

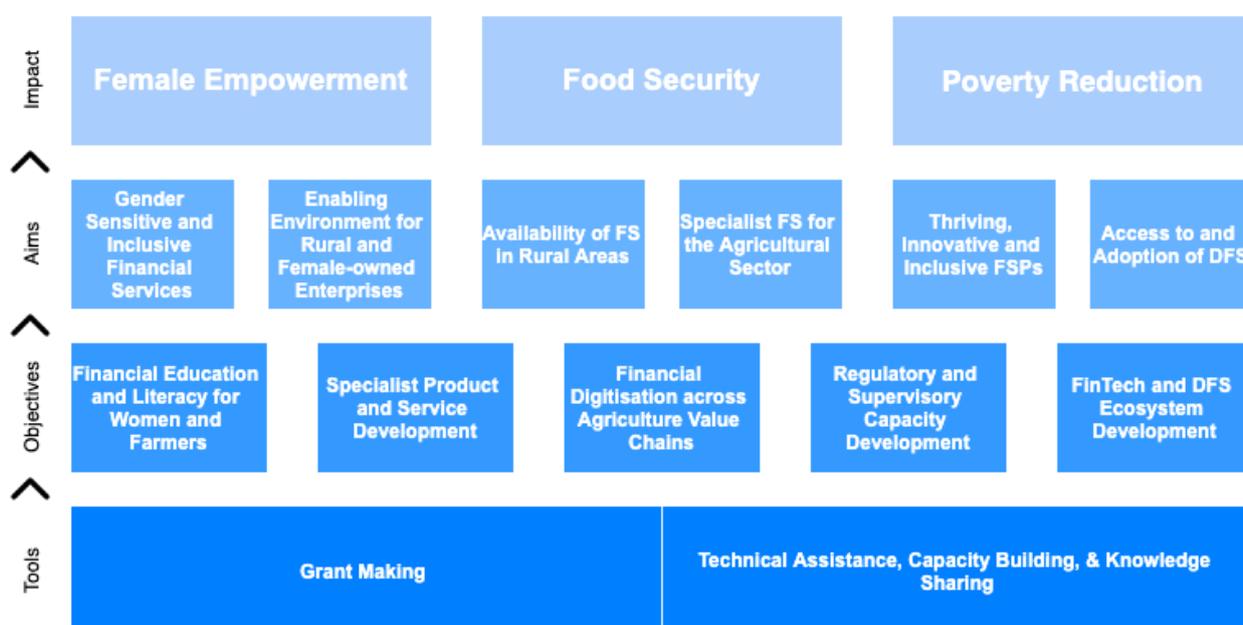
## JOA Financial Inclusion Call Guidance 2021

### Overview

Nearly two billion people lack access to formal financial services and approximately 90% of these people live in developing countries. However, evidence shows that when people have access to useful and affordable financial products and services that meet their needs - including money transfers, payments, savings, credit and insurance - everyone benefits. Greater financial inclusion means that people save more; spend more on healthcare and education; start and invest in enterprises; and weather unexpected shocks without falling back into dependency.

Jersey has been a leading international finance centre for more than 50 years, with expertise in banking, accountancy, philanthropy, trusts, fund management, company administration, regulation and investment advisory services. Jersey acts as a conduit for tens of billions of pounds of investment into developing countries, and has a fast-growing socially-responsible investing sector. Supporting the provision of financial services for the poor resonates as an idea in the Island, and will provide an opportunity to leverage our significant access to knowledge and capital in addition to our ODA resources.

JOA's Financial Inclusion Programme targets poor and marginalised groups in its focal countries, with a particular focus on empowering women and on improving the efficiency and profitability of agricultural value chains. It aims to reduce poverty through providing access to different types of financial services, both increasing the availability of appropriate products and improving poor consumers' ability to benefit from them.



### Approach / Lenses

JOA's Financial Inclusion priorities centre on two main lenses, either of which may be focused through. Interventions should:

- Target agriculture and agricultural value chains

In JOA's priority countries reliance on agriculture as the primary source of income is high: Nepal (66%), Malawi (90%), Rwanda (72%), Ethiopia (85%), Sierra Leone (66%), Zambia (70%). Access to

appropriate finance is a significant challenge for smallholder farmers and SMEs in rural areas, there is a lack of capacity to manage exposure to specific agricultural risks, market information flows inefficiently, and transaction costs for a heavily cash-reliant sector are still high. Digitising value chains, ensuring appropriate credit, savings and insurance products are available to producers and traders, improving access to information about prices and improving the efficacy of government subsidies are examples of the types of intervention JOA might support.

#### **AND/OR**

- Specifically target women and girls

Access to financial services enhances women's contribution to the economy and increases their autonomy and social status. Furthermore, with women typically spending 90% of their income on education, healthcare, and housing (compared to 60% by men), increasing their financial clout can result in a much wider developmental impact. However, a gender gap still persists in access to financial service. Across all its funding streams JOA's projects must ensure that women and girls are included and empowered, but in this theme projects are particularly invited to target them. Interventions might include improving women's financial literacy and decision-making, ensuring financial service providers and their products are gender sensitive, and increasing women's access to savings, credit and financial services for their enterprises.

#### **Other guidance**

*Systemic change:* JOA welcomes proposals that build the capacity of governments, regulators and institutions to ensure that financial services are provided more equitably and efficiently to one or both target groups.

*Digital First:* The adoption of digital and mobile technology in developing countries is incredibly rapid. In low-income economies, there are twice as many mobile money accounts than bank accounts per adult. We want to engage with this trend and promote innovative approaches that leverage digital technologies to reach last-mile customers.

*Research:* JOA aims to enhance the capabilities of all relevant actors, and welcomes proposals that contain an element of action-oriented research, although proposals should not be solely research-focused without our prior agreement.

*Market Systems:* We believe that the most sustainable ways to incentivise changes to behaviour and improvements to the financial infrastructure will be economic ones. We encourage grantees to work closely with private sector actors and help markets work for the poor.

*Work Programmes:* JOA is a proud member and supporter of CGAP, and contributes to its entire work programme. In this theme we will consider applications not only for stand-alone projects but for entire financial inclusion programmes if our goals overlap.

*Livelihoods:* While enterprises and income generation are essential partners of financial inclusion in poverty reduction, we are NOT looking for proposals which substantially involve creating or improving the livelihoods of target groups.