Impact Case: Theory of Change Financial Inclusion

Challenge

Underdeveloped and unstable financial markets are detrimental to economic and social development. High risks and lack of appropriate products discourage international investments in financial Institutions

MSMEs create 4 out of 5 new jobs in emerging economies. Yet, around 200 million MSMEs (especially women-owned) lack access to finance

An estimated 1.7 billion adults, especially women, worldwide lack a basic account

Input

Investments and active investment management

(including support and TA in the areas of climate, gender, digitalisation, impact management and measurement, ESG)

Within:

- · Regulated banks
- Credit funds
- NBFIs with focus on income generation
- Microfinance institutions
- Insurance companies

Output

Improved stability of and trust in local financial sector institutions

Improved capacity for responsible, sustainable and (digital) financial services

Private sector development via MSME and "mid-corporates" growth, scaling green and inclusive innovation

Improved access to finance for underserved customer segments

Outcome

More stable, resilient and inclusive financial markets and societies, supporting digital transition

Growth of local economies and tax generation

Increase and support of decent jobs (direct and indirect) in the formal sector, including improved working conditions

Improved access to essential products and services, as well as increased potential for savings

Impact

Support economic growth and end poverty in all its forms everywhere

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Reduce inequalities within and among countries

Achieve gender equality and empower all girls and women











Direct effects Indirect effects