



2022 Annual Report

Resilience on the African continent



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Foreword

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With the world engulfed in uncertainty, inclusive finance continues to be the red thread to achieving the Sustainable Development Goals and addressing development challenges.

Thanks to the unwavering support from our donors, members and partners, SCBF remains committed to promoting inclusive finance to foster economic growth, empower and improve the quality of life of the vulnerable segments around the world.

With our new strategy, we are stronger today and prepared for the future.

”

The world continued to face a myriad of problems in 2022 – including an on-going pandemic, the acceleration of climate change, political instability and conflict in many countries, a persistent digital divide and deepening inequality. Each of these impacts our collective ability to promote inclusive finance. After erasing [six years' worth of progress in human development](#) and pushing an [additional 100 million people](#) around the globe into extreme poverty, the pandemic continued to cause economic uncertainty and volatility. The increased frequency and severity of extreme weather due to climate change has led to economic losses and displacement, making it harder for people to access financial services.

Despite the growing digitisation of financial services, a significant portion of the world remains without access to the Internet or mobile phones. Women and the low-income populations are affected the most by these challenges, and are also the least likely to have access to the financial services they need to withstand and thrive despite these challenges. Despite an increase from 51% to 76% in **global account ownership**¹ between 2011 and 2021, [1.7 billion people—mostly in developing nations and mostly women—remain without access to formal financial services](#). To achieve the 2030 SDGs, more needs to be done to close this inclusive finance gap.

Amidst these issues, Swiss Capacity Building Facility (SCBF) has stayed committed to promoting inclusive finance as a means of fostering economic growth and empowerment around the world.

In 2022 we validated our 2030 Strategy that builds on SCBF's distinctive public-private platform. Although the strategy will be launched later in 2023, this annual report offers a sneak preview. Globally, donors and other multilateral organisations increasingly recognise the importance of market-based approaches which leverage private sector financing and expertise to accelerate the achievement of the SDGs. SCBF has been a pioneer, since 2011, in blending and leveraging of public and private financial and human resources to contribute to financial inclusion. This “unique selling proposition” will remain at SCBF's core and will be the basis of the implementation of the new strategy. Read more on [page 24](#).

Other highlights from 2022 include a second grant from the Swiss Re Foundation of CHF 250,000 and partnering with FMO-Dutch entrepreneurial development bank on an [ESG study](#) that enquired: *Can the implementation of ESG frameworks be a source of risk or opportunity for companies operating in the 'Global South'?* Read more about our Learning and Insights on [page 17](#).

¹ Adults in possession of a bank account to access basic financial services.

We were delighted to welcome two new members, [Roche](#) and [MPower](#), in 2022 increasing our member base from 27 to 29. Learn more about these partners on [page 15](#).

We are particularly thrilled to announce our updated outreach results as of 2022. Since inception (2011), we can now say that SCBF has leveraged CHF 1.80 (totalling CHF 45.6 million) for every CHF 1 of SDC funding (totalling CHF 25.3 million) and funded 188+ projects across 50 countries. Through these projects, SCBF has reached 3.4 million end clients of which 64% are women and 53% reside in rural areas.

In 2022 alone we committed over CHF 1.95 million in 16 new projects, achieving a total of CHF 19.52 million in committed grant-funding since inception. The projects we co-funded touched a variety of themes:

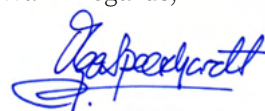
- digitalisation of savings, credit and insurance products for low-income clients
- digital financial management for cooperatives, health insurance for informal sector workers
- digital collateral to facilitate affordable MSME lending
- innovative index-based insurance to enable vulnerable smallholder farmers and households to adapt to the changing climate

- remittance-linked insurance for migrant workers and their families
- micro-pension linked savings for retirement planning amongst informal sector and low-income workers especially women
- e-float money management for the MSMEs who are the backbone of digital financial services

In 2023, we plan to launch SCBF's new strategy and to explore new strategic alliances, multiply our partnerships, diversify our funding and identify new fields of innovation where SCBF can keep pushing the envelope. With your continued support, we are confident that we can build on the successes of the past year and make even greater strides in financial inclusion in the years to come.

We are grateful to all our members, donors and partners for the ongoing contributions and support that made 2022 a success. These have been fundamental to creating the springboard we need for exploring new opportunities in 2023 and beyond. With much to celebrate and look forward to in the coming years!

Warm regards,



Olga Speckhardt
Board Chair



Sitara Merchant
CEO



SCBF at a glance



Projects funded



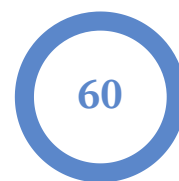
Grant funding invested
in projects by SCBF
and strategic partners



Ratio of funding
leveraged from
SDC (CHF 25.3M)
and other partners
(CHF 45.6M)



Financial sector
partners supported

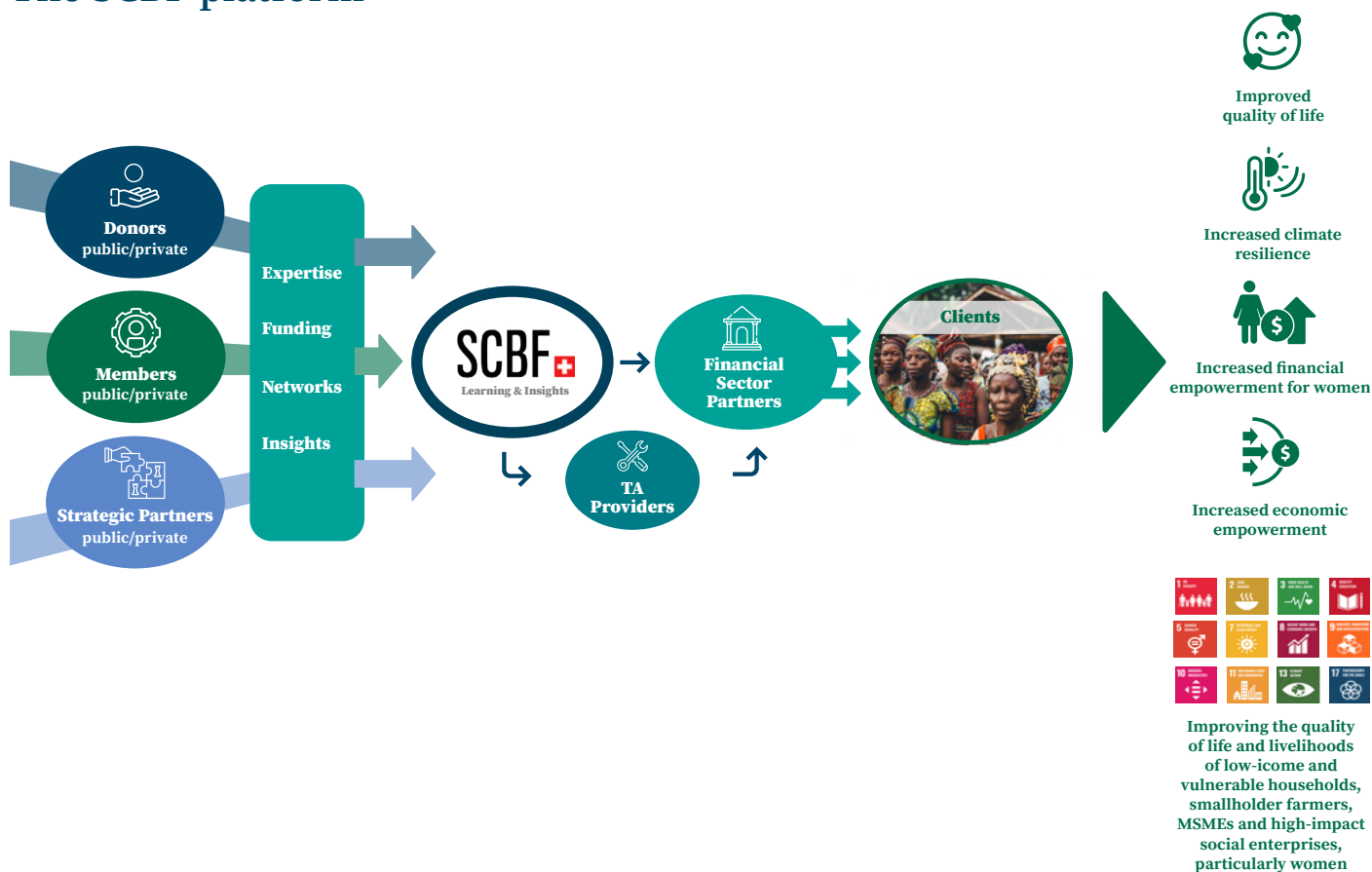


Technical assistance
providers

SCBF is a membership-based organisation of public and private entities that promote responsible inclusive finance. The commitment of our partners enables us to leverage public and private resources to support the development of an empowering ecosystem for financial inclusion. SCBF plays an important role in funding much-needed technical assistance (TA) to financial sector partners in the Global South, so that they can tailor and market meaningful financial solutions to small-scale entrepreneurs, smallholder farmers, women and those living in rural areas.

SCBF's key strength is in our platform model, which blends public and private financial and human resources to expand inclusive finance across geographies in order to improve environmental and social well-being. This platform facilitates partnerships, convenes relevant organisations, manages grants, distils and disseminates experience driven insights.

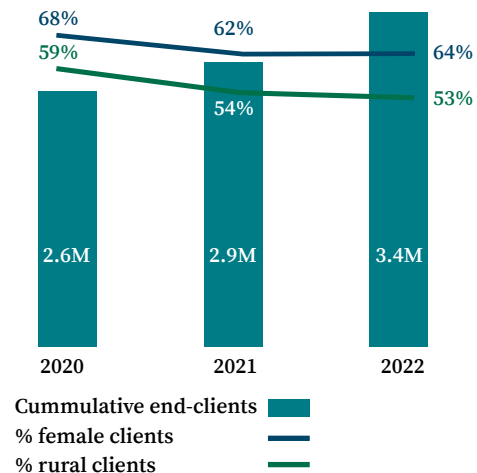
The SCBF platform



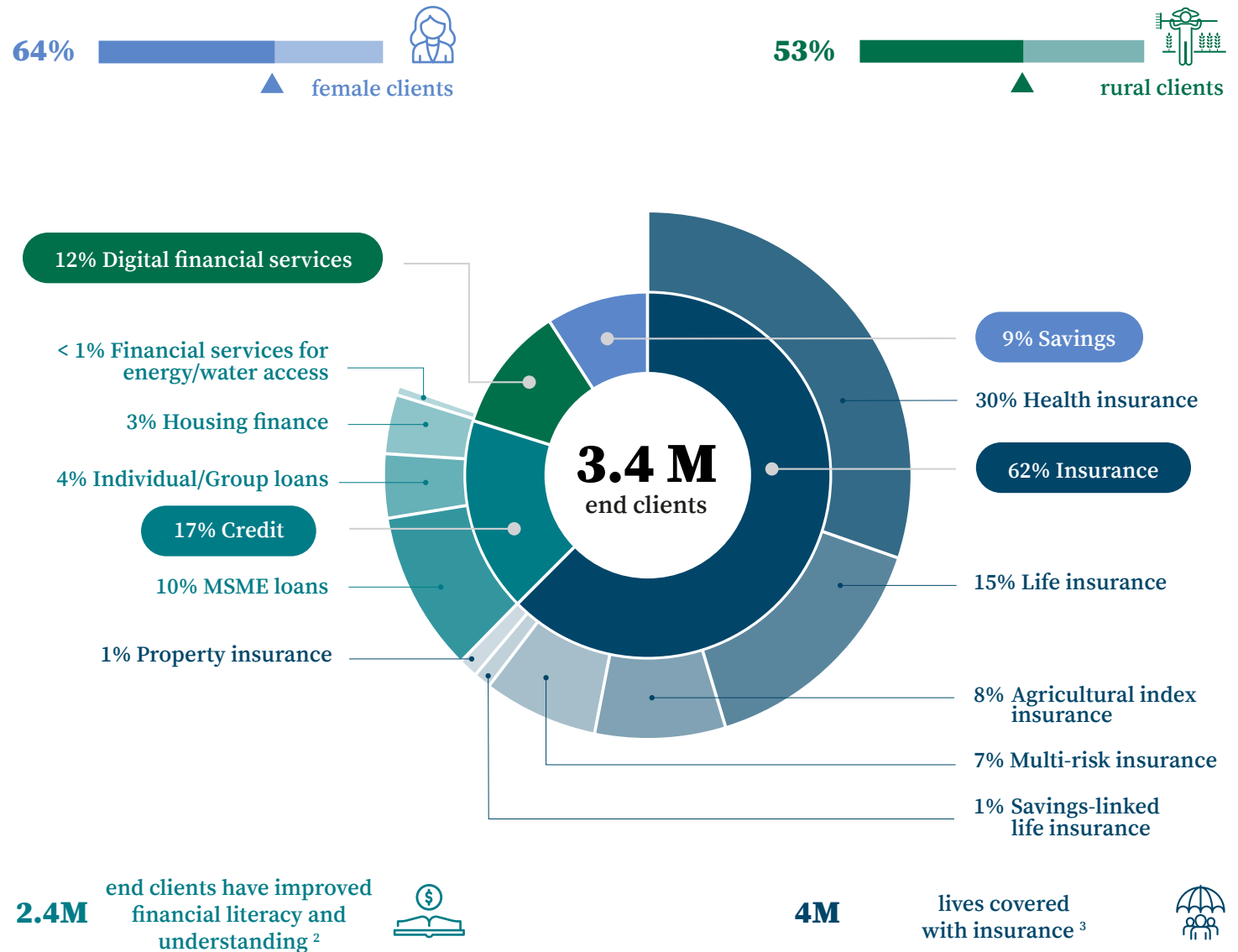
Key achievements

SCBF grant funding, since its inception (in 2011), has enabled 3.4 million end clients (64% women) to access tailored financial products and channels. SCBF supported insurance projects have reached approximately 4 million lives, by protecting both policyholders and their families. These services are particularly important to our aim to build resilience amongst the low-income populations against the negative impacts of catastrophes, adverse weather conditions, death, or sickness so that they can avoid falling into poverty and improve their livelihoods.

Outreach over the last 3 years



Transforming lives with public/private partners: Outreach since 2011

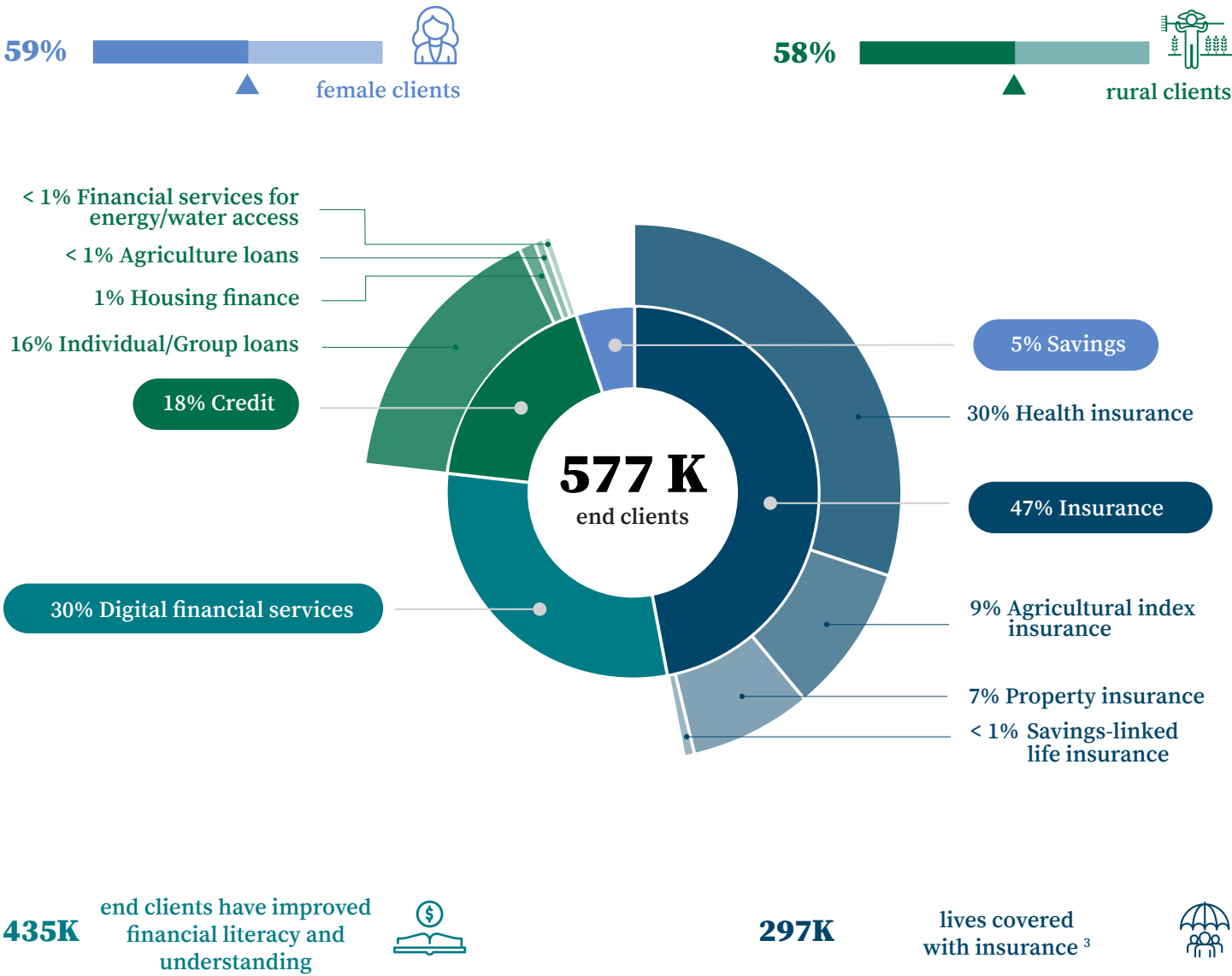


² Including 164 K who received comprehensive FE – Classroom, Virtual – videos, regular SMS. A significant number of clients have been reached through multi-media and social media campaigns

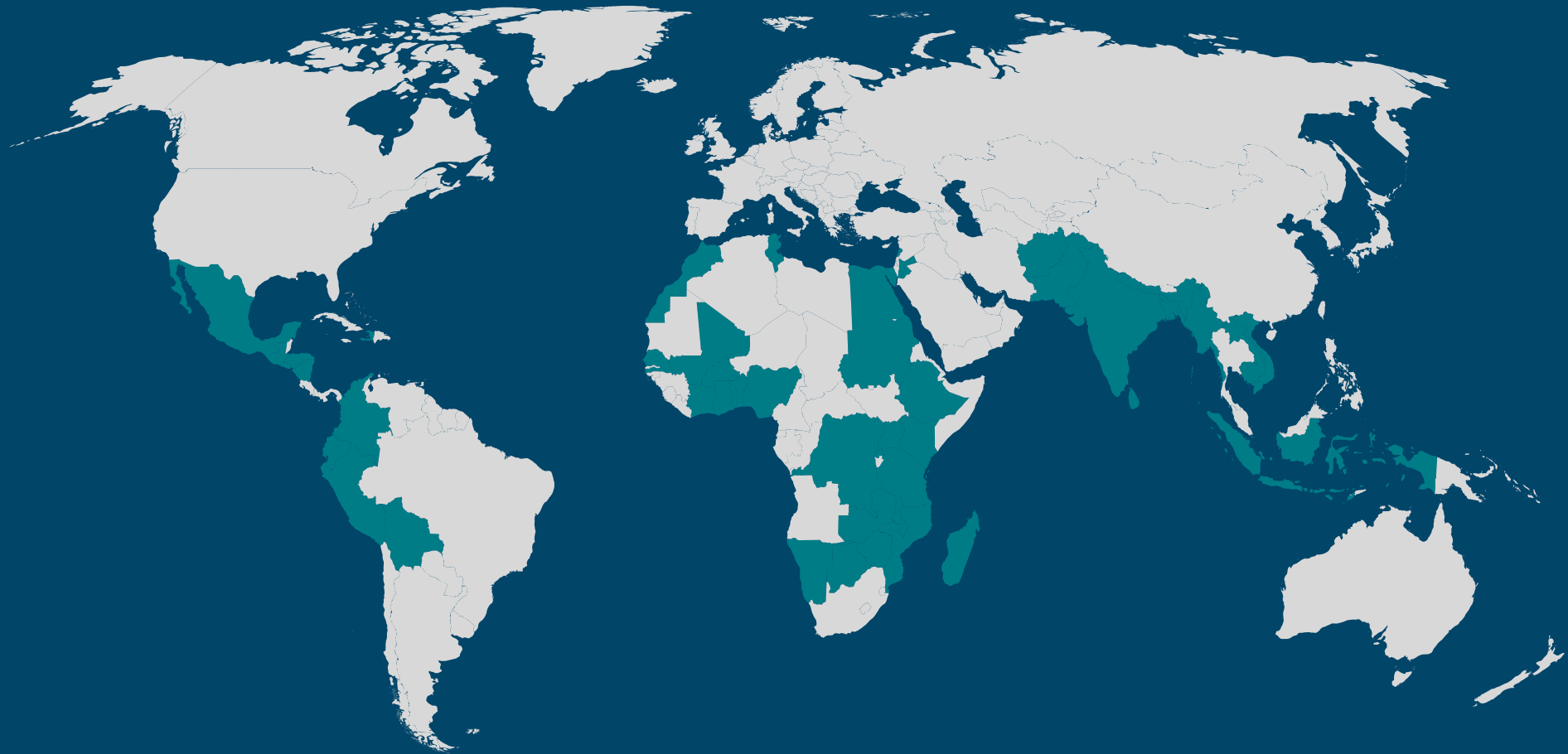
³ Policyholders and family members

In 2022 alone, over 577,000 unique clients newly benefitted from financial services provided by our partners. Of these, 297,000 were covered by insurance products.

Transforming lives with public/private partners: Outreach in 2022



Gobal reach since 2011



Afghanistan
Bangladesh
Bénin
Bolivia
Botswana
Burkina Faso
Cambodia
Colombia

Democratic Republic of Congo
Ecuador
Egypt
El Salvador
Ethiopia
Ghana
Guatemala

- Haiti
- Honduras
- India
- Indonesia
- Ivory Coast
- Jordan
- Kenya

Laos
Latin America
Lebanon
Madagascar
Malawi
Mali
Mexico

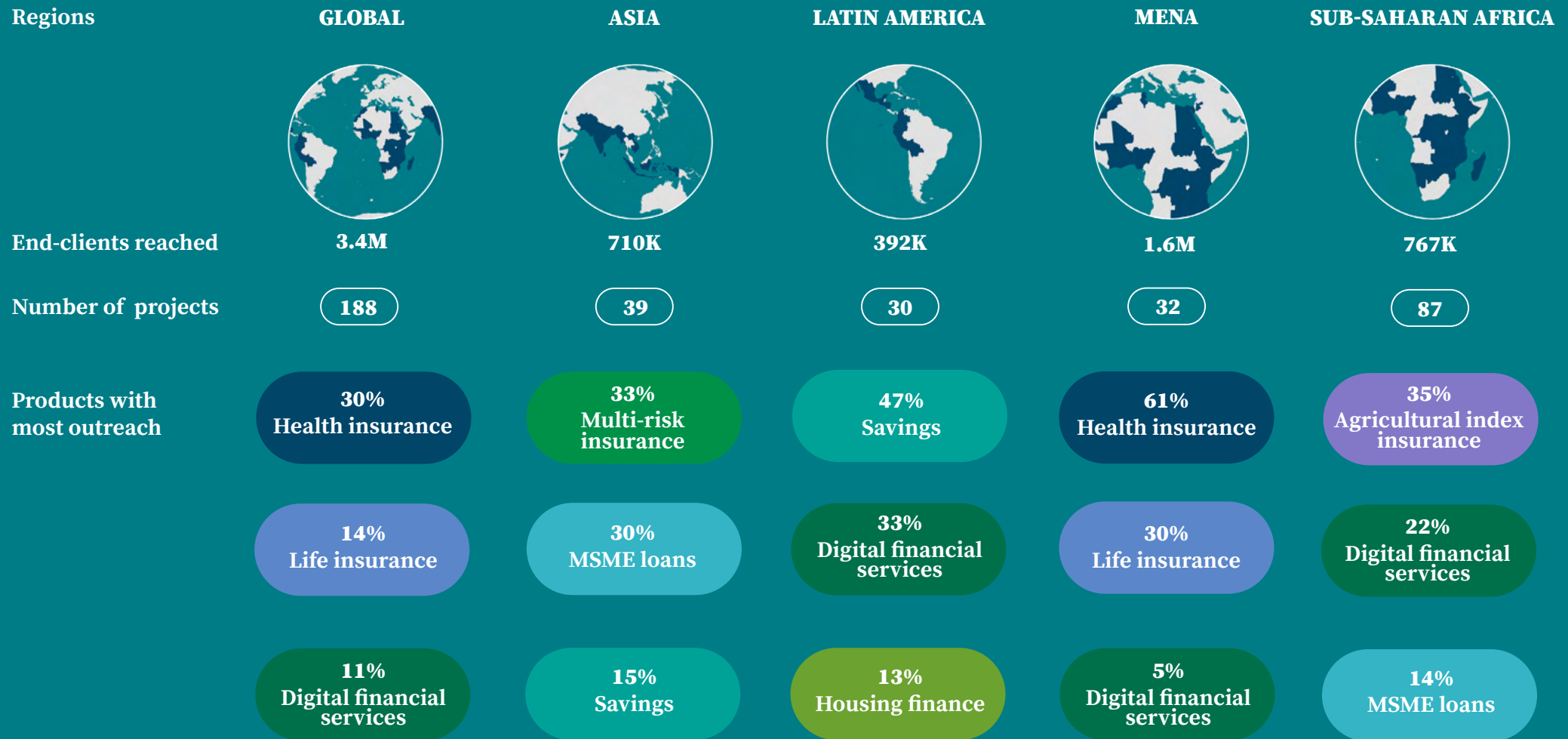
Morocco
Mozambique
Myanmar
Namibia
Nepal
Nicaragua
Nigeria

- Pakistan
- Palestine
- Peru
- Rwanda
- Senegal
- Sri Lanka
- Sudan

Tanzania
Togo
Tunisia
Uganda
Vietnam
Zambia
Zimbabwe

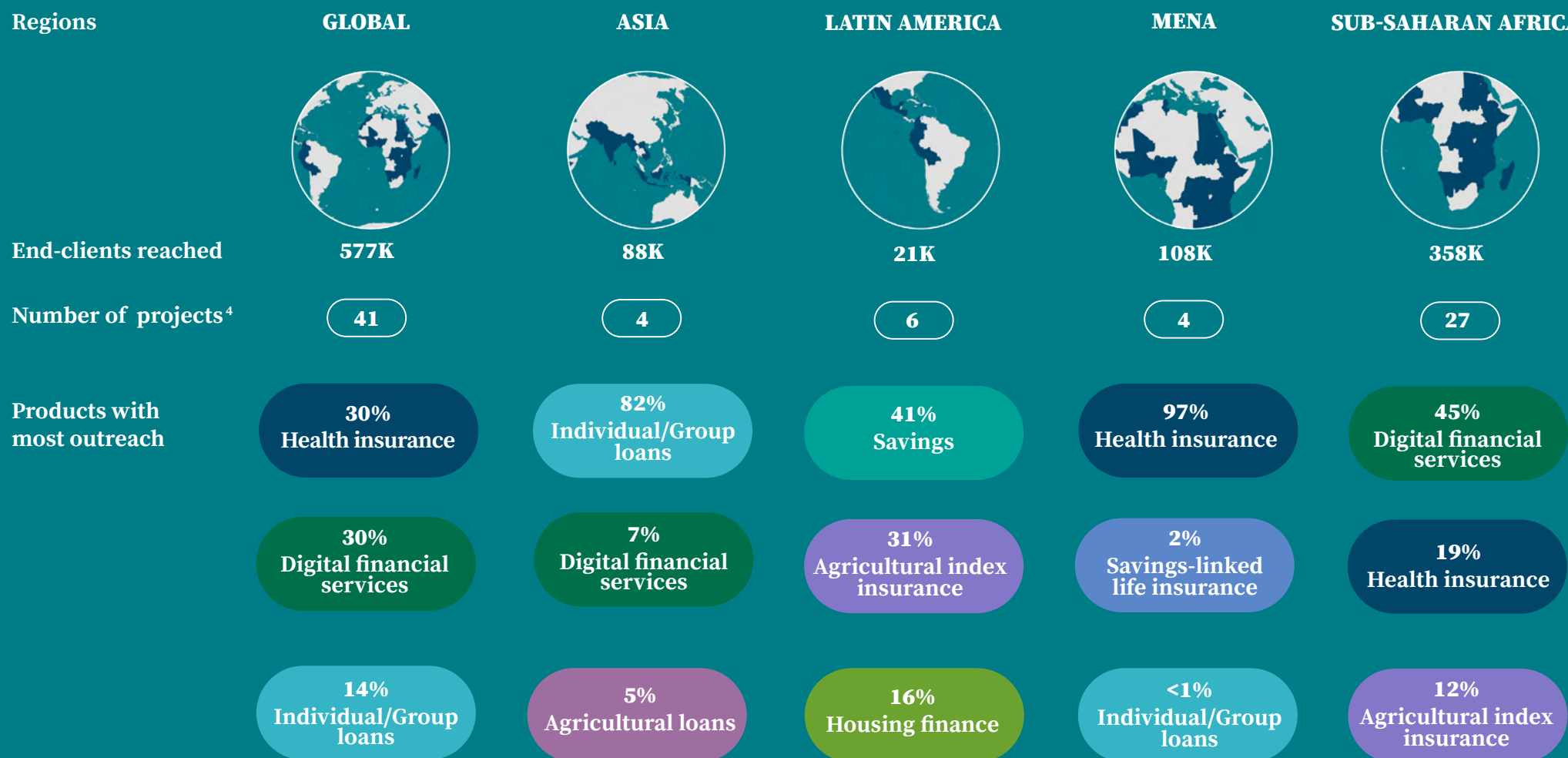
Regional outreach since 2011

Through our partners, SCBF has been able to reach four key geographic regions: **Asia, Latin American, the Middle East and North Africa (MENA)** and **Sub-Saharan Africa**. Regionally, SCBF has had the most significant outreach in MENA. Our partners have reached the most people through insurance products including - health, life, multi-risk and agricultural index insurance.



Regional outreach in 2022

In 2022 the outreach in health insurance projects remained highest globally as well. The portfolio of digital financial services is 30% covering over 173,000 clients across **Sub-Saharan Africa, Asia and Latin America**, likely due to their ability to increase efficiency and drive outreach to previously underserved segments.



⁴ Projects with 2022 outreach data, not including financial education campaigns

Overview of projects

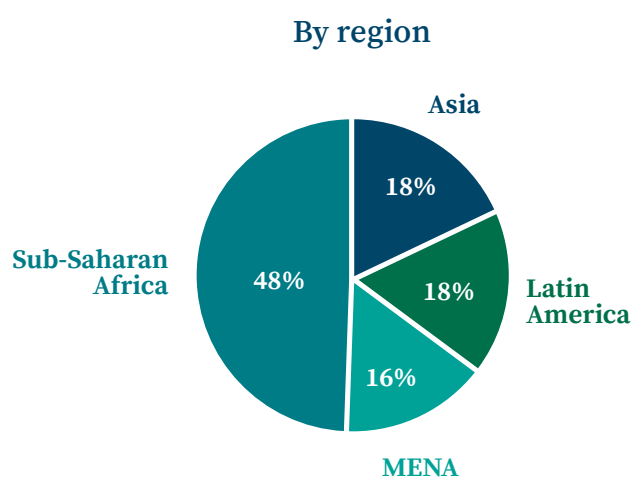
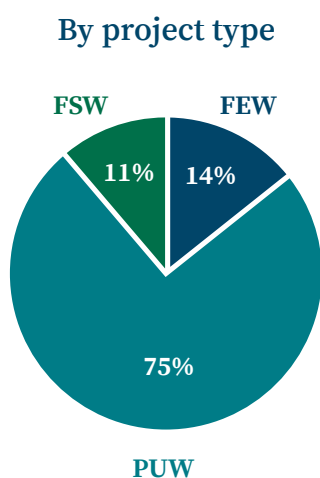
SCBF co-funds interventions through three windows:

- **Product innovation and up-scaling window (PUW)** co-funds technical assistance to develop, pilot, assess the effectiveness of, replicate and scale innovative, client-centric financial products, services or channels.
- **Feasibility study window (FSW)** enables financial institutions, fin-techs and insure-techs to undertake feasibility studies or dry runs ahead of introducing innovative products, services or channels.
- **Financial education window (FEW)** allows financial sector partners to develop tailored campaigns to enhance the financial literacy of end-clients and in principle, these campaigns always accompany a PUW project.

Aligned with global development priorities, most of the projects co-funded by SCBF in 2022 were in Sub-Saharan Africa. While the region still lags compared to other regions in financial inclusion and closing the gender gap, it has seen a significant increase in financial inclusion in the past decade due to the rapid expansion of digital financial services (primarily through mobile money). In 2023, SCBF will continue to support this region while exploring and expanding support to eligible countries in other regions.

Breakdown by SCBF funding commitment to projects

Since 2011:



In 2022:

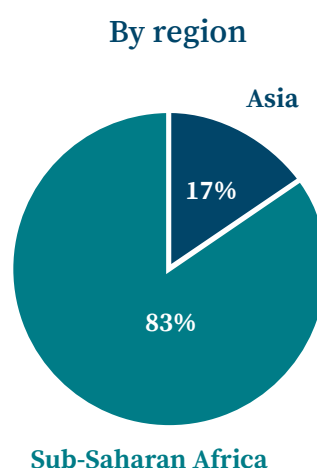
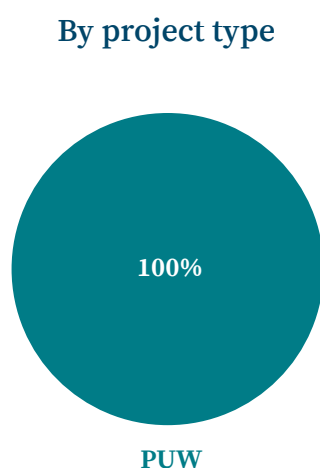




Photo credit: Syngenta Foundation

Resources leveraged from donors, partners and members



Amount and percentage of project matching contribution from financial sector partners, grantees and 3rd parties (at application)



Amount of private investments leveraged

Since inception, SCBF has crowded in funding from its financial sector partners, grantees and other project partners, resulting in increased funding commitments to projects. In addition, SCBF grants have helped unlock further funding for many of the project partners, either in the form of equity, debt, or other grants.

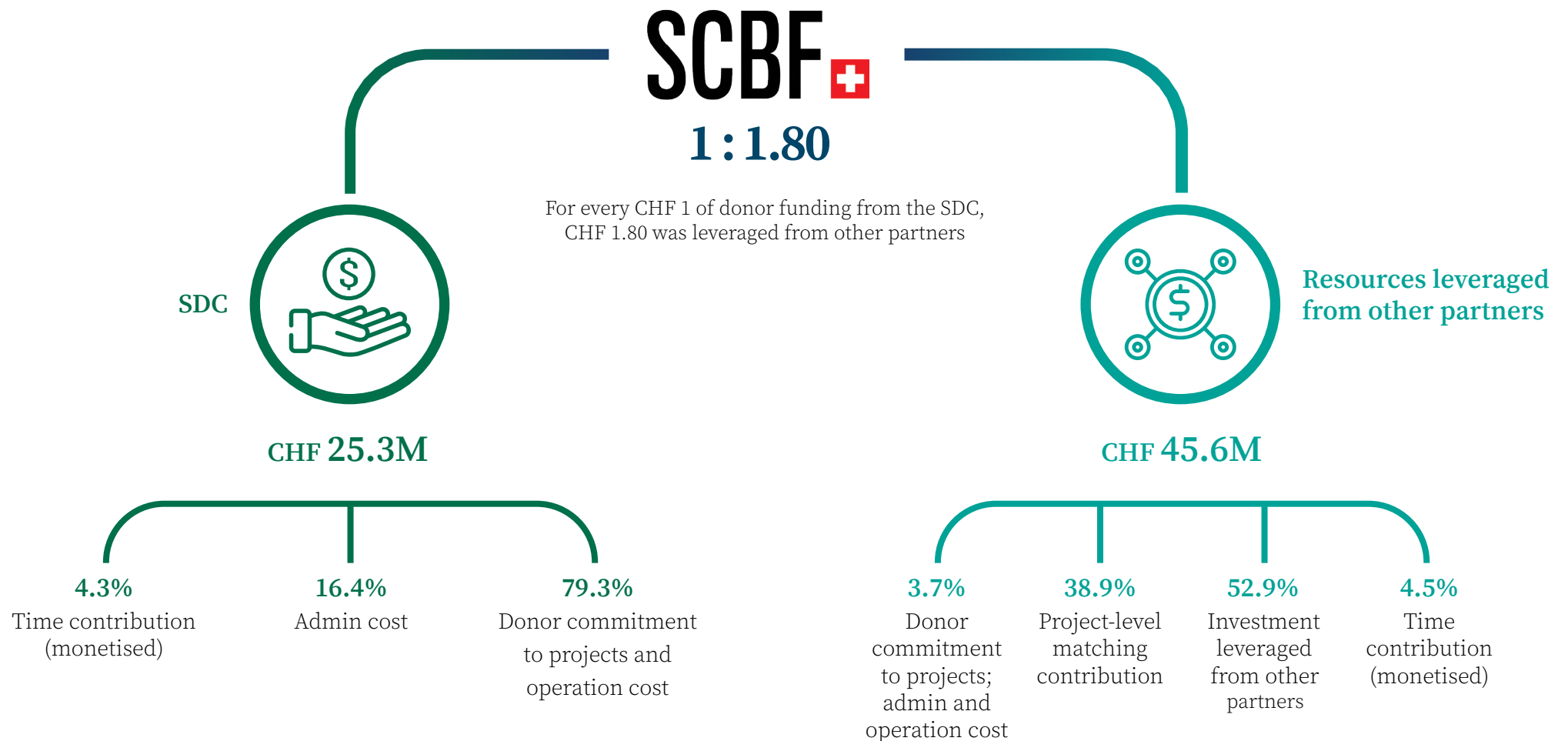
Accordingly to annual partner surveys, SCBF funding has been catalytic in enabling financial sector partners to mobilise CHF 24.1 million, to date, in additional investments.

SCBF conducts annual surveys in which partners are asked to share details about the funding amount mobilised, the type (grant, equity or debt) and a rating (scale 1 to 5) of the role that SCBF grant funding played in raising the additional investments.

Over the past few years, project-level matching contributions from FSPs, grantees and third-party partners have increased to 55% (on an average) of the total funding in the last 4 years, decreasing the proportional funding commitment from SCBF. The increased investment from partners shows their commitment towards sustaining project objectives (including expanding outreach) over time.

SCBF's strength is in crowding in and leveraging resources from multi-sectoral partners (public and private). Since inception, for every CHF 1 from the core public donor Swiss Agency for Development and Cooperation (SDC) (total CHF 25.3M), SCBF has leveraged an additional CHF 1.80 (total CHF 45.6M).

SDC & Other partners collaboration: Investments mobilised towards financial inclusion



SCBF's contribution to the Sustainable Development Goals (SDGs)

Financial inclusion is cross-cutting across global social, economic and environmental challenges, and thus is a key enabler to achieving many of the SDGs. Since the launch of SDGs in 2016, SCBF projects have contributed directly to 12 of the 17 SDGs.



1.8 million low-income clients have accessed or used financial services and products

SCBF supported projects enable access of financial tools such as savings, insurance and payment mechanisms to low-income households and small businesses. These tools can provide them with opportunities to advance their economic situation, cope with shocks and rise out of poverty.

Over 221,000 clients (mainly smallholder farmers, households and rural MSMEs) have accessed credit, agricultural index insurance and micro leasing support

SCBF has supported the scale up of agricultural loans, micro leasing support and weather-index insurance schemes, to enable small farmers and rural agri-enterprises to invest in the productivity of their farms and to be more resilient in the face of climate change.



982,000 people (including principal policyholders and their family members) have accessed health insurance

SCBF contributes to reducing the financial hardships that prevent low-income clients, in particular women, from accessing much needed health-care services by supporting projects on related areas such as health insurance.

Over 569,000 people have benefitted from comprehensive financial literacy trainings

SCBF-funded financial education campaigns either related to specific projects or comprehensive trainings contribute to enhancing the financial awareness and literacy of low-income populations.





Photo credit: Splash - Annie Spratt

5 GENDER
EQUALITY



Over 1.2 million women have accessed or used financial services and products

SCBF is committed to closing the gender gap in financial inclusion.

To this aim, SCBF prioritizes projects that focus on improving women's access to affordable, relevant financial products and services.

Over 9,000 clients (mainly rural households and MSMEs) have accessed micro-credit for clean energy solutions

Access to reliable and affordable energy is essential for people to meet their basic needs and undertake productive activities that contribute to economic growth while mitigating climate change. SCBF supports projects that build links between clean energy solution providers, financial intermediaries and low-income clients.

7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



83 financial sector partners supported

SCBF supports financial sector partners to innovate, test, and scale relevant, customer-centric products, services and channels. The financial literacy campaigns as part of the projects help in improving the financial health and inclusion of 1.8 million clients.

Over 229,000 entrepreneurs, small businesses and farmers received loans to invest in their livelihoods

SCBF funds projects that improve small businesses' access to financial services, supporting the critical role that these MSMEs play in local economies.



CHF 5.3 million committed to funding financial inclusion projects in 18 least developed countries (LDCs)

SCBF prioritises and channels investments in resource-poor contexts, especially in LDCs

Over 107,385 low-income clients and households accessed affordable housing finance

By supporting partners that operate in the housing sector with a focus on low-income housing, SCBF enabled people to invest in improved housing.



205,000 smallholders farmers accessed climate-related insurance products

SCBF invests in weather-based index insurance, which provides financial coverage for losses due to extreme weather. Farmers insured can avoid resorting to negative coping strategies when a climate disaster strikes, and additionally benefit from training on improved agricultural practices.

CHF 11.5 million committed through partnerships

SCBF delivers all assistance through our unique public-private development partnership platform and with the support of our 29 members.



2022 highlights

Perspectives from new members: MPower and Roche

In 2022, two new members joined the SCBF network. SCBF asked its new members why they decided to partner and how our collaboration can enable achieving common objectives.

MPower is a climate fintech start-up that enables energy access by providing small and medium-scale solar energy infrastructure in developing countries. They offer high-quality solar devices as well as energy-efficient household and income-generating appliances for low and middle-income households, SMEs, and farmers in peri-urban and rural areas.

“

As a member of SCBF, Mpower will be able to leverage the expertise and support of its network to revolutionise energy access in emerging markets through our solar product and financing solutions. Utilising a B2B2C model, our climate fintech platform offers small-scale solar solutions to households and SMEs, combining hardware, software, and financing. Being a member of SCBF has provided us with invaluable opportunities to connect with leading organisations in various regions and on different issues and overlapping goals. It has also given us access to vital resources to support initiatives aimed at addressing energy access, climate finance, and women's inclusion challenges in African countries. Our alignment with SCBF's mission to remove emissions and transform communities has enabled us to make meaningful progress towards achieving our goals.

MANUEL SEIFFE

CEO, MPower

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Roche was founded in 1896 in Basel, Switzerland, as one of the first industrial manufacturers of branded medicines and has now grown into the world's largest biotechnology company and the global leader in in-vitro diagnostics. The company pursues scientific excellence to discover and develop medicines and diagnostics for improving and saving the lives of people around the world. Working in collaboration with global and local stakeholders from the public and private sectors, Roche focuses on supporting governments' efforts to build strong and resilient healthcare systems, particularly for people in lower- and middle-income countries (LMICs) where 80% of the world's population live.



Photo credit: Unsplash - Sneha Cecil

“

Building the resilient healthcare systems and economies of tomorrow requires investing in healthcare today. It also means ensuring that everyone everywhere can access high-quality healthcare services without facing a heavy financial burden. However, closing the health financing gap is a massive undertaking and we know that this cannot be tackled by one actor alone. For us, collaborating with partners such as SCBF and its members, who pursue the same objectives as us, is key to addressing issues threatening vulnerable households in LMICs. SCBF's network and expertise, and its members and technical partners are critical to scale promising healthcare financing approaches already happening on the ground. Now more than ever, it is important and urgent for both the private and public sectors to share responsibility and work together to build sustainable and more equitable healthcare systems.

MICHAEL OBERREITER

Head of Global Access at Roche

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Insights corner

SCBF disseminates learnings from qualitative research and exploratory studies initiated or supported on socio-economic and environmentally relevant topics. SCBF also shares insights and experiences gathered through innovative projects supported across different geographies.

SCBF partnered with the Dutch development bank [FMO](#) to understand the level of awareness that the Global South financial institutions have of the implications of ESG frameworks and how they relate to the SDGs. A study was conducted by [Shining Rock Ventures](#) to explore the question – **“Will implementing the ESG frameworks be a risk or opportunity for organisations in the Global South?”**. The study was conducted with a well-defined subset of 32 financial institutions (FIs) from across the Global South, ranging from banks to fin-techs to microfinance institutions, as well as non-bank FIs.

The study uncovered various key insights such as: ESG frameworks are increasingly getting important, despite being driven by international investors, and respondents view ESG frameworks as both a risk and an opportunity.

The full report can be accessed on [SCBF's website](#).

SCBF shared learnings on the [future of green inclusive finance](#), recognising that green inclusive finance is evolving rapidly to meet development challenges including expanding access to affordable and clean energy (SDG 7) and clean water and sanitation services (SDG 6). The piece elaborates some key trends that SCBF expects to see in green inclusive finance in the coming years, including:

Increased collaboration between stakeholders, such as governments, financial institutions, businesses, and civil society will be required for forging new partnerships and networks and the sharing of knowledge, technologies and best practices for sustainable development and climate change mitigation.

Greater emphasis on impact measurement will be placed by the investors and financial institutions for their green and climate-inclusive finance products. This will help investors to understand the environmental and social benefits of their investments and make more informed decisions.

The full piece can be accessed on [SCBF's website](#).











Project Highlights

The financial sector in sub-Saharan Africa continues to deepen and broaden with digital innovation and regulatory reforms. However, the region still lags when it comes to closing the financial inclusion gender gap and indicators around the value of financial services. Since 2011, [SCBF has prioritised this region, and continues to do so in line with global development priorities](#). Here, we endeavour to share the experiences and learnings gathered through various innovative projects in the region in this section.

Protecting rural clients with multi-risk cover in Ghana and Malawi

[VisionFund](#), with funding from SCBF, launched tailored insurance solutions for the [World Vision](#) Savings Group (WVSG) members and their families in Ghana and Malawi. Market research conducted in both countries identified the need to provide protection against multiple risks. Insurance products were developed that provided family members with cash allowance for hospitalisation, death, funeral, and accidental disability benefits using a digital platforms. In addition, educational videos on the concepts of insurance, health, nutrition, and financial literacy-related materials were developed to create awareness and educate beneficiaries. SCBF supported VisionFund to broaden its financial product and service offerings, allowing men, women, and children to be protected with a safety net. It also helped increase the productivity of the field officers and volunteers of VisionFund and World Vision by building their capacity in selling and cross-selling an array of financial products and enabled them to educate clients in rural areas about the financial solutions including insurance.

Project snapshot

| | | | |
|---|--|---|---------------------|
|  | Ghana & Malawi |  | Dec 2020 – Dec 2022 |
|  | Vision Fund Ghana, Malawi & International World Vision Ghana, Malawi & International | Allianz Insurance Ghana Horizon Health Limited | |
|  | Low-income people organised in informal savings groups | | |
|  | Ghana | Malawi | |
|  | Multi-risk insurance (family members covered) | Hospital cash insurance (family members covered) | |
|  | By the end of the project in Dec'22 | By the end of the project in Dec'22 | |
| | <ul style="list-style-type: none">2,238 policies covering 13,836 lives including family members (~52% women) were issued; results exceeding the set target by 112% in number of policies and 138% in the number of lives covered13,191 persons were educated on the concepts of insurance, financial inclusion and topical health issues against the set target of 10,000 | <ul style="list-style-type: none">2,947 policies covering 3,606 lives including family members were issued: results exceeding by 103% of the set target20,168 persons were educated on the concepts of insurance, financial inclusion and topical health issues against the set target of 20,000 | |
| | Post project outreach: Jan'23 - Apr'23: | Post project outreach: Jan'23 - Apr'23: | |
| | <ul style="list-style-type: none">223 policies covering 923 lives were issued | <ul style="list-style-type: none">1,198 policies covering 1,379 lives were issued | |
|  | Based on success of the offerings in both the countries, as next steps, Vision Fund has decided to: | | |
| | <ul style="list-style-type: none">Scale-up the products in the piloted areas and launch them in the other parts to cover the whole country.Extend the initiative to Rwanda, Uganda, Mali and/or Senegal in 2023.World Vision targets to cover all its 1.6 million members (of 79,000 savings groups) across the globe.World Vision plans to extend similar health insurance product to the 3 million children supported by them globally along with their families. | | |

Key Learnings

- **For intangible products like insurance, positive experiences are key to mindset changes:** Product uptake initially was low in both countries; however, with a few successful claim settlements, product uptake increased. The initial positive experience by early adopters led to greater acceptance by others, through word of mouth. It also brought about a change in the mindset of World Vision staff, who now use insurance as a key tool for building resilience in the communities.
- **Timing is key for the launch of the go-to-market strategy:** A well-planned launch and marketing strategy is crucial for the successful uptake of products. In both countries, the launch would have been more successful if planned around the harvest time – when the group members had available funds allowing them to enrol in the insurance schemes.
- **Selecting the right sales partners is key to successful outreach:** In Malawi, initial plans of using World Vision staff or affiliated volunteers to cross-sell insurance did not work out due to multiple reasons. VisionFund then decided to use its FAST field officers who were already selling loans to savings groups and were well-equipped to cross-sell insurance to their existing target clients. In Ghana, volunteers recruited from within the local communities and who were trusted by the savings group members were successful in selling insurance within the communities.

“



I registered for the VisionFund/World Vision Insurance and when I fell ill and was admitted at the hospital for about three nights. I was paid GHS 300 in my claim. I want to state that whatever information we were given in relation to the insurance about death/disability or hospitalisation is actually true because mine was hospitalisation and I was paid the exact amount as stated by their staff. I would like to thank World vision and VisionFund for introducing this insurance to us.

DEBORA ALLALBILLA
Bugri, Ghana

“

The SCBF-funded projects have not only produced a very positive impact in Malawi and Ghana, but they have now influenced our global strategy for insurance and our ways of entering new markets for the provision of insurance. Having piloted different models of sales and delivery in both Ghana and Malawi, we are now in a position to have a standard model that can be flexed to suit local contexts based on our learnings from our SCBF-funded projects.

At our March 2023 VisionFund Leadership Gathering, we showcased these projects and inspired MFIs in our 28-country network to consider similar approaches in their business plans. The role of insurance was a very prominent component of the conference, and we now have a strong evidence-based platform to roll out similar products (especially health) in other countries in the VisionFund network as well as in countries where we do not work. We look forward to continued partnership with SCBF as we scale and roll out the lessons learnt and approaches developed.

RORY BRUCE

Global Programme Funding Director
WorldVision International

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Warehouse receipts lending to small holder farmers in Uganda

In Uganda, SCBF supported a project on warehouse receipt financing in order to establish the business case of specialised lending products targeted at the Ugandan farmer cooperatives. [Venture South Uganda \(VSU\)](#) is one of the specialised lending companies in the country that facilitates the arrangement between farmer co-operatives by bringing individual farmers together to aggregate their produce and large buyers. In this project, VSU partnered with [Coronet Consult Ltd.](#) to provide collateral management services such as storing the produce, ensuring the quality control and issuance of invoices towards the collateral (farm produce). Involving cooperatives in the lending process helped improve prices or sales for some farmers, thereby increasing revenue for both the farmers and the cooperatives.

Project snapshot

-  **Uganda**
-  Dec 2019 – May 2022
-  Venture South Uganda
Venture South International
Coronet Consult Ltd.
-  Smallholder farmers
-  Warehouse Receipt Financing
- 
 - Four farmer cooperatives and SMEs in the coffee and chili value chain with a combined membership of over 5,000 (60% women) have benefitted from the loans at the pilot stage.
 - 37 loans valued at CHF 476,925 were disbursed, expected to grow in coming months.
- 

The warehouse receipt financing loan product is one of the most impactful tools as it allows farmers to aggregate their produce to obtain better prices. At the same time, it creates more employment opportunities and value-added services in rural areas.

 - Members who sold finished produce (sorted, graded and aggregated) through the cooperatives got 10% to 30% more than normal farm gate prices.
 - The financing enabled cooperatives to grow their business by purchasing and selling larger volumes of crops. They were able to hire additional labour force for cleaning and sorting the agricultural produce, opening an additional income channel for the rural households.
 - Uganda Commodity Exchange (UCE) is working on developing a first of its kind ‘tradable warehouse receipt’ which will be used as security for creditors to extend loans on goods held in UCE warehouses. It will help create opportunities for farmers to earn better prices on their harvest without relying on the middlemen. After completion of the undergoing extensive testing and training, the first loans under this scheme are expected soon.
 - Venture South diversified its loan product portfolio beyond the solar loans.

Key Learnings

Despite the positive impacts, warehouse receipt lending is a complex offering as it has to rely on multiple factors to succeed, such as:

- **Factor in price fluctuations while setting lending limits:** In this pilot, the initial loan value was kept at 70% of the value of the Goods Received Notice (a document that establishes the official receipt of goods from the customers or farmers in this case). Farmers perceived this to be low as it didn't take into consideration the total value of their produce. However, when one of the products (chili value chain) sold by some of the loan clients suffered from the stoppage of international procurements due to quality issues, it led to a price drop which impacted the clients' revenues and reduced their ability to pay back their loans. At that time, the initial lower lending limit helped reduce the Venture South's loss exposure.
- **Gain trust by working with and involving representatives from the local community:** Even though loans were in high demand, it took time and effort to gain the farmers' trust, due to their wariness of debt and working with a collateral manager. This was achieved by nurturing "product champions" who had strong ties with the rural communities to serve as advocates.
- **Work with aggregated farmers:** Individual clients or small traders can only sell a small amount of produce each month and they may not have the capacity to do additional activities of drying and sorting. Thus, this type of lending programme works best with rural cooperatives or aggregated farmer groups who can sell in bulk to reliable buyers and can also provide other value-added services (such as drying, sorting and grading).

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SCBF support was essential in helping us establish our warehouse receipt lending product. With SCBF support, we developed proper legal documentation and designed a loan product which met client needs in a way that was financially sustainable for the company. Since the programme began we have supported thousands of farmers, developed new partnerships and raised funds to expand our work.

GEORGE PETTY

Managing Director
Venture South International









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Fostering financial resilience through agricultural insurance and financial education for smallholder farmers in Sudan

Sudan has a huge potential for agriculture insurance, as established through a pre-feasibility study field visit in December 2018 by the [Syngenta Foundation for Sustainable Agriculture \(SFSA\)](#) team. The study informed a new partnership with SCBF (with co-funding from AGFUND) by highlighting the strong need for an innovative solution to address the existing protection gap. The project's aim was to run commercial schemes for Sharia-compliant innovative weather-index insurance solutions that would aid in increasing climate resilience and financial inclusion of smallholder farmers. The initiative targeted three crop value chains (sorghum, sesame, and groundnut) in six states in Sudan. Further to this, a baseline survey assessed farmers' knowledge of insurance and their financial literacy status, finding that there is a need to conduct a financial education (FE) campaign to improve the intervention.

Project snapshot

-  **Sudan**
-  Oct 2019 – Dec 2022
- 
 - Syngenta Foundation for Sustainable Agriculture
 - Ebdaa Bank
 - United Insurance Company
 - Sheikan Insurance Company
 - Middle East Insurance Company
-  Smallholder farmers
-  Weather index based agricultural insurance
-  Financial education campaign for the farmers
- 
 - By July 2022, 9,151 unique farmers were covered (including 28% women)
 - Financial education campaigns collectively reached a total of 46,389 unique farmers (with around 49% women) through direct training between 2021-2022.
- 
 - The retention rate for the credit-linked insurance in the second year was 54%.
 - The financial education campaign had a positive impact on the farmers' financial behaviour.
 - Four index insurance products were launched for three different crops.
 - 89% of the farmers considered taking insurance after the financial education training compared to only 66% prior to that.
 - The distributor of insurance, Ebdaa Bank, saw an overall improvement in its performance with an increased number of clients taking out savings accounts and agricultural insurance. Its portfolio-at-risk (PAR30) remained below 2.5% within the two years of the implementation of the financial education initiative.
 - The project has laid foundation for Syngenta Foundation to expand its product innovation under the Farmers Resilience Programme. This programme, to be launched in June 2023, will target 37,000 smallholder farmers through bundled solutions. Solutions will be distributed through entrepreneurial farmer hubs (last mile aggroshops) as part of the Ebdaa branch network, and will provide input financing, insurance, farm management literacy-based campaigns and access to export markets through CTC Group's (input company) export programme.

Key Learnings

- **Consider the business case for both supply and demand side partners:** On the supply-side, exposure to climate-related underwriting and increased technical capacity provided through this project led to a strong buy-in of the products from the local insurers and helped to create an insurers' pool to support further scaling up. On the demand side, a bundling approach created a unique value proposition for Ebdaa Bank at all levels and helped it distribute the solution.
- **Plan to mitigate risks at inception:** Implementation challenges ranging from political instability, high inflation rates and the outbreak of COVID-19 hindered the project progress. Partners would have been better able to handle these challenges with better initial planning for mitigation strategies such as onboarding of more demand-side players to maximise outreach, offering an input-linked solution along with credit-linked solution, and packages that included climate-smart and resilient agriculture (CSRA) packages.

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In comparison to other sub-Saharan African nations, Sudan remains underdeveloped on inclusive insurance with a small number of innovations in agriculture and climate insurance. SCBF's support in product upscale, financial education and Index Based livestock Insurance, are among the initial pioneering activities at scale serving over 12,000 insured farmers. The projects created new solutions with a broader scope, laying the groundwork for the current Inclusive Resilience large-scale program targeting 50,000 insured farmers by 2025 through bundling insurance with input financing delivered through first mile farmers hubs attached to MFT's and input companies.

ENOCK SING'OEI

Head of Market Development and Digital Innovation

Inclusive Insurance

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I attended the financial education campaign that was held by Syngenta Foundation and Ebdaa Bank and thank God I learnt how to manage my savings and organise instalments.

HAJER HAMZA IDRESS

Um-Jagoga Village

Al Debeibat

Sudan

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Organisational updates

In 2022, SCBF validated its 2030 strategy. The strategy is informed by the work of an independent consultant who conducted an independent scan in 2021 of inclusive finance needs and trends; interviews with stakeholders and donors for their input; and conversations with members during a townhall and the AGM. These consultations confirmed SCBF's proposed 2030 'strategic direction'. The strategy builds from the core SCBF public-private platform model while increasing our ability to support new innovative high impact business models in their early stages.

Over the last five years, financial inclusion has been reconfirmed as the red thread in the achievement of the SDGs. This strategy integrates our members' interest in being more accountable for their footprint in the emerging economies and their recognition that emerging market consumers are business critical.

The strategy will help members to support innovative business models that use new technologies, provide bundled solutions to low-income populations, and provide more cost-effective ways to expand inclusive finance. To do this, SCBF will continue to provide technical assistance (TA) grants while adding additional results-based instruments (repayable grants⁵, impact-linked finance⁶), tailored to the needs of social enterprises. These instruments can achieve greater impact for each dollar spent, have the potential to be reused, and can leverage private capital. SCBF has and continues to test new funding instruments to ensure a smooth transition to the new strategy.

In 2023, SCBF intends to launch its 2030 strategy and is seeking new partners to join us in the journey.

Stay tuned for an exciting year and more to come!



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⁵ A grant with the obligation to repay (partially or fully) conditioned on the occurrence of certain events as per the terms of the grant agreement.

⁶ Collective term for financial instruments that condition (re-)payment terms to the achievement of pre-defined outcomes.

SCBF team

Board of Directors



Olga Speckhardt
Board Chair
Syngenta Foundation



Mario Wilhelm
Vice Chair
Swiss Re



Nasser Bakr Alkahtani
Arab Gulf Programme
for Development
(AGFUND)



Patrick Luternauer
Independent Board
Member



Diepak Elmer
Swiss Agency for
Development
and Cooperation

New Board Members

SCBF was pleased to welcome two new board members: Patrick Luternauer and Diepak Elmer.

Patrick Luternauer joined as an Independent Board Member, bringing significant expertise in fostering multi-sectoral partnerships for advancing financial inclusion. Patrick has 30 years of management, consulting and investment experience with multilateral organisations and international financial institutions globally. Currently, he is the Principal Relationship Lead Europe for the International Finance Corporation (IFC).

Diepak Elmer joined as the SDC representative on the SCBF Board. He is a senior development professional and diplomat with extensive knowledge and insights into the functioning of international cooperation. He has also worked with World Bank as an Economist for four years and with SDC in multiple stints across divisions and locations, before moving to SDC HQ in August 2019. Currently, he is the Co-Head of the Section Economy and Education at SDC.

SCBF Secretariat



Sitara Merchant
Chief Executive Officer



Dana Ellis
Senior Operations
Manager



Boubacar Diallo
Financial
Inclusion/ Education
Specialist West Africa



Laura Colella
Project Finance and
Fundraising Officer



Yekbun Gurgoz
Learning and Insights
Manager



Sarita Mohanty
Communication and
Operations Officer

Welcoming new team members

Laura Collela joined as a Project Finance and Fundraising Officer in June 2022. She is a young professional with five years of experience in project management and fundraising. She holds a Master in Development Studies, and, previously worked at BASE, a Swiss NGO working on climate finance, and at GIZ.

Yekbun Gurgoz joined as the Learning and Insights Manager in July 2022. She is a consultant and development finance professional with close to two decades of experience. She's advising financial institutions (banks, MFIs, Central Banks, SME support agencies) on a broad range of topics, with a focus on gender and climate.

Bidding farewell

On behalf of the entire team and SCBF family, the Secretariat would like to thank **Guido Beltrani** (Board Member, 2020-2022) for his support, guidance and contributions, and **Rudhayaini Mukane** (Operations Officer, 2021-2023) for her commitment and hard work. SCBF wishes them the best as they embark on their new opportunities.

SCBF Members (2011- 2022)



Friends and Family

SCBF is grateful to our family and friends (non-members) who volunteer their time and knowledge. We thank [Bilal Mughal](#), [Costa Vayenas](#), [David Muigai](#), [Elias Omondi](#), [Gian Semadeni](#), [Isaac Magina](#) and [Israel Muchena](#) for their invaluable contribution to various activities of SCBF.

Annexes

- [List of projects launched in 2022](#)
- [Raw data: breakdown of outreach by product type since inception](#)
- [Raw data: breakdown of outreach by product type in 2022](#)
- [Financial statement](#)

Acronyms

| | |
|--------|--|
| AGFUND | Arab Gulf Programme for Development |
| CHF | Swiss Franc |
| ESG | Environmental, Social and Governance |
| FEW | Financial Education Window |
| FSP | Financial Sector Partners |
| FSW | Feasibility Study Window |
| IF | Inclusive Finance |
| LDC | Least Developed Country |
| MENA | Middle East and North Africa |
| MFI | Microfinance Institution |
| MSMEs | Micro, Small and Medium Enterprises |
| PUW | Product Up-scaling and Innovation Window |
| SDC | Swiss Agency for Development and Cooperation |
| SDG | Sustainable Development Goals |



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