



Investing in rural people

# The Outreach Project

Expanding and scaling up innovative financial inclusion and graduation strategies and tools in Africa

GRANT RESULTS SHEET



Photo by J. Agwe: Coconut Women's Saving Group in Mozambique at the end of breaking their savings business cycle

To enhance operational and policy dialogue effectiveness in financial inclusion and livelihoods improvement strategies in selected African countries for the benefit of the rural poor who are IFAD's main target group

## Goals and objectives

The Outreach Project was implemented in selected African countries (Gambia, Mozambique, and Tanzania) and aimed to improve the financial inclusion strategies of ongoing IFAD-funded operations by transferring and adapting innovative solutions, tools and methodologies previously tested in various countries of the Latin America and the Caribbean (LAC) region. Specifically, its objectives were:

- Contribute to the improvement of financial inclusion and social protection policies by showing evidence of successful large-scale financial inclusion and graduation-based social programmes fostered by Fundación Capital (Fundak) in LAC, and providing support for the development of similar processes.
- Foster new opportunities for partnerships between IFAD, other specialized agencies and stakeholders for the implementation of large-scale financial inclusion or graduation programmes linked with social protection initiatives.
- Generate and disseminate knowledge that can contribute to strengthening social protection programmes and add value to IFAD-funded operations.

## Beneficiaries

Target groups included smallholder households, women-headed households and indigenous peoples with farm and off-farm income-generating activities in IFAD-funded projects in two out of the three selected countries. Some 1,000 households were estimated to benefit directly from the project, and spillovers of capacity development and improvement of IFAD's financial inclusion agenda indirectly benefited an additional 50,000-60,000 households. As facilitators of financial graduation policy programming, governments of the selected countries also benefited from piloted interventions and from the design of large-scale financial inclusion and/or social protection-linked graduation programmes.



## Facts at a glance

### Grant implementing agency

Fundación Capital (Fundak)

### Theme

Graduation programming and economic citizenship development

### Benefiting countries

The Gambia, Mozambique and Tanzania

### Total programme cost

US\$1,729,510

IFAD contribution: US\$500,000

Co-financing (other donors):  
US\$1,229,510

### Partners

United Nations Foundation

Skoll Foundation

Gates Foundation

Swift Foundation

Irish Aid

Amplifiers

### Effectiveness and duration

2015-2017

### Linkages to IFAD investment projects

Market Infrastructure, Value Addition and Rural Finance Support Programme (MIVARF) (Tanzania)

Artisanal Fisheries Promotion Project (ProPESCA) (Mozambique)

Rural Enterprise Financing Project (REFP) (Mozambique)

## Main results

This South-South & Triangular Cooperation (SSTC) and knowledge exchange initiative showcased ways of promoting financial inclusion and embedding graduation within social protection programmes.

It contributed to the financial inclusion strategies of ongoing IFAD-funded operations in Tanzania and Mozambique by using a different approach: linking beneficiaries to the financial system through savings products. This was achieved by developing the financial capabilities of beneficiaries and providing them with information on available financial services to enable them to take better-informed decisions. There are early indications that this approach has resulted in an increased uptake of formal financial services.

The project provided technical assistance to the three African governments in fine-tuning their social protection programmes. In Tanzania and Mozambique, it helped define the livelihoods enhancement components of the programmes, using a graduation approach. In Tanzania, the project also provided technical assistance for the roll-out of the livelihoods initiative and initiated support for the financial inclusion of beneficiaries of the social protection programme. In The Gambia, the guidelines for mobile money and agent banking, developed by the Central Bank of Gambia as a result of a learning visit, contributed to enhancing the Gambian financial inclusion policy framework.

Even though the Outreach Project did not intend to target only women, most of the people benefiting from it are women. In Mozambique, where fishing is an economic activity primarily controlled by men, around 59 per cent of the people receiving financial education were women. In Tanzania, some 80 per cent of the beneficiaries of the social protection programme were women, while nearly 40 per cent of the beneficiaries of the Market Infrastructure, Value Addition and Rural Finance Support Programme (MIVARF) participating in the financial training pilot were women.

The project also succeeded in fostering new partnership opportunities with other specialized agencies and stakeholders, especially in Tanzania, where the Gates Foundation, Amplifiers, Irish Aid and the Swift Foundation have provided additional funding to reinforce the intervention. In addition, the Tanzania Social Action Fund (TASAF), the government institution in charge of social protection programmes and IFAD are starting to explore opportunities for future collaboration. IFAD also intends to join TASAF's development partner coordination meetings, along with the World Bank, the United Kingdom's Department for International Development, the Swedish International Development Agency, the United Nations Children's Fund and the International Labour Organization.

### Talking about the pros of the financial literacy lessons from Fundak

*“I've learned a lot. After selling the product, I see what I gained ..... I take one part for expenses and the rest I save. Before it was just buying and selling and spending without saving. And my business was not going up. I learned to save, I learned that what little I have can raise my business.*

*At the time I did not know what a bank account was. I kept my money under the cushion or the mattress. Now I trust M-Pesa [a money transfer service] and the bank. The little that I can save, I leave it there and I'm only going to withdraw at the end of the year. So at the end of the year, it's just smiles”.*

**Vitória Nhamba, fish trader at the market, Mozambique;**

## Lessons learned

Because government timeframes do not always correspond to donor timeframes and political issues or internal disagreements can sometimes interrupt implementation, working with governments can be quite laborious. Patient engagement by full-time resident staff has been key for continuity in the intervention and has also opened up opportunities.

When an intervention works within the structure of an IFAD- or government-supported project, it needs to secure the engagement of the field staff to deliver benefits to the targeted population. In the case of the Outreach Project, many field staff had not previously been exposed to initiatives with similar goals or approaches. FundaK found it effective to use experiential learning, allowing project staff to engage with the content and apply it to their own lives. Another good practice was to involve project staff in a co-creation process, so that they started taking ownership of the intervention.

## Way forward

The project's sustainability has been assured through different mechanisms. For example, the financial education materials have been embedded within the work plans of MIVARF in Tanzania and the Provincial Delegation in Mozambique, and their staff have been trained so that they can continue providing financial education to beneficiaries. In the case of social protection programmes, FundaK will continue providing technical support to TASAF in the roll-out of the livelihoods enhancement component and in financial inclusion, with support from Irish Aid and the Gates Foundation.

The project's ripple effect is starting to be felt. IFAD's country office in Mozambique has expressed interest in scaling up the project's experience with fishing communities to all the geographical areas covered by the Artisanal Fisheries Promotion Project, potentially reaching 100,000 participants. As a result of this intervention, the Mozambique office has also included a graduation component in the Rural Enterprise Financing Project, a new operation that already incorporates some of the lessons drawn from this experience. As mentioned above, in Tanzania, the IFAD country office is exploring the possibility of working with TASAF and attending the development partner coordination meetings. These projects will be implemented at scale and thus deepen impact on the rural poor.

These are lessons that can be applied to other countries and regions, using shared experience.

Involve government staff in co-creating effective approaches, and encourage them to actively participate in aspects of project implementation

## Knowledge generated

The project developed a minimum viable product (MVP) app intended to enhance the entrepreneurial capacities of people on low incomes. The MVP helped show that people who had had limited access to formal education could be trained to use these devices. The project also tested possible delivery mechanisms and addressed practical issues such as providing solar chargers for use in areas without electricity. Although apps have proved to be a cost-effective solution in LAC, there was widespread scepticism about whether this approach would work in Africa. The app was tested with IFAD-supported farmer groups in Zanzibar and residents of a Tanzanian refugee camp, providing feedback on its effectiveness and on how the tablet should circulate among members. Based on these results, FundaK will develop a tablet-based basic skills training course for beneficiaries of the Tanzanian social protection programme, together with an app to develop their financial capabilities. These results can be of benefit to other training programmes trialling digital devices.

During implementation, ten blogs were published on activities in Tanzania and Mozambique. One was published on the Next Billion blog. In addition, an interactive website was created (<http://fundacioncapitalafrica.org>) to summarize the main interventions carried out, with an insider view into what was done and how. It includes a mix of photos, videos, short case studies, how-to guidelines and sample content developed for beneficiaries in different country contexts.

Regular meetings were held with IFAD country programme managers to keep them informed of the project's progress and the results achieved. Two international workshops were also organized: the first in Mozambique, to encourage the exchange of experiences and ideas on financial inclusion and graduation approaches among different countries of Latin America and Africa; the second in Tanzania, held jointly with IFAD's country office, designed to share innovative tools and methods that have been tested, mainly by the Outreach Project, to promote rural financial inclusion and the graduation approach within social protection programmes.

FundaK staff shared an overview of project results during a final presentation at IFAD headquarters in Rome, within the framework of a knowledge-sharing event organized by the Policy and Technical Advisory Division. This helped spread awareness of the benefits of social protection and a graduation strategy, and is expected to lead to increasing support for integrating these components in future rural programmes.



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