



December 2023



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Cenfri's impact focus

Founded in 2008, much of Cenfri's early work was designed to improve financial inclusion for marginalised people in emerging markets. Now that we are celebrating 15 years of Cenfri, it has been good to reflect on how we've broadened our areas of work and our impact objectives.

We're looking to deliver impact in terms of inclusion, sustainability, opportunity and safeguards. Accounting for systemic change is tricky, and rarely attributable to one actor, so we're keen to learn from and partner with others who are figuring this out.



Inclusion

For vulnerable groups including
Youth, Women, Migrants and
Displaced People



Sustainability

Climate change adaption,
Resilience for households
and businesses



Opportunity

For Employment, MSME
development, Skills building,
and Improved government
service provision



Safeguards

Financial integrity,
Consumer protection, Data
protection & security,
Competition

The fruits of patience

Foreword

“ At Cenfri we have a set of core values that we refer to as Cenfri DNA. One of phrases you hear time and again during team interactions is “patience to pursue impact” and over the 15 years of Cenfri’s existence, we’ve had to exercise a lot of it!

When you are working towards systems-level change, there are likely to be frustrations and disappointments and yet, in celebrating the 15th anniversary of Cenfri and looking back over what has been accomplished, it’s clear any patience exercised on our part is amply rewarded when witnessing the impact achieved.

From microinsurance to fintech innovation and data for policymaking, what follows are just some of the stories, several of them many years in the making. If I’ve had any momentary doubts about the wisdom of founding a not-for-profit in the development sector, I’ve always been buoyed by the myriad opportunities to do meaningful work, in multiple countries, with committed partners and a great team of purpose-driven people.

Thanks to all our funders and allies, and the Cenfri team past and present, for accompanying this journey to positive change. ”



Speaking of patience to pursue impact... it's been interesting to experience the path of our work to help develop the microinsurance regulatory framework in [South Africa](#). Cenfri undertook intensive research with South Africa's National Treasury and the-then Financial Services Board (now FSCA) to understand market trends and drivers for insurance uptake and to translate those into micro-insurance regulations that spoke to market realities.

The pace of regulatory change, and the fact that the framework became embedded in the broader twin peaks' movement, meant that it took close to 10 years for the regulations to be passed. However, the entire project was an exercise in change management that started before the regulatory framework was formally in place. The insurance industry started to adapt market practices in anticipation of the framework and the thinking of the regulators was shaped accordingly. Since the launch of the microinsurance licence as part of the Insurance Act of 2017, it has seen significant interest from the market and has helped to drive formalisation of the funeral insurance market in the country.

This framework influenced regional and global regulations long before it was implemented in South Africa. It was one of the key case studies that shaped global guidance on inclusive insurance markets issued by the International Association of Insurance Supervisors (IAIS).



Paying it forward

We realise that some of our long-term impact will be through equipping people who join Cenfri for a while and then go on to pursue impact elsewhere. One of the great joys at Cenfri is supporting people reach this dream by assisting them complete a Master's degree. Some of our bursary recipients share their stories.



Kgotso Mofulatsi: “ The bursary [and subsequent opportunity to work at Cenfri] provided me a point of entry into policymaking. I don't know how I would've started in this field if I didn't receive it. I was honoured to have had the chance to start my career at Cenfri where I contributed to improving people's lives. I'm still moulding my career path in policymaking, but I know that the skills and knowledge I obtained at Cenfri, through this bursary, will be with me throughout the next 30-40 years of my career. ”



Lelethu Bodlani: “ The bursary award came at the right time because it allowed me to further my studies when I was anxious about what the future holds. ”





Paying it forward



Grieve Chelwa: “ I got to know about Cenfri when I saw an advertisement for an internship position posted on the notice board at the University of Cape Town. At the time I was mulling over how to spend the mid-year break intellectually as well as how I could supplement my income and finance the rest of my education. I had taken a big risk the year before (2008) by quitting my full-time job at Citibank’s Africa division to pursue further education. My decision to leave finance came out of my disillusionment with the discipline’s inability to satisfactorily explain the origins and cure for the financial crisis that was then afflicting the global economy.

I spent that mid-year break working intensely with Cenfri. Back then we worked out of a small house and the intimate nature of the “house on the hill”, as we called out, allowed for some very interesting and intense intellectual debates about economics and the larger context of the work that Cenfri was then pioneering.

Cenfri surprised me by offering a bursary that partly financed my Master’s studies in 2010 and guaranteed me a job at the conclusion of my studies – an opportunity that I took up with both hands. The Cenfri bursary and the environment for rigorous intellectual inquiry that was fostered at Cenfri arrived at an opportune time for me as I was finding my intellectual way in the world. ”

Transforming the approach to data science

As part of our [Rwanda](#) Economy Digitalisation Programme, 9 young data scientists were given fellowship opportunities and placed in public sector institutions in Kigali for a period of up to 18 months. Aside from providing **hands-on work experience** that enabled these graduates to **supplement their theoretical data knowledge**, the fellowships proved valuable to the host institutions.

Two fellows, placed at the Ministry of Education revolutionised the School Data Management System (SDMS) data-capturing process and the use of that data for decision-making. Their work ensured the **timely production of the Education Statistical Yearbook**, a historic first solely relying on SDMS data. The work of the fellows **increased the demand for data analytics** within the Ministry, with one of the fellows being offered a contract position at the end of the internship.

A host at another ministry at which data science fellows were placed reflected that whereas the concept of data science was relatively new at the ministry, hosting fellows contributed **to people's understanding of the speciality and the skills required** for that field [data science]. The division's organisational structure is now being revised to accommodate data analysts.





Influencing the use of digital technology in insurance

Cenfri, on behalf of the A2ii, drafted inputs to the International Association for Insurance Supervisors (IAIS) Application Paper on Digital Technology in Inclusive Insurance. We were able to draw on our history of work in the insurance sector, as well as specific research on insurtechs, to play a meaningful role in finalising the **draft guidance paper**.

The outcome is application guidance on how to apply the Insurance Core Principles in a proportionate way in relation to digital technology application in the inclusive insurance context. This guidance **forms the baseline for regulation** regarding this topic.

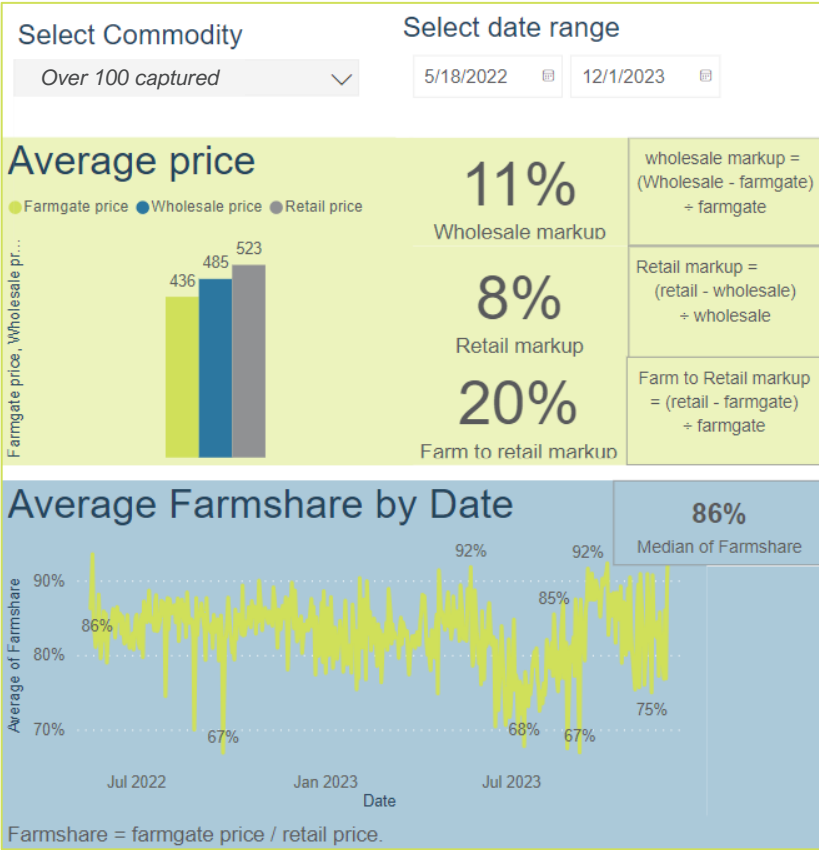


Tracking food prices to respond to food security concerns

eSoko gets its name from the Kinyarwanda word for market, isoko. It is a **platform** through which the Ministry of Agriculture and Animal Resources of Rwanda **publishes prices of food commodities**. Through enumerators, the Ministry collects prices of over 100 food commodities in 63 markets across the country. The average retail prices are made publicly available via Twitter and the eSoko [website](#) however only the latest price data is shared and not underlying analytics.

As part of the Rwanda Economic Digitalisation Programme, the Cenfri team, in collaboration with the data team at the Ministry, worked on transforming this data to make it **more useful for policymakers**. We identified the main crops of interest and transformed the data to create a **reporting dashboard** with 5 avenues of relevance to policymakers.

The dashboard also allowed custom queries. Updated weekly, it became a useful **early warning tool** to uncover supply or demand constraints that might warrant public sector intervention. During the recent inflationary crisis in food commodities, the Rwandan Ministry of Trade and Industry was able to use the dashboard to keep abreast of the latest developments in the markets and inform their response.



Catalysing fintech innovation in Jordan

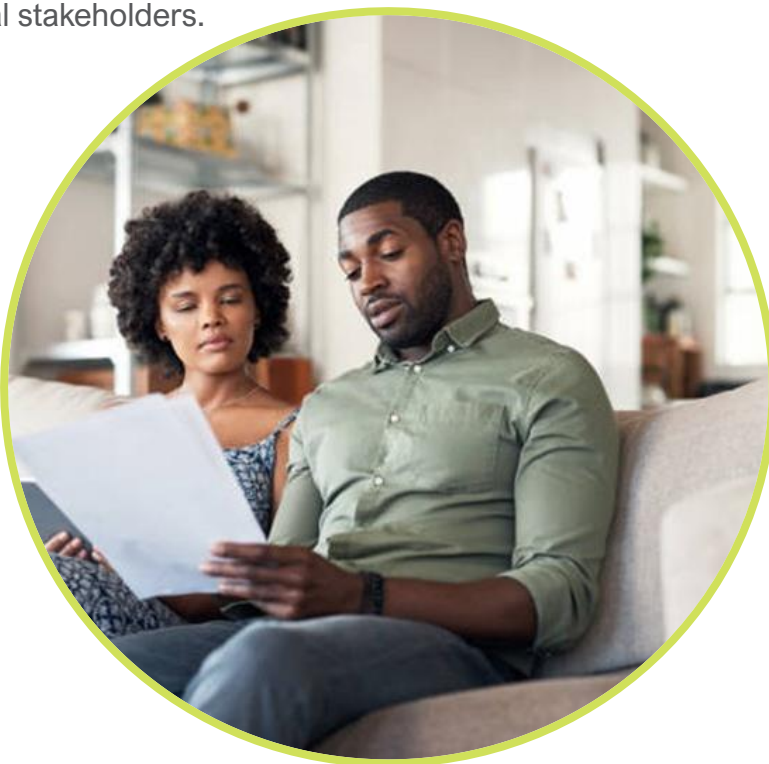


Based on the outcomes from a **workshop** we facilitated with the executive management of the Central Bank of [Jordan](#), in partnership with GIZ's I-Fin project, the Governor publicly launched the Bank's Fintech and Innovation Vision. This is the most **significant public commitment** that the Bank has made to this objective to date



Broadening access to insurance cover

One of the first projects undertaken by Cenfri entailed research on the opportunities and challenges for microinsurance in the Ethiopian market. This [study](#) was conducted for the International Labour Organization (ILO) and United Nations Capital Development Fund (UNCDF), with additional research inputs from Oxfam America. The research provided an overview of the microinsurance landscape and served as basis for the development of a microinsurance strategy and roadmap in consultation with local stakeholders.



The ILO continued to support the implementation of this work plan. The discussions catalysed by this research resulted in the unusual decision for the Insurance department at the Central Bank of [Ethiopia](#) to **allow microfinance institutions (MFIs) to underwrite insurance**. This resulted in the immediate formalisation of around 1.5 million clients with cover from MFIs (compared to the approximately 300,000 formal insurance clients at the time) and opened opportunities for further expansion of cover to the MFI client base.



Fit-for-purpose transit systems

Our [Rwanda Economy Digitalisation Programme](#) team was asked to analyse e-ticket data from the public bus system in Kigali and data from Yegomoto, a motorcycle ride-hailing company. The analysis highlighted that only 9% of passengers use the bus services consistently for commuting purposes.

Two thirds of passengers use bus services fewer than 5 times a month.

In contrast, more Kigali residents use moto services than bus services.

The analysis, and accompanying qualitative research, also revealed that both the e-ticket platform and the actual bus service had several shortcomings.

The programme, drawing on policy solutions in other comparable cities, developed interventions in four policy areas, at least half of which have since been adopted. The regulator is likely to mandate the interoperability of public transit passes for all providers, allowing riders to take any bus regardless of their pass. In addition, it is busy initiating a shift from charging riders for the entire length of the route to only charging for the distance travelled. This pay-for-service model is designed to increase access to public transportation and ensure greater inclusion.



Good outcomes for financial consumers

Cenfri has been building a rich portfolio of consumer outcomes work and we are pleased to reflect on two examples of recent impact:

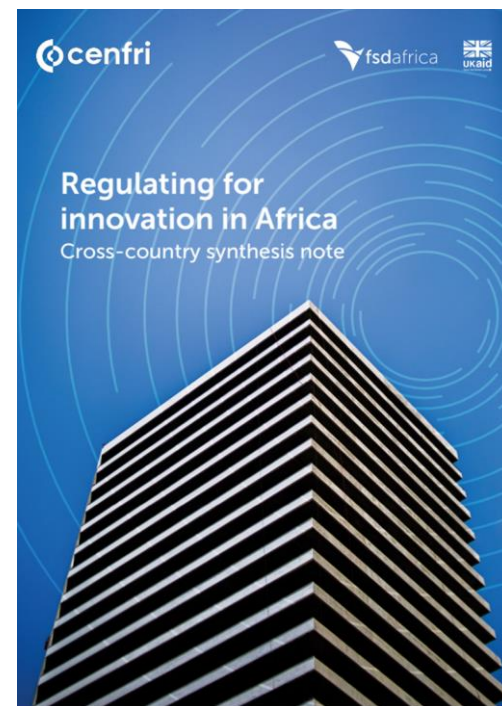


- We worked with Consumers International to develop a fair digital finance index. This is the **first index of its kind** to present a lens on digital finance from the consumer outcomes perspectives. The index served an advocacy purpose and was shared by Consumers International during [World Economic Forum](#) engagements in early 2023.
- In 2022/21, we did work for the South African Financial Sector Conduct Authority (FSCA) and CGAP to map the SA consumer association stakeholder landscape. Based on our recommendations, FSCA has **launched a consumer panel** to “strengthen consumer representation in the financial sector regulatory environment, assist in protecting the rights and interests of financial customers, and to instil public confidence and trust in [South Africa](#)’s financial sector.”

Expanding the mandate of the regulator

Through an [insurance regulation and innovation project](#) with FSD Africa, we realised that [Zimbabwe](#) was in the process of amending the legislation pertaining to its Insurance and Pensions Commission (IPEC). We learnt about this during the 3rd and final round of public comment, but we quickly made a submission to IPEC suggesting it incorporate three additional amendments that facilitate greater flexibility for the Commission and, most substantively, give them a market development mandate.

The submission was accepted by IPEC and proposed for inclusion in the bill. While still not passed through Parliament, we have received feedback from IPEC that these amendments have been incorporated. Since then, and supported by our direct engagement with the Commissioner, they have restructured the Commission to form an insurance market development and research department, which is now in the early stages of attempting to determine how best to pursue this objective.



Calibrating risk assessment processes

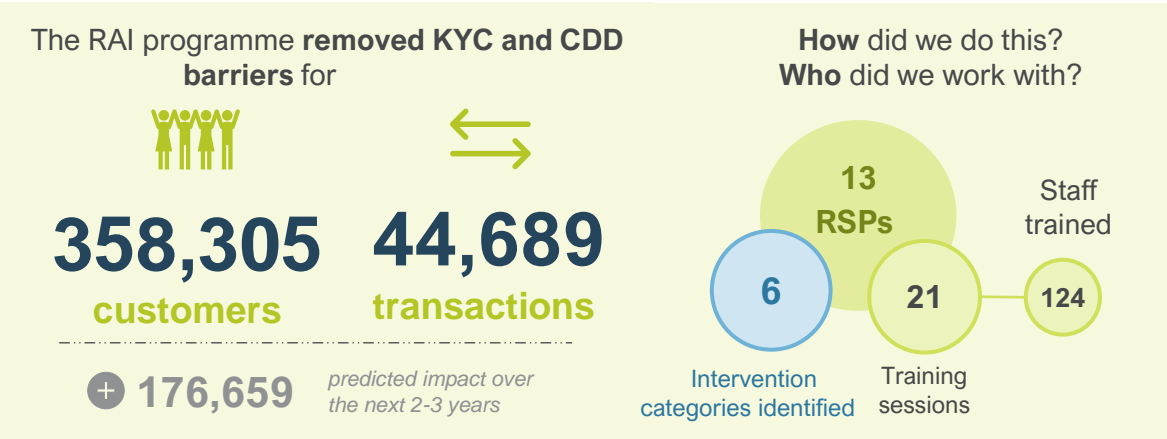
Financial service providers (FSPs) often adopt know-your-customer (KYC) and customer-due-diligence (CDD) processes that focus primarily on compliance inputs and not on risk-appropriate outcomes. These obstructive policies can result in high levels of financial exclusion, shrinking formal customer bases, exorbitant compliance costs and escalating risk exposure. The outcome is often accelerating rates of informalisation and escalating risk across the sector.

To change this, Cenfri – in partnership with IFAD’s Financing Facility for Remittances (FFR) – provided [technical assistance](#) to remittance service providers (RSPs) in seven [African](#) countries.

We applied an empirical risk assessment methodology. In one case, an FSP with a zero-tolerance approach (which was highly regarded in the industry for its conservative approach) was revealed to be vulnerable to individual risk, some at unmanageable levels.

We also found some emerging RSPs that had faced compliance penalties and regulator censure due to non-material compliance issues but where an empirical risk assessment indicated that all money laundering, terrorism – and proliferation-financing risks were well managed and effectively mitigated with insignificant residual risks.

The new [risk assessment methodology](#) has enabled these providers to better risk-engineer products and open new corridors to the diaspora, as well as expand their current customer base to lower-income and more rural areas due to savings on compliance costs.



Getting off the grey list!

Over the last few years Cenfri has enhanced the capacity of financial institutions and regulators in over 10 countries. Our work has included conducting risk assessments, drafting requisite AML-CFT laws and providing guidance. This has resulted in two countries (one in the ESAAMLG region and the other in the GIABA region) being removed from the FATF grey list!

More importantly, it has enhanced the understanding of money laundering, terrorist financing and proliferation financing risks across regulators and financial institutions and created opportunities for enhanced access to financial services and remittances by low-income and rural customers.








These best practices on inclusive integrity have been documented (through the Cenfri-AFI [toolkit](#)) and shared more broadly with key stakeholders across [Africa](#) and in other emerging markets. An additional toolkit focusing on remittance access best practices is currently under development.

Key terms	
AML-CFT	Anti-Money Laundering and Countering (or Combatting) the Financing of Terrorism financing
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
FATF	Financial Action Task Force



Supporting private sector innovation

Cenfri also works with the private sector. We typically provide innovation advisory services to help companies better serve lower-income consumers. We can't name all of the companies but (among many other examples) we're proud of having been able to:

-  Assist a paytech company better understand the **regulatory and licensing requirements** in West Africa
-  Inform the **cell-captive** strategy of a large insurer (including unlocking innovation in serving low-income consumers)
-  Help a European **digital identity** provider build a detailed picture of the market for identity solutions in several African countries
-  Develop the case for **remittance-linked insurance** products for AXA Nigeria
-  Broker partnerships between **fintechs** and more established financial service providers
-  Organise study tours to Latin America to introduce companies to **insurance innovations** in those markets, as well as support learning trips for financial service providers looking to learn from the innovation experience in South Africa
-  Work with Old Mutual and AXA Egypt to refine their **MSME strategies**



Fair commission for health insurance brokers

In 2021, Cenfri conducted work on the primary health insurance market in [South Africa](#) as an input to the Council for Medical Schemes (CMS) advisory committee on low-cost-benefit option medical schemes. We were approached as Cenfri had previously engaged extensively on the topic of the demarcation between health insurance and medical aids.



We surveyed the local broker industry on the role of brokers in the lower end of the market. The CMS had issued an instruction that broker commission in this market segment should be aligned with that of medical schemes. Cenfri modelled the impact thereof on the market, as well as incentives to serve and grow the market, and suggested alternatives. Our work was submitted to the advisory committee and ultimately, the instruction did not go ahead.

The original commission dispensation remains in place – a small but significant “win” for the health insurance market amid the ongoing uncertainty around what the move to National Health Insurance will mean for medical schemes and health insurance providers in South Africa



Monitoring policy impact during a crisis

In March 2020, the National Bank of [Rwanda](#) instituted a set of rapid economic policy changes to support both businesses and individuals during the COVID-related lockdown (and to further the national digitalisation agenda).

By the time the pandemic was declared in early 2020, Cenfri and its partner 71point4 had already been analysing mobile money transaction data from Rwanda for some time. We were therefore in a good position to monitor the effects of zero-rating transaction fees on mobile payments and transfers. This direct insight into payments digitisation behaviour during the pandemic was unique and our dashboard and analysis helped the government with its policy decisions during a period of considerable global uncertainty.

We've continued to analyse the transaction data since then and have subsequently completed "cost of cash" and "cost of digital transactions" studies to further inform the Government of Rwanda's thinking around fee removal and its approach to payments' digitisation more broadly.



What's next for Cenfri?

We will continue looking for possibilities to contribute to **improved inclusion, sustainability, opportunities and safeguards**. That could be via work in financial sector development, in building the fundamentals of a welfare-enhancing digitalised economy, or through work in the real economy in support of broader economic development.

Every team member at Cenfri shares a passion for development in Africa, but we are excited by opportunities to continue working in, and learning from, countries across the world. **Reach out** if there is something you think we might be interested in partnering on.

If you are figuring out how best to help government or business leaders manage complex trade-offs to deliver sustainable economic development despite the range of domestic and international challenges, we would love to learn with you!

You can reach us or see more or what we are up to at:



