

Key Results from SHIFT SAARC Final Evaluation

- 2021



Unlocking Public and Private Finance for the Poor

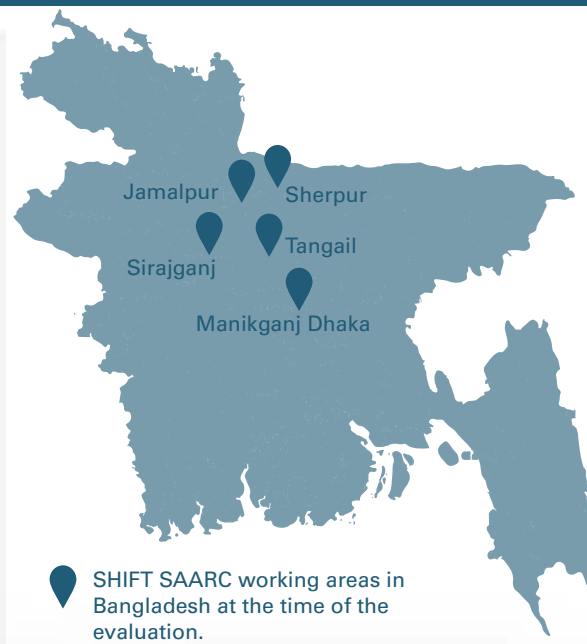
The Shaping Inclusive Finance Transformations (SHIFT) in the South Asian Association for Regional Cooperation (SAARC) programme is a regional market development initiative implemented by the United Nations Capital Development Fund's (UNCDF) Inclusive Digital Economies (IDE) Practice Area. Specifically, it aims to expand economic participation of and opportunities for women and small and growing businesses to be active agents in the formal economy. SHIFT SAARC was only implemented in Bangladesh at the time of the evaluation.

SHAPING INCLUSIVE FINANCE TRANSFORMATIONS (SHIFT)

UNCDF's SHIFT programme aims to improve the level of financial inclusion in the ASEAN region. SHIFT aims to facilitate the transition of low-income individuals and enterprises, targeting women in these market segments, from using informal to formal financial services. This transition is expected to result in an increase in productive investment, consumption stability and assets ownership, with the goal of reducing poverty and vulnerability to achieve inclusive economic growth.

PROGRAMME APPROACH

A regional and pro-poor market development approach that is intended to achieve economies of scale to address shared policy, market constraints and opportunities. This is undertaken through the provision of market incentives and influencing behaviour change in financial institutions and the broader ecosystem supporting financial institutions in ASEAN.



Contribution to Partners

Overall, the Merchant Development Driving Rural Markets in Bangladesh (MDDRM) component can be considered a successful initiative. In Bangladesh, MDDRM/UNCDF effectively acted as a catalyzer and facilitator, stimulating an interest in the Micro-merchants (MM) segment and engaging MMs for last mile outreach. Adopting a market development approach, it invested important resources and leveraged partnerships towards supporting the MM/DFS ecosystem at all levels.

Despite delays and other challenges (including the COVID-19 pandemic), it managed to achieve some notable results, although longer term impact in terms of value chain integration and business growth are yet to materialize. On the whole, the MDDRM component is expected to make a positive contribution to the inclusion of MMs in a digital economy as promoted by IDE's global strategy.

The following lessons can be drawn: a sector-specific focus and in-country presence are important for a greater understanding and the provision of more adequate support; the selection of implementing partners and procurement processes should be underestimated; and policy advocacy and gender inclusion require continuous support.

Recommendations

At the Strategic Level

Promote focus on real economy sectors towards facilitating a better understanding of beneficiaries' needs and more adequate support delivery as well as targeted by IDE's global strategies, supporting digital economies than merely digital services.

Maintain holistic approach of UNCDF/IDE interventions, also when sectors-specific, by considering all levels of the DFS/sector ecosystem in coordination with similar efforts of other DPs and governments.

Assure UNCDF's in-country presence, or at least, regular in-country engagement, in (potential) target countries towards supporting the appropriate design and effective implementation of UNCDF IDE interventions.

At the Operational Level

Foster effective partnerships, especially for interventions integrating financial and real sector work.

Build business innovations initiatives through challenge grant funding.

Strengthen the M&E systems by including relevant indicators and targets related to all levels of the results chain.

Reinforce UNCDF's knowledge management function by maintaining the online Microentrepreneurs Asia portal.

Sustain gender engagement beyond the design/preparatory phase by supporting management teams with gender experts.

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