



### Project Document

**Programme Title:** e-KYC and Digital identity Project; resolving the identification barrier for financial inclusion amongst rural populations, women & youth in Malawi.

**Implementing Partner:** The Reserve Bank of Malawi (RBM)

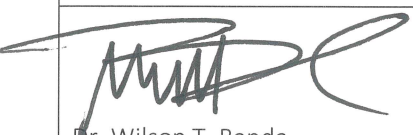
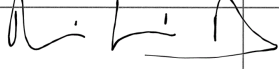


**Start Date:** [TBD ASAP]      **End Date:** [TBD - 18 months]

Brief Description
<p>Malawi is a low-income economy with a population estimated at 19 million. 54% of the population live in poverty while 52% have no access to financial services. Additionally, only 28% of rural adults use formal financial services compared with 63% of urban population, similar trends are observed with segments of women and youths. Malawi has one of the youngest populations in Sub-Saharan Africa with 51% being younger than age of 18. Opportunities to expand financial inclusion to rural residents, women, youth is therefore amongst one of the key development priorities for the government of Malawi.</p> <p>It is a basic right for all Malawians to fully benefit from their economy. However, if sections of the citizenry have proof of identity, it's possible that they will be cut off from access to basic rights and services such as opening a bank account, collection of social security benefits, access to legal protection, to vote, amongst others.</p> <p>Nevertheless, Malawi is characterized by similar traits as several sub-Saharan countries that lack adequate official identification, this has been a major limiting factor to access and usage of financial products and services, and to a wide range of government social services. Considering this, electronic-KYC (e-KYC) and digital identity have been identified as solutions that have the potential to help address the challenge above, whilst increasing access to financial products and services</p>

Contributing Outcome ( <i>UNCDF Strategic Framework Outcomes and/or UNDAF</i> ): UNCDF Strategic Framework outcome 1: Expand financial inclusion can support overall economic growth, creating a more stable financial systems and economies, and boost government revenue and fiscal space	<b>Total resources required:</b>	<b>US\$ 500,000</b>	
	<b>Total resources</b>	UNCDF <sup>1</sup>	US\$ 25,000

Indicative Outcome(s):  I. <b>Outcome 1:</b> Clients have improved ability, knowledge, skills, behaviors and autonomy to meaningfully access and use digital services, facilitated by digital ID system and an e-KYC platform  II. <b>Outcome 2:</b> Inclusive strategies, policies and regulations that enable access and usage of digital services are responsibly adopted, implemented and monitored through support of digital ID systems and e-KYC platform	allocated:	Partner (India Fund)	US\$
		Government	
		In-Kind	
	Unfunded:		

Agreed by (signatures):

Reserve Bank of Malawi	UN Resident Coordinator	UNCDF
 Dr. Wilson T. Banda Governor	 Maria Jose Torres Macho Resident Coordinator	 Ms. Preeti Sinha Executive Secretary 
Date:	Date:	Date: 07-Jul-2021

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**Snapshot of Malawi**

#	Description	Indicator
1	Total Population	19.m
2	Adult Population	9.8m
3	Male female split	49%/51%
4	Financial Inclusion rate	35%
5	Rural/Urban split	84%/16%
6	Mobile penetration rate	46%
7	National Network Geographical Coverage	99.8%

**1.1. The UNCDF in Malawi**

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries in Africa, Asia and Latin America. 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.