

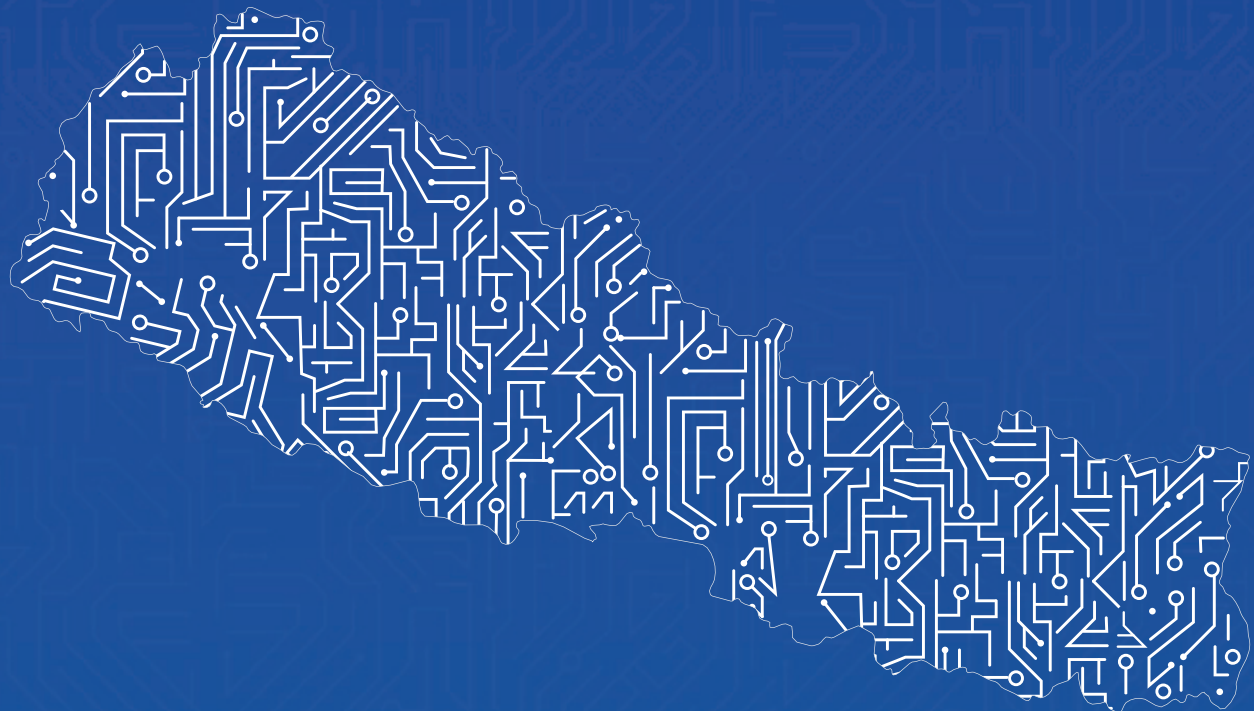


Unlocking Public and Private
Finance for the Poor

ACCELERATING FINANCIAL INCLUSION IN NEPAL WITH REGTECH

A CASE STUDY ON THE NEPAL FINANCIAL INCLUSION PORTAL

FEBRUARY, 2021



After testing the NFIP for more than a year (2018-2019), the central bank and financial service providers have been able to reduce their data reporting and analysing time from 10 working days to two working days.

ABSTRACT

This report focuses on the joint mission of Nepal Rastra Bank (NRB), the central bank of Nepal, and the United Nations Capital Development Fund (UNCDF) to develop a Regulatory Technology (RegTech) solution to address the data and analytics challenges faced by the central bank, financial institutions and stakeholders. These challenges include mapping active financial access points across the country and time-consuming data processing and monitoring activities, among others. This report captures the journey to digitise the data reporting, monitoring and analysing processes of the central bank and financial service providers from 2015 to 2020 by developing a Regulatory Technology (RegTech) solution called the Nepal Financial Inclusion Portal (NFIP) for Nepal Rastra Bank (NRB). After testing the NFIP for more than a year (2018-2019), the central bank and financial service providers have been able to reduce their data reporting and analysing time from 10 working days to two working days. However, most recently, the need to upgrade the portal to analyse additional indicators required by different NRB departments and to regulate newly licensed service providers such as payment service providers (PSPs) and payment service operators (PSOs) who are not included in the system is recognised. This case study highlights the various processes, challenges and lessons learned from developing RegTech solution namely NFIP for Nepal.

ACKNOWLEDGEMENTS

This case study on the development of the Nepal Financial Inclusion Portal (NFIP) for Nepal Rastra Bank (NRB) is prepared by the UN Capital Development Fund (UNCDF) following an extensive analysis of the project since its inception in 2015. We would like to thank everyone involved in the successful development and completion of this project, including Jaspreet Singh and Aliska Bajracharya from UNCDF who initially contributed to the start of this project. We would also like to acknowledge Ahmed Dermish, UNCDF who provided guidelines during the development and testing phase of the project as well as Moira Favrichon, UNCDF who provided valuable design insights on the dashboard templates. We are grateful for the contribution of Teknath Pokharel, UNCDF who worked as a focal person alongside banks and the Financial Institution Regulation Department. Narendra Singh Bista and Binod Bajagain from NRB also contributed throughout the project up until NFIP's formal launch, as did Niraj Gorkhali from Smart Solutions, who led the development of the overall project implementation plan.



Dr. Chiranjivi Nepal, Governor of Nepal Rastra Bank at the time inaugurating Financial Inclusion Portal in Kathmandu (Sep, 2018).

NEPAL RASTRA BANK

Nepal Rastra Bank (NRB), the central bank of Nepal, was established in 1956 to formulate a national strategy to put in motion the development of a nascent domestic financial sector. The primary objective of the central bank is to maintain macro-economic stability through effective monetary, foreign exchange and financial sector policies. Since its inception, there has been significant growth in both the number and activities of domestic financial institutions.

UNITED NATIONS CAPITAL DEVELOPMENT FUND

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF financing models work through three channels: inclusive digital economies, connecting individuals, households, and small businesses with financial eco-systems that catalyse participation in the local economy and provide tools to climb out of poverty and manage financial lives; local development finance, that capacitates localities through fiscal decentralisation, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and investment finance, that provides catalytic financial structuring, de-risking, and capital deployment to drive Sustainable Development Goals (SDGs) impact and domestic resource mobilization. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to Sustainable Development Goal-SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a broad diversity of SDGs.

OVERVIEW: EXPANDING ACCESS TO FINANCE

For a country of its size, Nepal has tremendous geographic diversity. The picturesque topography attracts thousands of tourists annually which boosts the national economy. In 2019 alone, the tourism industry brought in NPR 231 billion¹ (USD 1.97 billion)² to the Nepalese economy. The vast terrain of the country contributes to the economic well-being of its people, yet it also creates various challenges ranging from impaired mobility to poor physical infrastructure, electricity, internet, equipment and skilled manpower. The financial sector is one area where these challenges are prevalent.

Nepal Rastra Bank (NRB), the central bank of Nepal, is responsible for overseeing the day-to-day operations of all financial institutions in Nepal. Earlier data from the Global FINDEX 2017 indicates only 45% of the adult population owned an account with a banking and financial institution (BFI). Back then for NRB,

ensuring financial access on an individual level without availability and accessibility of financial access points and a well-diversified network of institutions was a herculean task. However, as of December 2020, according to NRB, this number has increased to 60.9% of the adult population having an account in "A", "B" or "C" class at a BFI and 144 financial institutions have around 10,200 branches across the country.

The need for expanding access to finance in even the remotest corner of Nepal was further felt during the summer of 2015. The earthquake of 7.8 magnitude struck the country causing colossal damages that further pushed the economic sector deeper in despair. During that time, NRB was entrusted to oversee the management of foreign aid. However, there was no system in place that provided real-time information on active financial access points. This made it difficult to track the

cash flow which made the distribution of aid in rural areas challenging.

NRB had an in-house system for regulatory, supervisory and financial access-related data collection from BFIs. However, the system mainly focused on liquidity and stability-related data and did not have a complete system with monitoring and oversight tools for prudential regulation and supervision. Also, due to lack of geographic information systems (GIS), visualisation tools and standard coding mechanisms, less attention was placed on the financial inclusion sector.

Rather than seeing this as a setback, in 2015 NRB took on a leadership role and, in collaboration with UNCDF, undertook the development of a system that could map all financial access points across the country, analyse their daily activity levels and perform other data reporting and monitoring activities.

¹ <https://wtcc.org/Research/Economic-Impact/moduleId/704/itemId/169/controller/DownloadRequest/action/QuickDownload>

² Exchange rate: 1 USD = NPR 117.21

(Source: <https://www.xe.com/currencyconverter/>). Note: This rate was used throughout the document to provide United States dollar equivalents for Nepalese rupees.

In July 2015, the first steering committee meeting was conducted between officials from NRB and UNCDF to develop the project strategy. After a series of strategy-building exercises and meetings, the consensus was to develop a Regulatory Technology (RegTech) solution named the Nepal Financial Inclusion Portal (NFIP) that could support not just the central bank but other actors in the financial ecosystem. Developing NFIP would allow

financial institutions to report routine data and the central bank to access and analyse the submitted data.

The key objectives behind developing NFIP were:

- Mapping of financial access points in the country and linking them with supervisory data;
- Monitoring progress towards national targets set-up for increasing financial inclusion;

- Analysing financial inclusion indicators and NFIP data, and aligning them with NRB's financial inclusion objectives;
- Strengthening the regulator's supervisory capabilities.

As the development of NFIP took shape, the different parties involved in the process could foresee a number of operational challenges on the horizon.

TABLE 1: ACTORS INVOLVED IN THE DEVELOPMENT OF NFIP

Nepal Rastra Bank	NRB spear-headed the overall conception, development and implementation of the NFIP. The central bank was responsible for leading the steering committee for developing the strategy, ensuring the availability of accurate financial data from all BFIs, and ensuring buy-in from all departments within the central bank and Government of Nepal (GoN) towards the development of the NFIP.
UNCDF	UNCDF supported the central bank in aligning the GON's mandate to expand access to finance across Nepal as one of the outcomes of the NFIP. UNCDF helped build the capacity of NRB staff on RegTech and also supervised the implementation, budgeting, project monitoring and management.
Financial Service Providers (FSPs)	The FSPs supported the development process by providing the baseline data the GIS coordinates of each of their financial access points. This spatial data acted as the foundation for segmenting and presenting other financial indicators of each institution.
Developers	To collect the spatial data from the BFIs, Rooster Logic (a Nepali IT firm) developed the "The Nepal Data Collect App". The app enabled the BFIs to submit the GIS coordinates of their financial access points in real-time. This data was later used to map out the entire financial landscape of Nepal. The NFIP was then developed by Smart Solutions.

For one, the geography and political landscape of Nepal made it challenging to create a consistent map due to the new federal system and uncertainty regarding provincial boundaries. This was one of the key features of the platform and a real bottleneck for the teams.

It also came to light that various departments had different data sets without mentioning the different codes for local bodies used by various departments.

The team was also confronted by technological challenges such as creating server space and the Internet speed at NRB for running the platform.

To make financial inclusion the end objective, the team first required precise data on financial inclusion in Nepal. Thus, this became the starting point of this journey and helped streamline the NFIP.

NRB and UNCDF collaborated to find practical solutions to collect and manage the data with the requisite consistency and coherence yet a more sustainable solution was needed.

TABLE 2: PROBLEM STATEMENT

	GAPS	REQUIREMENT	PLANNED OUTCOME
	Unavailability of a national financial data repository whereby the central bank, financial institutions and the public can access information about financial sector of the country.	A multi-user system that can automatically collect data from financial institutions and analyse them as per central bank's requirement.	Develop a RegTech solution for financial institutions to report data, central bank to monitor and analyse data and enable the public to access financial data on a real-time basis.
	Time-consuming data collection and analysing process of all financial institutions by the central bank.	Single data entry system where financial institutions can report their NRB- mandated data.	Develop a RegTech enabled online portal where financial institutions can report routine data and the central bank can access the submitted data.
	No system in place to track the financial inclusion status of Nepal.	Identifying the data set to be collected from FSPs that presents the financial inclusion landscape of the country. <ul style="list-style-type: none"> - Active accounts/ cost per region; - Targeted marketing and customer communication; - Agent support and management. 	Develop an app that can be used by financial institutions to geo-locate their branches and access points. This data will then be incorporated into the portal to help map all financial points across Nepal.
	Errors such as data duplication and submission of incomplete data by the financial institutions to the central bank.	A system that can monitor the quality assurance of reported data.	Adding the quality check feature in the portal which will eliminate human errors such as data duplication and faulty data.
	Lack of data-driven policy making.	Policies taking into account: <ul style="list-style-type: none"> - Channel and geography prioritisation; - Channel penetration per capita; - Account dormancy; - Gender balance; - Penetration of retail credit; - Active agents; - Oversight of new licensees; - External reporting (International Monetary Fund, Ministry of Finance). 	The availability of quality and error-free data will provide the accurate landscape of the financial sector which in turn will help the central bank develop data-driven policies that meet the needs of all stakeholders.
	Lack of support from financial institutions in submitting data.	Develop an incentive model for FSPs to report the data on a regular basis.	Incorporate two-way system in the RegTech solution, where by FSPs can track their growth, activity level from the data they submit to the central bank



“The central bank can now mandate data-driven policy making for all their departments. Previously the policies would be determined based on research report and physical data sets submitted by each FSPs. Now due to the portal, the readily available, easily accessible and real-time data can help policy makers make efficient and effective directives which will ensure financial inclusion in even the most remote regions of Nepal.

MR. BAM BAHADUR BISTA
EXECUTIVE DIRECTOR, NEPAL RASTRA BANK





"The portal ensures security of data. Earlier we would submit the data in excel sheets over email or presented in hard-drive, but now with this system, banks and financial institutions can easily upload data to the portal which is secured through a command channel (SSL Certificate). This system also keeps human errors such as data duplication and incomplete data submission in check."

MR. ANIL SHAH
CEO, NABIL BANK



TIMELINE OF THE PROJECT

2016, JUNE

NRB agrees to champion the system and project



2016, OCT

Mobile app developed for point mapping and visualisation system of all financial access points in Nepal



2017, FEB

Point data reporting completed by all 105 financial institutions



2017, OCT

API access provided to FSPs for end-to-end integration and dashboard development



2017, JUNE

29 Commercial banks report data through the new system



2017, DEC

Launching of test version of the portal for public access

2017, SEP

NRB team issues approvals for new branch, ATM, and agent license through the portal



2018, SEP

Official nationwide launch of NFIP



2020, SEP

Support and maintenance of NFIP

After the initial strategy meeting, the steering committee initiated the development of NFIP. Before developing the portal, it was important to understand how the NRB, BFIs, FSPs etc. would use the portal.

TABLE 3: USAGE OF NFIP BY TARGET SEGMENTS

USERS	USAGE
Nepal Rastra Bank	<ul style="list-style-type: none"> To track the financial inclusion rate across Nepal; To implement data-driven policies; To ensure information flow across various departments within NRB, and between financial institutions and NRB.
Financial Service Providers	<ul style="list-style-type: none"> To timely report NRB-mandated financial data into the portal; To track their institution's overall growth; To plan future business activities.
Stakeholders and Public	<ul style="list-style-type: none"> To access the activity level of all financial points across Nepal; To analyse the market for potential projects and track the outreach of financial access across Nepal.

NFIP DESIGN PROCESS

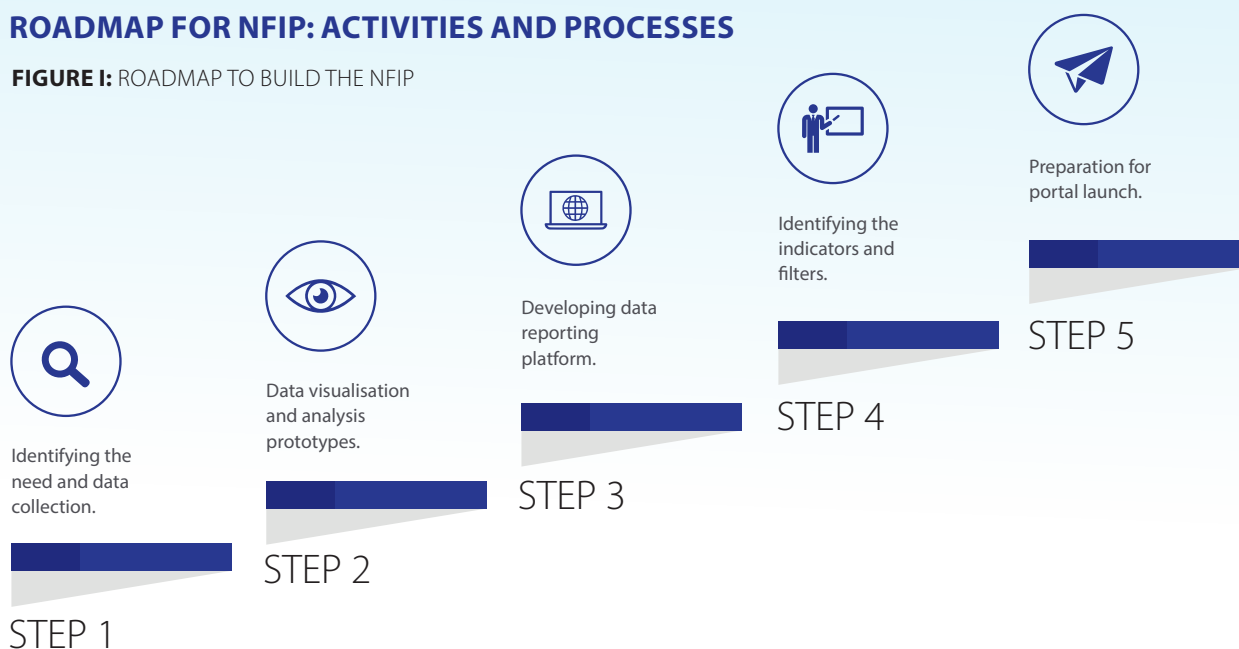


Though the portal was initially designed with financial inclusion as the end objective, due to systemic connectivity, other inherent factors of financial sector development, such as liquidity and stability, were also included in the project plan. Currently, NFIP is the core monitoring information system (MIS) for financial inclusion in NRB and most of the data from the licensed institutions are collected through this portal. However, in the long run NRB will need to develop regulatory systems for financial stability related indicators analysis which is beyond the scope of the current system. To that end, the current NFIP will require updates and further development, with a focus on cross-platform definition, reporting and visualisation of indicators with the data feed from different sources after other systems come into operation.

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ROADMAP FOR NFIP: ACTIVITIES AND PROCESSES

FIGURE I: ROADMAP TO BUILD THE NFIP





STEP 1: IDENTIFYING THE NEEDS AND DATA COLLECTION

The strategy plan of the Nepal Financial Inclusion Portal was born in 2016, when NRB and UNCDF organised their first steering committee meeting. At that time, the old reporting system of the central bank was getting increasingly sluggish in keeping up with the huge data sets from vastly growing financial sector of Nepal. The data used to formulate the initial portal designs were:

- **Internal data:** The NRB team gathered all statutory reporting templates which were reviewed by the systems team and UNCDF. Since NFIP was going to replace the previous system, in addition to including financial inclusion related new indicators, it was mandatory to also include all features from the previous system such as liquidity monitoring and CRR calculation, interbank lending and borrowing transaction, large borrower mapping etc.
- **External data:** GIS data of geographic boundaries of administrative areas to the base level (local body level) for mapping of existing financial services infrastructure across Nepal in form of geo-spatial maps with location captured in latitude and longitude terms.



STEP 4: DEVELOPING DATA REPORTING PLATFORM

After finalising the initial plan of the access map, the team worked on ways to conduct granular inspection of financial services being offered by FSPs by shifting from institutional level reporting to outlet level. This happened by understanding the usage of assorted products at micro-level which can be linked to contextual data such as demographics, economic activities etc.

The team also worked on new data collection ideas such as developing a new coding structure that allowed BLB points and ATMs to be linked to their parent branch which was previously not possible.



STEP 2: DATA VISUALISATION AND ANALYSIS PROTOTYPES

After gathering the data for sketching the blueprint of the portal, the team conducted a map and dashboards visualisation exercise. This exercise helped the team streamline their expectations and requirements for the portal. Listed below are some of the dashboard and maps produced for demonstrating purposes:

- Distribution point per population;
- Branch level credit and debit data;
- Digital payment instruments and scenario;
- Maps showing overlaying data using base maps such as WorldPop, NASA lights at night data, satellite imagery etc;
- Maps showing contextual layers such as Human Development Index, population, life expectancy, adult literacy and per capital income.



STEP 5: PREPARING FOR THE PORTAL LAUNCH

For the portal's success, industry buy-in was vital. Hence, the launch of the portal was an important contributor to the overall success. A soft launch of the portal was organised in July of 2017 among all department heads of the central banks. This soft launch was conducted to test the portal in a closed environment to track the process of data analysis and other functionalities, such as cross-checking the newly formed geographic boundaries of Nepal.

After the initial round, the official launch of the portal took place in 30 September 2018 in the presence of the Governor and department directors of NRB, CEOs of banking and financial institutions and stakeholders.



STEP 3: IDENTIFYING THE INDICATORS AND FILTERS

In this step, NRB and UNCDF invited the financial service providers (FSPs) to a series of workshops. Apart from data collection, the workshops with FSPs ensured that they were aligned with the project objectives. It also helped the developers and the team address some of the concerns with respect to finalising the indicators. The follow up team meetings helped identify key indicators that presented the state of financial inclusion in Nepal. The finalized indicators for the portal were:

- Registered saving accounts penetration (%)
- Registered savings accounts per local body type (%)
- Men and women with an active savings account (%)
- Active and registered payment instruments per type of services
- Average amount per savings account (NPR)
- Total outstanding credit per class of institutions
- Branchless banking (BLB) agent penetration
- BLB agents activity rate (%)

**Note: Please refer to Annex 1 for full definition of the indicators.*

The final UI of the portal is presented in Annex 4. The data can be further filtered as per:

- Year
- Month
- State
- District
- Local body
- Granularity (State, District, Local Body)
- Class of BFIs ("A", "B", "C", "D", PSP, PSO)



“Data is the precious asset for financial regulator where the timely collection, dissemination and information extraction from reporting entities is made possible by this comprehensive reporting portal. This user-friendly, secured and easy to use system solved the nightmare for reporting entities as well as information processor with dynamic, real-time and pictorial presentation of collected data. Commissioning of this reporting portal is proved to be milestone for financial inclusion in developing nation like Nepal.

MR. BINOD BAJAGAIN
ASSISTANT DIRECTOR, NEPAL RASTRA BANK



HUMAN RESOURCE

The team hired a Nepali IT firm, Rooster Logic, to develop a “Data Collect App” which collected GPS location data of every financial transaction point of a FSP in Nepal. This data would later be used as the foundation upon which other financial indicators were added on. From November 2016 to July 2017, NRB and UNCDF hosted over 50 FSPs in 8 different workshops across Nepal to introduce the concept of the portal and train the institutions to report their spatial data through the app.

The team then hired Smart Solutions (an IT company in Nepal) to develop the portal that incorporated the GIS data, reporting mechanism and analytics tool.

TABLE 4: HUMAN RESOURCE DEPLOYED FOR SOFTWARE DEVELOPMENT

POSITION	NUMBER
PSP developer (coding)	4
Data base administrator	1
Project manager	1
Geo-spatial expert	1
Business intelligence/reporting specialist	1
System architect/ Designer	1
Non-technical coordinator/ Domain Specialist	1

LESSONS LEARNED & THE WAY FORWARD

The NFIP was officially launched in September of 2018. After a month of operation, the central bank and financial institutions reported that their data reporting and data analysing time was reduced from 10 working days to two working days.

TABLE 5: SOME MAJOR BENEFITS OF THE SYSTEM CAN BE SUMMARIZED AS BELOW:

	INDICATOR	BEFORE THE SYSTEM	AFTER	IMPACT
	Access points of BFIs	- Spreadsheet based; - No specific code of branch and administrative regions; - Manual compilation on each; month/quarter	BFIs submit access points with accurate location	Real time information of access points with mapping visualisation
	Gender wise access and usage of financial service	- Not available	Gender wise # of accounts maintained at branch level	Geological and administrative region wise outreach can be measured
	Compliance of reporting by licensed BFIs	- Manual checking	Can be tracked BFI class wise, institution wise or reporting category wise	Timeliness and accuracy of compliance maintained automatically
	Dashboards and Report Generation	- No Dashboards; - Limited and pre-defined reporting features.	Lots of dashboards, report templates and custom query-based report generation	Easy and quick tool for monitoring changes in financial inclusion data, digital payment structure along with stability, liquidity and soundness indicators of overall banking sector.






The central bank had a fair share of trial and error with the portal along the way. Since the portal is the first of its kind in Nepal, the implications of transitioning from a manual reporting, monitoring and analysing process to digital has been challenging. The team worked closely with the developers in exploring options to mitigate the issues as they appeared.

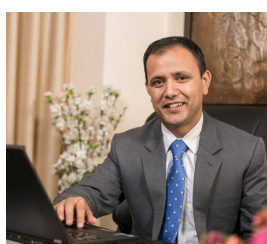
The portal operated seamlessly, was reliable and efficient once the technical fixes and solutions were identified and implemented.

During the next stage of the portal, NRB addressed the issues that were encountered during the portal roll-out phase.

GAPS CHALLENGES THE PORTAL FACED IN THE INITIAL PERIOD OF OPERATION AND THE PROPOSED SOLUTIONS

TABLE 6: GAPS, IMPLICATIONS AND PROPOSED SOLUTIONS FOR SUCCESSFUL OPERATION OF THE NFIP

	GAPS/ CHALLENGES	IMPLICATIONS	PROPOSED SOLUTIONS
	Data disparity	The data submitted by FSPs lack consistency in terms of quality which can be attributed to lack of knowledge about the system and human error.	Organising routine sessions with FSPs on portal operability and developing the mandate for data quality.
	Internet connectivity	Slow internet connectivity can cause the system to lag which in turn slows the overall applicability of the portal.	
	Data pulling	The new federalism structure of Nepal has caused delays in the overall design and development of the portal. Locating all 753 local bodies in Nepal has been a challenging task.	Working closely with Ministry of Federal Affairs and General Administration (MOFAGA) for cross referencing the geographic boundaries.
	Indicators definition	The current definitions of the financial indicators can be further simplified and aligned with respect to the Nepali market.	Referencing and cross learning from research materials of institutions such as the World Bank, International Monetary Fund, GSMA and CGAP on financial indicators.
	Data analysis	The system is the first of its kind in Nepal, hence there is no reference point. NRB officials need to be technically sound to address internal as well as external queries on the system.	Organising in-house trainings for the NRB officials by UNCDF and system developers, exchange programmes with officials from central banks who have been implementing digital technologies.



“With NFIP, I can design customized financial products for my clients. For example, with this portal I can identify a local body within a certain district which has limited number of financial institutions and BLB agents. Deploying our agent services and customized financial products in these locations will enable access to finance for unbanked communities.

MR. SUMAN POKHAREL
CEO, IME LTD.



EMERGING ISSUES AFTER THE MID-TERM OPERATION INDICATE THE REQUIREMENT OF UPGRADING THE SYSTEM



INTEGRATION OF OTHER INDICATORS AND POLICIES INTO THE PORTAL

To regulate licensed new service providers such as PSPs and payment service operators (PSOs) new indicators need to be included in the current NFIP. Further, a new category of BFIs was created with different functionalities that also needs to be added into the portal. Remittance contributes to almost 27% of country's GDP (2019), however its indicators such as agent network and amount paid in different geographical areas are not included in the portal. Additionally, subsidized credit and priority sector lending reflected in the national policy also needs to be included in the portal. Some GIS based indicators such as district level economic activities used by NRB research department needs to be included in the system.



TECHNICAL UPGRADES REQUIRED

The need for complex queries-based visualisations required for advanced level analysis for project area-based loans calculation necessitates technical soundness of the system. Furthermore, each department in NRB analyses a wide range of indicators (macroprudential indicators, financial access related indicators, interest rate-based indicators etc.), necessitating the system to take the burden of non-related or less prioritised tasks as well. Additionally, in the absence of full-functional regulatory and supervisory MIS, the dependency on the NFIP increased rapidly requiring upgrade in the system.



CAPACITY BUILDING OF NRB STAFF

Dundas, the business intelligence tool used in the system is feature rich and programmable yet complex for novice users. Therefore, capacity building of new staffs is needed to make them understand the methodology and procedure to create and manage the dashboards.

CONCLUSION

In a short span of time the NFIP has proven to be an indispensable tool for policy makers and financial institutions in supporting their everyday activities. From getting a macro perspective of the overall financial landscape of Nepal to identifying the need of financial inclusion at a granular level of local bodies, this portal has the potential to become the backbone of the Nepalese financial sector.

Need for further development and upgradation of the portal is required to analyse indicators required by different NRB

departments such as research, PSD etc. In addition, system upgrade is required to regulate new licensed service providers such as PSPs and PSOs.

UNCDF will continue to lend its support to the central bank as well financial institutions by identifying and sharing the potential overarching use cases of this innovative technology.

ANNEX 1: THE DEFINITIONS OF THE KEY FINANCIAL INDICATORS

1. Registered population with saving accounts penetration (%): Total number of registered savings accounts divided by total population of the selected localities (only includes the population for local bodies with at least one access point).
2. Population with a registered saving accounts as per local body type (%): Total number of registered savings accounts divided by total population of the selected type of local body.
3. Men and women with an active saving accounts (%): Total number of active male/female saving accounts divided by total population of the selected localities.
4. Active and registered payment instruments per type of services: Total number of active and registered payment instruments for each type of services offered.
5. Average amount per saving account (NPR): Total amount of deposit within each selected locality divided by total number of deposits accounts within the same localities.
6. Total outstanding credit per class of institutions: Total amount of credit for each class of institutions for the selected localities.
7. BLB agents penetration: Total number of registered BLB agents.
8. BLB agents activity rate (%): Total number of active BLB agents (BLB agent who conducted a transaction in the past 30 days) divided by total number of registered BLB agents.

ANNEX 2: VISUAL DATA PRESENTATION OF FINANCIAL INDICATORS IN THE PORTAL

Key financial inclusion indicators: This indicator presents data on registered saving accounts as per local body, gender, location as well as provides data on population without access points.

Key financial inclusion indicators

This indicator presents data on registered saving accounts as per local body, gender, location as well as provides data on population without access points.

FIGURE II: KEY FINANCIAL INCLUSION INDICATOR OF KAVREPALANCHOK DISTRICT, NEPAL.

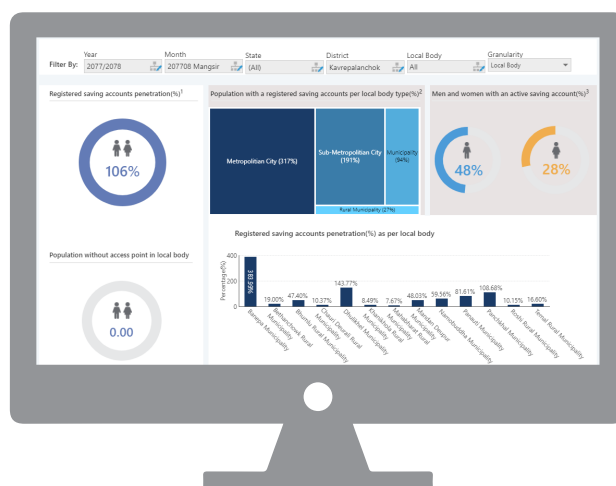
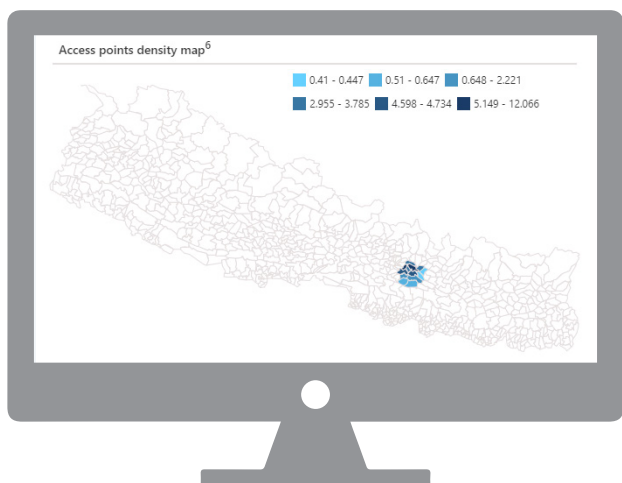


FIGURE III: THE ACCESS POINT DENSITY MAP OF KAVREPALANCHOK DISTRICT, NEPAL.



Access to financial services

This indicator presents the access points density map of Nepal, provides data on the access points and average population served per access point and data on access points as per the class of institution.

Usage of financial services

This indicator presents data on the usage and activity rate of savings account as well as active and registered payment instruments such as credit/debit card, prepaid card service, internet banking and mobile banking.

FIGURE IV: THE USAGE OF FINANCIAL SERVICES IN KAVREPALANCHOK DISTRICT, NEPAL.

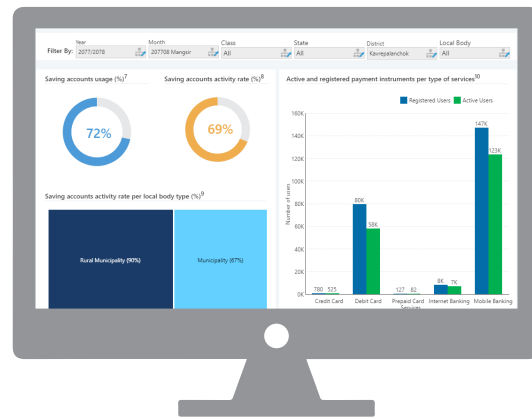


FIGURE V: CREDIT AND DEPOSIT INDICATORS IN KAVREPALANCHOK DISTRICT, NEPAL.



Credit and deposit

This indicator presents data on total credit amount as per class of institution (Commercial Bank, Development Bank and Finance Company), average amount per saving account.

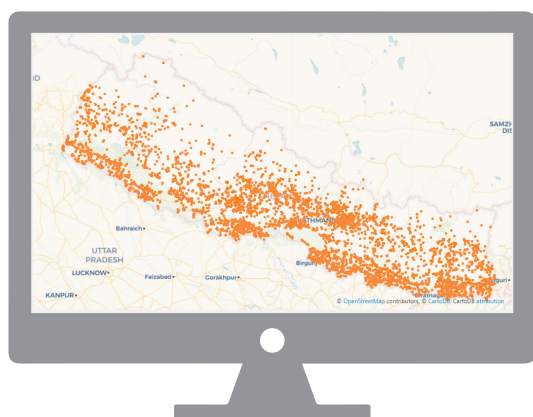
FIGURE VI: BLB AGENTS INDICATORS IN KAVREPALANCHOK DISTRICT, NEPAL.



BLB agents

This indicator presents total number of BLB agents in any given location, their activity rate and average number of accounts per agent.

FIGURE VII: THE FINANCIAL ACCESS POINTS MAP OF NEPAL



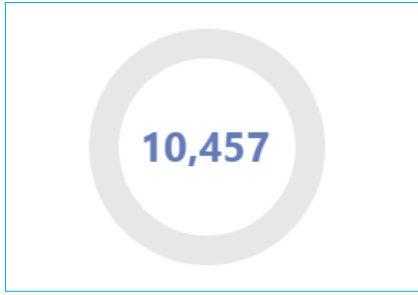
Access points map

This indicator presents the map of Nepal which can be filtered per channel, class, institution, location and local body. The data can be access through either a point map or a heat map.

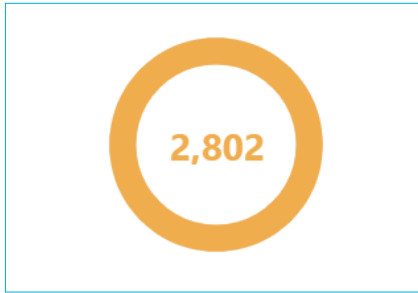
FIGURE IX: THE FINANCIAL INCLUSION PORTAL DASHBOARDS

ACCESS

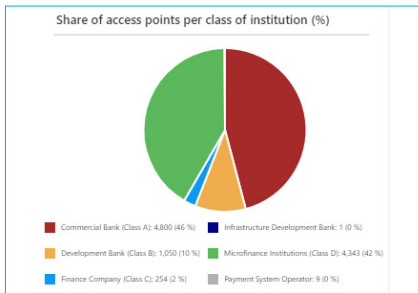
ACCESS POINTS



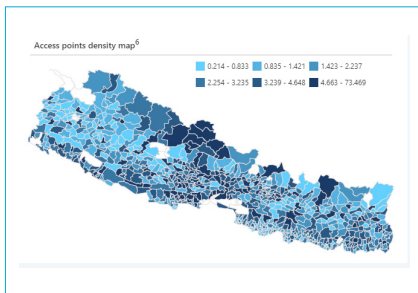
POPULATION PER BRANCH



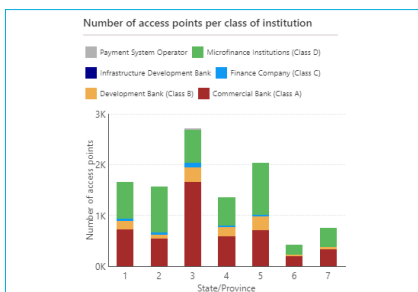
SHARE OF ACCESS POINTS PER CLASS OF INSTITUTIONS



ACCESS POINTS DENSITY MAP
ACCESS POINTS PER CLASS OF INSTITUTIONS PER BRANCH

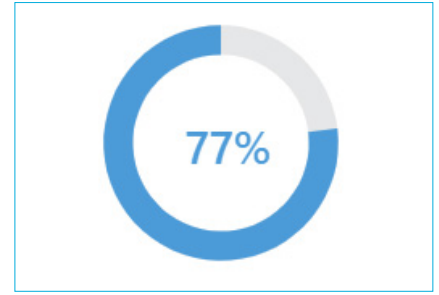


NUMBER OF ACCESS POINTS PER CLASS OF INSTITUTIONS

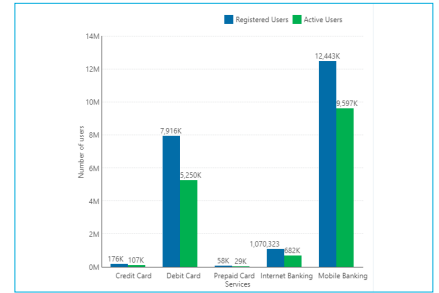


USES

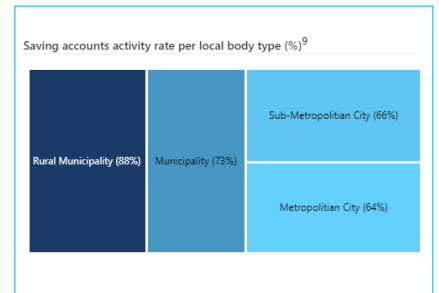
SAVING ACCOUNT USAGE



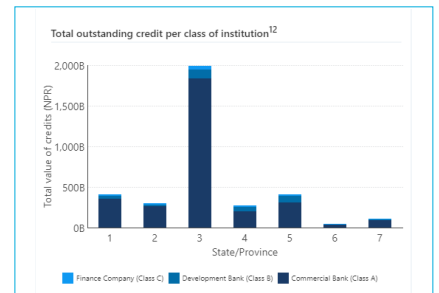
ACTIVE AND REGISTERED PAYMENT INSTRUMENT PER TYPE OF SERVICE



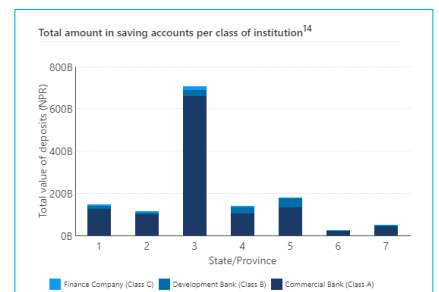
SAVING ACCOUNT ACTIVITY RATE PER LOCAL BODY TYPE



PROVINCE WISE CREDIT DISTRIBUTION PER CLASS OF INSTITUTION



PROVINCE WISE SAVING DEPOSIT DISTRIBUTION PER CLASS OF INSTITUTION





LEAVING NO ONE BEHIND IN THE DIGITAL ERA

The UNCDF strategy 'Leaving no one behind in the digital era' is based on over a decade of experience in digital financial inclusion in Africa, Asia and the Pacific. UNCDF leverages digital finance in support of the Sustainable Development Goals (SDGs) to achieve the vision of promoting digital economies that leave no one behind. The goal of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the SDGs. To achieve this vision UNCDF uses a market development approach and continuously seeks to address underlying market dysfunctions that exclude people living in the last mile.

ABOUT THE UN CAPITAL DEVELOPMENT FUND

The UN Capital Development Fund makes public and private finance work for the poor in the world's 46 least developed countries (LDCs). UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels: (1) inclusive digital economies, which connects individuals, households, and small businesses with financial eco-systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.

SUPPORTED BY:



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