

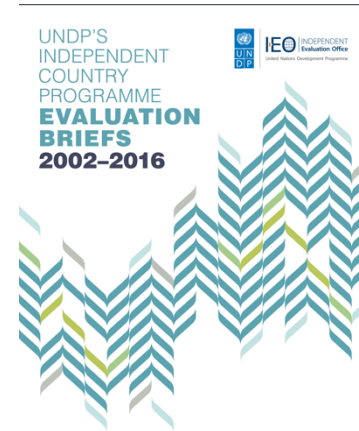
A woman with dark skin and a red and black headband is carrying a large woven basket on her head. She is wearing an orange t-shirt and is looking towards the camera. She is standing in a coffee plantation, with green coffee leaves and branches visible in the foreground and background.

# SHIFT SAARC PROGRAMME MID-TERM EVALUATION NOVEMBER 2018



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## UNDP EVALUATION POLICY

UNCDF is formally a party to UNDP's Evaluation Policy, which sets out the guiding principles, norms and key concepts for evaluation in UNDP, UNCDF and UNV.



## UN EVALUATION

UNCDF is an active member of the UN Evaluation Group, which is the custodian of evaluation quality across the UN system.



## UNDP INDEPENDENT EVALUATION OFFICE

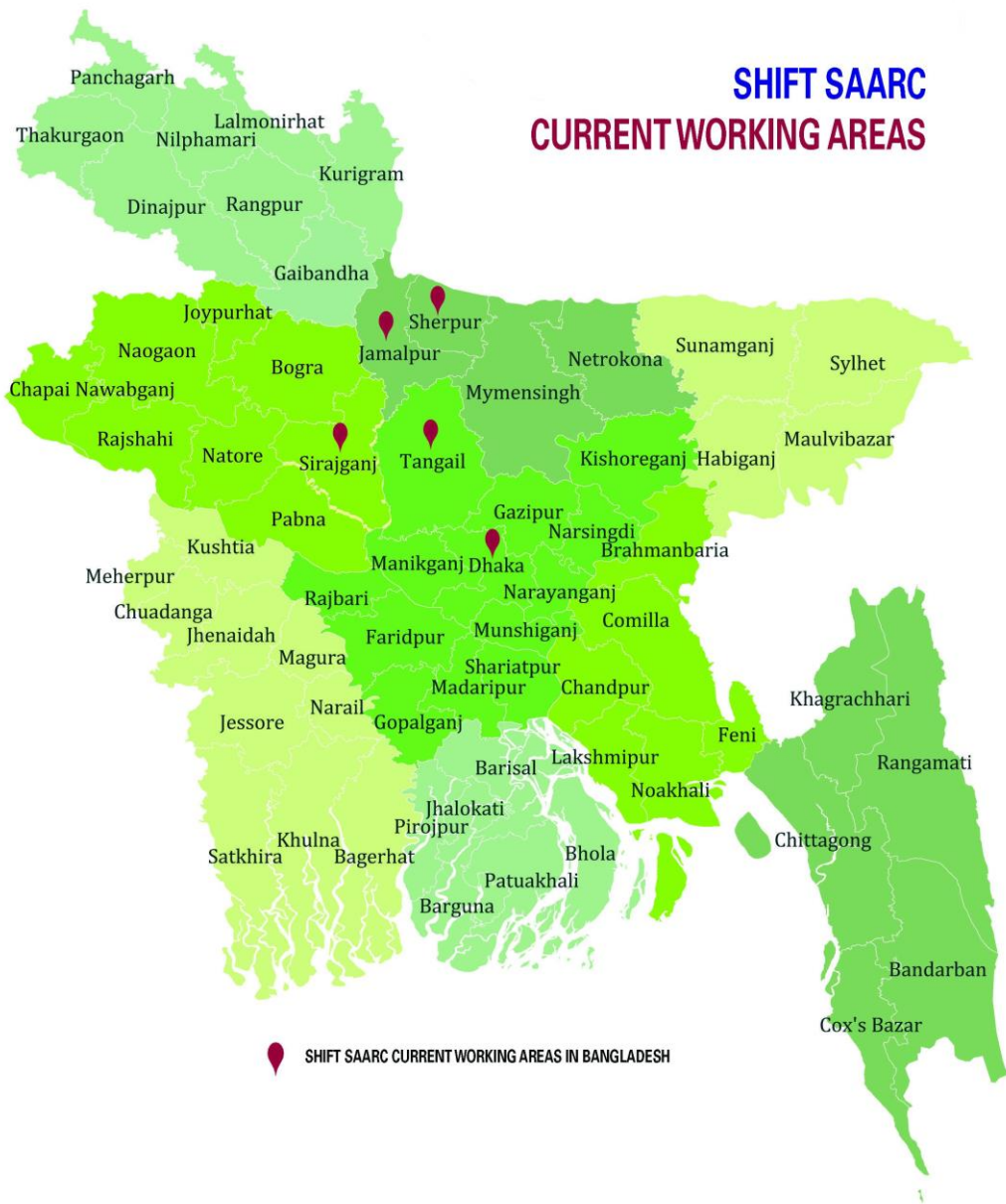
In line with provisions in the Evaluation Policy, UNCDF benefits from a strong partnership with the UNDP Independent Evaluation Office, which provides additional coverage of our work and quality assesses our evaluations.



## WITHIN UNCDF

The Evaluation Unit reports directly to UNCDF's Executive Secretary in line with UNEG norms on independence for agencies of UNCDF's size.

# SHIFT SAARC INTRODUCTION



## SHIFT SAARC CURRENT WORKING AREAS

The Shaping Inclusive Finance Transformations (SHIFT) in the South Asian Association for Regional Cooperation (SAARC) programme is a regional market development initiative implemented by the United Nations Capital Development Fund's (UNCDF) Financial Inclusion Practice Area (FIPA). To date, the SHIFT in SAARC programme is implemented only in Bangladesh and focuses on accelerating the use of DFS.

The programme seeks to stimulate investment, business innovations and regulatory reform to bring about lasting changes for low-income people. Specifically, it aims to expand economic participation of and opportunities for women and small and growing businesses to be active agents in the formal economy.

By 2021, it aims to have enabled “at least one million low-income people, 65% of whom are women, and 30,000 small and growing businesses to access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption” The programme design anticipated that SHIFT in SAARC would address both demand and supply-side constraints in interlinked financial markets, working primarily through financial service providers (FSPs).

# PROJECTS UNDER SHIFT SAARC

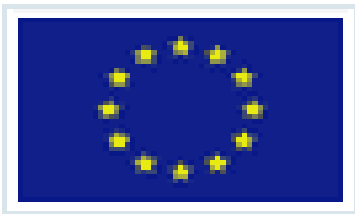


In Bangladesh, SHIFT works through two projects. One is funded by the BMGF and one by the EU. The programme also received UNCDF core funding.



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GATES foundation

The BMGF-funded project focuses on promoting an enabling environment for digital financial services.

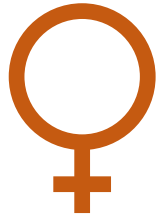


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The EU-funded project focuses on improving the real economy market system for micro-merchants (shopkeepers) in the fast-moving consumer goods industry to improve incomes and build demand for DFS.

**Both projects work to improve linkages between the two market systems.**

# WORK PILLARS FOR SHIFT SAARC



The SHIFT in SAARC framework, based on SHIFT in ASEAN, focuses on **women**. The strategic intent of SHIFT in SAARC is to “remov(e) market constraints limiting women’s equal access to economic opportunities and participation in the markets” As with SHIFT ASEAN, SHIFT SAARC’s design is based on four work pillars.

Objective	Description
Programme Impact	Improved livelihoods and reduced poverty among low-income people, especially women in SAARC countries by 2021.
Programme Outcome	At least one million low-income people, 65% of whom are women, and 30,000 small and growing businesses to access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption.
Pillar 1 Data and Analysis	Produced, consolidated and analysed data on supply, demand and regulatory constraints affecting low-income consumers, women and real economy businesses in SAARC to strengthen the evidence base for decision making.
Pillar 2 Capacity Development	Provided capacity building activities on financial products, business models and needs of low-income consumers, especially women, and small and growing businesses for regulators, policymakers, Financial Service Providers and businesses higher up in the real economy value chain in SAARC
Pillar 3 Policy and Advocacy	Supported regulators and policymakers to develop holistic and inclusive regulatory frameworks, policies and strategies through multi-stakeholder consultative processes, encouraging financial services providers and businesses to target and better serve low-income consumers, especially women, and small and growing businesses in SAARC.
Pillar 4 Innovation Incentives	Provided incentives for Financial Service Providers and businesses to develop, pilot and validate financial products and business models to meet the needs of low-income consumers, especially women, and small and growing businesses in SAARC.

A close-up portrait of a middle-aged man with a weathered face, wearing a brown cap with 'COFFEE' and 'CROUGHT INSURANCE' printed on it. He is wearing a brown jacket over a white shirt. The background is a blurred outdoor setting with green foliage and a wooden structure.

# EVALUATION METHODOLOGY

# EVALUATION METHODOLOGY AND CRITERIA

The SHIFT SAARC Mid-Term Evaluation is a formative evaluation using a theory-based evaluation approach, framed by the UN/OECD-DAC evaluation criteria. The SHIFT in SAARC Theory of Change was the key reference point for the Theory-Based Evaluation, which focuses on the programme's context, activities, outputs and initial results. The evaluation was designed to assess the extent and quality of programme implementation, the current and likely results of the programme, how outputs and outcomes occurred, and any challenges facing UNCDF and its partners.

The SHIFT in SAARC TOC hypothesizes that linking real economy and financial markets will enable greater use of financial services (especially DFS) and result in low-income people having greater access to employment, entrepreneurship and investment opportunities to improve their livelihoods. The programme, therefore, emphasizes accelerated financial inclusion through DFS. Using a market systems development approach, the programme's interventions are delivered through four outputs (called pillars):

The SHIFT in SAARC TOC hypothesizes that programme activities and outputs lead to changes at three levels.



Programme outcomes, including policy and regulatory-level changes;



Financial and real economy market system outcomes, including incentivizing and building capacity of private sector actors



Programme outcomes, including greater use of DFS leading to increased income and employment for low-income people

## Primary data collection tools for the evaluation include:



The team selected these data collection methods because of their appropriateness for a mixed-methods formative programme evaluation, given the resource and time constraints of the evaluation. Given the programme's market system development approach, the evaluation team used contribution analysis to assess SHIFT in SAARC's contribution to an observed outcome alongside possible alternative drivers of that change.

The evaluation used several lines of evidence, including:



Desk review of programme documents, reports and publications.



Quantitative analysis of secondary programme data, including financial and monitoring data that was analysed for trends and a results' comparison against targets.



In-country field visits that included individual interviews with staff and key stakeholders, FGDs, and a socio-economic profile survey with the participating programme beneficiaries.



Remote interviews with additional key informants via phone.

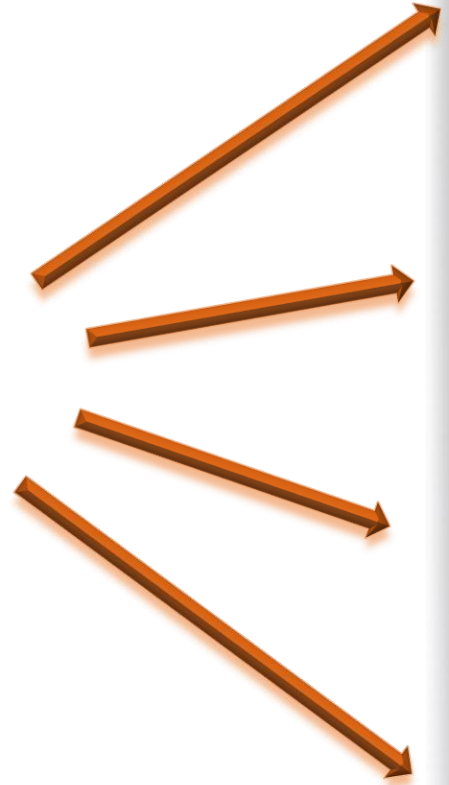
# SAMPLING STRATEGY



The evaluation used a purposive sampling strategy to select key informants. The sample of stakeholders and end-users was informed by the objectives and scope of the evaluation and derived with UNCDF through a stakeholder mapping exercise.

A sufficient number of key stakeholders were selected in order to provide substantial evidence for developing conclusions and recommendations for the programme.

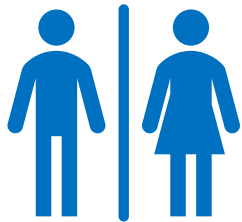
For end-user sampling, the evaluation team relied on guidance from UNCDF about appropriate locations, given time and resource constraints and the need to access a sufficient number of individuals for focus groups.



	Decisionmakers
	Actors in the digital financial services space
	Implementers and/or funders of similar programmes
	Beneficiaries/end-users

# GENDER EQUITABLE EVALUATION

The evaluation team took steps to incorporate gender equality considerations into the conduct of the evaluation. This included conducting gender-disaggregated analysis for primary data collected from beneficiaries and developing gender-focused indicators at all levels of evidence as well as across the five evaluation criteria. These indicators guided the evaluation regarding gender effects.



Among the beneficiaries interviewed:

12 out of 42 women were interviewed.

13 of 61 stakeholder key informants were women.

This latter number reflects the low participation of women in relevant positions at stakeholder institutions.

# LIMITATIONS AND CHALLENGES OF THE EVALUATION



## GAP IN LOCAL PRESENCE OF EVALUATION TEAM

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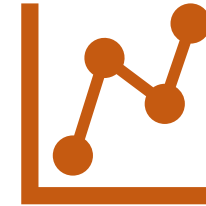
The original local evaluation consultant left the team shortly before the field visit, delaying arrangements for local data collection during the on-boarding of a replacement consultant.



## SELECTION BIAS

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Sampled respondents were receptive to being interviewed or participating in FGDs, but their perceptions may differ systematically from those that did not want to participate. Due to the temporary lack of a national consultant, the team relied solely on SHIFT in SAARC to compile the list of relevant key informants. This may have introduced some bias into the selection process by excluding stakeholders with more critical views from the sample and complicates determining whether they are representative of all stakeholders and beneficiaries. The team sought to reduce selection bias by interviewing as large a sample of key informants as possible.



## SOCIAL DESIRABILITY BIAS

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There is a known tendency among respondents, particularly FGD participants to under-report socially undesirable answers and alter their responses to approximate what they perceive as the social norm. To mitigate this limitation, the evaluation team provided appropriate levels of confidentiality and anonymity assurances to all respondents through an informed consent process.



## LOW NUMBER OF FGDs

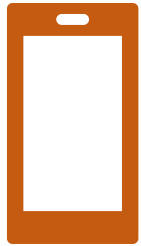
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This means that the findings should be taken for illustrative purposes only, as the reliability of this data is low.

A group of women are gathered outdoors, clapping and smiling. They are wearing colorful, patterned headwraps and dresses. One woman in the center is wearing a white t-shirt with the word 'Supreme' printed on it. The background shows lush green trees and a bright, sunny day.

**EVALUATION  
FINDINGS  
RELEVANCE**

# RELEVANT TO PRIORITY OF DIGITAL FINANCIAL INCLUSION



The programme is relevant to the GoB's policy priorities, particularly those related to digital financial inclusion for low-income people



SHIFT in SAARC addresses key priorities of the Government of Bangladesh, particularly the focus on achieving financial inclusion through digital pathways, as articulated in the Seventh Five Year Plan for FY2016-2020: Accelerating Growth, Empowering Citizens.



SHIFT in SAARC contributes to the SDGs, primarily SDG1 (No Poverty) and SDG17 (Partnerships for the Goals). SHIFT in SAARC also focuses on marginalized communities thus contributing to SDG 10 (Reduced Inequality). The work with Kallyani women and research related to women's financial inclusion contributes to SDG5 (Gender Equality).



The programme design team used two foundational studies, the DFS Regulatory Self-Assessment (DFS Assessment) and the MMLA to ensure that the programme was relevant to target beneficiaries. The studies described how to tailor the capacity building activities to the needs of the policymakers, regulators and merchants.



The programme team used a consultative process during programme design in 2015 and early 2016, and an adaptive approach during programme implementation to ensure the relevance of the programme approach. UNCDF consulted closely with financial inclusion regulators and policymakers at the Bangladesh Bank and other government agencies during programme design and implementation. The programme has also adapted in response to government requests by addressing specific topics of interest to the government, e.g. Blockchain.

# THEORY OF CHANGE: LOGICAL AND COHERENT

The SHIFT in SAARC TOC articulates logical steps from programme activities to expected outcomes..



The TOC assumes that information and data will incentivize the private sector to invest in financial product innovations and business models for low-income markets.

It also asserts that capacity building combined with information will cause policymakers and regulators to develop more enabling policies for DFS.

It further asserts that capacity building of micro-merchants and women entrepreneurs will create demand for DFS and other innovations in the FMCG retail market.



**Time between design and implementation, however, has led to challenges.**

The financial inclusion policy context of Bangladesh was very favourable when the programme was under design but by the time of implementation had become more restrictive. Consequently, it has been more difficult for the programme to achieve its policy and advocacy objectives.

# SHIFT SAARC PROGRAMMES DEPLOYED SIMULTANEOUSLY

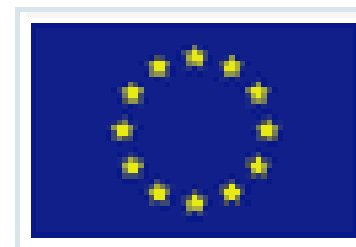
The broad and flexible design of SHIFT in SAARC, which in some respects is a strength, allowed the implementation of both the **BMGF-funded** and the **EU-funded** projects simultaneously.

This has forced the programme to over-emphasize links between the two market systems with an assumption that there would be synergies in implementation and outcomes, which have not been realized.

This may have led to confusion about programme purpose and methods and over-extended the SHIFT in SAARC team's attention, rather than achieving greater impacts.



The BMGF-funded project focuses on promoting an enabling environment for digital financial services.



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The EU-funded project focuses on improving the real economy market system for micro-merchants (shopkeepers) in the fast-moving consumer goods industry to improve incomes and build demand for DFS.

# ALIGNED WITH INTERNATIONAL BEST PRACTICES

The SHIFT in SAARC design takes a market systems development (MSD) approach by focusing on whole market systems (financial services and FMCG retail) and facilitating changes across these markets. The programme design follows key MSD principles of the Consultative Group to Assist the Poor (CGAP) for financial inclusion. The programme aims for systemic change in attempting to influence inclusiveness in both market systems.

The SHIFT in SAARC programme design could be strengthened to better align with two of MSD key principles:



## Long-Term Perspective

The SHIFT in SAARC framework calls for a five-year timeframe. As of the evaluation field visit, funding had been secured for only three and a half years. Good practice calls for even longer funding horizons than allowed in the framework, for example, 12 to 18 months of an inception phase and five years of implementation.



## Accountability

Systematic evidence-based adaptation appears to be built into the programme through the Board and PSC governance processes. However, this is insufficient and there is little evidence that the programme conducts enhanced monitoring in line with MSD good practice.

# COMPARISON WITH OTHER UNCDF MSD PROGRAMMES

It is not clear that SHIFT in SAARC will achieve its programme objectives with the existing funding and the associated timeframe. A comparison of the SHIFT in SAARC programme design to other UNCDF MSD programs for financial inclusion reveals that there is little evidence to date that the policy and advocacy, data analysis, or capacity building pillars will result in the desired long-term outcomes. There is some limited evidence that technical assistance and grant support for FSPs increases the supply of DFS products.



The SHIFT in SAARC programme follows the same MSD approach as SHIFT in ASEAN (SHIFT ASEAN) upon which it was modelled. It is not clear, based on these results, that the capacity development and policy and advocacy activities of SHIFT in SAARC are appropriate for achieving the stated objectives.



UNCDF's Mobile Money for the Poor (MM4P) programme uses an MSD approach to build the overall DFS ecosystem in selected countries. SHIFT in SAARC is not engaged in all the MM4P workstreams, although the framework is certainly flexible enough for it to do so. Findings suggest that the innovation grants, along with support for the DFCG, may lead to greater investment in DFS in Bangladesh.



# COMPARISON WITH OTHER UNCDF MSD PROGRAMMES

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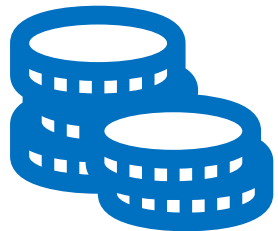


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The programme as designed is consistent between the programme objectives and partners' needs and strategy. However, the design has not always been implemented as planned.

The context also affects the ability of SHIFT in SAARC to achieve its objectives within time and funding limits.



SHIFT in SAARC's funding to date has not been sufficiently flexible for an MSD programme.

# DESIGN ENSURES TRANSITION, EXPANSION, REPLICATION



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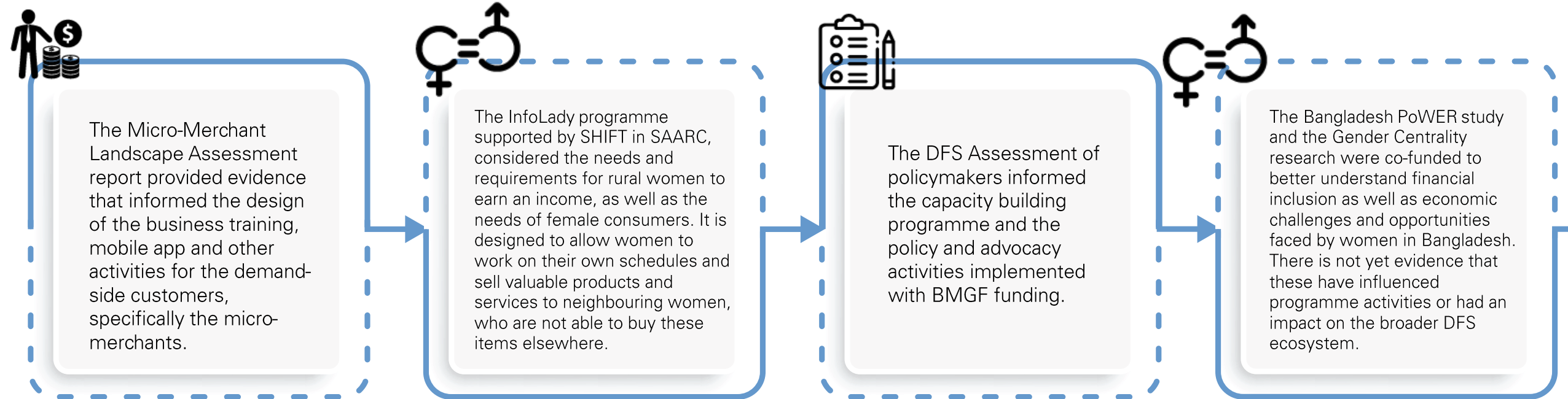
The SHIFT in SAARC design relies primarily on innovation grants and capacity building to ensure that the programme approach is transitioned, expanded and/or replicated by others. Innovation grants are designed to test innovations and provide cases that can be taken up by the private sector. These business models are well placed to be scaled up and replicated if they are successful and profitable. However, it is too early to come to any conclusions.

UNCDF has developed a DFS training module and transferred it to the BBTA so that they can build the capacity of the entering class of central bankers on DFS each year.

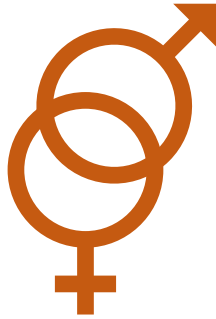
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# CONSIDERS NEEDS OF DEMAND-SIDE & MERCHANTS

SHIFT in SAARC has considered the needs and interests of demand-side customers and the target merchants by undertaking field-level research with these target groups.



# ALIGNMENT WITH GENDER STRATEGY & GOALS



**SHIFT in SAARC has considered the needs and interests of demand-side customers and the target merchants by undertaking field-level research with these target groups.**

The programme design aligns with national and funder level gender standards. It implicitly aligns with United Nations standards on mainstreaming gender.



No gender analysis was performed for Bangladesh before or during the design of the SHIFT in SAARC programme. As a result, the programme team was surprised when the MMLA revealed that only two percent of all micro-merchants in the country are women. Gender disaggregated secondary data was referred to during project design, but the reporting of this data was inadequate.



SHIFT in SAARC was designed with an implicit but not explicit alignment to UNCDF or United Nations gender equality guidelines. The design of the EU-funded project was required to follow EU gender guidelines and is aligned accordingly.



In the project document, the emphasis on gender aligns with national gender-related goals as articulated in the GoB's Vision 2021 which targets empowerment and equal rights for women by 2021.



# EVALUATION FINDINGS EFFICIENCY



# MUCH ACCOMPLISHED, BUT TEAM WAS UNDERSTAFFED

The relatively small SHIFT in SAARC team in Bangladesh, with the assistance of the regional team in Bangkok, accomplished many activities in just two years

The programme is designed to “staff-up” as funding agreements are signed while using a pool of short- and long-term consultants and sharing resources with other UNCDF programmes. The programme also relies on delivering activities through co-applicants, partners and contractors/grantees. There are indications, however, that the number and mix of in-country staff were insufficient to meet the volume of work required.



As compared to plan, the actual composition of the regional and in-country teams reflects the priorities of funding received.

In 2016 and 2017, spending against budget lagged somewhat for the BMGF project. However, in 2018, both projects under SHIFT in SAARC spent around 99 percent of their annual budget. Through 2018, it appears that programme staff managed their activities well within the available financial resources, despite delays in programme implementation.

# DELAYS IN PROJECT IMPLEMENTATION

The SHIFT in SAARC team and stakeholders recognize that programme implementation was significantly delayed during the first year. Implementation delays reportedly were due to lags in obtaining government approval and in recruiting the team. However, closer analysis suggests that implementation delays also could have been caused by management and external issues.



The in-country team's inexperience working with UNCDF and the United Nations system contributed to procurement difficulties and subsequent delays in contracting and operations. More effective support from the UNCDF regional office on administrative and operational functions could have helped to address this challenge.

Implementation of the BMGF-funded project activities was slowed at the donor's request while the donor reconsidered its approach.

Weak local capacity on the part of the MMLA research firm and the co-applicants led to significant delays that had knock-on effects on subsequent activities of the EU-funded MDDRM project.

Staff were required to take on additional and unplanned activities when SHIFT in SAARC was unable to bring on two implementing partners under the BMGF-funded project.

# MUCH ACCOMPLISHED, BUT TEAM WAS UNDERSTAFFED



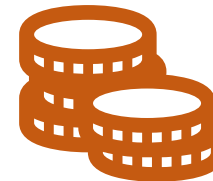
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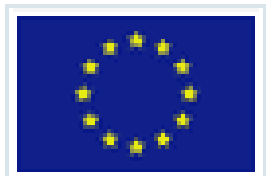
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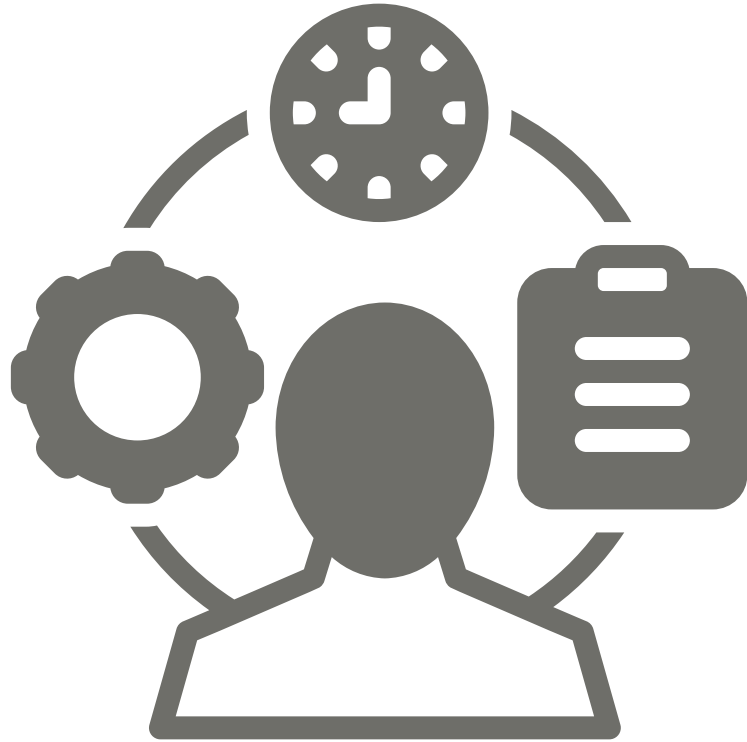
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# MEETING TARGETS FOR THREE OF FOUR PILLARS

The programme has met or exceeded its targets in terms of the SHIFT in SAARC output indicators for the first three pillars. The programme found it difficult to meet the targets in Pillar Four activities due to delays in starting the innovation grants.

Pillar	Output Indicators	Output Targets by 12/31/2018	Achievement
I	# of knowledge products and research produced by the programme	2	11
	# of online platforms used to upload knowledge products and research (one must be UNCDF webpage)	5	5
	# of downloads from UNCDF website	250	293
	# of stakeholders with whom the reports have been shared	250	891
	% of knowledge products incorporating gender issues	NA	25%
II	# of trainings and knowledge exchange visits organized	5	10
	# of stakeholders who have received capacity building from the programme through training, knowledge exchange visits	48	143
	% of trainees who have received training on the ways to include gender-sensitive approaches to inclusive finance	25%	NA
	% of trainees assessing capacity building as useful on pre-agreed scale	50%	79%
III	% increase of influential stakeholders participating in the consultative process	5%	0
	# of policy and regulatory meetings organized	8	9
IV	# and type of incentives provided to FSPs and businesses (in SHIFT RRF incentives are considered as conferences, workshops, campaigns, TA, financial support)	2	1
	% of incentives targeted to women	50%	0

# CHANGES TO FINANCIAL, REAL MARKET ECONOMIES



Management appears to focus on informal monitoring of market and political economy changes through dialogue with key partners. SHIFT in SAARC management is closely engaged with policymakers and in contact with private sector actors.

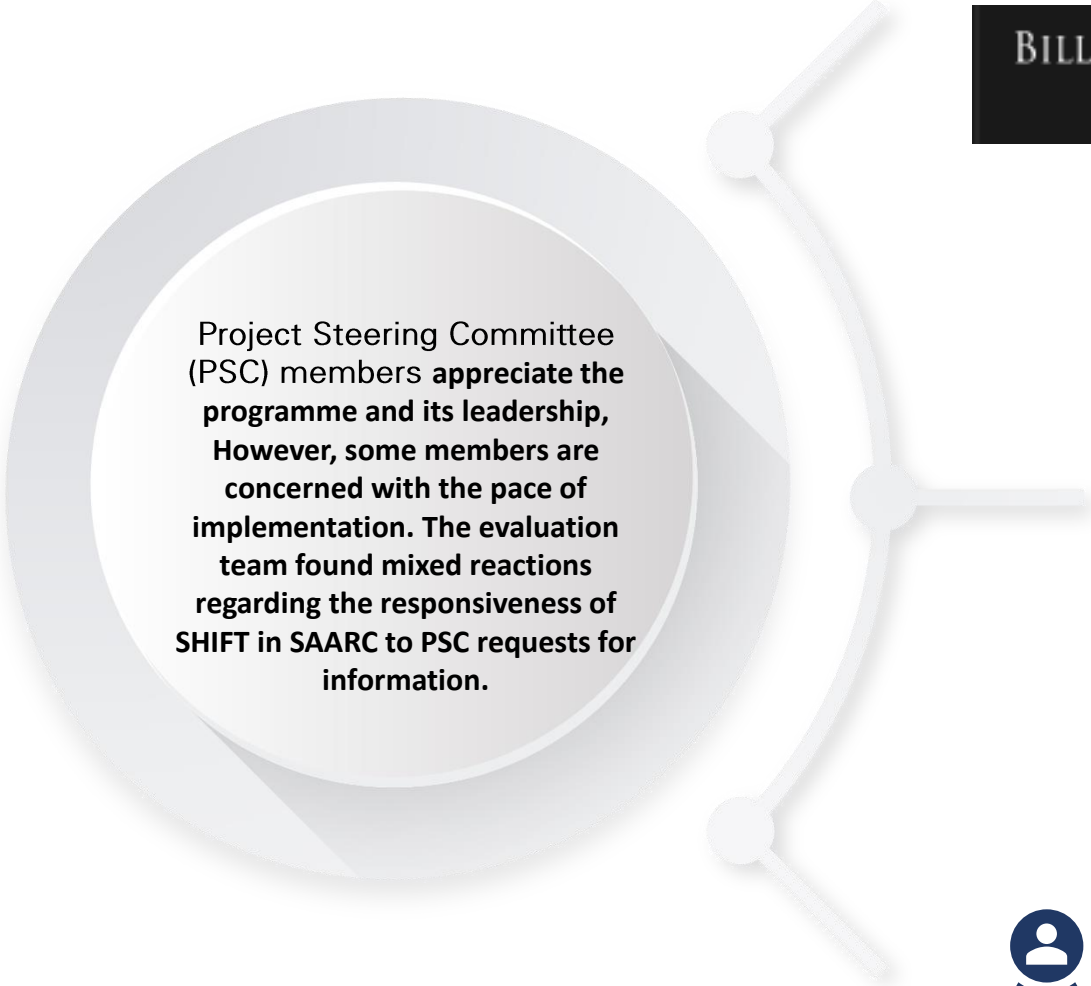
Despite the lack of a systematic enhanced monitoring system, the programme has adapted to changing circumstances based on field research and assessments.

# DELIVERABLES MEETING EXPECTATIONS OF BENEFICIARIES



BILL & MELINDA  
GATES foundation

BMGF reduced the amount and length of time for funding SHIFT in SAARC in early 2018.



Project Steering Committee (PSC) members **appreciate the programme and its leadership, However, some members are concerned with the pace of implementation. The evaluation team found mixed reactions regarding the responsiveness of SHIFT in SAARC to PSC requests for information.**



BETTER THAN CASH  
ALLIANCE



জন্মসেবার দারোগাঘর সেবা  
Service @ Doorsteps

SHIFT in SAARC has built partnerships with BTCA and a2i around engagement on policy issues. A2i appreciates that SHIFT in SAARC brings technical expertise on financial inclusion as well as an international perspective. For its part, a2i provides SHIFT in SAARC with policy access as they have been active in Bangladesh since 2006 and currently sit in the ICT Ministry. The two organizations are working together on eKYC, DFS and financial literacy and have jointly hosted policy events, discussions and workshops.



All funders were concerned with the communication from SHIFT in SAARC management.

# CHALLENGES AROUND MRM



## HUMAN CAPITAL

The MRM system has been a challenge and is not providing information that would contribute to programme improvement. Part of the The MRM challenge for SHIFT in SAARC is due to personnel issues.



## INDICATORS

The MRM system has indicators that measure programme outputs, programme outcomes, market outcomes, SHIFT in SAARC outcomes and impacts. At the higher levels of the results chain, this categorization of the indicators does not map directly to systemic changes (or changes in the inclusive finance system or the inclusive FMCG retail market systems).



## CAPTURING MARKET DEVELOPMENT CHANGES

The programme reported that it captures market development changes, specifically new partnerships involving DFS. However, this information is not reported on the MRM, even though it is an indicator of systemic change. While the MRM contains indicators for all levels of the TOC from outputs to impact, the programme has focused on data collection and reporting for output indicators. Little data is available for any outcome indicators and what is available comes primarily from satisfaction surveys from training participants.



## RESPONSES

Management is more reliant on conversations and interactions with stakeholders to stay updated on changes that occur due to the programme.

# GENDER INDICATORS IN MRM; NO DISAGGREGATED DATA



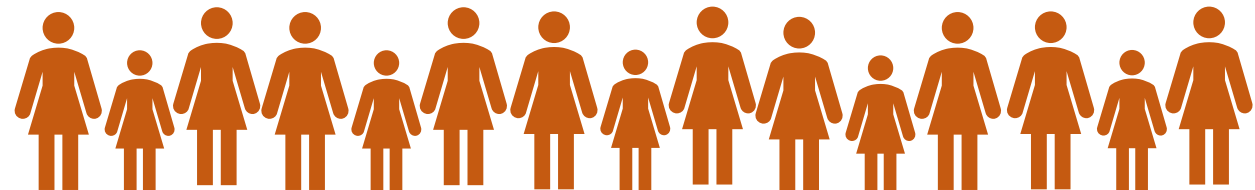
**31**

Indicators in SHIFT SAARC MRM



**7** of the Indicators Relate to Women or Gender

Many other indicators call for gender-disaggregated data, but no such data was found in the MRM.. The programme also tracks gender-related results in a “gender tracker.”



# PARTNER CONTRIBUTIONS/INVOLVEMENT IN SHIFT SAARC

SHIFT in SAARC has invested significant time and effort into building the capacity of the co-applicants, with mixed results. The programme provided training on M&E and project and materials design, and co-applicants received a master training on DFS and participated in many of the SHIFT in SAARC conferences and meetings.



The programme also provided ongoing coaching to support quality implementation of activities. This support has been most effective in preparing Dnet to deliver TOTs and trainings to micro-merchants and Kallyani. Dnet has performed better than initial expectations. The organization has met targets, milestones and timelines, and reported progress to SHIFT in SAARC in a timely fashion.



**বাংলাদেশ দোকান মালিক সমিতি**  
**BANGLADESH DOKAN MALIK SAMITY**  
 (National Association of Shop Owners in Bangladesh)

BDMS was significantly delayed in starting implementation due to an internal dispute that prevented it from signing the grant agreement with SHIFT in SAARC until July 2018. As a result, BDMS only started to deliver activities in the three to four months prior to the MTE.



FBCCI has the lowest capacity of the three partners in terms of understanding DFS or digital transactions related to the FMCG value chain. In 2018, FBCCI had 10 activities planned and delivered only two. The shortcoming was said to be due to their pre-occupation with election-related activities that year.



iSocial is a social enterprise that was part of Dnet at the time of programme design but was spun-off in 2017 to become an independent legal entity. iSocial does not receive any direct funding or support from SHIFT in SAARC, but they are critical to the ultimate success of the Kallyani programming, and they benefit indirectly from UNCDF support.

# JOINT, LIMITED ACTIVITIES AMONG PLANNED PARTNERS



SHIFT in SAARC had also planned to partner with two other national institutions: BIBM and InM, which are considered influential by Bangladesh Bank and DFS providers alike. While unable to bring these institutions on board as sub-grantees due to lack of Board approval, UNCDF conducted joint, limited activities with them:

## BIBM

**Bangladesh Institute of Bank Management**

বাংলাদেশ ইনস্টিটিউট অব ব্যাংক ম্যানেজমেন্ট

BIBM is a national training, research, consultancy and education institute focused on the banking and finance sectors and collectively owned by all the banks in Bangladesh. They have worked with SHIFT in SAARC to co-host a conference. Originally, SHIFT in SAARC planned that BIBM would develop and then deliver the DFS training module for central bankers.

## InM



The InM (previously the Institute for Microfinance), is a non-profit organization engaged in research and training for the microfinance sector. SHIFT in SAARC commissioned InM to produce a study on Interoperability.

# ALIGNMENT WITH WEE AND WOMEN'S FI

The implementation of SHIFT in SAARC in Bangladesh has not reflected the emphasis placed on gender in the SHIFT in SAARC programme framework.

UNCDF is addressing women's financial inclusion and economic empowerment through their support for the InfoLady programme and, to a lesser extent, the micro-merchants.



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**EVALUATION  
FINDINGS  
EFFECTIVENESS**



# HELPING FINANCIAL SERVICE PARTNER ORGANIZATIONS

The SHIFT in SAARC programme works to increase the supply of financial products and business models by improving the private sector's use of evidence for decision making, increasing information exchange among private sector actors, and providing innovation incentives to FSPs.

## Improvements as a result of SHIFT SAARC



SHIFT in SAARC has improved the use of evidence to some extent through the Micro Merchant Landscape Assessment, which influenced FSPs by demonstrating that there are 1.6 million retailers with 60% of their inventory in FMCG products.



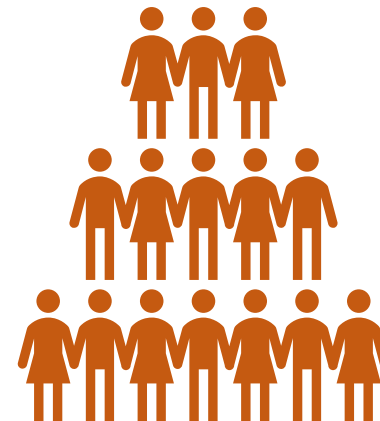
SHIFT in SAARC improved information exchange among DFS stakeholders by promoting participation in coalitions, such as the Digital Finance Consultative Group.

# HELPING MESO-LEVEL STAKEHOLDERS



## TRAINING THE TRAINERS

SHIFT in SAARC programme has trained the trainers of two co-applicant organizations, **Dnet and BDMS**, to provide training to meso-level stakeholders such as business association representatives and BDS providers. These groups were trained to both understand and provide support to enhance the growth of micro-merchant businesses



## RESULTS

At the time of the MTE, 17 BDS providers and **119 business** association members had been trained by either Dnet or BDMS.

FBCCI has provided training programs for business association leaders and has organized a session on DFS, focused on SMEs and awareness building for leaders.

# ENABLING FINANCIAL INCLUSION POLICIES AND REGS.



## PURPOSE OF THE POLICY AND ADVOCACY ACTIVITIES (E.G. COALITION BUILDING, NETWORKS POLICY DIALOGUE, AND COORDINATION)

To promote an improved policy and regulatory environment for digital financial inclusion. SHIFT in SAARC has used its convening power in Bangladesh to strengthen coalitions and partnerships between the public and private sector actors to promote enabling DFS policy.



## STAKEHOLDER PERSPECTIVE ON POLICY IMPACT

Stakeholders are not in agreement as to why SHIFT in SAARC has not had more influence on the development of enabling financial inclusion policies and regulations. This includes widely varying opinions about the extent to which SHIFT in SAARC has built awareness of the constraints and opportunities for gender equality.

# EXAMPLES OF POLICY INTERVENTIONS

SHIFT in SAARC undertakes other policy and advocacy activities including direct consultations with the central bank. These consultations include commenting on draft policies and regulations. For example, SHIFT in SAARC commented on the draft NFIS and persuaded the Bangladesh Bank to include DFS in that strategy.

SHIFT in SAARC has supported its policy and advocacy efforts with research to provide data and evidence to regulators and policymakers. This effort has effectively improved information exchange and dialogue among regulators/policymakers and FSPs by raising awareness of DFS issues, providing evidence for the market, and promoting a dialogue between regulators/policymakers and the private sector, particularly FSPs.

## DIRECT CONSULTATIONS

## RESEARCH TO PROVIDE DATA AND EVIDENCE



## LEADERSHIP AND CONVENING

## RAISING STAKEHOLDER AWARENESS

## CAPACITY BUILDING

Under SHIFT SAARC leadership, the Digital Finance Consultative Group (DFCG) became a "very effective" and "interesting platform to express the needs and limitations of all stakeholders." SHIFT in SAARC brought the government into the DFCG coalition for the first time and was credited with getting the government to be more open with the private sector.

SHIFT in SAARC has raised stakeholders' awareness on many DFS related topics including: financial inclusion, merchant payment, eCommerce, blockchain, interoperability and eKYC. However, there was no agreement on whether the programme raised awareness on gender constraints and/or the gender gap in DFS.

SHIFT in SAARC has conducted activities to directly increase the capacity of regulators and policymakers to support the development of enabling policies that can address the needs of low-income people. They have raised central bankers' awareness of emerging technologies, including interoperability, blockchain and regulatory sandboxes. The programme has also built the capacity of policymakers and regulators through knowledge sharing events and global knowledge exchange forums. These types of activities were effective in influencing the eKYC policy development process and promoting regulatory issues such as regulatory sandboxes. In the long term, SHIFT in SAARC's DFS training module may have the most impact on policymakers' and regulators'

# ADVANCEMENT IN E-KYC REGULATIONS

Two years after SHIFT in SAARC started operations, there is now a new eKYC national-level committee, draft guidelines (tailored to the local context), a draft circular and plans to begin an eKYC pilot.



SHIFT in SAARC has worked with a2i in promoting an enabling eKYC policy in Bangladesh. SHIFT in SAARC's direct contribution includes producing the DFS regulatory assessment and a policy synthesis paper, providing support for policy dialogues, South-South exchange visits, and coalition building, and supporting regulators and policymakers to undertake best-practice consultative processes to develop holistic and inclusive regulatory framework and policy for low-income consumers.

However, the evaluation team could not conclude that the SHIFT in SAARC programme was the main contributor to advancing the eKYC regulations, as a2i has taken the lead and has been a major influence.

# POLICY INFLUENCE OF SHIFT SAARC



## Disagreement Among Stakeholders

Aside from the eKYC policy, there is considerable disagreement among stakeholders about the influence of SHIFT in SAARC on the DFS enabling environment in Bangladesh.

## Calling into Question SHIFT SAARC's Theory of Change Around Influencing Policy

Both funders and UNCDF believed that raising policymakers' and regulators' awareness and knowledge about DFS would change behaviour and lead to more inclusive DFS policies. However, it appears that the mechanisms of raising awareness and sharing knowledge, even when coupled with coalition building and advocacy, are insufficient in Bangladesh to change policy.

## Considerable Time in Required

Only a few government stakeholders addressed SHIFT in SAARC's influence on changing policy and they emphasized that it takes considerable time in Bangladesh to move policy. Government stakeholders were more likely to attribute raised awareness as the outcome of SHIFT in SAARC's efforts.

## **SHIFT is Perceived by Some in the Private Sector as Not Strong Enough**

Its attempts to influence priority policies are constrained by lack of capacity and/or bandwidth. This was the reason given for missing the opportunity to lead the NFIS, although SHIFT did provide a supporting activities.

## **Digital Finance Consultative Group is Not Sufficiently Action Oriented**

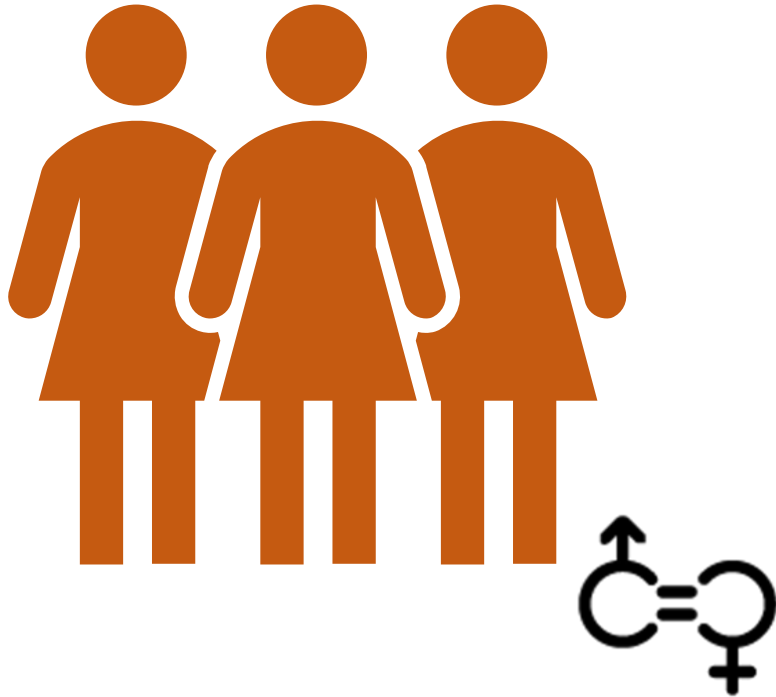
UNCDF focused on building the DFCG when they realized that a broader-based coalition could have more influence with policymakers. Several stakeholders, even strong supporters of the DFCG, though, point out that it is primarily a networking and information platform rather than a decision-making body. Observers suggest that it needs to be more action-oriented. Respondents believe that this would require the participation of senior decision-makers from key organizations, who are not currently participating in DFCG events. As one DFCG participant noted, “And the engagement in DFCG – you’ll see that the top-notch decision-makers from the institutions are not participating. You need to engage the “high-ups” to influence policy.”

## **Power to Change Regulation is Housed Elsewhere**

There is disagreement among stakeholders about where the power to change regulation lies. Programme documents called for UNCDF to “directly collaborate [within the central bank] with the Financial Inclusion Department (FID) and the Payment Systems Department (PSD)” Some believe the institutions that SHIFT has targeted with advocacy do not have power to effect DFS regulations.



# AWARENESS ON GENDER EQUALITY & WOMEN'S MARKET




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## Constraints and Opportunities for Gender Equality

Stakeholders had widely varying perspectives on this, ranging from positive to negative on building awareness of gender constraints. Generally, the evaluation team observed little evidence of effects from SHIFT's work in this area.

## Awareness and Understanding of the Women's Market

To date, SHIFT has not effectively built awareness or understanding of the women's market. The programme suffered a setback in this area when the MMLA revealed that women comprised only a small share of all micro-merchants in the country. SHIFT

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**EVALUATION  
FINDINGS  
LIKELY IMPACTS**

# ARE INVESTMENTS IMPROVING MARKETS FOR THE POOR?



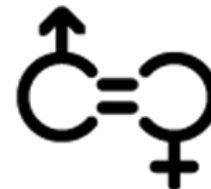
## SUPPLY SIDE FSP PRODUCTS

To date, no FSP products have been launched as a result of SHIFT in SAARC. The programme plans to pilot various financial services with male and female micro-merchants through the innovation grants that the programme recently awarded.



## REGULATORY POLICIES AND REGULATIONS

SHIFT in SAARC has contributed to the forthcoming eKYC policy, which has the potential to accelerate the on-boarding of millions of RMG workers to digital payments. The indirect impacts of SHIFT in SAARC's work to advance eKYC guidelines could be very widespread if family members on the receiving end of remittances become encouraged to take up DFS.



## GENDER EQUALITY SUSTAINABLE GENDER-RELATED OUTCOMES

The InfoLady programme demonstrates positive non-financial effects on women entrepreneurs. The programme is likely having positive indirect impact on the women served by the Kallyani entrepreneurs.



## MESO [NEW] MARKET RELATIONSHIPS

The focus of SHIFT in SAARC so far is on building the capacity of the implementing partners, collecting the foundational evidence to inform the project design, and developing the capacity of the micro-merchants, BDS providers and business associations. The innovation grants are intended to promote new relationships by encouraging collaborative partnerships between micro-merchants, distributors, wholesalers and regional FMCG companies, along with FSPs and technology companies, including Fintechs.

# ARE INVESTMENTS IMPROVING MARKETS FOR THE POOR?



## DATA AND EVIDENCE RAISE AWARENESS OF FSPS OF MICRO- MERCHANT SECTOR

The Data and Evidence work has raised the awareness of FSPs of the micro-merchant sector as a viable market for financial services. The DFS-related workshops and events have raised DFS awareness among companies high up the FMCG value chain. Micro-merchants reported several positive effects of the training on their business activities, including a higher demand for products, higher sales, and more customers.



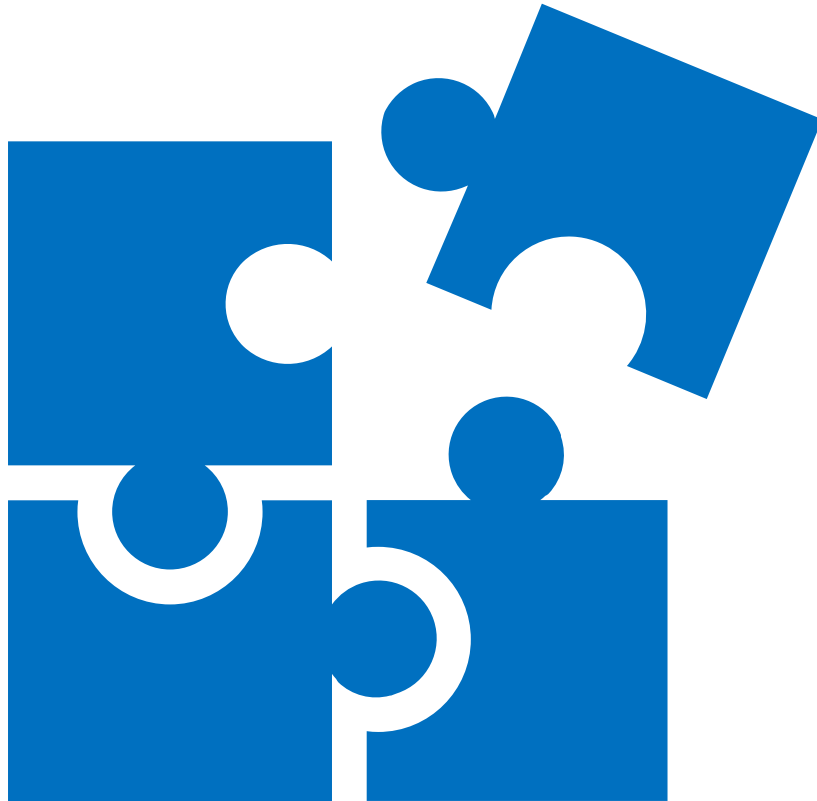
## DNET MAINSTREAMING MOBILE APP TO FMCG PROVIDER

Dnet is working to mainstream the mobile app to FMCG providers, which could have a significant impact on the FMCG value chain throughout Bangladesh. At the same time, the innovation pilots (in combination with the app) could impact micro-merchants by saving them time and money, increasing the speed of stocking their shops, reducing debts, and increasing cash flow and improving sales, although it is too early to say.

A photograph of two construction workers in purple shirts and yellow hard hats working on a solar panel array. They are leaning over the panels, which are mounted on a metal frame. The background shows a large, open-air structure with a metal roof and pillars, surrounded by trees and a clear sky. The scene is brightly lit, suggesting a sunny day.

# EVALUATION FINDINGS SUSTAINABILITY

# FSPS REACHING LOW-INCOME MARKET OVER TIME



Before SHIFT in SAARC, FSPs had less awareness of DFS and little incentive to extend services to low-income men and women, particularly those considered “last mile.”

The SHIFT Programme has built FSPs capacity in DFS and started to provide innovation grants to broaden the DFS market to reach low-income men and women.

However, the programme’s short timeframe threatens to halt activities just as they are building momentum.

# GOVERNMENT PRIORITIES/PERFORMANCE TO REMAIN



## DFS TRAINING

One of the long-lasting impacts of SHIFT in SAARC is likely the DFS training, which the programme has handed over to Bangladesh Bank Training Academy so that the academy may train all newly-recruited Bangladesh Bank officials. There is potential for the central bank to continuously upgrade their knowledge of emerging issues in DFS.



## STAKEHOLDER CONVENING

The Digital Financing Consultative Group has effectively convened the public and private sectors in Bangladesh around emerging issues in DFS.

# SUSTAINABLE ACCESS AND USE OF DFS BY END USERS



Interviews with micro-merchants and the Kallyani women suggest that entrepreneurs' use of MFS is related to cost and convenience, while customers' use of MFS depends on awareness. The sustainable use of MFS by merchants will depend on the affordability of the channel.



The most likely sustainable effects on gender equality will result from the Kallyani programme, which appears to have positive impacts through effects on women's confidence, self-esteem and agency.



# RECOMMENDATIONS AND MANAGEMENT RESPONSES



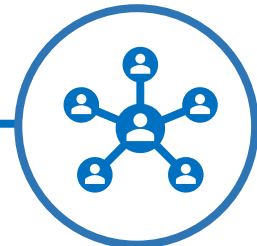
# SHIFT SAARC – BROAD AND FLEXIBLE PROGRAMME



Increased information exchange among regulators, the private sector, and an expanded and strengthened coalition for digital finance.



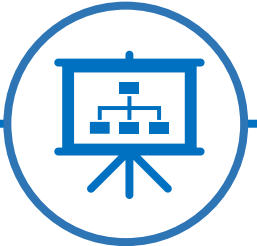
Built the implementing partners' capacity to continue offering training and innovations to micro-merchants and Kalyani women.



Launched six innovation grants aimed to promote the digitalization of the FMCG supply chain, and the digital financial inclusion of micro-merchants and Kalyani women to promote DFS use by end consumers.



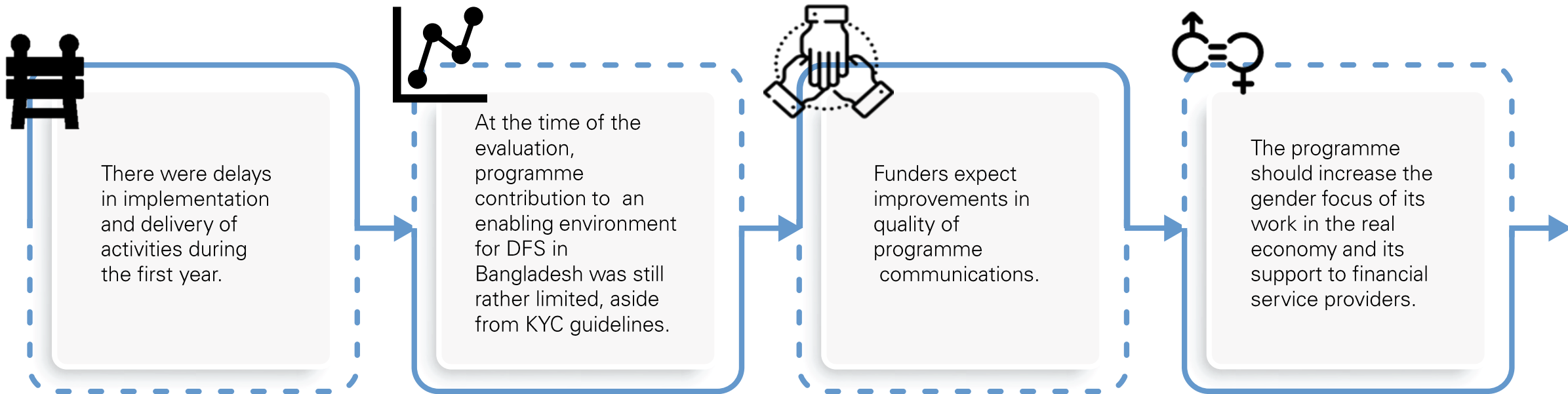
Developed and disseminated important and impactful research on key themes related to financial inclusion, DFS and micro-merchant sector.



Supported the financial services regulators, introducing them to new ideas and emerging tech, and providing them with opportunities to learn from good international practices. Improved capacity and potentially improved policy and regulations, such as eKYC guidelines, which can promote financial inclusion of low-income consumers.



# AREAS OF IMPROVEMENT TO ACHIEVE OBJECTIVES



# KEY RECOMMENDATIONS

Future support to the Digital Finance Consultative Group should aim to help it become a more action-oriented to take on specific topics of relevance to the inclusive finance sector.

Programme should focus efforts on selecting pilots with impact in mind in view of the limited timeframe for results.

Maintain focus on capacity building with expanded activities to include additional groups and topics (including gender issues), and a more systematized training approach.

Adapt programme management to time and resource constraints

Revise results measurement system to distinguish intermediate from long-term outcomes; increase the frequency of monitoring and data collection.

# MANAGEMENT RESPONSES

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## Recommendation:

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Future support to the Digital Finance Consultative Group should aim to help it become a more action-oriented to take on specific topics of relevance to the inclusive finance sector. Programme should focus efforts on selecting pilots with impact in mind in view of the limited timeframe for results.

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## Response:

Periodically update the Theory of Change and MRM to include demonstration effects and learnings from pilots. Every Quarter SHIFT SAARC Programme Manager 30 June 2020 In Progress We have made some significant progress in this regard during Q1 2020. MRM dashboards for each of the 6 Business Innovation Pilots are in place. These dashboards are tools to reflect the demonstration effects and learnings from the pilots so that the project managers can make course corrections during implementation. The MRM for each pilot now includes data sources ranging from Periodic Reports and Milestone Reports to MIS, mobile app, and website data. However, the core ToC and MRM framework of SHIFT SAARC has been deliberately kept unchanged. Revision of a project's core ToC and MRM framework is a critically sensitive task, and the exercise of developing 6 separate MRM dashboards for innovation pilots is an important step towards it. Depending on outcomes of the use of separate MRM dashboards for innovation pilots in Q1 2020, the core ToC and MRM framework of SHIFT SAARC will be updated in the next quarter. Accordingly, the project team will keep referring to the dashboards, ToC, and the MRM framework for evidence-based programming and update the same in the following quarters, if necessary.

## KEY ACTIONS

- Fast-track implementation of the innovation grants: SHIFT SAARC has already operationalized 6 innovation pilots, and they are being implemented—Completed
- Periodically update the Theory of Change and MRM to include demonstration effects and learnings from pilots—Initiated
- SHIFT SAARC will attempt to transform DFCG into an action-oriented platform together with Gov through the UNDP a2i initiative, re-activate members participation and engagement with policymakers and regulators--Initiated

# MANAGEMENT RESPONSES

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## Recommendation:

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Maintain focus on capacity building with expanded activities to include additional groups and topics (including gender issues), and a more systematized training approach.

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## Response:

### KEY ACTION:

- SHIFT SAARC arranged different kinds of interventions, including the development of a DFS module that can be tailored to the needs of the regulators and handed it over to the training academy. —Initiated
- The programme will also work towards raising resources or collaborate with institutions having resources on stakeholder capacity building to draw up a comprehensive plan for capacity building of regulators and critical providers as well, especially addressing how decision-makers consult data and evidence and how gender issues and needs of the left-behind segments are viewed on a policy level—Initiated

# MANAGEMENT RESPONSES

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## Recommendation:

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Adapt programme management to time and resource constraints

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## Response:

### KEY ACTION:

- i) Use insights from the micro-merchant assessment for more tailored innovation pilots and for fine-tuning innovation models. ii) Commission additional research on digital transformation of supply chain operations and payments to better understand value chain actors and inform potential investors and market actors—Initiated
- SHIFT SAARC will closely monitor the pilots to ensure adherence to the principles of lean innovation and customer-centricity and for overall improvements—Initiated
- The programme will periodically document the knowledge management lessons of the innovations being piloted, thereby capturing learnings for wider market and stakeholder benefits—Initiated
- Through training, immersive workshops and Partner Review Meetings with the innovation partners, SHIFT SAARC has been making sure that they have a proper understanding of gender issues, challenges and needs of these overlooked segments and the techniques of capturing and building on implementation lessons—Initiated

# MANAGEMENT RESPONSES

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## Recommendation:

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Revise results measurement system to distinguish intermediate from long-term outcomes; increase the frequency of monitoring and data collection.

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## Response:

The MRM system will be further developed and aligned with CGAP framework on measuring market system development for the poor. March 2020 SHIFT SAARC Programme Manager 30 June 2020 In Progress The MRM system of SHIFT SAARC has been thoroughly reviewed, and some areas were identified where there could have been better alignment with the CGAP framework for measuring market development in inclusive finance to improve accountability. Notably, the current MRM framework tends to focus more on aspects within the programme's control as outcome indicators. The team has identified indicators that can more objectively measure systemic changes and changes in the inclusive financial and real economy market systems as a result of the programme's activities. Based on further review and approval of this identification and in alignment with the outcomes of the dashboard exercise of innovation pilots, the MRM system will be updated in the next quarter.

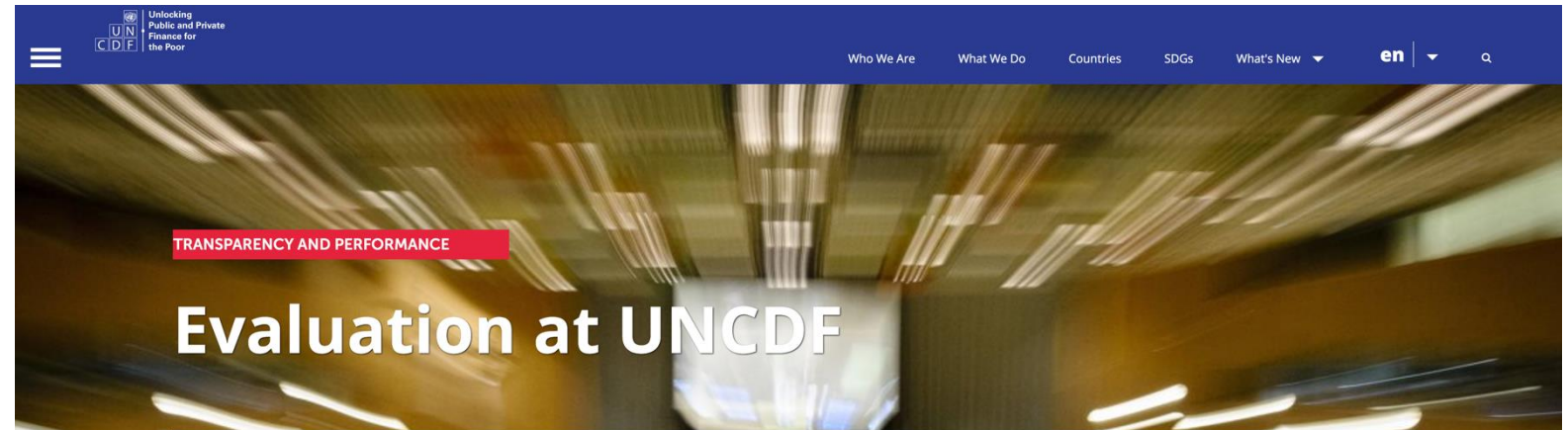
## KEY ACTION:

- The MRM system will be further developed and aligned with CGAP framework on measuring market system development for the poor—Initiated
- SHIFT SAARC will further strengthen its existing MIS which presently tracks both programme and partner level activities. Data from digital media platforms will be collected in near real-time basis—Initiated
- SHIFT SAARC will step up follow-up visits to understand how and why training did or did not make any difference to the target segments—Initiated
- SHIFT SAARC will further enhance its ongoing communications where findings from research initiatives and anecdotal impact stories is transformed into targeted messaging for specific stakeholder groups and broadcasted via newsletters, info sheets and social media channels—Initiated


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**UNCDF**



**EVALUATION PLAN**

**Current Plan**

2018-2021

**EVALUATION FOCAL POINT**

Andrew Fyle

Christophe Legrand

Pietro Tornese

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SN	Evaluation	Evaluation Type	Planned Year	Completion Year	Status	Management Response
1.	Mid-Term Evaluation of Mobile Money for the Poor (MM4P)	Others	2017	2018	Completed	Yes
2.	Mid-Term Evaluation of Shaping Inclusive Finance Transformations (SHIFT) Programme in Asean	Others	2018	2018	Completed	Yes
3.	Local Climate Adaptive Living Facility	Others	2017	2018	Completed	Yes
4.	Local Finance Initiative Global Programme	Others	2017	2017	Completed	Yes
5.	Mid-term Evaluation of the CleanStart Programme Accessing Clean Energy for the Poor	Others	2017	2017	Completed	Yes
6.	Évaluation finale du Programme d'appui au développement local (PADEL) – Niger	Project	2016	2017	Completed	Yes
7.	Mid-Term Evaluation of the Making Access to Finance More Inclusive for Poor People Program	Others	2015	2016	Completed	Yes

To access our completed evaluations, which include management responses and key actions:

<https://erc.undp.org/evaluation/units/255>

# Thank You

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