Indicator description	**Number of people with access to financial services as a result of DFID support**
Indicator Type	Peak Year
Technical Definition/ Methodological summary	This is a widely accepted indicator of financial access amongst the international development community, including the G-20 Global Partnership for Financial Inclusion. The indicator measures access to financial services rather than a direct measure of poverty. Evidence[1] shows that improving access to finance can raise incomes and help support people to work their way out of poverty. DFID's spending departments and Country Offices are encouraged to supplement this with other indicators within project logframes to measure different aspects e.g. *usage*, *quality and cost of products, and financial capability and literacy in their programmes to support financial sector development.* The indicator includes number of individuals reached with financial services (e.g. credit, savings/deposits, insurance, leasing, and transfer payments etc.). Access is defined in terms of ownership of an account at a formal financial institution (e.g. a bank, credit union, co-operative, post office, and microfinance institution). The account can be used to save money, to make or receive payments, or to receive wages and remittances. It also includes those who are provided with access to a debit or ATM card. The indicator covers outreach of financial services to individuals only. 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. . The data reported covers access across the

[1] Pande R, Cole S, Sivasankaran A, Bastian G and Durlacher K (2011) 'Does Poor People's Access to Formal Banking Services Raise their Incomes?', Harvard University

	type of products (e.g. deposits, credit, and insurance) and type of institutions delivering the products (formal, commercial banks, specialised state financial institutions, microfinance institutions, cooperatives and credit unions etc). For the purpose of overall corporate reporting, data is collected on the 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. 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 of multi-donor funded programmes, data attributable to DFID should 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. In the case of programmes funded by DFID e.g. through trust fund arrangements with multilateral or regional institutions such asIFC, IFAD, AsDB 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 a 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. Measurement : - 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. Results achieved through DFID's core funding to multilateral institutions such as World Bank, International Finance Corporation (IFC), African Development Bank (AfDB), Asian Development Bank (AsDB) and International Fun for Agricultural Development (IFAD) are not covered for the purpose of reporting against this indicator.
Rationale	The realisation that financial inclusion is a key enabling element, both in the fight against poverty and in reaching the goal of inclusive economic development, is leading to an increasing focus on financial inclusion policies and initiatives. Financial access is a critical first step towards inclusive financial systems. Access to financial services can make a positive difference in the lives of the 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 under pillar 5 of the Economic Development Strategy Framework and DFID's Strategic Vision for Economic Empowerment of Women and Girls. It also indirectly monitors our impact on MDG3.

Country office role	Country offices will be responsible for providing the results of project monitoring. 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. Country offices will ensure that impact and progress claimed under DFID supported programmes 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. Where survey data is used, Country Offices and spending departments should consider the estimated margin of error in the data reported. 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.
Data source	Data will come from: • 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 • Specificfinancial access surveys such as FinScope (commissioned by country offices). 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 DFID through its Southern Africa office.
Reporting Organisation	Country offices collect and calculate all estimates for their programme. IFT will provide advice and quality assurance to country offices, and aggregate country-level data to produce the final estimate.
Data included	Data will focus on bilateral activities. In the case of multi-donor funded programmes, data attributable to DFID should be calculated on the basis of DFID's share in the total programme cost.
Data calculation	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. 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.
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 the 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 programmes 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 of people with access to financial services per year, disaggregated by sex.
Data dis-aggregation	Mandatory: by sex. Additional: by country. The data systems of most financial institutions are not designed to specifically track and report access to financial services. Every effort should be made to engage with financial institutions provided with support from DFID programmes to help them put arrangements in place to collect and report gender disaggregated data. But such effort will take time and will be cost intensive which may not be cost effective for relatively small programmes. In such cases, sample surveys could be commissioned to get an informed sense of the gender outreach.
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	Ensure that where data is quoted from other national and international published sources, assurances are sought regarding the data quality and confirmation that the sources are internationally reputable. Survey methodology should be robust and data should be specific, attributable and timely (e.g. a dynamic environment survey will need periodic and frequent updates). 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) as well as by the Finance and Corporate Performance Department This is a measure of financial access rather than poverty reduction. This Output level indicator is relevant for measuring DFID's public commitment to help 50 million poor people with access to financial services. It gives a broad indication of the reach of DFID's financial sector development programmes. The majority 60% of the commitment is achieved through one global programme that supports technology enabled distribution of financial services e.g. mobile phone banking. Results of outreach to poor clients under this programme are estimated through representative sample surveys and expected to be reasonably accurate. Access to financial services is expected to enhance the welfare of the poor households by helping them to smooth consumption, save and invest in enterprise and withstand shocks. However, the impact of access to financial services on poor people's live is a subject matter of evaluation rather than more frequent and periodic reporting of results over the life of a programme.
Data issues	Double counting remains a big challenge to be addressed – both across product types and product suppliers. This has been explained above.

	Centrally funded multi-country programme will need to provide country-wise break-down of their results with a view to avoid and remove any double counting in consultation with relevant Country Offices.
Data Quality	This indicator is relevant to DFID's commitment to provide more than 50 million people with the means to help work their way out of poverty. The indicator is not a direct measure of the number of people working their way out of poverty but rather a measure of access to financial services (eg credit, savings/deposits, insurance, leasing, and transfer payments). Evidence shows that broad based asset and wealth creation through improved access to financial services can raise incomes and help support people to work their way out of poverty. 21 Country Offices and DFID's Private Sector Department (PSD) contribute data for this indicator. Data is drawn from a wide variety of sources depending upon the programme. This can include: management information system data; national statistics published by the relevant country; international datasets; other governmental systems such as central banks official agency surveys and data gathered by association of network of microfinance institutions and in some cases specifically commissioned financial access surveys. The three main contributors are DFID Kenya, DFID Nigeria and PSD. In Kenya data is collected by a nationally representative survey which conforms to DFID's methodological standards for such surveys. In Nigeria estimates are collected by a household survey; the survey is nationally representative, with a sample of over 20,000 and follows FinScope methodology. Data for PSD is collected by the Consultative Group to Assist the Poor's (CGAP) Financial Access dataset and is quality assured and vetted by an independent Monitoring and Evaluation agency commissioned under the programme. The timeliness of the data varies and in some cases where data is sourced from financial access surveys there may be lags of 12 months or more. However generally data tends to be reported on an annual basis.

	There are no concerns in regards to the burden imposed on data suppliers and confidentiality.
Country Office/Spending Department Variation	
Bangladesh	Cumulative
India	
Nepal	
Sudan	
Tanzania	
Yemen	
Zimbabwe	
Central Asia	
Middle East and North African Regional Department (MENAD)	
Private Sector Department (PSD)	