.
- Migration activity & refugees.
- **Digital financial services.**
- Technological innovation.

SDC Priorities in Future FSD Interventions

- Financial inclusion's as enabler of the SDGs.
- Focus on least-developed countries and fragile contexts.
- Emphasise focus on excluded and underserved groups.
- **Digitalisation for financial inclusion.**



“The SDGs cannot be achieved without a focus on financial inclusion.”

Consultative Group to Assist the Poor (CGAP), 2016

Thank you!