



Unlocking Public and Private  
Finance for the Poor

# COMPLETION REPORT

*UNCDF SHIFT ASEAN  
2014-2020*

**Australian  
Aid** 

## TABLE OF CONTENTS

Summary Contribution Data .....	2
List of Acronyms .....	4
<b>1 Executive summary .....</b>	<b>8</b>
1.1 Key Achievements and how they relate to SHIFT TOC .....	8
1.2 Challenges & Learnings .....	13
1.3 Next steps .....	15
<b>2 Programme Overview .....</b>	<b>17</b>
2.1 Background .....	17
2.2 Programme description .....	20
2.3 Programme Goals and TOC .....	20
2.4 Outcomes/Outputs and Targets under Programme Pillars .....	21
2.5 Implementation timeline .....	23
2.6 Programme Management .....	28
<b>3 Results .....</b>	<b>33</b>
3.1 Fund Facility .....	35
3.2 Learning and Skills Development .....	47
3.3 Data and Analysis Hub .....	55
3.4 Policy and Advocacy .....	63
<b>4 Programme Challenges .....</b>	<b>73</b>
4.1 Programme Sustainability .....	74
<b>5 Gender Equality, Disability and Social Inclusion .....</b>	<b>77</b>
5.1 Gender Inclusiveness of SHIFT Programme .....	77
5.2 Youth Outcomes .....	78
5.3 Persons with Disabilities (PWD)' Financial Inclusion .....	78
<b>6 Programme Learnings and Way Forward .....</b>	<b>82</b>
6.1 Supporting the right business models in a tailored way is key .....	82
6.2 Technical guidance and assistance enable better results .....	83
6.3 The stability of the grantees affects the quality of the partnership .....	83
6.4 The importance of Data and Capacity Building in Market Development .....	83
6.5 The importance of an Enabling Policy Environment Regionally and Nationally .....	83
6.6 A Market Development Approach Requires an Appropriate Management Structure .....	84
6.7 Limited funding influences priorities .....	84
6.8 Recommendations from the MTE proved effective in improving SHIFT implementation in the last years .....	84
6.9 UNCDF ASEAN Digital Strategy .....	85
<b>7 Annex .....</b>	<b>87</b>

## SUMMARY CONTRIBUTION DATA

<b>REPORTING PERIOD</b>	<b>2014-2020</b>
<b>DONORS</b>	<p>Department of Foreign Affairs and Trade (DFAT), Australian Government;</p> <p>Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V. (FMO);</p> <p>UNCDF Last Mile Finance Trust Fund (LMTF);</p> <p>Monetary Authority of Singapore (MAS);</p> <p>United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP);</p> <p>United Nations Pulse Lab Jakarta;</p> <p>VISA Inc.</p>
<b>COUNTRY/REGION</b>	<b>ASEAN + Bangladesh, Nepal, Fiji and Samoa<sup>1</sup></b>
<b>PROJECT TITLE</b>	<b>Shaping Inclusive Finance Transformations</b>
<b>PROJECT ID</b>	<p>Atlas Award ID (UNCDF Core): 00080730</p> <p>Atlas Award ID (DFAT): 00081703</p> <p>Atlas Award ID (FMO): 00086566, 00119315 and 00133694</p> <p>Atlas Award ID (LMTF): 00103003</p> <p>Atlas Award ID (MAS): 000111162</p> <p>Atlas Award ID (UNESCAP): 00115189</p> <p>Atlas Award ID (UN PulseLab):00112628</p> <p>Atlas Award ID (VISA): 00106376</p>
<b>PROJECT START/END DATE</b>	<b>19 May 2014 to 31 December 2020 (recently extended until 30<sup>th</sup> June 2022)</b>
<b>TOTAL BUDGET</b>	<b>US\$ 33,433,574</b>
<b>FUNDED BUDGET</b>	<b>TOTAL: US\$ 10,918,311.69</b>
<b>RESOURCES BY DONOR(S)</b>	<p>DFAT: US\$ 7,646,720</p> <p>FMO: US\$ 1,084,061.71 (2015-2020)</p> <p>LMTF: US\$ 373,256.12 (2017-2019)</p> <p>MAS: US\$ 50,000</p> <p>UNCDF Core: US\$ 547,500</p> <p>UNESCAP: US\$ 653,630</p> <p>UN PulseLab: US\$ 364,143.86</p> <p>VISA: US\$ 199,000</p>
<b>UNFUNDED BUDGET</b>	<b>US\$ 22,515,262.31</b>

<sup>1</sup> SHIFT ASEAN is collaborating with UNCDF programmes including: SHIFT SAARC, Nepal country team, and Pacific Financial Inclusion Programme (PFIP) to cover expanded regional implementation.

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## LIST OF ACRONYMS

AAER	Adopt, Adapt, Expand, Respond
ACCMSME	ASEAN Coordinating Committee on Micro, Small and Medium Enterprises
ADB	Asia Development Bank
AFDM-WG	ASEAN Finance and Central Bank Deputies Working Group
AFI	Alliance for Financial Inclusion
AFTECH	Indonesian FinTech Association
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
APEC	Asia-Pacific Economic Cooperation
API	Application Programming Interface
APICTA	Asia Pacific ICT Alliance
ASEAN	Association of Southeast Asian Nations
ATMs	Automated Teller Machines
B2B	Business-to-Business
BDT	Bangladeshi Taka
BoL	Bank of the Lao PDR
CDD	Customer Due Diligence
CF	Challenge Fund
CGAP	Consultative Group to Assist the Poor
CJAR	Customer Journey Action Research
CLMV	Cambodia, Lao PDR, Myanmar, Viet Nam
CSOs	Civil Society Organisations
DAP	Denarau Action Plan
DFAT	Department of Foreign Affairs and Trade (Australian Government)
DFC	U.S. International Development Finance Corporation
DPO	Disabled Peoples' Organization
EFA	Expanding Financial Access
EOI	Expression of Interest
FATF	Financial Action Task Force
FCDO	Foreign, Commonwealth and Development Office
FMCG	Fast Moving Consumer Goods
FMO	Dutch Entrepreneurial Development Bank
FSPs	Financial services providers
GDP	Gross domestic product
GEF	Gender Equality Fund
GEWECCG	Gender Equality and Women's Empowerment Coordination Group
GSAT	Gender Self-assessment Tool

GSMA	Global System for Mobile Communications
IDR	Indonesian Rupiah
IFC	International Finance Corporation
ILO	International Labour Organization
IMWG-FISF	Inter-ministerial Working Group on Financial Inclusion Strategy Formulation
IOM	International Organization of Migration
IVR	Interactive Voice Response
KYC	Know Your Customer
LDCs	Least Developed Countries
LPG	Liquefied Petroleum Gas
LVPB	LienVietPostBank
M&E	Monitoring and Evaluation
MAFIPP	Making Access to Finance More Inclusive for Poor People
MAP	Making Access Possible
MAS	Monetary Authority of Singapore
MFIs	Microfinance Institutions
MMK	Myanmar Kyat
MOWA	Ministry of Women Affairs
MSD	Market Systems Development
MSMEs	Micro, Small, and Medium Enterprises
MTE	Mid-Term Evaluation
MTOs	Money Transfer Operators
NBC	National Bank of Cambodia
NFIS	National Financial Inclusion Strategy
NSPAW	National Strategic Plan for International Advancement for Women
OCR	Optical Character Recognition
ODA	Official Development Aid
PBA	Performance Base Agreement
PSS	Payment and Settlement Systems
PTWG	Participation Technical Working Group.
PWD	Persons with Disabilities
RPW	Remittance Prices Worldwide
RSPs	Remittance Service Providers
SBV	State Bank of Viet Nam
SEP	Small Enterprises Programme
SHIFT	Shaping Inclusive Financial Transformations
TA	Technical Assistance
TOC	Theory of Change

TOR	Terms of Reference
TSPs	Technical services providers
TWG	Technical Working Group
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
VND	Vietnamese Dong
VWU	Viet Nam Women's Union
WASH	Water, Sanitation and Hygiene
WC-FINC	Working Committee for Financial Inclusion
WC-PSS	Working Committee on Payments and Settlement Systems
WEFIP	Women's Economic and Financial Inclusion Project
WEP	Women Enterprises Programme



## 1 EXECUTIVE SUMMARY

UNCDF's SHIFT ASEAN programme was launched in 2014, aiming to advance financial markets by changing the behaviour of market actors to stimulate investment, business innovations and regulatory reform in growing inclusive enterprises. In doing so it has applied a regional, thematic and market systemic approach that focused on support activities in ASEAN developing economies.

The main programme goal is to assist at least six million (i.e., one million directly and five million indirectly) low-income people, micro-entrepreneurs and MSMEs by 2020, of whom at least 65 percent will be women consumers. The impact-level Theory of Change (TOC) – see Annex II - is that low-income people, especially women, and businesses can be active agents in the formal economy when they have access to and use well-regulated and affordable financial services. By taking a Market Systems Development (MSD) approach, UNCDF SHIFT aims to address the lack of formal access and usage of financial services by women which has been identified as an important constraint in to achieving ASEAN development goals including poverty reduction, reduced vulnerability to shocks and increased income and employment.

As mentioned in the Project Document (ProDoc), the SHIFT ASEAN programme goal was designed to be achieved through four major outputs – Fund Facility, Learning and Skills Development Portal, Data and Analysis Hub, and Policy and Advocacy. The programme over the years has deployed various mechanisms including grant and business support under the innovation fund facility, data and research insights created from the programme's data hub and learning and skills development trainings for market actors; and engaging with Government stakeholders in those markets to support financial inclusion policies.

This document offers a final completion report of SHIFT ASEAN programme component supported by DFAT till 31 December 2020 and aims to promote learning and make a synthesis of programme outcomes and impact during the course of the programme. The report further aims to identify the outcomes and gaps of the SHIFT ASEAN programme and synthesis learning across the programme also in relation to new UNCDF Inclusive Digital Economy (IDE) strategy "Leaving no one behind in the digital era" and its ASEAN regional strategy.

### 1.1 KEY ACHIEVEMENTS AND HOW THEY RELATE TO SHIFT TOC

The TOC through four outputs of work, envisaged SHIFT ASEAN to impact overall 6 million low-income people, micro-entrepreneurs and MSMEs by 2020, i.e., within a duration of five years. This outreach and impact were designed to be achieved through outcomes at three levels:

- Macro – level outcomes – these are mostly institutional and systemic changes that are brought in at regional

and national level, which then has a positive impact on the concerned segment or sector across geographical constraints. These institutional changes are mostly brought in through policy and advocacy work, which results in new strategies and regulations.

- Meso – level outcomes – these are mostly specific organisational changes that are brought in by public/private sector stakeholders, which then has a

positive impact on their respective concerned segments or sectors, and also then influences their peers to act accordingly, there by bringing in market changes.

- Micro – level outcomes – there are mostly specific livelihood and life cycle

changes that are brought at the individuals, households or enterprises level, by having any direct services offered to this segment, or through the changes that cascades down due to actions at the macro and meso levels.

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### 1.1.1 MACRO-LEVEL OUTCOMES

At the macro level, there has been systemic changes achieved by the programme in line with SHIFT TOC outcome about “improved and more responsive policy and regulatory environment”.

Within the ASEAN Economic Community (AEC), through the programme support, financial inclusion was prioritized and institutionalized by setting up the ASEAN Working Committee on Financial Inclusion (WC-FINC), that now drives and supports ASEAN member states (AMS) to achieve the financial inclusion goals set by 2025. The UNCDF SHIFT programme is the technical partner to this committee. During the SHIFT ASEAN programme period and through technical assistance provided by the programme, Cambodia, Lao PDR, Myanmar and Viet Nam now have their respective National Financial Inclusion Strategies and in implementation, with gender mainstreaming in them. The Central Banks of Cambodia and Viet Nam have improved data analytics and decision-making capabilities that results in appropriate decision making to accelerate financial inclusion in their respective countries. For the first time in ASEAN, and among AMS, regional harmonization in monitoring and evaluating financial inclusion was implemented through the programme’s technical support, by standardizing financial inclusion monitoring and evaluation indicators across ASEAN member states, and development of guidance notes, tool kits in partnership with ASEAN WC-FINC and

AfI. To this end, a policy guidance note was developed and endorsed. The regional financial inclusion M&E report is now completed and published.

In 2015, the ASEAN WC-FINC set up the following financial inclusion targets to be achieved by 2025 - 1. Reduce average financial exclusion in ASEAN from 44 percent to 30 percent; 2. Enhance financial inclusion infrastructure readiness from 70 percent to 85 percent. As of February 2020, the financial inclusion infrastructure readiness level is 79.77 percent.<sup>2</sup> Between 2017 and 2019, the percentage of adults who report having an account at a bank combined with percentage of adults who report having an account at other formal financial institutions or payment service providers, increased by 12.9 percent in Cambodia. Around increase by 661 mobile money accounts per 10,000 population was achieved in Lao PDR between 2014 and 2018. 31 percent increase in adult population bank accounts was achieved between 2018 to 2020 in Myanmar.

If all these achievements only for Cambodia, Lao PDR and Viet Nam are taken into consideration related to financial inclusion, it is estimated that around <sup>3</sup> 7.6 million adult population additionally had access to financial services towards which the SHIFT ASEAN programme contributed to along with other

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<sup>2</sup> Measuring Progress: Financial Inclusion in ASEAN Countries, 2020, UNCDF

<sup>3</sup> UNCDF calculation.

development partners, DFIs/IFIs, public and private sector initiatives in the region.

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### 1.1.2 MESO-LEVEL OUTCOMES

The SHIFT ASEAN programme has contributed to the adoption of new or improved business models in some FSPs and related country markets, in line with SHIFT TOC systemic change and development objective level outcome around “increased number, diversity and affordability of financial services and products”. In all SHIFT ASEAN supported 31 business models over the span of five years, ranging from clean energy, remittances, women financial inclusion and on micro and small enterprises. These business models were implemented by various category of private sector partners – banks, MFIs, FinTechs, TechFins, Energy Service Companies, FMCG companies, Remittance companies etc. Examples of technology introduced through various business models include the recurrent use of application programming interfaces (APIs), Optical Character Recognition (OCR) and liveness check (eKYC), QR codes and transactional data analysis for lending. In addition, the SHIFT programme supported its MFI partners in Myanmar to develop and pioneer individual loan products for women MSMEs by boosting the use of data. Out of the 31 private sector partners, 14<sup>4</sup> targeted individual customers and offered various services such as digital formal remittances, e-wallets, interactive learning applications and affordable solutions for clean energy. The remaining 17<sup>5</sup> targeted MSMEs and successfully reached informal, low-income and collateral-lacking MSMEs, which most of the time were considered unbankable for traditional banks, through innovative credit scorings, data analysis and smart product design.

The SHIFT ASEAN programme has achieved some changes in the supply and diversity of financial services through its support to digital ecosystem of bookkeeping, e-commerce, payments, invoice based and supply chain-based credit, pay as you go, financial literacy, crowdfunding, peer to peer lending, utility payments etc. Through support to innovative business models, SHIFT ASEAN programme introduced new products and services in specific country markets, increased focused on micro and women segment being targeted, enabled expansion of services to other countries hence increasing market competitiveness, enabled partnerships between financial and technology platforms etc. Examples also include BRAC Myanmar that developed two new individual enterprise loan products focusing on women entrepreneurs and Thunes that opened four new markets channels for remittances. These improved the level of access and usage of financial service and products in the region, especially by addressing the financial needs of female micro-merchants.

The SHIFT ASEAN programme impact in terms of affordability has been effective as most of the low-income segment reached were from rural areas, where the comparative cost of informal lending and by money lenders is high. In terms of remittances related intervention also, there has been a moderate cost reduction of cross-border remittances in the region from 2016 to

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<sup>4</sup> AMK, Amret, BFL, Biolite, Brighterlite, GLP, HFC, Hydrologic, Kamworks, LVPB, MOVIVO, SingCash, Thunes, WAVEMoney.

<sup>5</sup> Aeloi, Amaritha, AwanTunai, AWBA, Banhji, BRAC, Duihapse, Gangdengtangan, i-Farmer, Julo, Modalku, Motherfinance, Romoni, SHE, SkyEye, SparrowPay, Zigway.

2020. The Global Average Total Cost<sup>6</sup> of low value transactions at US\$ 200 towards CLMV economies was reduced from 12 percent in 2016 to 10.6 percent in the 3rd quarter of 2020, however, this trend seems to be determined by broader market dynamics and it is not directly attributable to SHIFT interventions only.

Hence overall the SHIFT programme contributed towards the acceleration of financial inclusion through more private sector partners offering digital solutions, which has seen an exponential growth in the past one year due to the pandemic effect.

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### 1.1.3 MICRO-LEVEL OUTCOMES

Since its launch in 2015, in line with the SHIFT TOC development objective level outcome about “improved level of access and usage of financial services and products” SHIFT has reached over 2.950 million beneficiaries in ASEAN, delivering a variety of financial services to 74,223 MSMEs and 2.876 million individuals – overachieving the SHIFT ASEAN ProDoc target of one million direct beneficiaries. The overall proportion of women reached through the programme meets its ProDoc targets of 650,000 and at present is 39.3 percent overall and 85.8 percent amongst entrepreneurs. Usage amongst programme beneficiaries is 11 percent, although this increases to 46 percent with the omission of LienVietPostBank (LVPB) which heavily skews the data. Through SHIFT grantees, 1.3 million additional indirect beneficiaries were reached only with the innovation fund<sup>7</sup>.

clients reported that, after bill payments, the ViViet app was mainly used for savings, while BRAC clients reported that after having access to a BRAC loan they have more savings, are less dependent on relatives or moneylenders’ loans and, when using loans for personal expenses, they mostly used them for housing improvements or education.

In addition, the observed impact of COVID-19 among some of the SHIFT grantees has been mitigated as it shifted clients’ behaviour towards adopting technology, boosting digital payments and digital aids disbursements. For example, BRAC, despite COVID-19 outbreak and a lockdown on lending, still onboarded 4,673 new individual loan customers, transferred 1,048 female micro entrepreneurs from group loan to individual loans, and renewed another 5,869 individual loans over the year of 2020.

Regarding the contribution of the SHIFT ASEAN programme to reducing vulnerability, LVPB

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<sup>6</sup> The Global Average Total Cost is the simple average of the total cost for sending US\$ 200 charged by each single RSP included in the RPW database, across all corridors covered in the database.

[https://remittanceprices.worldbank.org/sites/default/files/smart\\_methodology.pdf](https://remittanceprices.worldbank.org/sites/default/files/smart_methodology.pdf)

<sup>7</sup> With the available data it was not possible to determine the total number of indirect beneficiaries reached in all the SHIFT working streams.

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#### 1.1.4 GENDER EQUALITY, DISABILITY AND SOCIAL INCLUSION (GEDSI)

At the macro-level, the SHIFT ASEAN programme, through the partnership with AFI, achieved the inclusion of gender in the policy agenda of all member countries. This inclusion was condensed in the Denarau Action Plan (DAP) which was signed by all members in 2016. Various toolkits for regulators were also developed in partnership with AFI that is being presently used at regional and global level. At the meso-level, the impact of the SHIFT ASEAN programme on women's financial inclusion is quite relevant. For example, LVPB surpassed their gender goals with more than 500,000 women users and more than 2,500 women merchants recruited into their network. Some FSPs, such as AwanTunai, employed technological approaches to reduce collateral requirement barriers and offer financial services to MSMEs that previously were considered unbankable. The SHIFT ASEAN programme supported women's financial inclusion also through trainings at the country level. In the case of Myanmar, a Gender- Sensitive Data Analytics and Product Development training resulted in 11 FSPs designing a gender sensitive financial product or service. Moreover, the

SHIFT ASEAN programme raised awareness on the importance of gender diversity in the workforce. At the policymakers' level, AFI members set an example by promoting gender diversity in the workforce for all members (10<sup>th</sup> point of the DAP); while at the FSPs level, the SHIFT programme exposed some FSPs to best practices in terms of recruiting procedures and organizational policies. Gender has always been the focus of SHIFT implementation in all stages of the TOC.

On disability, the programme developed its understanding on the constraints faced by people with disability by undertaking case studies in Lao PDR and also highlighting this beneficiary segment through its clean energy challenge fund in Myanmar. The programme further builds upon this in partnership with IFES and collaboration with People with Disability Organisations in Cambodia, Indonesia, Myanmar and Viet Nam, and through participation in ASEAN platforms, to design a proposed intervention to address the financial inclusion and inclusive digital economy needs of this segment.

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#### 1.1.5 PROGRAMME MANAGEMENT AND BUDGET

SHIFT ASEAN is a regional programme directly implemented by UNCDF (DIM). It is governed by a programme board and follow Prince2 principles for programme management. In addition, SHIFT does comply with DFAT's safeguard requirements e.g., child protection, environmental and social, and preventing sexual exploitation abuse and harassment, as they are in line with UN rules and regulations. SHIFT uses country gender strategies to address gender inequality and collect sex-disaggregated data. In addition, SHIFT started focusing in more recent years on disability and organized several consultations with Disabled People

Organizations (DPOs) in 2020. SHIFT also complies with child protection safeguards, particularly in the data and research work making sure the interviewees are not minors. Also, SHIFT promotes market innovation through Performance Based Agreements which mitigate risks thanks to milestones-based payments and due diligence by the challenge fund secretariat before any amount is disbursed. SHIFT ASEAN regularly updates the programme risks and puts in place corrective measures as needed.

The overall budget planned for the SHIFT ASEAN programme during inception was US\$

33.43mn, out of which DFAT financial contribution was 21 percent and unfunded component was 75 percent. DFAT funding by end 2020 was at 23 percent (US\$ 7.65mn), while overall projects funds realised for implementation stood at US\$ 10.92 Mn by 2020 (33 percent). With this 33 percent of funding realised, the SHIFT ASEAN programme was able to achieve 300 percent of its direct beneficiary programme number targets and 169 percent of its women beneficiary programme number targets. This reflects the leveraging and cost-effective modality deployed by the programme to meet its objectives. In terms of fund delivery,

and specific to DFAT funds, in terms of expenses vis-à-vis the planned budget, over the years SHIFT managed to maintain an average annual delivery of 87.5 percent.

Regarding the M&E system, SHIFT designed a specific monitoring framework that ensured the creation of a robust internal monitoring system which followed international best practice, as well as giving provision for external evaluations in line with UNCDF global policy by using the Donor Committee for Enterprise Development (DCED) and the Consultative Group to Assist the Poor (CGAP) standards as a benchmark.

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### 1.1.6 CONCLUSIONS

From the report it can be concluded that SHIFT has:

- Brought in macro, meso and micro level market changes in the space of gender financial inclusion and economic participation through its policy, innovation, capacity building and data work at country and regional level.
- It has contributed to establishment of institutionalized sustainable platforms and mechanisms at regional level like ASEAN WC-FINC; ensured commitments towards gendered financial inclusion through Denarau

Action Plan; set up mechanisms of national financial inclusion strategy development and implementation at country and regional levels; and introduced products and services in the market that brought in catalytic changes in the areas of women and women entrepreneur financing, pay-as-you-go models, and on digital literacy.

- Developed a focus on data-driven gender smart product development and successfully provided capacity building for private sector stakeholders and regulators.

### 1.2 CHALLENGES & LEARNINGS

Aspects that require further attention while building on investment made:

- Designing sub projects that cover design to development to implementation and learnings. SHIFT has undertaken various initiatives throughout its implementation period, and some of those were constrained in terms of creating maximum impact due to lack of resource allocations right

upfront on the commencement of that respective activity. For example, investing further into use of data analytics by the trained regulators would have resulted in further mainstreaming of the initiative leading to quicker policy and product changes in the market ecosystem.

- By design, the SHIFT fund facility did not contemplate technical assistance (TA)

for its private sector partners. However, during the programme implementation it became clear that a certain degree of hand holding, and TA would be beneficial not only to strengthen the commercial viability of the supported business model, but also to ensure the achievement of the models envisioned social impacts. To accommodate for each partner's specific needs, this support was offered on an ad hoc basis. Though now it has been integrated in the design, this could have been implemented right from start of the programme.

- Investment into creation of baselines should be allocated upfront, as then only clearer definition and consistent tracking of outreach and benefits for "poor", "low-income" and "vulnerable people" would be possible and result in assessing programme's effective and efficient contribution to poverty reduction.
- Having an incremental approach to programme development, rather than designing a large programme with unfunded components. This makes programme implementation to prioritise certain components of the framework and be more opportunistic to market needs than required. SHIFT's experience shows that due to lack of funding towards certain components of work, the overall programme impact

could not be realized to the maximum. Programme frameworks should be fully implemented with given resources, and further resources should be raised to incrementally implement the framework on expansion mode or customized mode based on the initial learnings.

- The rise and spread of COVID-19 presented the UNCDF SHIFT programme with significant challenges. At the market level, social distancing measures and mobility restrictions decreased overall economic activities affecting, amongst other things, the market loan repayment rates. In person trainings were temporarily suspended and business models that were not able to offer digital services had to temporarily halt their service provision. This emergency also temporarily shifted government and donor attention, affecting program progress in this area. Despite these issues, it is worth noting that some of SHIFT partners showed resilience to the pandemic, responding in different ways to the challenges posed by the COVID-19 outbreak, including by using their existing infrastructure and capacity to respond to their market's needs within the scope of their business model or temporarily changing their business model altogether.

### 1.3 NEXT STEPS

UNCDF has built on the experience and results of regional SHIFT and other programmes with the launch of its new strategy, "Leaving No One Behind in the Digital Era", which is about transforming the lives of the unbanked through digital financial services and ensuring that the newly developed digital solutions are inclusive, and contribute to equitable growth. This framework, as well as learnings from SHIFT, is also used as a basis to develop the UNCDF ASEAN IDE - Leaving No One Behind in the Digital Era Strategy.

For example, UNCDF SHIFT experience has shown that the foundation of an inclusive digital economy is an enabling regulatory environment. UNCDF ASEAN Inclusive Digital Economy (IDE) strategy will therefore strengthen the data and research work, as well as the capacity for stakeholders' engagement and providing expert technical advice to address policy and market gaps.

SHIFT work with the ASEAN Secretariat and selected working committees will continue and be further strengthened to bring in harmonization of standards and policies that enable acceleration towards an inclusive digital

economy and women economic empowerment.

In addition, building on SHIFT experience with the innovation fund, UNCDF will continue to focus on inclusive innovation as the driving force of the ASEAN IDE strategy, partnering with the private sector to accelerate the development of commercially viable innovative digital financial services to create customer value and development impact. As customers are at the centre of the ASEAN IDE strategy, the successful customer centric approaches adopted by SHIFT will be leveraged to empower customers and ensure that key customer segments such as farmers, youth, women, refugees, migrants, persons with disability and MSME have access to financial services.

By working with ecosystem through partnerships built through SHIFT, UNCDF ASEAN IDE strategy will use key strategic instruments that were already utilized within SHIFT including expert technical advice and training, stakeholder engagement, de-risking financial instruments, data and research and customer centricity to support the uptake of digital financial services.



## 2 PROGRAMME OVERVIEW

### 2.1 BACKGROUND

UNCDF's SHIFT ASEAN programme was designed in 2014 aiming to advance financial markets by changing the behaviour of market actors to stimulate investment, business innovations and regulatory reform in growing inclusive enterprises. SHIFT aims to catalyse these innovative partnerships to accelerate financial inclusion and women's economic participation in the least developed countries (LDCs) in the region.

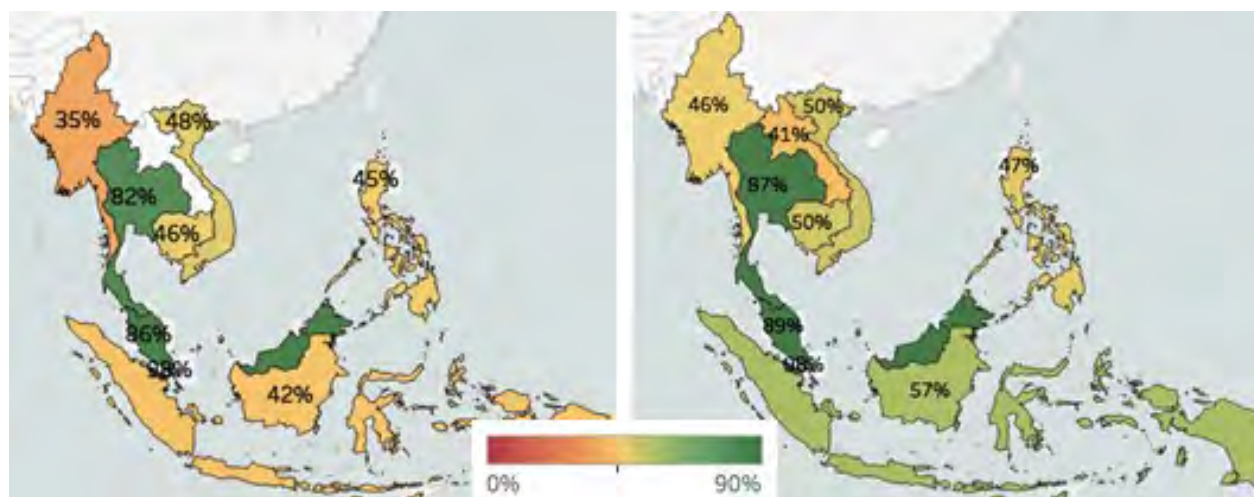
Based on an extensive stakeholder engagement, the SHIFT Programme Document (2014) identified various opportunities and challenges to shift the state of ASEAN financial inclusion. This included a growing momentum for financial inclusion among governments, emerging innovative financing and business models, alternative financing vehicles, and demographic and social trends. As highlighted in the programme document SHIFT aimed to apply a regional and market system approach to accelerating financial inclusion in the ASEAN countries, supporting in particular the CLMV developing economies who were lagging behind the most.

Over the period from 2014 to 2020, ASEAN has seen a steady economic growth with the combined Gross Domestic Product (GDP) of ASEAN member states increasing from US\$ 2.4 trillion to US\$ 2.95 trillion. Financial inclusion is seen as a key contributor to this positive economic development. However, Figure 1 shows that there continue to be stark differences across ASEAN member states, with multiple country clusters instead of a coherent financial integration between 2014 and 2017. Whereas Singapore, Brunei, Malaysia, and Thailand have an average level of access to finance of well over 80 percent, Cambodia, Myanmar, Lao PDR, Viet Nam and Indonesia significantly lag behind (see [UNCDF 2018](#)).

Figure 1 – Development of financial inclusion in ASEAN from 2014 to 2017: Access of adults to one formal financial service by country (Percentage)

In 2014

In 2017

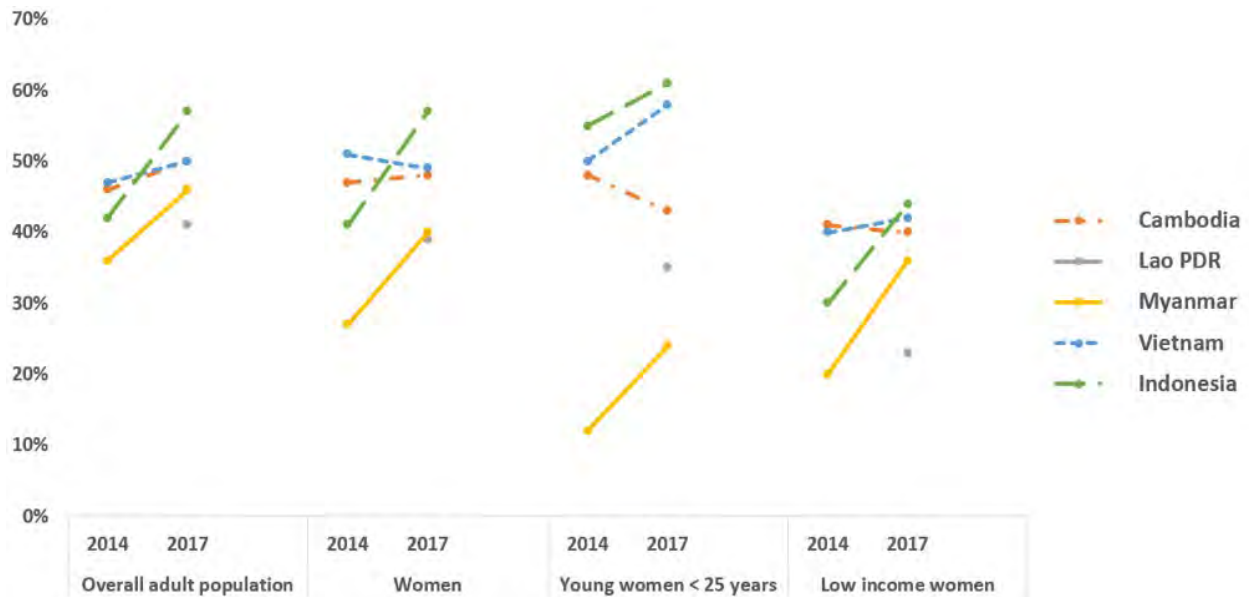


**Note:** Access to one financial service is measured by UNCDF here as individuals who have either an account at a financial institution or mobile money providers, or a credit or debit card, or at least one of the following: savings,

credit, domestic remittances, wage and utility bills payments. Data is weighted by the ASEAN country population and measured based on the Findex data (n=23,226 surveys). Brunei is excluded.

Despite the unequal level of financial access in the region, the CLMV countries and Indonesia still have experienced significant increases among almost all segments of the population. Figure 2 shows this progress in terms of access to one formal financial service for specific last-mile target groups of women, young women, and low-income women.

Figure 2- Percentage of overall adult and women with access to one formal financial service



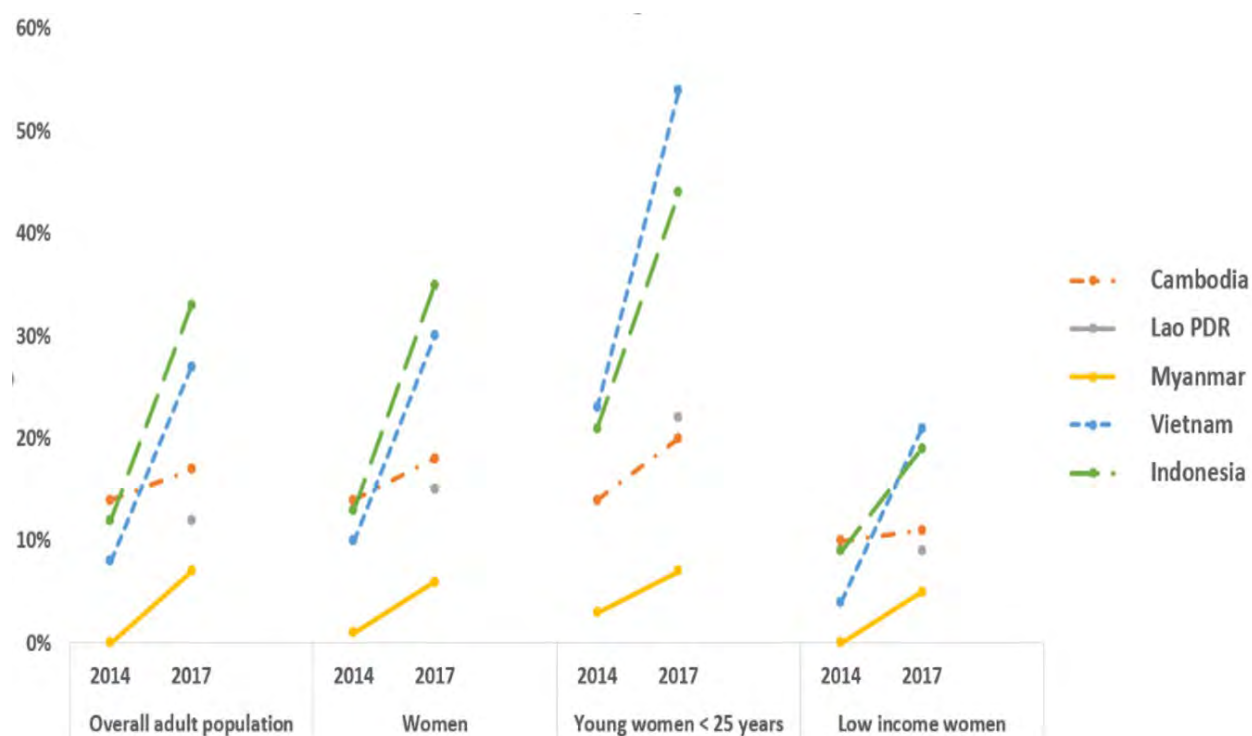
**Note 1:** Access to one financial service is measured by UNCDF here as individuals who have either an account at a financial institution or mobile money providers, or a credit or debit card, or at least one of the following: savings, credit, domestic remittances, wage and utility bills payments. Data is weighted by the ASEAN country population and measured based on the Findex data (n=23,226 surveys). Brunei is excluded.

**Note 2:** n=1,000 records per country per year. Triangulation was also made with other datasets (e.g., SBV national financial inclusion survey of 2019). Low-income in Findex is defined as the bottom 40 percent income tiles. **Source:** Findex 2017, and [UNCDF Findex Dashboard](#).

Financial Technology or FinTech has been a major driver of financial sector growth in ASEAN. Fintech companies in ASEAN countries raised over US\$ 8.9 billion across 475 deals between 2015-2019 (FinTech Global 2019). Investment grew at a compound annual growth rate of 133 percent over the same period. However, the FinTech and (digital) finance movement in ASEAN is uneven and highly concentrated in several urban regions of Singapore, Bangkok and Kuala Lumpur.

On the supply side, in most countries, the number of commercial bank outlets per 100,000 adults is either stagnating or reducing. The number of ATMs per 100,000 adults is still increasing in some economies. However, in many economies, including Myanmar, Cambodia and Thailand, the number of registered mobile money agent outlets has been growing extensively. Indeed, within only three years (2014-2017) the percentage of ASEAN citizens making digital payments increased from 25 to 37 percent or around 50 million people (see Figure 3).

Figure 3 - Percentage of overall adult and women with access to digital payments (By countries)



**Note:** Digital Payments, defined as having made or received any payment or transaction via the internet, mobile phones or cards.

Despite these overall promising market trends, significant challenges for financial inclusion remain prevalent in many ASEAN economies – especially for women. For example, in Cambodia, it was found that as many as seven out of 10 savings accounts remain passive (less than US\$ 5) and that the share of women-owned passive accounts is significantly higher than men’s ones. Similarly, evidence shows that in both Myanmar and Cambodia, access to credit is somewhat similar between men and women, but women receive much lower loans on average.

The gender gap in the real economy is especially visible among women entrepreneurs. As a major driver for inclusive economic growth, 57 percent of the Micro Small Medium Enterprises (MSMEs) still face prominent challenges to access finance - especially in the manufacturing sector, wholesale and retail sectors. Women entrepreneurs face several specific challenges when starting and growing their businesses due to cross-cutting socio-cultural norms, barriers in access to institutional credit and other financial services, as well as greater vulnerability to the barriers compared with MSMEs owned by men (UNCDF 2020, ASEAN strategy).

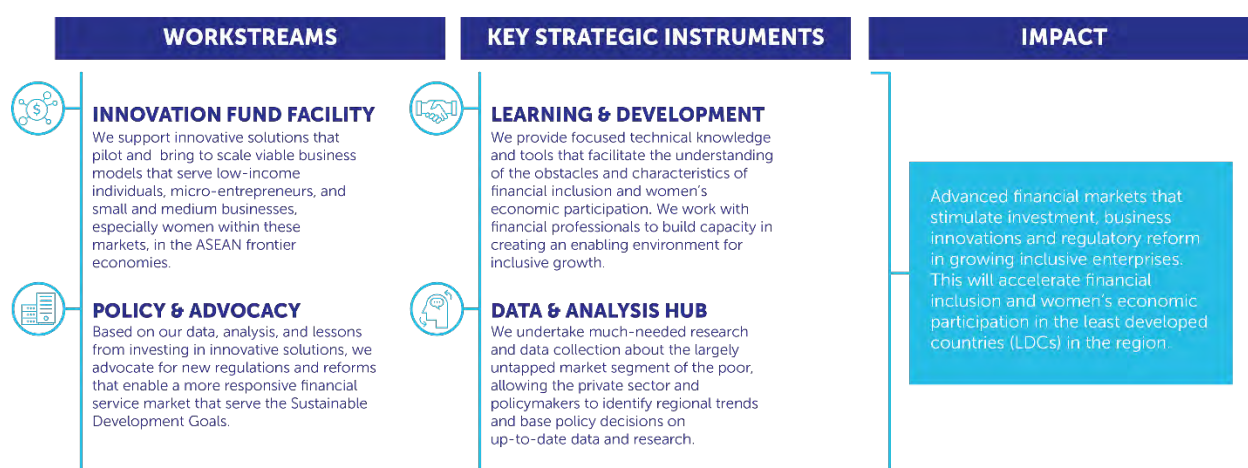
Another important factor for ASEAN financial services markets is the increasing importance of remittances and migrants. It is estimated that there are currently 20.2 million migrants originating from ASEAN countries (ILO 2019), the majority of whom are regularly sending money to their home countries (ILO and IOM 2017; UNCDF 2019, 2020). The contribution of migrant workers to the economic growth of both sending and receiving countries is significant – totaling US\$ 77 billion in 2019. The vast majority of cross-border payments flow intra-ASEAN (85 percent) from developed to developing economies such as Cambodia, Lao PDR, Myanmar and Viet Nam (UNCDF 2017; UNCDF 2019). CLMV countries

collectively have seen an increase of 43 percent on average on formal remittance inflows over the last five years, topping US\$ 21.7 billion in 2019. In addition, there is a large amount of unregulated or informal remittances - which are estimated by UNCDF at around US\$ 8-17 billion for Myanmar, Cambodia and Lao PDR, and US\$ 13 billion for Viet Nam alone (UNCDF 2017, 2019).

## 2.2 PROGRAMME DESCRIPTION

UNCDF's Shaping Inclusive Finance Transformations (SHIFT) ASEAN programme is a regional market development programme with the goal of strengthening financial markets by changing the behaviour of market actors to stimulate investment, business innovations and regulatory reform in growing inclusive enterprises. The programme interventions are organised around four pillars: Fund Facility, Policy & Advocacy, Learning & Skills Development and Data & Analysis Hub (see Figure 4).

Figure 4 – SHIFT Pillars



## 2.3 PROGRAMME GOALS AND TOC

SHIFT's broad programme goal is to contribute to increased income and employment, reduced vulnerability to shocks and reduced poverty by promoting the inclusion of low-income people, especially women, and businesses to be active agents in the formal economy. The impact-level TOC (see Annex II) is that low-income people, especially women, and businesses can be active agents in the formal economy when they have access to and use of well-regulated and affordable financial services. In taking a Market Systems Development (MSD) approach, UNCDF SHIFT aims to address the lack of formal access and usage of financial services by women through a range of interrelated programme activities under each of the four programme's pillars.

By providing matching grant investments to facilitate inclusive innovation amongst Financial Service Providers (FSP), the Innovation Fund Facility aims to strengthen the wide-scale supply of inclusive financial services and products. These investments are informed by SHIFT data and analysis hub work, which includes market diagnostics, big data-based action research, knowledge products and capacity building activities. Combined with coordination and policy development activities, the programme hence aims to equip stakeholders with market insights, enhance their knowledge of demand and supply characteristics (core functions), and enable them to accelerate the design and implementation of inclusive policies as well as financial services. The TOC envisages that, through this process, proven business models are eventually scaled, crowding in investors as well as market competitors, and that

regional coordination between governments is strengthened to allow regional alignment and integration of financial inclusion policies. This is reflected in the programme's TOC (see Annex II).

## 2.4 OUTCOMES/OUTPUTS AND TARGETS UNDER PROGRAMME PILLARS

An overview of specific goals on the four pillars of the programme is presented below based on the programme's outcomes and outputs in its results framework from programme document.

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### 2.4.1 FUND FACILITY

**Outcome 1:** Proven business models, which serve low-income customers, inspire replication and adoption by financial service providers.

**Output 1:** Support financial service providers to develop new prototypes and bring to scale viable business models that serve low-income individuals, micro-entrepreneurs, and small and medium businesses, especially women within these markets, in the ASEAN frontier economies.

**Targets for the Fund Facility:**

- Additional 800,000 low-income people, micro-entrepreneurs and SMEs financially included through matching innovation-grants to an estimated 20 financial institutions by 2020.
- (Indicative) Additional 2,800,000 low-income people, micro-entrepreneurs and SMEs through by crowding-in investors and funders to support an estimated 20 financial institutions to upscale proven inclusive business models by 2020.

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### 2.4.2 LEARNING AND SKILLS DEVELOPMENT

**Outcome 2:** The increased number, diversity and affordability of training services, leading to improved productivity and service quality of FSPs and TSPs.

**Output 2:** Support business development service providers by leveraging ICT solutions to develop and bring to scale viable e-learning models for professionals in financial institutions to improve productivity and professionalism.

**Targets for Learning and Skills Development:**

- 20,000 FSP/TSP contributors to the platform by 2020, the learning platform engages financial sector professionals (users and contributors) 10 countries in ASEAN, and at least 5 countries globally.
- (Indicative) 500,000 ICT users by 2020.

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### 2.4.3 DATA AND ANALYSIS HUB

**Outcome 3:** Publicly available data and analysis improves the basis for informed decisions and creates a level playing field.

**Output 3:** Produce, consolidate and communicate data and information on supply, demand and regulation in financial markets to strengthen the evidence base and investment decisions of providers,

regulators and policy makers, specifically targeted towards low-income individuals, micro-entrepreneurs, and small and medium business, especially women within these markets.

#### **Targets for the Data and Analysis Hub:**

- Immediate target: at least 1 new study carried out per year taking into consideration gender disaggregated data.

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#### **2.4.4 POLICY AND ADVOCACY**

**Outcome 4:** Financial inclusions strategies are accelerated at the national level, and supported by improved regional coordination of economic integration and financial inclusion policies and regulations.

**Output 4:** Influence policy makers, financial service providers and governments to enable financial markets to be more responsive to the wider development priorities of governments and its people.

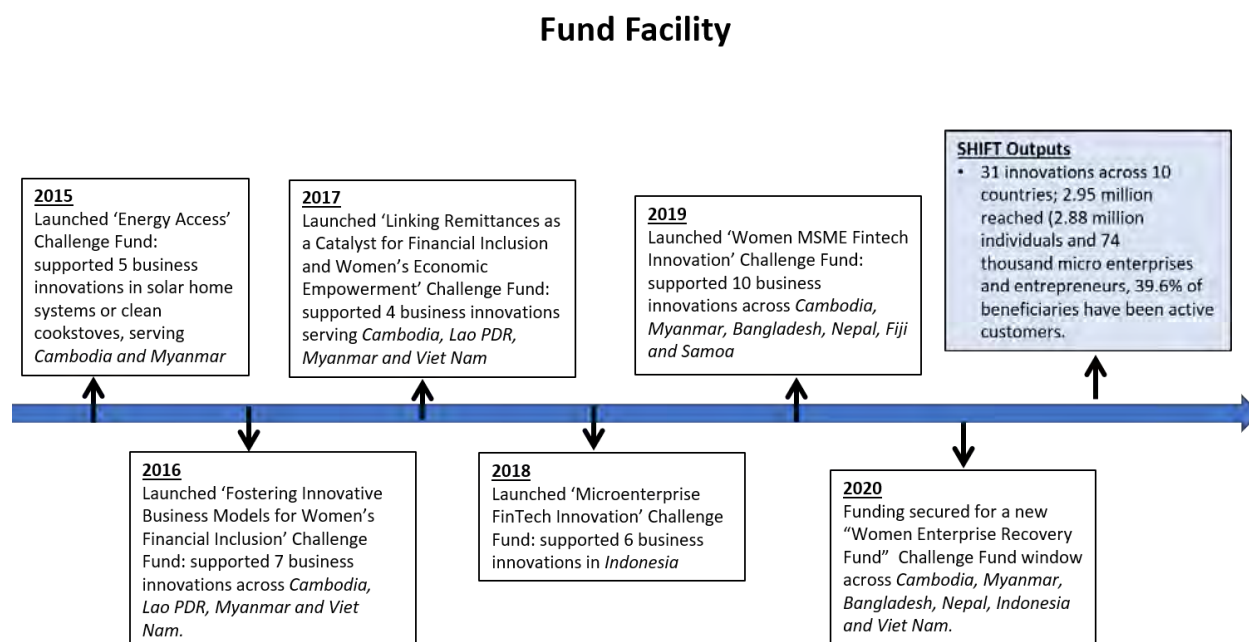
#### **Targets for Policy and Advocacy:**

- Immediate target: at least 1 policy note, 1 conference, 1 think-shop, 1 ASEAN Conference on FI, and 1 regional workshop organized per year. At least 3 strategic partnerships developed by the end of the programme.
- Long term targets:
  - Robust national financial inclusion strategies across 6 low-middle income ASEAN countries.
  - Contribute to an additional 8,404,750 low-income people, micro-entrepreneurs and SMEs financially included by 2020 through the policy intervention of supporting the development and implementation of national Financial Inclusion Road Maps. Within this target 4,609,103 low-income people and entrepreneurs will be women.
  - Leading financial institutions have gender strategies and operational plans.
  - ASEAN Economic Integration policies have integrated financial inclusion as a key priority backed by resources and plans.

## 2.5 IMPLEMENTATION TIMELINE

A chronological overview of implementation of SHIFT can be found in the timelines below:

Figure 5 – Implementation timeline of four pillars of SHIFT

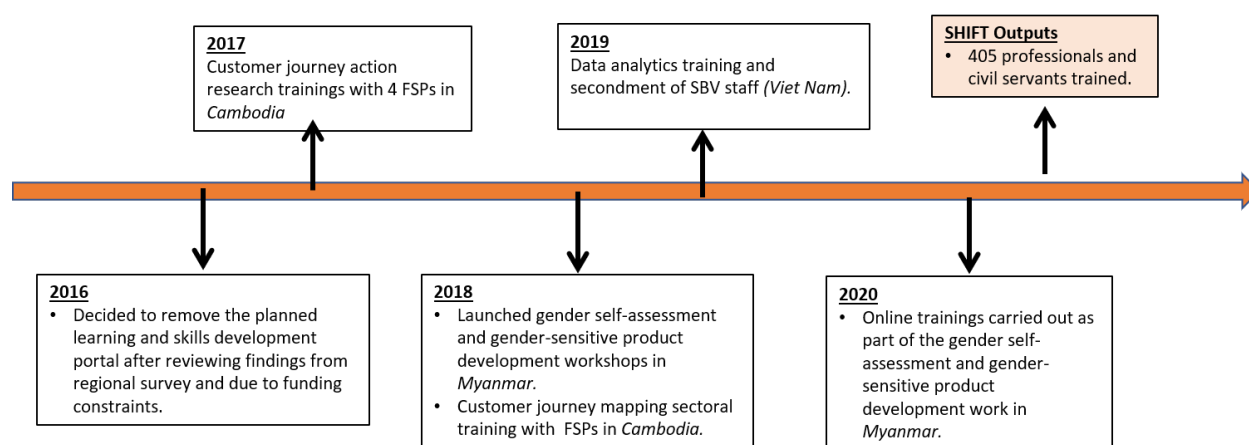


Since its launch in 2014, the innovative solutions supported by SHIFT ASEAN's Fund Facility have reached 2,950,632 low-income people which is over 3.5 times higher than the target value of 800,000.

Overall, the fund facility implementation was taken forward in line with the annual work plans, presenting only minor deviations in the timing of the planned activities. Content mostly remained the same, although some case studies and reports were adjusted to reflect changing market conditions and partner accessibility. However, the launch of a sixth challenge fund window (strengthening women's enterprise livelihoods, COVID-19 recovery and climate resilience) that was initially planned for 2020, was moved to 2021 due to pandemic scenario and related delays in funding commitments from the donors. There has been delays in the completion of the pilot projects compared to initial duration it was budgeted for, due to changes in management, field learnings that resulted in customising further the product or services.

Figure 5 – Implementation timeline of four pillars of SHIFT (continued)

## Learning and Skills Development

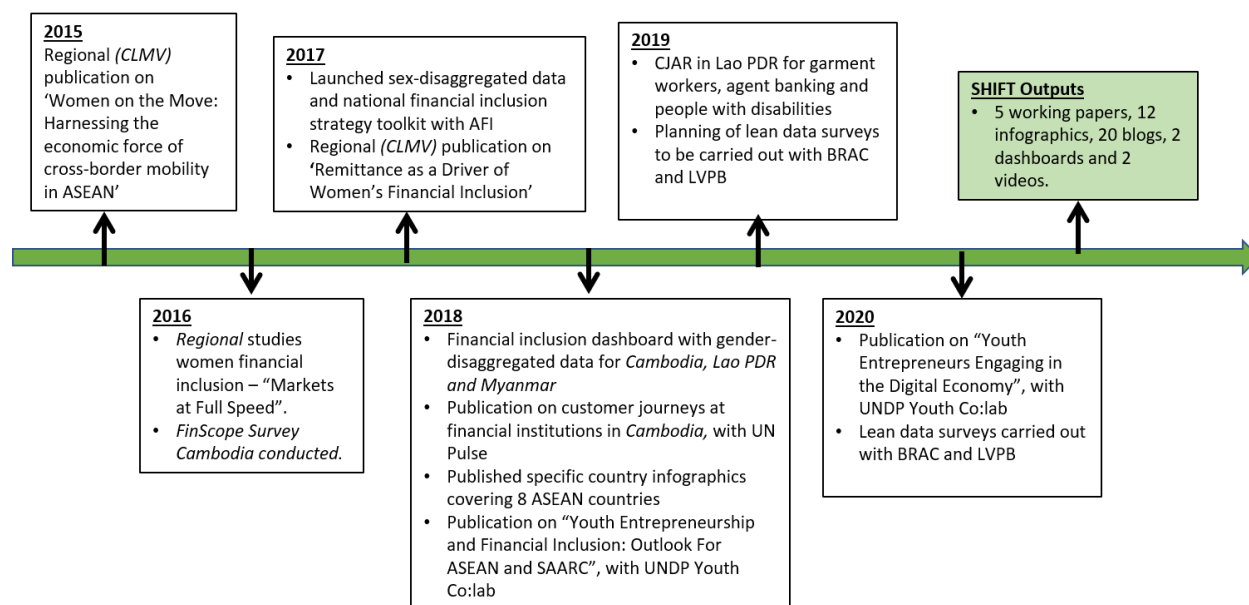


Although the scope this pillar experienced a major change as the planned learning and skills development portal was removed from programme plans in 2015/2016, a total of 405 professionals and civil servants have been reached in the programme’s trainings, of which 318 are private sector professionals and 87 trainees in the public sector across Cambodia, Lao PDR, Myanmar, Viet Nam and Indonesia.

Overall, the implementation of this pillar was taken forward in line with the annual work plans. However, some activities did experience temporary delays, including the launch of the survey to inform the development of the gender self-assessment tool in Myanmar. This tool launch was followed by trainings to the Financial Service Providers. The Customer Journey Action Research (CJAR) work was implemented in Cambodia and Myanmar, with financial services providers able to provide the customer data for this exercise. In other countries such partnerships could not be developed due to constrained resources and transaction cost that was being incurred. Furthermore, in 2017 a strategic decision was made not to launch an accelerator programme for women or take forward financial literacy training for FSP due to unavailable resources. With the re design of the CJAR training modules in 2018, the aim was to create a Training of Trainers (ToT) programme with local partners in Cambodia. SHIFT team also worked with Cambodia Microfinance Association in this regard and undertook orientation of MFIs on it.

Figure 5 – Implementation timeline of four pillars of SHIFT (continued)

## Data and Analysis Hub

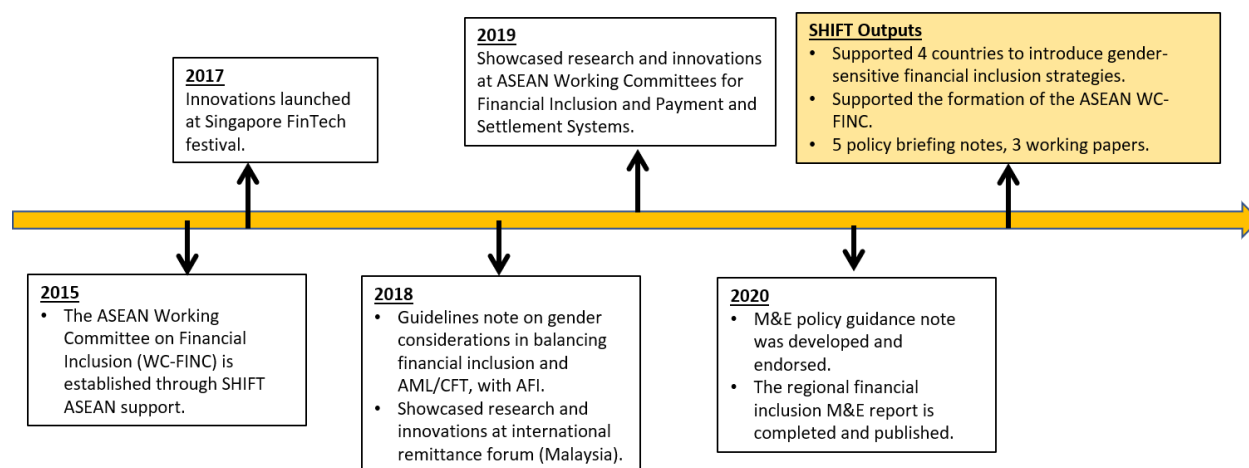


During the course of the programme, the data and analysis hub provided technical research and support towards the programme's other three pillars. Throughout the course of the programme, the hub has published 20 blogs, 5 working papers, 12 infographics, 2 dashboards and 2 videos.

In terms of overall implementation, an updated strategy and data hub action plan for data analysis and usage was developed, as well including for the undertaking and analysis of financial inclusion demand surveys and market diagnostics. In collaboration with Making Access Possible (MAP) programme of UNCDF, demand side surveys were implemented in selected countries. Although mainly managed in collaboration with UNCDF Myanmar office, in 2020, some minor delays were experienced in the roll out of the Gender Transformative Finance Initiative activities funded by FMO with technical support from the SHIFT programme due to the pandemic.

Figure 5 – Implementation timeline of four pillars of SHIFT (continued)

## Policy and Advocacy



During the course of the programme 5 policy briefing notes and 3 policy working papers were produced, the ASEAN Working Committee for Financial Inclusion (WC-FINC) was formed, and four countries were supported in launching their national financial inclusion strategies.

The activities in the policy pillar were mostly implemented on track with expectations. Nevertheless, in 2016, some delays were experienced in the support for the integration of CLMV governments in relevant learning and policy dialogue of AFI due to high membership amounts perceived by these countries. Eventually Cambodia and Lao PDR joined AFI. The work with ASEAN and its committees were strengthened over time with regular interactions and participation in ASEAN meetings. In Myanmar, the finalization of a policy paper on financial sector regulations and how to promote the equal access and use of financial services was published. This included the mapping of the existing regulations related to gender, taking forward a consultation and a related workshop. Apart from this, the spread of COVID-19 delayed some of the activities in 2020 as meetings were temporarily suspended. As such, engagements with the WC-FINC were limited than expected, making ASEAN and country level advocacy efforts for women’s financial inclusion as well as the institutionalization of the financial inclusion agenda challenging. Collaborations with AFI were also temporarily halted, as were engagements with the WC-PSS, ASEAN ACCMSME and some ASEAN member states. Despite the challenges an M&E policy guidance note was developed and endorsed. In addition, the regional financial inclusion M&E report was completed and [published](#).

Regarding budget planning, it can be observed that most of the DFAT funding planned each year have been spent as shown below:

- DFAT Total Budget (2014-2020) – US\$ 7,646,720
- DFAT Expensed Budget (2014-2020) – US\$ 7,646,720

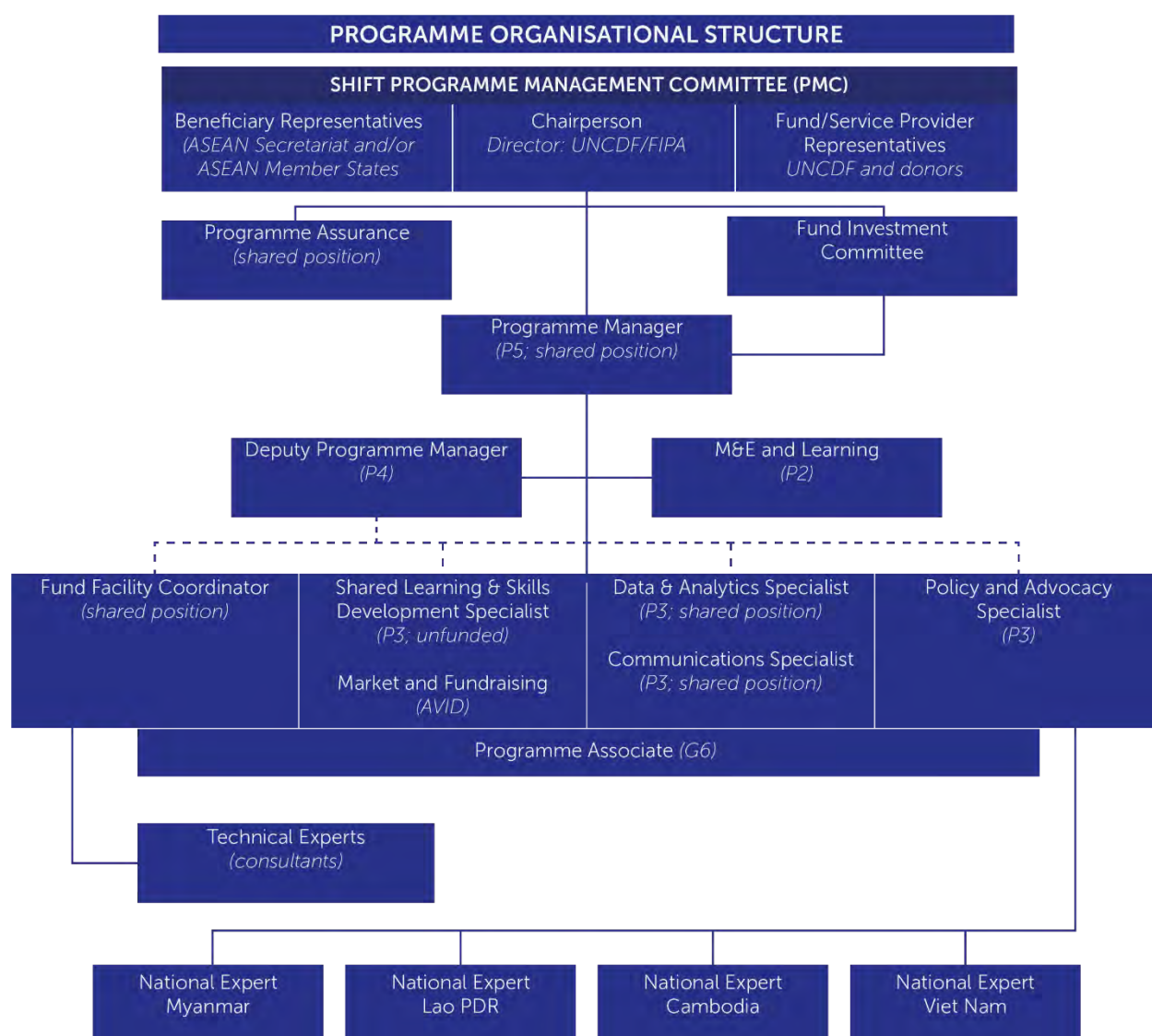
OUTPUT-WISE	2014		2015		2016		2017		2018		2019		2020	
	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense
Fund Facility	82,500	82,413	508,905	501,424	1,109,895	846,077	831,213	709,124	692,230	660,395	390,661	323,277	178,042	178,042
Learnings and Capacity	-	-	40,040	37,691	19,000	25,589	234,774	199,680	140,063	101,430	140,973	128,232	111,252	111,252
Data Analysis	61,744	61,407	143,146	142,900	802,367	599,077	302,046	244,339	205,963	166,407	163,648	148,074	159,418	159,418
Policy and Advocacy	284,044	211,991	560,773	554,430	495,994	219,172	374,369	277,677	290,377	272,489	449,746	415,681	269,033	269,033
Grand Total	428,288	355,811	1,252,865	1,236,445	2,427,256	1,689,915	1,742,402	1,430,820	1,328,633	1,200,721	1,145,028	1,015,264	717,744	717,744
Delivery		83%		99%		70%		82%		90%		89%		100%

Budget item wise:

ITEM-WISE	2014		2015		2016		2017		2018		2019		2020	
	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense	Budget	Expense
Communication	35,800	13,640	26,455	17,626	27,500	12,433	15,550	7,960	2,733	1,628	2,618	2,943	2,799	2,799
Company	-	-	-	105	-	156,561	260,000	89,754	79,000	78,160	6,580	6,580	35,650	35,650
Consultant	89,000	106,381	340,751	324,794	763,864	289,863	503,852	433,247	255,504	209,506	411,706	354,586	239,338	247,177
GMS	122,000	119,999	388,629	393,630	42,109	42,109	-	56,000	-	-	-	(126)	-	-
Grant	44,060	44,102	23,536	22,925	654,178	410,641	237,918	214,610	270,706	270,706	200,000	140,126	-	-
RMCS	-	2,749	6,037	2,035	60,000	31,661	60,000	44,494	65,000	64,923	57,795	56,239	51,100	50,958
STAFF	43,649	-	192,259	238,905	655,605	632,034	467,773	437,578	518,535	442,054	389,953	380,087	354,664	346,967
Travel	47,358	36,279	118,696	90,837	129,500	95,476	162,359	128,923	82,695	86,124	65,405	64,121	3,534	3,534
Workshop	46,421	32,663	156,502	145,588	94,500	19,138	34,950	18,255	54,460	47,620	10,970	10,708	30,660	30,660
	428,288	355,811	1,252,865	1,236,445	2,427,256	1,689,915	1,742,402	1,430,820	1,328,633	1,200,721	1,145,028	1,015,264	717,744	717,744

## 2.6 PROGRAMME MANAGEMENT

Figure 6 – Programme Organizational Structure



### 2.6.1 GOVERNANCE AND OVERSIGHT

The SHIFT ASEAN programme is a regional programme directly implemented by UNCDF (DIM). It is governed by the SHIFT ASEAN Board serving as the programme board and responsible for making by consensus, management decisions for the SHIFT ASEAN Programme when guidance is required by the Programme Manager, including recommendation for approval of programme plans and revisions. The Board is responsible for appraising, approving, and monitoring grants and loans to partners in the ASEAN region, while UNCDF is primarily responsible for all financial management and fiduciary controls. The SHIFT ASEAN Board ensures that required resources are made available and is the authority that signs off on the completion of activities. The SHIFT ASEAN Board is comprised of representatives from beneficiaries, donors/service providers and chaired by the UNCDF Director of the Financial Inclusion Practice Area (FIPA).

In cases in which the investment projects are implemented outside the ASEAN region, the SHIFT ASEAN Board approves the overall fund allocation(s) for non-ASEAN regions. In these cases, additional members may be requested to act as members and advisors to the SHIFT ASEAN Board, based on their relevant expertise, for example, to cater for some of the funding windows or for some geographical areas. Relevant project governance mechanisms (SHIFT ASEAN, SHIFT SAARC and PFIP<sup>8</sup>) will approve investments according to their region of implementation.

### **Investment Committee**

The SHIFT ASEAN Fund Investment Committee (IC) is independent and tasked to review applications received for ASEAN through the Expression of Interest (EOI) and full proposal processes, and to make recommendations as to which proposals should be presented to the SHIFT ASEAN Board for their review and approval.

In cases in which the applications received through the EOI and full proposals concerning investments outside ASEAN, the review, selection and approval process will be carried out by other UNCDF projects governance bodies (either Investment Committees or Boards) which focus on the country/region of the investments.

### **Implementation Arrangements of the innovation fund**

Regardless of the location of the investments to be funded, the SHIFT ASEAN team including Programme Manager and Fund Coordinator will be the main responsible officers for the SHIFT Innovation Fund, supported by other UNCDF colleagues, as well as technical experts as relevant. The SHIFT ASEAN team will be responsible for monitoring of the investments in ASEAN and for collating the other monitoring reports concerning investments outside of ASEAN. Each project will be responsible for monitoring the investments in the respective countries/regions.

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## **2.6.2 SHIFT PROGRAMME TEAM ROLES AND RESPONSIBILITIES**

SHIFT ASEAN Programme Document foresaw a team of 15 people to take forward the implementation of the activities (out of these positions, 3 were cost/time-shared with UNCDF Global programme CleanStart and 1 was cost/time-shared with the other projects in the region).

However due to the lack of funding it was not possible to onboard the full team. There were also changes in the team - in mid-2017, the SHIFT ASEAN programme manager left UNCDF and the deputy programme manager became programme manager a.i. At the same time, the M&E and learning officer started to become more involved in the implementation of the activities. In mid-2019 the M&E and learning officer left and the functions were redistributed between the programme manager and the regional M&E officer supporting all the projects in the region. For country engagements in Cambodia, Lao PDR and Myanmar, the SHIFT ASEAN team has mostly relied on UNCDF country offices presence to support the implementation of the activities while for Viet Nam the activities were carried forward through regular missions.

Despite the full team was never onboarded, SHIFT ASEAN could always rely on a wide range of experts in gender, communications, business model innovations, companies' due diligence, policy and advocacy, disability, fundraising among others to ensure the programme planned results were met.

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<sup>8</sup> SAARC: South Asian Association for Regional Cooperation; PFIP: Pacific Financial Inclusion Programme.

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### 2.6.3 PROGRAMME MANAGEMENT PRINCIPLES

SHIFT ASEAN has followed Prince2 principles for programme management, supporting programme efficiencies, managing risk, timely putting in place corrective actions to overcome shocks (such as COVID-19 – for further details see Annex IX).

It is to be noted that UNCDF, as well as DFAT, respects the value for money principles. For every US\$ 1 expensed overall through the Challenge Fund, around US\$ 2.7 was spent by private sector. Cost sharing of staff and partnerships with donors and partners (ASEAN, MAS, VISA, Oracle, Deloitte, UN PulseLab, FMO and UNESCAP) have contributed to programme delivery. SHIFT is guided by UN recruitment and procurement processes, that are based on the value for money principles.

In addition, SHIFT ASEAN has shown adaptiveness to changes and has worked hard to address all the observations from the SHIFT ASEAN mid-term evaluation (MTE) management response ranging from improving programme resource mobilisation through partnerships and for activities that go beyond the challenge fund, to increase focus on policy and advocacy; from improving programme knowledge of end beneficiaries to working towards including people with disabilities among others (more details on the measures adopted by SHIFT ASEAN to address the MTE observations are available [here](#)).

In terms of risks management, the SHIFT ASEAN programme created a comprehensive risk log (embedded in the SHIFT Annual Report 2020 Annex III) that has been updated bi-annually. The risk log was also updated when COVID-19 outbreak hit, and the programme updated the Board of adjustments undertaken to ensure the continuation of the implementation of the activities despite the challenging situation (for more details see Annex IX). Risks have also been discussed on a monthly basis with DFAT focal point.

SHIFT does comply with DFAT's safeguard requirements e.g., child protection, environmental and social, and preventing sexual exploitation abuse and harassment, as they are in line with UN rules and regulations. SHIFT uses country gender strategies to address gender inequality and collect sex-disaggregated data. In addition, SHIFT started focusing since 2019 on disability and organized several consultations with Disable People Organizations (DPOs) in 2020. SHIFT also complies with child protection safeguards, particularly in the data and research work making sure the interviewees are not minors. Moreover, SHIFT promotes market innovation through Performance Based Agreements which mitigate risks thanks to milestones-based payments and due diligence by the challenge fund secretariat before any amount is disbursed.

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### 2.6.4 M&E SYSTEM

Using the Donor Committee for Enterprise Development (DCED) and the Consultative Group to Assist the Poor (CGAP) standards as a benchmark, SHIFT designed a specific monitoring framework that ensured the creation of a robust internal monitoring system which followed international best practice, as well as giving provision for external evaluations in line with UNCDF global policy. This included the development of results measurement plans per partner that contained a combination of quantitative and qualitative indicators that were monitored on the basis of quarterly partner reporting and ad hoc field visits. The former is reported on the basis of a set of pre-defined key performance indicators (KPI) established at the beginning of the partnerships, and the latter on the basis of quarterly narrative reports and follow up calls that were organized with the objective to review progress, assure reporting quality and capture learnings. In addition to this, semi structured interviews and focus group discussions were

taken forward with beneficiaries in the field and where possible surveys were launched to establish the profile of the reached beneficiaries, service satisfaction and service impacts. With the objective of understanding collected evidence and observation, results chains were used to establish the theoretical impact pathways of specific partner business models between UNCDF supported activities, output, outcomes and the overall goal, and any collected evidence of change would be evaluated against this reference as well as the Adopt, Adapt, Expand, Respond (AAER) measurement framework developed by the Springfield Centre for Business in Development (Nippard, Hitchins et al 2014). For further details on this framework refer to section 3.1.5 and Annex IV.



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### 3 RESULTS

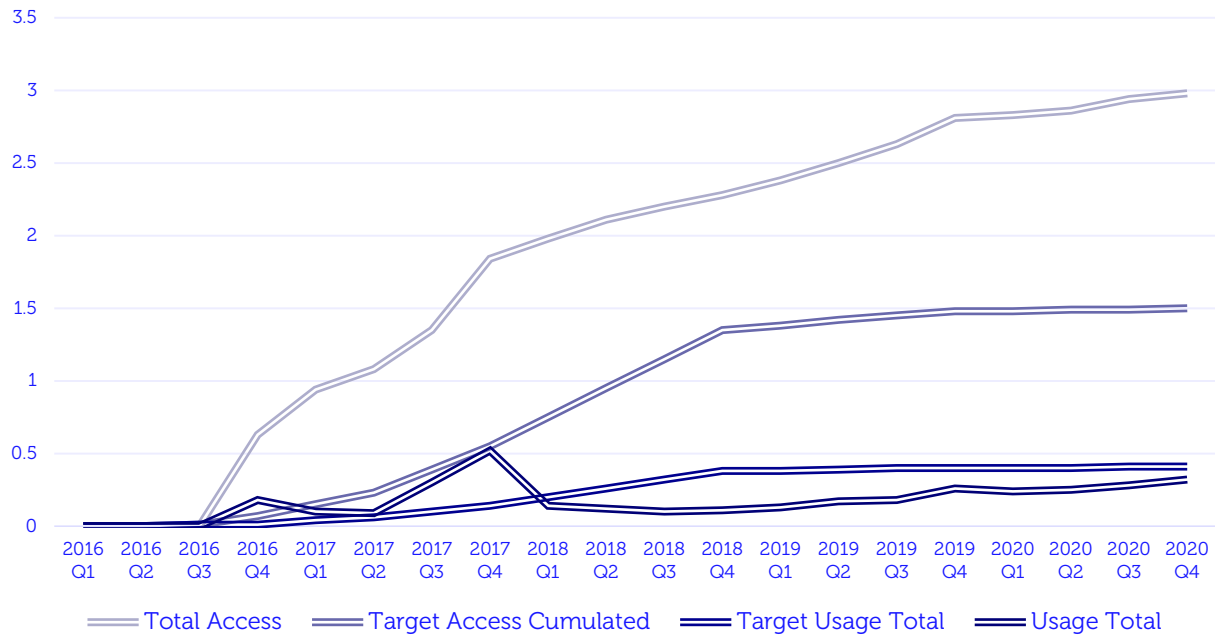
Table 1 – SHIFT Overall Performance in Relation to Targets

Indicator	Programme Performance	Programme Target
Number of direct beneficiaries (Access)	2.95 million	1 million
Number of indirect beneficiaries through Fund Facility interventions	1.3 million	5 million
Number of women	1.1 million	650,000
Proportion of women beneficiaries	39.3%	65%
Proportion of active clients (Usage)	39.6% <sup>9</sup>	15%
Number of additional adult population estimated to have been financially included in CLM countries between 2016-2019	7.6 million	5 million

As can be seen from the table above, programme performance against targets is varied. Although the number of direct beneficiaries reached is three times higher than the target, the number of indirect beneficiaries has been limited, if policy outreach is not taken into consideration (which is estimated at contribution of programme towards 7.6mn adult population benefitted). This is partly due to the difficulties involved in measuring indirect beneficiaries across the whole program and which was finally only realistically possible amongst the fund facility partners, as direct attribution towards policy impacts was not possible to factually ascertain. The percentage of women reached, 1.1 million is above the programme target of 650,000. In addition, amongst the 74,223 entrepreneurs supported, 85.8 percent were women. Activity rates varied across time and business model. The most recent usage data of the active portfolio partners showed that 39.6 percent of the portfolio partners could be considered active, which is well above the 15 percent target. The evolution of programme access and usage figures is presented in Figure 7 below.

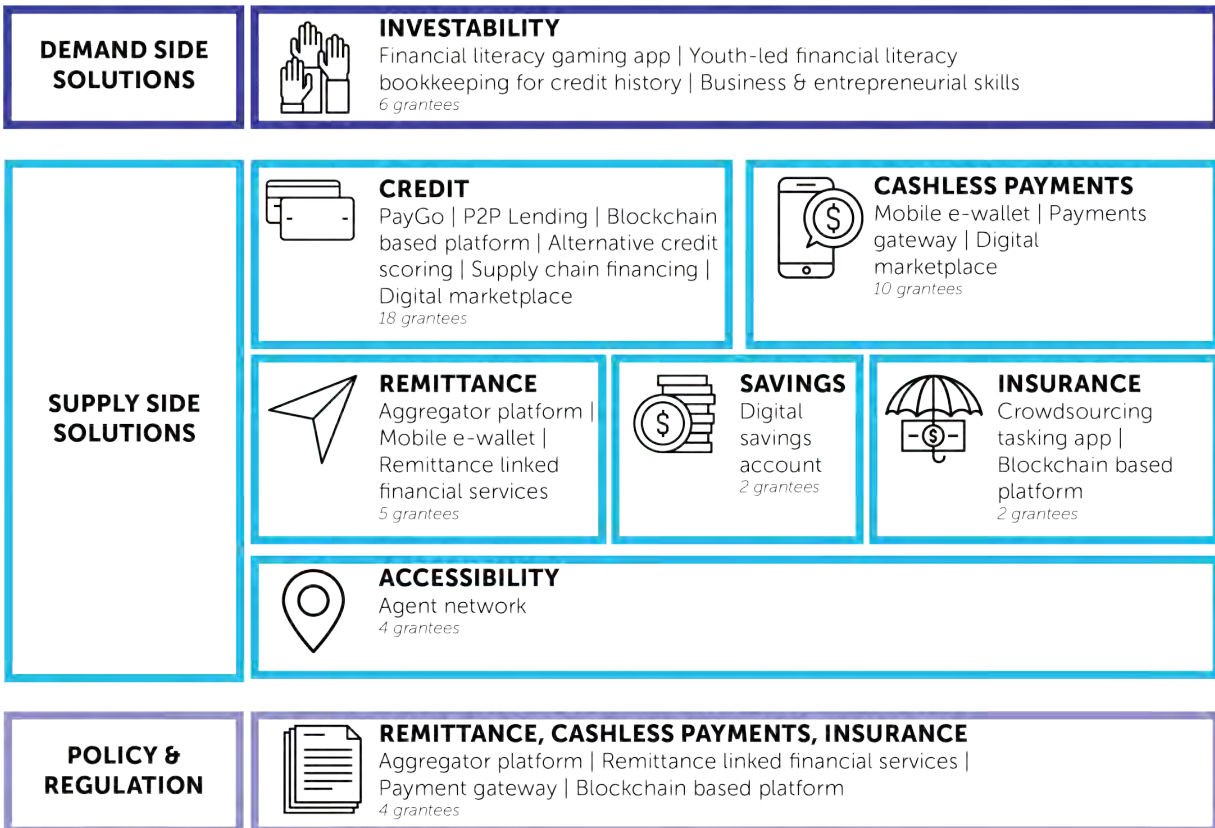
<sup>9</sup> Usage at Q4 2020 – This only includes the active portfolio: Aeloi, AMK, Banhji, I Farmer, Motherfinance, Romoni, SHE, Singcash, Skyeye, SparrowPay, Thunes and Zigway.

Figure 7 - Total number of direct beneficiaries reached under the SHIFT Programme (In millions)



The business models funded by SHIFT have varied across sectors as can be seen in the figure 8 below.

Figure 8 - Type of business models supported by SHIFT ASEAN



### 3.1 FUND FACILITY

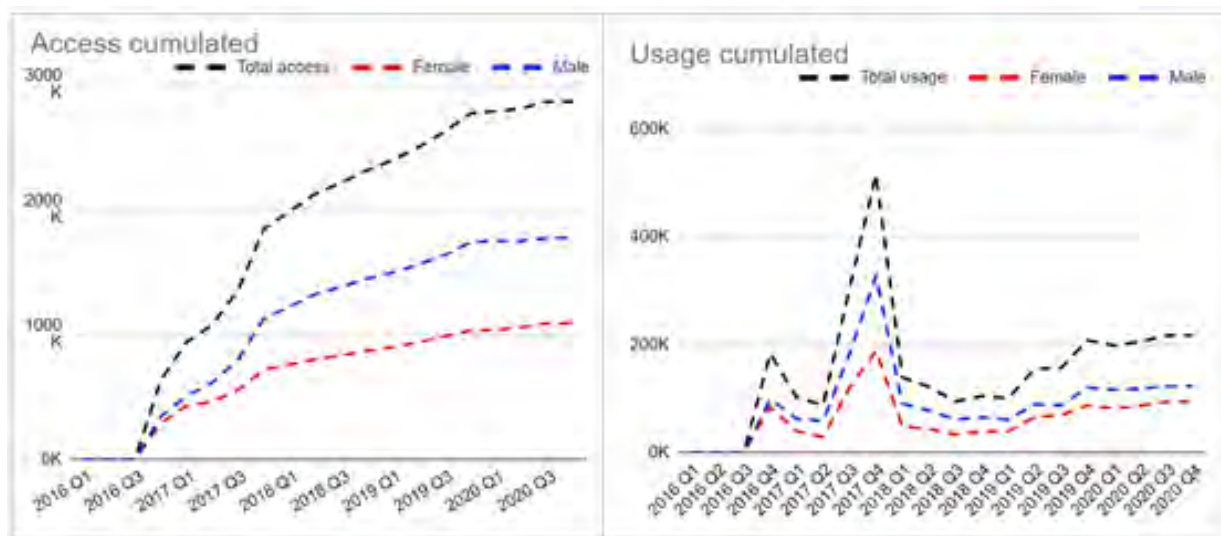
With a strong focus on women's economic empowerment, SHIFT's overarching activities aimed to support financial service providers to develop new prototypes and bring to scale viable business models that serve low-income individuals, micro-entrepreneurs, and small and medium businesses, especially women within these markets, in the ASEAN frontier economies. Fund facility performance and targets are listed below:

Table 2 – SHIFT Fund Facility Performance in Relation to Targets

Indicator	Programme Performance	Programme Target
Number of FSPs supported	31	20
Number of new prototypes supported	31	N/A
Number of scale viable business models	11	N/A
Number of direct beneficiaries (Access)	2.95 million	800,000
Proportion of women beneficiaries	39.3%	60%
Number of indirect beneficiaries	1.3 million	2.8 million

Since its launch in 2014, the innovative solutions supported by SHIFT ASEAN's Fund Facility have reached 2,950,632 low-income people which is over 3.5 times higher than the target value of 800,000. Of these, 1,162,129 were low-income women (39.3 percent). Although this is below the target of 65 percent, and proportionally the programme has not met its target, in absolute numbers this is more than double the 520,000 target. Of these, 74,223 were entrepreneurs, (85.8 percent women), and 2,876,409 were low-income individuals (38.1 percent women). Usage levels across the portfolio varied depending on the time of reporting, but as of Q4 2020 39.6 percent of the active partners beneficiaries were considered as active customers. This is well above the target 15 percent as industry standard. Through the SHIFT grantees, more than 1.3 million additional indirect low-income beneficiaries were reached, and a summary of beneficiary access and usage is shown in Figure 9 below.

Figure 9 – Total number of direct beneficiaries reached under the SHIFT Programme (In millions)



With respect to the original programme timelines, the overall fund facility outreach target was reached in Q1 2017, when over 900,000 beneficiaries had been given access to formal financial services through UNCDF supported partners. This was well before the estimated timeline of 2020 or the fifth year of the programme. In 2017, women represented 46 percent of the beneficiaries (target 50 percent). In the following years this dropped to 38.4 percent in Q1 2018 (target 50 percent), 37.8 percent in Q1 2019 (target 60 p) and finally increased to 39.3 percent reported above. Overall, outreach towards women remained below programme targets in terms of percentage, but above targets in terms of overall number (1.1 million instead of 650,000). Throughout the programme implementation, SHIFT has almost always been ahead of targets in terms of number of partners reached, having 13 by the end of 2017 (target 7), 15 by the end of 2018 (Target 16), 22 by the end of 2019 (target 20), and 31 by the end of 2020 (target 20) across eleven countries (this includes 6 partners outside the ASEAN region selected during the “women MSME Fintech” challenge fund window).

In total, over US\$ 5.6 million have been leveraged in match-funding capital from the private sector partners themselves. With respect to the additional debt and private equity investments, 7 partners were able to crowd in new investors and details of this can be found in section 3.1.2. Although this was below the target of 20 partners and the additional outreach attained by these investments has not been possible to measure, the value of the additional investments raised reached US\$ 151.73 million.

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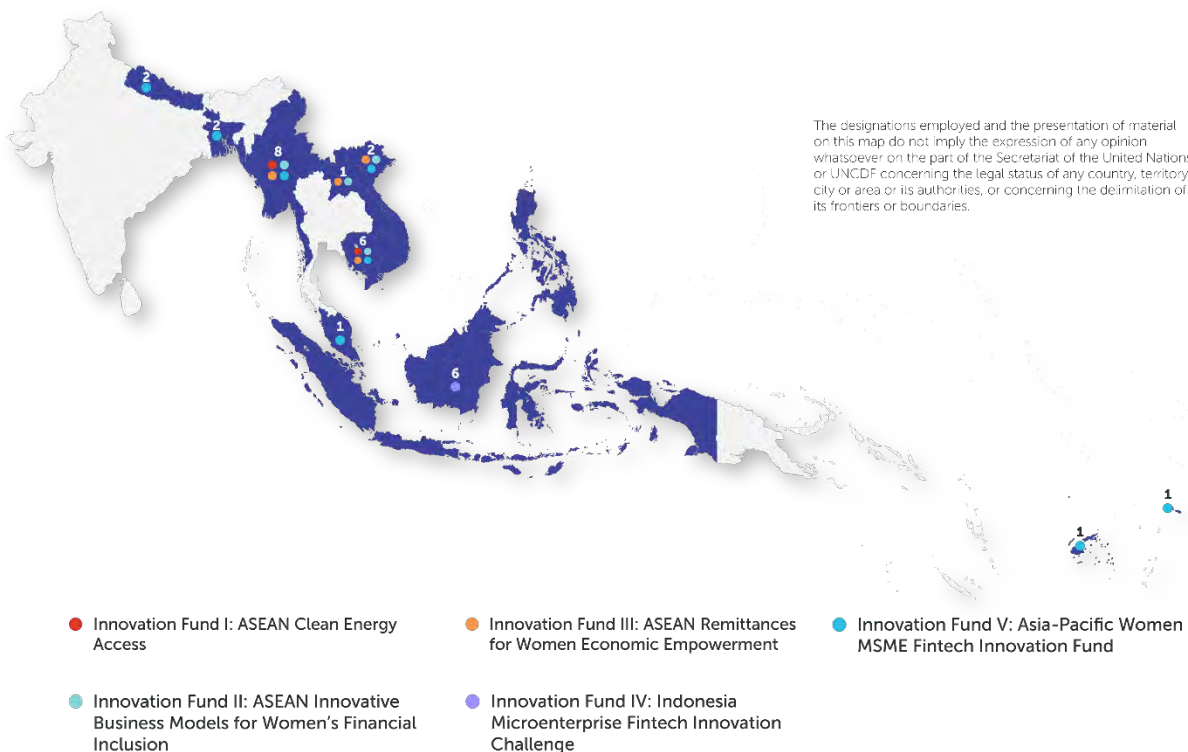
### 3.1.1 OUTCOME 1: PROVEN BUSINESS MODELS, WHICH SERVE LOW-INCOME CUSTOMERS, INSPIRE REPLICATION AND ADOPTION BY FINANCIAL SERVICE PROVIDERS.

**Expected Output: Accelerated the development of new and innovative business models for financial inclusion through funding and technical assistance to FSPs.**

The SHIFT fund facility was launched in 2015, investing a total of US\$ 2 million in grant funding throughout the programme and providing ad hoc technical assistance to partners in a variety of technical topics (such as accounting, legal and data analytics) and supporting them in partnership

development and regulatory approval processes. An overview of the geographical location of partners is illustrated in the map below.

Figure 10 - Number of pilot innovations by country 2015-2020.



Under the Clean Energy Fund window pay-as-you-go innovations were introduced for the first time in Myanmar and Cambodia. 10,011 people are now able to use clean energy solutions (target 40,000), of which 33 percent are women (target 65 percent). One of SHIFT's investments, Greenlight Planet, has become a market leader<sup>10</sup> for solar home systems in Myanmar, where sustainable off-grid solutions were less developed. The second Innovation Fund Window focusing on women invested in seven FSPs resulting in 2.65 million people accessing financial services, (target 1.3 million) of which 37 percent are women (65 percent women). The third Innovation Fund window focusing on remittances resulted in 245,800 people receiving formal remittances, (target 133,500) of which 57.1 percent are women (target 65 percent). The fourth Innovation Fund window focusing on Indonesia micro enterprises resulted in 27,323 MSMEs having access to formal loans, (target 8,500) of which 78 percent are women led MSMEs (target 65 percent). The fifth Innovation Fund window<sup>11</sup> focusing on women MSMEs as of now has resulted in 3,214 people/MSMEs accessing formal financial services, (target 3,221) of which 62 percent are women/women led MSMEs (target 65 percent).

<sup>10</sup> Greenlight Planet not only overpassed their Performance Based Agreements (PBA) target selling over 9,000 units (their target was 4,300) and distribute over US\$ 500,000 in loans (34 percent distributed to women) but they also changed the market perception, through marketing campaigns highlighting the benefits of Solar Home Systems (SHS), as before their arrival to the market other sources as biomass or car batteries were widespread in the country.

<sup>11</sup> The fifth window targeted ASEAN countries as well as some countries in the Asia-Pacific region.

The provision of grant funding and technical support played an important role in the launch of these innovations, that without this nudge would have been deemed to be too risky to take forward. For example, a partner in Indonesia indicated that having received SHIFT support resulted in subsequent board approval of the business model which otherwise would have not been prioritized. SHIFT support also resulted in accessing funds that some of those partners did not have access to, and with it triggered the unlocking of private sector funding from the partners themselves in the form of leverage for a total of US\$ 5,620,468 in matching contributions, further accelerating the development of these innovative business models.

**Expected output/Provider Outcome: Investors are crowded in, further supporting and accelerating FSP business innovation and scale/ Funders and private equity investors crowded into the financial sector to fund FSPs**

To further accelerate the launch of innovative business models, the SHIFT programme leveraged funding from other UNCDF programmes including the Expanding Financial Access (EFA) in Myanmar and CleanStart both of which allocated funding for business model piloting in the first and third fund facility windows. Investment funds were also sourced and leveraged from other United Nations organizations including UNESCAP, as well as government organizations including the Monetary Authority of Singapore, (MAS).

With the support of SHIFT and with their own independent initiative, fund facility partners were successful in crowding in investors to further accelerate business model development and scaling. Through these initiatives the partners were able to raise an additional US\$ 151.73 million in venture capital, debt and equity funding giving the programme an overall leverage ratio of approximately 1:73.4. This includes all the funding raised by the partners during the implementation period, and therefore may not all be directly attributable to activities supported by UNCDF. Nevertheless, the success of the supported business models was leveraged when approaching potential investors and used to evaluate investee investment readiness. This was made explicit by AwanTunai, BRAC and Thunes who together raised US\$ 109.3 million, using the raised funds to further accelerate business model scaling and development. More details about the capital raised by SHIFT investees can be found in VII.

**Expected Output: Lessons learned generated for wider application and further improvement.**

Throughout the programme implementation, SHIFT emphasized the importance of capturing partner learnings and use these to develop content for wider application and market improvement. Although many specific learnings were identified throughout, these were grouped and are found in the learnings section of this document. In reference to the fund facility specifically, three high level learnings have been identified and are listed below:

1. Supporting the right business models in a tailored way is key.
2. Technical guidance and assistance ensure better results.
3. The stability of the grantees affects the quality of the partnership.

The experience of SHIFT partners, as well as their clients was captured through the programme Results Measurements systems that included regular partner reporting as well as on site Key Informant Interviews and surveys. Learnings were gleaned from this, and dissemination content was created which was channeled into the inhouse external communication pieces including case studies (7), videos (3) and a blog series (14). The SHIFT team also worked to place content in third party outlets, developing

content with the partners directly and registering third party programme references. In total 28 references and third-party dissemination pieces were completed.

As part of business model established by BRAC, financial diary research was taken forward and used as the basis to develop demand driven individual loans. The data was compiled in a data portal open to public access. This [database](#) was shared by the partner with the market, using it as an opportunity to also demonstrate how it drove the development of new financial services. WAVE Money showcased their Shwe Toe experience through a webinar on digital literacy organized by Consultative Group to Assist the Poor (CGAP) with the aim of improving market capacity in financial inclusion. In addition to these, SHIFT was an active participant in national and regional conferences and workshops, leveraging these activities to share programme learnings and fund facility experiences through side events, panels and presentations. For example, the Singapore Fintech Festival was leveraged to showcase SHIFT fund facility partners and their innovations. A full list of events participated in can be found in Annex VIII.

### **Expected Provider Outcome: Innovations increase market share of the financial institutions.**

The range of innovations undertaken by SHIFT has resulted in positive impact not only in terms of increase in market share of financial institutions, but also overall expansion of the market. Some of the examples are mentioned below:

- Thunes was able to increase its market share by opening up the cross-border remittance market in Cambodia and Myanmar, and also expand the market of remittances, where now the number of formal remittance receivers is increased from employment destinations like Singapore, South Korea etc.
- TrueMoney<sup>12</sup>, a Southeast Asian Fintech firm, has teamed up with Singapore-based Thunes, a cross-border payment company, in order to expand its remittance services. Through the partnership, TrueMoney customers will be able to accept remittance payments from anywhere in the world via Thunes' international partner network, which covers over 100 countries and in 60 different currencies.
- BRAC has been able to increase its market share by introduction of individual and enterprise loans in Myanmar.
- Amatha, Julo and AwanTunai has been able to internalize the business model and increase their market share in terms of numbers and volumes
- iFarmer in Bangladesh has been a unique noncompetitive model as of now and has been able to quickly increase their market share and also get seed funding.

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### 3.1.2 EXPECTED PROVIDER OUTCOME: PROVEN BUSINESS MODELS AND TECHNOLOGIES ARE SCALED-UP AND NEW ENTRANTS IMITATE AND REPLICATE MODELS AND TECHNOLOGIES

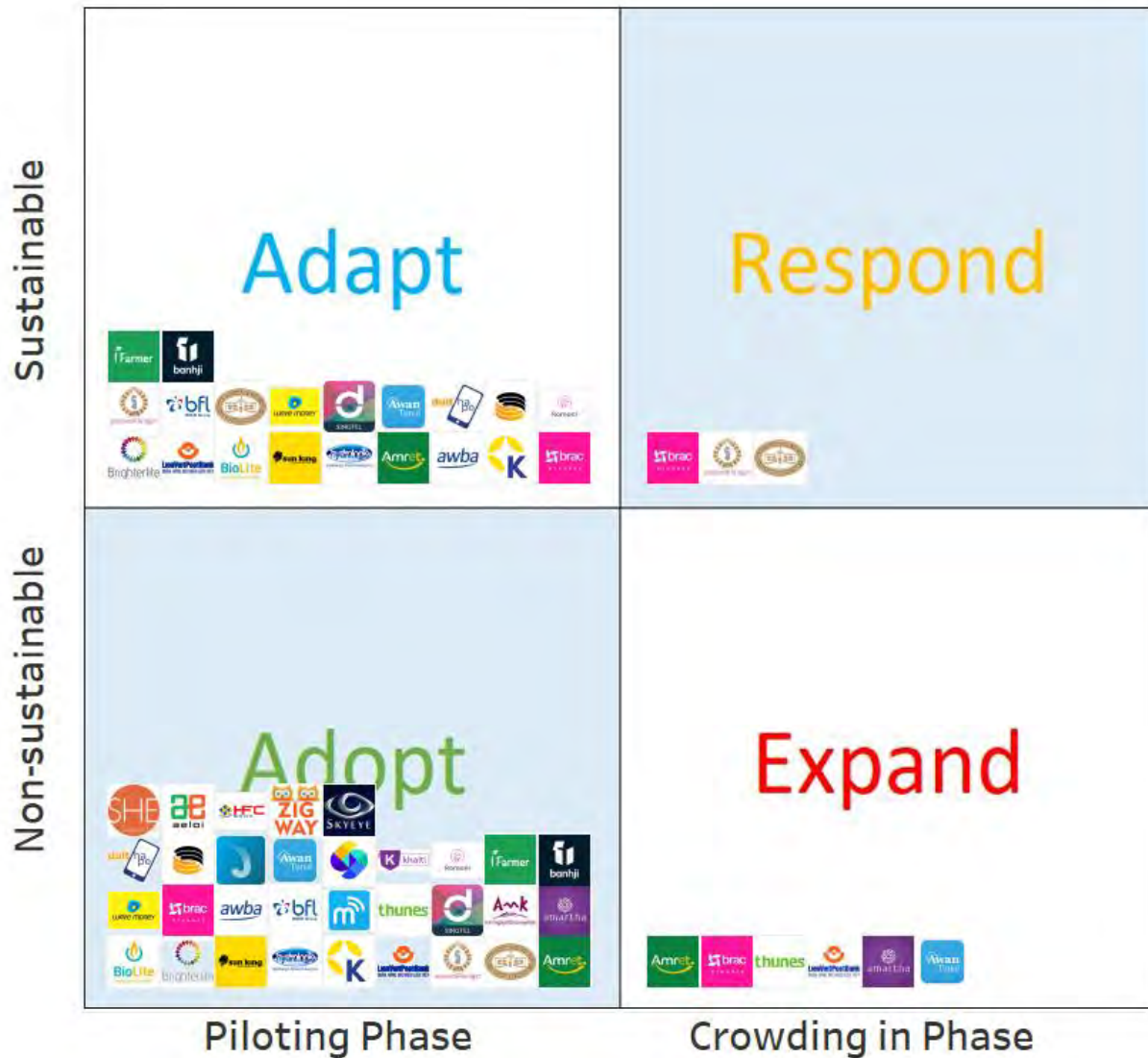
As a market development programme, SHIFT uses the [Adopt, Adapt, Expand, Respond \(AAER\) measurement framework](#) developed by the Springfield Centre for Business in Development (Nippard, Hitchins et al 2014). Through this framework, programme performance can be assessed against a theoretical contribution pathway based on changes in sustainability and scale (reflected in increasing business scale, model replication and market response) and a pathway that moves from the

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<sup>12</sup> <https://www.crowdfundinsider.com/2020/08/165170-southeast-asian-fintech-truemoney-partners-singapore-cross-border-payment-provider-thunes-to-expand-remittance-services/>

bottom left-hand quadrant (Adopt), to the top right hand one (Respond)<sup>13</sup>. This framework is illustrated below in figure 11 in which the SHIFT fund facility partners have been plotted to reflect their relative position on this pathway which was estimated based on programme Results Measurement observations and Milestone achievements.

Figure 11 - From piloting to scaling to market system change.



Overall, SHIFT has invested in 31 innovation partners who with this initial support have *adopted* the new business model, reflecting initial commitment to the idea, but not likely to continue implementation without programme support. As can be expected, 17 of these innovation partners continued to invest resources (time, funding, infrastructure) in the business model, *adapting* it to further market needs

<sup>13</sup> There are multiple methods possible to generate AAER classifications, for example market impact and sustainability indicators could be used to set up a more fluid index in the future. The current method applied in this review follows the division between sustainability and market impact of the pilots (see Nippard, D., R. Hitchins, et al. 2014; 10).

reflecting greater commitment and autonomy of the initiative which is a strong signal for partner ownership. With the crowding in of major market players, increasing levels of collaboration and competitor model replication, only six partners moved into the *Expansion* stage. Finally, only three partners reached the *Respond* stage till December 2020, showing indications of business resilience to shocks and important changes in behaviour that reflect change permanence, as well as crowding in important ecosystem investors. We expect more organisations to move through this curve across adopt, expand and respond in the coming years.

In the respond stage, we have BRAC, whose success with introduction of individual loans, was able to attract the interest of important international investors (such as the Dutch Entrepreneurial Development Bank - FMO), that allowed BRAC it to grow further. This was followed by a planned geographical expansion into new states in Myanmar and aggressive individual loan growth campaign which aims to graduate a significant number of its group loan clients. This reflected an important change in business behaviour having previously only focused on group loans. Furthermore, operational changes within the organization were observed and are a testament of these changes that have both sustainability and scale.

Another example of a partner's development pathway is that of LVPB which launched Viet Nam's first bank led e-wallet (ViViet) with SHIFT support. LVPB grew quickly onboarding 2.7 million people to the e wallet by the end of the implementation period and offering a range of payments functionality as well as savings and credits products. Although wallet usage was variable throughout, LVPB is using this experience as the basis to launch their digital banking app (LienViet24h) showing their commitment to the business model as well as its refinement using their own resources. This experience was also used by a market competitor to develop their own e-wallet reflecting increased model scale as well as sustainability.

In the Mekong region, Thunes adopted formal remittance services to reach migrants and recipient families in ASEAN developing markets. Significant corridor growth from the Republic of Korea and Singapore to CLMV demonstrated Thunes' ability to *Adapt*. Thunes has played a role in formalizing remittances in Mekong countries, including the use of digital technology. For further details about these partners, please refer to the case studies in Annex VI.

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### 3.1.3 EXPECTED MARKET OUTCOME: GREATER COMPETITION

Greater competition in terms of new entrants in the market which is undertaking similar or same services compared to innovations supported by SHIFT ASEAN programme has been observed in some cases.

- As an example, in 2019 various MoUs were signed to increase adoption of cross border payments and use of QR codes, during the ASEAN Central Bank Governors' Meeting in Chiang Rai, Thailand<sup>14</sup>. This would increase competition on cross border payments and remittances. In all seven partnerships were signed which included Cambodia, Thailand, Indonesia, Lao PDR, Myanmar, Singapore, Malaysia and Philippines.

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<sup>14</sup> <https://www.bot.or.th/English/PressandSpeeches/Press/2019/Pages/n2062.aspx>

- Greater competition is also reflected by the number and multiplicity of FinTech players in the country and at regional level. This has resulted in setting up of FinTech Associations in Cambodia, Viet Nam which was not earlier when SHIFT started.
- Within SHIFT investees also there is a competition – for example both BanhJi and SHE Investments in Cambodia have been developing and implementing book-keeping and literacy apps for women enterprises.

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### 3.1.4 EXPECTED MARKET OUTCOME: INCREASED NUMBER, DIVERSITY AND AFFORDABILITY OF FINANCIAL SERVICES AND PRODUCTS.

The fund facility has been successful in launching a variety of business models. Although not all have been equally successful, of the 31<sup>15</sup> supported only five did not make it to market. The supported partners were classified according to whether they were supply or demand side focused financial services and overview of these is seen in in Figure 8 above.

Within the scope of supply side focused financial services, most of the partners solutions (18) were focused on credit provision which was launched using innovative methods of service delivery, underwriting processes and linkages with other financial services including cashless payments and digital marketplaces. Cashless payments platforms and linked services were launched by ten partners of the SHIFT portfolio, using mobile e wallets as a platform to innovate in what services were offered, to whom and their linkages to other financial services. Five partners focused on remittance and remittance linked services, using SHIFT support to strengthen CLMV remittance corridors and offering new channels through which to access these services. The SHIFT portfolio also facilitated the launch of two savings and two insurance products. Agent networks were also strengthened allowing partners to access the underserved base of the pyramid clients with more and better-quality financial services.

With the objective of strengthening the potential client’s capacity to access and use financial services, six SHIFT partners focused on demand side financial solutions by delivering financial literacy content using innovative delivery channels, as well as offering MSME a range of basic entrepreneurial and bookkeeping services. The latter with the objective of helping MSME build their business financial history and use this as a platform to access expanded financial services. Furthermore, SHIFT supported the launch of these financial services through policy and regulatory support when needed.

Overall, it can be seen that the SHIFT Fund Facility was able to increase the diversity of financial services in the CLMV market and beyond. By working with a variety of companies including FinTechs, E-Wallets, Banks, MFI and Energy providers, the Fund Facility was also able to strengthen the positioning of specific company types as financial service providers in specific markets. This is especially true for Fintech companies who played a critical role in credit provision throughout the COVID-19 pandemic. Furthermore, for example, SHIFT supported the launch of the first bank led e wallet in Viet Nam, expanding e wallet functionality to include savings and loans. Fintech companies represented by far the largest number of SHIFT partners, being well placed to target underserved markets due to their capacity to innovate, adapt to changing market conditions and potentially reach scale quickly. Overall, through the Fund Facility women entrepreneurs, women individuals, women led MSME and MSME were reached

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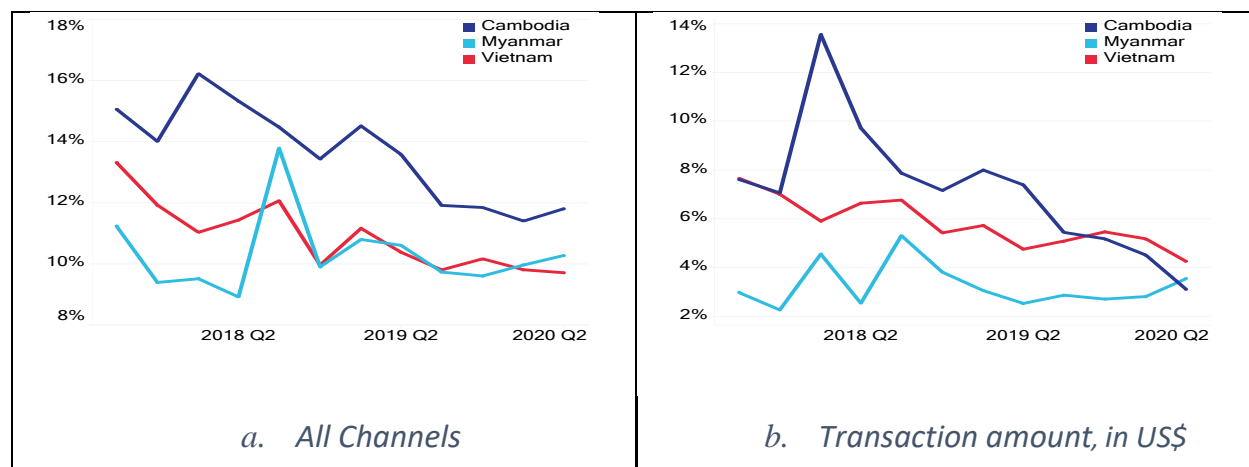
<sup>15</sup> This includes Biolite, Hydrologic, MOVIVO, BFL, Duihape

in the agricultural, manufacturing (garments, food processing) and service (retail, transport, restaurant) sectors.

With respect to the affordability of these financial services, and how they compare to market rates the results are variable. For example, In Indonesia, some partners supplying loans reported interest rates as low as two to seven percent for short tenure loans (although this has increased with COVID-19). This is due to low operational costs, informational asymmetries and non-performing loans. When comparing this with the market, informal loans are available at 15 – 30 percent interest rates per month, or banks offer loans at 12 – 14 percent yearly. An important regional consideration for loan affordability includes the existence of government-imposed interest rate caps, which in Bangladesh are at nine percent for MSME lending, and in Myanmar are at 28 percent (yearly) for MFI lending.

Reducing remittance costs have a significant impact on migrants and their families in CLMV economies. Recently a reduction in the transaction costs in the ASEAN region was observed, starting from the third quarter of 2017 (Q3) to the second quarter of 2020 (Q2), the inter-ASEAN transaction cost to remit US\$ 200 to CLMV economies fell substantially from 15.1 percent to 11.8 percent for Cambodia and from 13.3 percent to 9.7 percent for Viet Nam. The fall for Myanmar was less steep; from 11.2 percent to 10.3 percent. This evolution is illustrated in the figure below.

Figure 12 - Dynamics of the inter-ASEAN transaction cost for low-value remittance (<US\$ 200)



Overall, banks remain among the most expensive types of remittance service providers with an average cost at 17.5 percent. The digital channels that were launched through the SHIFT Fund Facility have reported a although hidden costs may exist due the different stakeholders involved in remittance transactions.

### 3.1.5 EXPECTED MARKET OUTCOME: FSPS INTRODUCE IMPROVED OR NEW BUSINESS MODELS AND TECHNOLOGIES INTO THE MARKET TO SERVE LOW-INCOME CONSUMERS.

Through the SHIFT Fund Facility, a total of 31 business models were supported. As previously indicated, five of these faced important challenges that meant they were never able to launch their service. As

such, 27 business models were introduced and of these, 11<sup>16</sup> were completely new, and 16 a combination of new and improvements on existing business models, with some of them still trying to establish the new models. In some cases, the introduced technology was completely new to the country level market, like pay-as-you-go, remittance corridors partnerships etc.

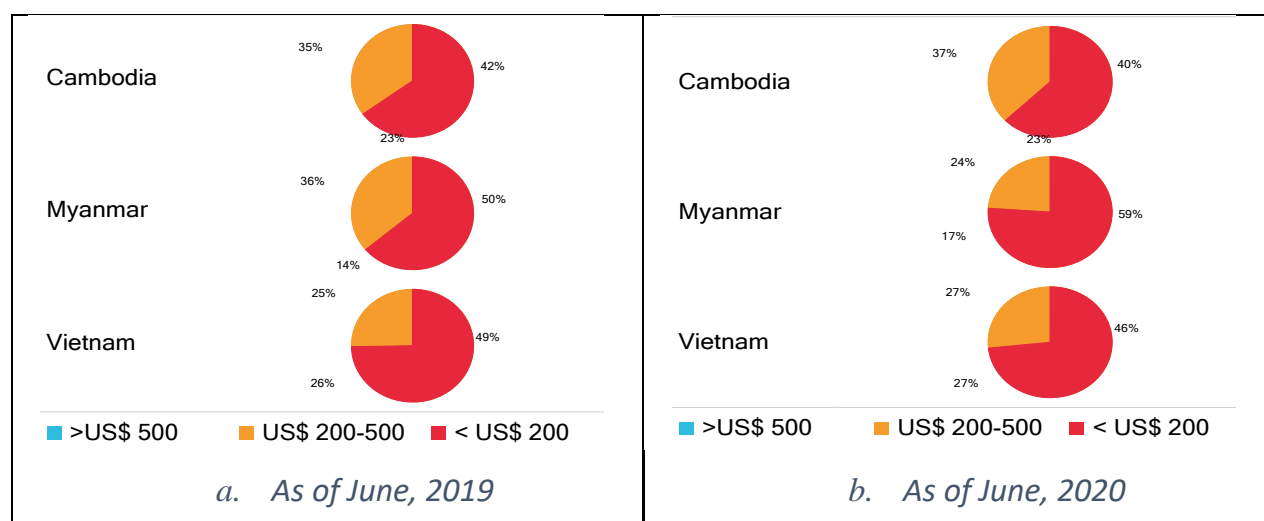
Through partner innovations and in particular the use of technology, the Fund Facility was able to reach a wide variety of beneficiaries including women, MSME, migrants, rural communities, students, merchants and farmers amongst others. Of specific interest, were low-income segments who in general are underserved by formal financial services, and in which women and other vulnerable groups are proportionally overrepresented. Programme results measurement activities including key informant interviews and focus group discussions with partner clients as well as lean data surveys and transactional data analysis that were completed with three of the portfolio partners were used to identify partner client profiles.

In Myanmar, a lean data survey was completed with 985 BRAC loan clients. From these surveys it was found that the majority (73 percent) of its individual loan clients were women with monthly earnings above 300,000 MMK (73 percent) and that a minority (5.5 percent) had monthly earnings below 100,000 MMK. This finding suggests that the levels of income amongst BRAC customers is higher than the overall country as in Myanmar where 53 percent of adult women have monthly earnings below 100,000 MMK (FinScope Myanmar 2018 dataset). With respect to the group loan customers, 15 percent of the women fall within the very low-income segment. A similar result was found amongst LVPB ViViet customers in Viet Nam, where 107 surveys were completed, finding that a minority of its customers (16 percent) have monthly earnings below two million VND and the majority (49 percent) have monthly earnings of between two and ten million VND. The low-income threshold of two million VND is set by the State Bank of Viet Nam, and in Viet Nam as a whole 28 percent of the adult population has monthly earnings below this. An in-depth analysis of transactional data shared by a SHIFT remittance partner (Thunes), concluded that 29 percent of partner beneficiaries in CLMV economies received a remittance amount of less than US\$ 200, which can be used as a proxy to estimate the percentage of low-income people of recipients. Overall, 49 percent of the senders had completed transfers below US\$ 500. An overview of this distribution is illustrated below:

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<sup>16</sup> Sparrow Pay, Aeloi, Brighterlite, Thunes, SingCash, Wave Money, BRAC, LVPB, Amret, AwanTunai, Amartha.

Figure 13 - Transactions categorized by value



A more detailed overview of the results of these surveys are available as part of the case studies in Annex VI.

Key informant interviews and focus group discussions with partner clients were also taken forward finding that amongst the Solar Home Systems were mainly being used in rural and peri urban farming households (peanuts and rice) with up to 12 members. The systems replaced more expensive lighting systems linked to car batteries and small generators and helped bring clean energy and light to these off-grid locations. In Myanmar, interviewed AWBA agents (100 percent women) reported varied monthly platform sales of between 200,000 to 600,000 MMK, of which 4.5 percent were income based on commissions. This placed most of the agents in the low-income bracket, although this does not include income from other sources. In Indonesia, most of the partner clients were well established MSME (retail) with daily sales of between 500,000 to 40 million IDR. In Bangladesh, the women MSME on the Romoni e commerce platform were found to have between 25,000 and 100,000 BDT in monthly earnings, and iFarmer women farmers earnings based on livestock sales were 44,000 BDT per cow sold with a nine percent profit margin.

### 3.1.6 IMPACT OF COVID-19 OUTBREAK

The spread and impact of the COVID-19 outbreak in 2020 had profound implications for national economies, as a series of preventive measures were implemented to stop its spread nationally and across the world. This included restrictions on mobility and the closure of non-essential businesses which had an inevitably impact on the programme end beneficiaries and partners, who had to respond to this situation by adjusting their business models, reviewing their targets and timelines, and offering their clients additional support and service flexibility where needed as many programme end beneficiaries were faced with the loss of income by business closure or downscaling, and/or loss of employment. Within this context, digital platforms however were able to show their relative resilience and advantage as they were mostly able to continue operating and ended up concentrating much of the market's financial transactions.

Migrant workers were amongst the most affected and at the start of the pandemic, remittance flows to low- and middle-income economies were projected to decline by 20 percent (World Bank 2020) which equates to an amount of US\$ 110 billion, exceeding annual bilateral development aid. Remittances however have been resilient, with an overall decline (14 percent) that has been less than that that observed in global Foreign Direct Investment (FDI) (SIDA Call to Action 2020). Digital remittance services have been especially resilient, concentrating transactions across corridors and in particular from Singapore to Myanmar, where during this period SHIFT portfolio partners experienced an increase in transaction volume and demand. This is shown in the table below:

Table 3 – Comparative remittance data (Quarterly averages)

	<i>Cambodia</i>		<i>Myanmar</i>		<i>Viet Nam</i>	
	Pre-COVID-19	COVID-19	Pre-COVID-19	COVID-19	Pre-COVID-19	COVID-19
<b>Number of transactions</b>	31,314	827	4,211	22,318	13,947	9,784
<b>Remittance amount</b>	\$13.8M	\$0.4M	\$4.2M	\$25.3M	\$11.1M	\$6.2M
<b>Average amount per sender</b>	\$453	\$508	\$906	\$1,125	\$792	\$629
<b>Number of Receivers</b>	16,017	572	2,664	12,005	7,219	4,835
<b>Number of Senders</b>	4,484	487	1,128	7,772	4,004	2,943

On reducing vulnerability, as demonstrated in the BRAC case study, even with the impact from COVID-19 and a lockdown on lending - BRAC still onboarded 19,542 individual loan customers during the pandemic impacted year of 2020 with the number of individual loan customers increased by 75 percent, reaching to 24,598 individual loans. The technical support to UNCDF partners helps them to better shape their products and service towards the needs of the most vulnerable group of people (see case study in Annex VI). The Thunes project continued moderately during the COVID-19 crisis expanding in the corridor to Myanmar, reducing in Cambodia and dropping in remittance volumes in Viet Nam (see case study in Annex VI). From the vulnerability perspective, the observed impact of COVID-19 among some of the SHIFT grantees has been mitigated and FSPs as Duithape or AwanTunai have been positively impacted. Other FSPs had to adapt their models by offering new solutions to their clients, as for example Romoni did by launching a new service.

In the case of AwanTunai, as their micro-entrepreneurs are mostly offering basic and essential foods, they remained open during the lockdown. Still, AwanTunai saw a reduction of 30 percent on overall sales and the repayment rate went down to 97 percent in Q1 2020, but quickly recovered to 99 percent in Q2 and in Q3 went back to normal (99,8 percent). AwanTunai was positively impacted during the pandemic because, as most of the traditional banks froze lending, suppliers were forced to look out for new sources of financing. AwanTunai requested the implementation of their systems as a prerequisite to get the loan to the suppliers, which allowed them to grow 400 percent this year (2,5 million difference per month) reaching now 11 million sales per month.

In the case of Duihape, even though the project of digitising distributors payments wasn't launched<sup>17</sup>, they decided to launch a new business for the disbursement of digital aids. This project targets low-income people and unbanked who through digital platforms are quickly and effectively able to receive aid and use this to buy food and essential products<sup>18</sup>. With the COVID-19 outbreak, they have grown 50 times their gross transitional value, they have reached 28,000+ beneficiaries (out of which 75 percent are women) and have acquired more than 2,800 merchants.

In the case of Romoni, micro-entrepreneurs were highly impacted<sup>19</sup> by the lockdown and Romoni had to adapt their platform to the new circumstances. To help their clients, they signed an agreement with an NGO that provided groceries to some entrepreneurs for a few months. They also launched a new e-commerce platform focused on beauty and hygienic products to allow their entrepreneurs to continue offering their services and have an extra source of income without investing in inventory or delivery.

### 3.2 LEARNING AND SKILLS DEVELOPMENT

With a strong focus on women, SHIFT's overarching learning activities aimed to develop an ICT training platform targeting FSP and other stakeholder professionals across the ASEAN and globe. Learning & Skills development activity performance and targets are listed below:

Table 4 – SHIFT Learning and Skills Development Performance in Relation to Targets

Indicator	Programme Performance	Programme Target
<b>Number of professionals that use and contribute to the learning platform.</b>	0 (design and scope of activities in programme pillar changed)	20,000 (50% women)
<b>Number of ICT platform users</b>	0 (design and scope of activities in programme pillar changed)	500,000 (50% women)
<b>Number of countries engaged in contributing materials and expertise to the ICT learning platform.</b>	Capacity building activities taken forward with professionals from all CLMV countries (4) and Indonesia (1), as well as with professionals from other ASEAN countries and further afield.	15 (10 in the ASEAN and 5 globally)
<b>Number of staff of FSPs and other stakeholders having access to quality training materials</b>	405	500,000

As can be seen from the table above, several indicators have remained in 0. This is because the scope and design of this programme pillar experienced major changes in 2015/2016. These were the result of

<sup>17</sup> Digital distributors payments was the project selected by SHIFT. Duihape signed agreements with 3 major distributors in Indonesia, developed the API, but at the end distributors were reluctant to integrate themselves to the API because they considered that passing to digital will negatively impact their sales. At the end, the project could not move forward and Duihape realised that the digital change should start from the final clients not the distributors.

<sup>18</sup> It uses facial recognition, and the beneficiary only needs to tap their PIN into the merchant terminal to confirm the payment. So, not even a mobile phone is necessary allowing them to target the bottom of the pyramid.

<sup>19</sup> In Bangladesh, urban workers had to go back to their villages because without work they could not afford to pay rent in Dhaka.

the learning and skills development portal survey taken forward by SHIFT in 2015 amongst financial service providers (FSP) and technical service providers (TSP) in the CLMV region that aimed to inform the learning programme design. It was observed that the market appetite for an ICT platform for learning was not what had originally been assumed. Furthermore, SHIFT fundraising fell short of the US\$ 30 million target, with resources raised remaining around US\$ 10 million. As such, the learning platform was downscaled to suit market demand and available resources, meaning that reaching most of the original targets was no longer feasible. This included reaching up to 500,000 registered professionals on the platform, and 20,000 active users (50 percent women) in up to ten countries in the ASEAN region, and 5 globally. Also, to note is DFAT funding towards learning and skills development portal related activities represented only two percent of the planned budget for this output, reflecting DFAT contributions towards the SHIFT programme in other three outputs.

SHIFT ASEAN's capacity building and learning activities therefore have targeted over the years various stakeholders both from the regulators and from the private sector, mostly with the aim of raising their awareness and skills in using sex-disaggregated data for product development.

A total of 405 professionals and civil servants have been reached in the programme's trainings since it commenced, 318 private sector professionals and 87 trainees in the public sector, all across (Cambodia, Lao PDR, Myanmar, Viet Nam and Indonesia) and regionally. A breakdown of number of people trained across countries, private and public sectors is summarized in Table 5 below.

*Table 5 – Overview of people trained of SHIFT Learning & Skills Development pillar*

		Works hop	Technical Assistance	Webinar	Mentor ship	Combin ation	Exposure visit/Second ment	Total
Cambodia	Private	106						106
	Public	41						41
Myanmar	Private	120			5	10		135
	Public							
Lao PDR	Private							
	Public						1	1
Viet Nam	Private							
	Public					30	1	31
ASEAN	Private							
	Public	14						14
Indonesia	Private	14				8		22
	Public							
Global	Private			55				55
	Public							
<b>Total</b>		295		55	5	48	2	405

Nevertheless, and as can be seen from the table above, through implemented learning activities SHIFT was able to reach at least 405 professionals of the public and private sectors in all CLMV countries, as well as the ASEAN and globally. This was through a variety of activities including workshops, webinars, mentorship activities and exposure visits that were incorporated into fund facility, data hub and policy & advocacy initiatives. Overall, SHIFT built 5 innovative tailored training modules around data analysis and

collection, as well as gender smart product development<sup>20</sup> (target 6), as well as one toolkit (target 3). Furthermore, SHIFT was able to partner with VISA, Oracle and Deloitte to develop learning content for FSP in Indonesia (target 2 per year). The results of these trainings have been good in that satisfaction amongst its participants has been high, and the knowledge shared has been used for the development of at least 2 financial products, the development of a regional financial inclusion M&E framework and as inputs to National Financial Inclusion Strategy (NFIS) processes in at least two ASEAN countries.

**Outcome 2:** The increased number, diversity and affordability of training services, leading to improved productivity and service quality of FSPs and TSPs.

Specific results on outcomes from these training and capacity-building activities outlined in the project's results framework on regional and country level is summarized below.

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### 3.2.1 REGIONAL LEVEL

**An ICT knowledge platform is developed, which increases the reach and access to information for FSP/TSP professionals. Individuals, specifically staff of FSPs and TSPs, contribute and acquire information and knowledge to/from the ICT platform.**

It is to be noted that the initial plan of creating a learning platform, was abandoned in mid-2016 after a market study identified that CGAP, through funding from MasterCard Foundation, was developing an ICT learning platform called Gateway Academy, with initial focus on East Africa and later to be introduced in South east Asia, and therefore, a linkage between the data and learning components of SHIFT was initiated and data trainings became a major activity under both the data and learning components of the programme. The learning and skills development component of the programme was considered to be deprioritized due to funding and staff limitations also. For this reason, the facility was not developed and SHIFT focused on capacity development of various stakeholders instead. Therefore, a linkage between the data and learning components of SHIFT was initiated and data trainings became a major activity under both the data and learning components of the programme in mid-late 2016.

In fact, strengthening the capacities for data usage and learning from data for FSP product development and decision making is strongly linked to the institutional behavior change necessary to enable financial system changes at the market level. This is why this chapter focuses mostly around data trainings to FSPs, MSMEs as well as to regulators rather than the establishment of a learning platform. As a way for SHIFT to simultaneously enlarge and sustain its training activities and given the interest of other FSPs in technical data analytics training, SHIFT has begun developing a Training of Trainers (ToT) capacity building module in 2018 and continued to provide trainings to both private sector stakeholders as well as regulators throughout its implementation.

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<sup>20</sup> This includes the gender smart product development training in Myanmar (Oct 2018), the data smart product development training in Cambodia (Dec 2018), the customer journey action research (2017), the training programme taken forward with the State Bank Viet Nam (SBV) (2019) and the training of ASEAN regulators in financial inclusion M&E and reporting (2019/2020).

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## 3.2.2 OUTPUTS/EXPECTED RESULTS IN TARGET COUNTRIES

### **Education and training professionals in the financial services sector create tailored, commercially viable, training and capacity building programme**

The training activities of SHIFT focused on using the in-house resources of UNCDF to conduct the trainings. Thus, the training and capacity-building programmes of SHIFT were created internally and not focused on working with external education or training providers. However, meso level associations like Cambodia Microfinance Association were collaborated with. A summary of the trainings provided to financial services sector and provider outcomes is summarized below across the SHIFT target countries.

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## 3.2.3 PROVIDER OUTCOMES IN TARGET COUNTRIES

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### 3.2.3.1 CAMBODIA

In Cambodia, a total of 80 senior and mid-level staff at 16 microfinance institutions were trained in gender smart product development and customer journey action research. A customer journey action research conducted by SHIFT's Data and Analysis Hub (please see section 3.3.3.4) served as a basis for the gender smart product development workshops held with the microfinance institutions (more info can be found in case study [here](#)).

The trainings helped some of the financial services providers to adapt their business model to better address market needs. For example, AMK used the data insights gleaned to amend their credit policy while Amret adjusted their sales strategy. Several participating microfinance institutions also used the knowledge to adjust or develop new products, including AMK which launched a micro, small and medium enterprises (MSME) savings product, and First Finance which after the training started targeting first time homeowners.

Specifically, AMK learnt to use data analytics and used their existing data, for the development of a Lucky+ savings account targeting small and medium businesses and merchants with relatively higher income. For Amret, the trainings taught them how to break their analysis down into client sub-segments and adopt an integrated customer-centric approach. They since adjusted their sales strategy where sales agents can both inform and sell products at the same time. These trainings also provided recommendations and technical assistance for Amret to adjust their Family+ product supported by SHIFT's Fund Facility – resulting in integrating the Family+ account into their regular Convenience accounts, offering customers greater flexibility. In addition, Amret acted on a suggestion from the trainings to partner with mobile money company WING to facilitate domestic Person to Person (P2P) payments which resulted in increased uptake of Amret's domestic remittance service and allowed them to scale up their business and resulted in more than 1.2 million domestic remittance transactions up to October 2020. More information about the Family+ product and its learnings from implementation, including client testimonials, [can be viewed here](#).

First Finance found the training useful and have applied their newfound knowledge in their product development activities. After the training, they developed a customer journey map of their financial products and this was presented to top management. This led to a commitment to reduce time lags between customer journey phases. After the customer journey mapping training, they further segmented their market and identified that newlyweds had unique limitations when it comes to buying

a home. This led to the launch of a new home loan product in March 2019, thus establishing their new position as a partner in housing solutions. Through the mapping exercise, First Finance recognized the importance of customer feedback data and decided to set up a call centre to improve their customer feedback channels. With richer customer data, First Finance adjusted their product services to better fit customer requirements. Previously, many of the organization's departments did not communicate actively with each other throughout the product development process. After applying the customer journey mapping approach, they have greater clarity on the whole picture around a specific financial product.

The lessons from the Cambodia trainings also informed SHIFT's expansion of the CJAR trainings to Myanmar.

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### 3.2.3.2 MYANMAR

In Myanmar, SHIFT, in partnership with the Australian Government's (DFAT) Gender Equality Fund and UNCDF's country Expanding Financial Access (EFA) and the Women's Economic and Financial Inclusion (WEFIP) programmes, worked with financial service providers to implement a gender self-assessment toolkit, [Gender Self-Assessment Toolkit for Financial Service Providers](#), a gender self-assessment tool (GSAT) built by UNCDF, together with a standardized process with facilitator guides to support financial service providers in reviewing and evaluating their existing gender approach. This toolkit aimed to enhance providers' institutional policies, practices and performance towards increasing targeted outreach to women clients through gender-sensitive products and services and promote workforce gender diversity in management and leadership.

SHIFT initially took forward a workshop to disseminate the GSAT to the market in Myanmar in 2017. From 12 interested applicant organisations, 11 were selected to receive UNCDF support in the application of the gender based self-assessment tool to identify key improvement areas, develop an action plan and receive support in its implementation. SHIFT launched the first of its capacity building activities with the FSPs in Myanmar by hosting a training in Yangon on data analytics and gender smart product development in November 2018. 21 middle to upper management level staff from 12 FSPs joined the training, which concluded in the FSPs developing and presenting new products such as an education savings product, commitment savings product, MSME lending products, and digital self-help groups in remote areas. This [workshop](#) has enabled participants like LOLC Microfinance to adopt a data-driven approach to product development and prototype new products like LPG gas and WASH loans for women.

To further disseminate GSAT content and availability, a webinar was taken forward. Between 40-50 people joined the webinar (gender is not known). A blog was also developed on the bases of the publication and to date it has had over 1500 views. To read the blog please [follow this link](#). SHIFT also worked closely with BRAC, one of the largest microfinance institutions in Myanmar, to pioneer the individual loan market for women MSMEs. Trainings were undertaken of BRAC team towards development of the product.

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### 3.2.3.3 INDONESIA

Trainings in Indonesia focused on the mentoring sessions offered by VISA, Oracle and Deloitte to support the six winners of the Indonesia Microenterprise Fintech Innovation Challenge with insights around financial advisory, data management, and overall assistance to refine their business ideas. A video

from the initial mentoring session and the following pitches of investees with refined business models [can be seen here](#). Building on the previous capacity building activities taken forward with the challenge fund grantees, grantees received personalized access to experts in the fields of consulting services, financial advisory, tax issues, risk advisory and legal issues.

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### 3.2.4 MORE CAPABLE STAFF ACROSS FUNCTIONS AND LEVELS DUE TO AN IMPROVED ENVIRONMENT FOR LEARNING AND SHARING INFORMATION

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#### 3.2.4.1 CAMBODIA

Training participants in Cambodia reported to use the skills gained for daily and monthly reporting analysis, while others reported that research teams will conduct client-level studies and research to more skillfully and professionally tabulate research findings. Training of FSP staff and management resulted in FSP staff and management having the skills to undertake such analysis, with the findings leading to an enhanced understanding of their customer retention, customer exit, product uptake, and overall preferences and needs of such clients. As a result, FSP management developed action plans to improve data analysis and usage within the institution.

Overall, it was found that staff technical capacities were broadened in undertaking data analysis, particularly allowing them to better compare data through the use of EXCEL pivot tables and slicers, as well as software packages such as STATA and Tableau. The trainings were reported to be able to expedite the analysis process and give a better picture of the market and its segments. While institutions recognized the need for a customer journey approach to their product development, all companies noted that their product development is currently not data driven or done through in-depth customer analysis, rather it is based on market competition and trends. Many also indicated that to make product development more data driven they needed further upper management commitment in the form of paid software licenses, and appropriate operational structures.

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#### 3.2.4.2 MYANMAR

In Myanmar, the trainings conducted enabled participants like LOLC Microfinance to change their approach to product development. The trainings with BRAC, where UNCDF was engaging them in an institutional gender self-assessment, data analytics and product ideation trainings also built the capacity of BRAC staff.

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### 3.2.5 MARKET OUTCOMES IN TARGET COUNTRIES

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#### 3.2.5.1 MORE KNOWLEDGEABLE, SKILLED AND CAPABLE FINANCIAL SECTOR THAT RESPONDS WELL TO CHANGES IN MARKET DEMAND AND SUPPLY INCREASED NUMBER, DIVERSITY AND AFFORDABILITY OF TRAINING AND LEARNING PRODUCTS

##### **Cambodia**

From the private sector perspective, observations indicate that training participants have gained valuable insights that have helped them understand the importance of a concept like the customer journey and how that can be both good for their business and social goals. In the case of AMK, they adjusted an existing service and created the *Lucky Plus Savings Account* which targets higher range MSME offering higher interest rates for savings. To date they have opened 100 of these accounts, from 86 clients of which 35 percent are women. Total savings in these accounts are now US\$ 3,693,722. In the case of First Finance, they have not reported on figures, but their new product is focused on providing financing to newlyweds seeking a first home.

##### **Myanmar**

Interviews were taken forward with 2 FSPs (LOLC and KEB Hana) that attended the trainings in Myanmar. It was found that this had directly led to the development of two new financial products, one of which was an LPG loan product, and the other a WASH loan product. The trainings also supported BRAC in improving their product development for women MSMEs as indicated in previous section (please see section 3.2.3.2).

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#### 3.2.5.2 INCREASED COLLECTIVE DIALOGUE AND SHARED WILL WITHIN AND BETWEEN POLICY MAKING INSTITUTIONS AND PRIVATE SECTOR ACTORS ABOUT THE DELIVERY OF PRODUCTS AND SERVICES APPROPRIATE FOR LOW-INCOME SEGMENTS

##### **Cambodia**

In 2017, SHIFT conducted add-on CJAR trainings with regulators in Cambodia based on the findings of the findings from the trainings with FSPs. This included the National Bank Cambodia (NBC) and the Ministry of Economy and Finance, overall, 40 middle and upper-level staff were trained. These activities provided concrete inputs to the National Bank of Cambodia and the Cambodian Financial Inclusion Roadmap, which led to the incorporation of savings mobilization as a key agenda item on the Roadmap. Through data dissemination activities and engagement with NBC key on demand side survey data findings have been used to inform initial decision-making and priority areas within Cambodia's National Financial Inclusion Roadmap.

The orientation and trainings on data insights from FinScope and CJAR, increased interaction with other ministries in the country after an inter-ministerial committee, headed by the NBC, was set-up on recommendation of SHIFT. Examples include Memoranda of Understanding that the NBC signed with the Ministry of Education, Youth and Sports to integrate financial literacy into general school curricula and Ministry of Women Affairs on financial literacy and women's economic empowerment, and with the

Ministry of Environment on information sharing for sustainable finance. SHIFT's capacity building activities equipped the NBC with data analysis skills to help set specific goals to advance financial inclusion, especially for women. This included developing a M&E framework, helping to set up a dedicated team at NBC and work towards establishing collaborative relationship with National Institute of Statistics on gathering data on various national statistics relevant to financial inclusion.

## Myanmar

The networks and relationships established by the country programme were leveraged by SHIFT to advance the financial inclusion agenda, which culminated in the development of the Myanmar Financial Inclusion Roadmap (2019 - 2023) with technical support from SHIFT and MAP (please see section 3.4.1.1).

In addition, a discussion paper<sup>21</sup> on the constraints and enablers in terms of policy and regulations in the country helped to elevate the financial inclusion discussion and the gender barriers with the government and other stakeholders. Moreover, with SHIFT support the Myanmar Country Team was able to work closely with the Ministry of Social Welfare in the implementation process of the National Strategic Plan for International Advancement for Women (NSPAW) 2013-2022<sup>22</sup>. As of 2020, UNCDF is participating in the Gender Equality and Women's Empowerment Coordination Group (GEWECG) and the Participation Technical Working Group (PTWG).

## Viet Nam

UNCDF SHIFT has been supporting the State Bank of Viet Nam (SBV) from the early stage of the NFIS development since 2018. SHIFT provided a wide range of consultations and technical assistance to SBV to develop the strategy (please see section 3.4.1.1). In collaboration with World Bank and leveraging on UNSGSA Queen Maxima's visit, the support included advising on the outline of the NFIS, reviewing the demand and supply-side database on financial inclusion, offering opportunities for the SBV's staff to participate in regional workshops on financial inclusion and especially strengthening capacity of the SBV's staff on data analytics, i.e. analysing and utilizing demand and supply-side financial inclusion data to help inform the design, implementation and monitoring of the NFIS. Leveraging the on-going work on financial inclusion, SHIFT organized a series of comprehensive data analytics trainings with SBV staff, which helped the analysis of financial inclusion in Viet Nam along several different dimensions including sex, youth and other demographic and geographic analysis.

Based on these initial activities, the scope of collaboration was increased considerably using the previous trainings as a basis for a "secondment" for four SBV staff (3 women, 1 man) to the UNCDF SHIFT office in Bangkok. It was the first time, based on the training received, SBV prepared a comprehensive report on a specific subject that was data driven and disaggregated by specific markets/pillars. Overall, they realized how complex financial inclusion was and they saw the value in segmenting the data to reflect this. Before they did not have the capacity to produce such a complex dashboard.

Overall, the trainings have had important results allowing the SBV to improve the quality of their internal data analysis and reporting as well as making it a more effective and efficient process overall, which has

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21 UNCDF discussion paper: <https://www.uncdf.org/article/6053/an-assessment-of-policy-and-regulatory-constraints-and-enablers-towomens-financial-inclusion-in-myanmar>

22 The Myanmar Plan for international advancement for women: <https://myanmar.unfpa.org/en/publications/national-strategic-plan-advancement-women-2013-2022>

been institutionalized with the creation of a master dashboard and its use as a tool to analyze complex sets of data, like those produced by SBV's Financial Inclusion Survey. This has allowed them to work with segmented data which has provided better and more detailed insights for financial inclusion regulations. As such, an important link can be drawn to between this activity and outcome level results including the enhanced capacity of regulators which has also fed into the creation of a potentially enabling environment for financial inclusion.

### 3.3 DATA AND ANALYSIS HUB

Table 6 - SHIFT Data and Analysis Hub Performance in Relation to Targets

Indicator	Programme Performance	Programme Target
Number of financial inclusion demand survey and market diagnostic gathered	5	5
	4	4
Number of studies elaborated and disseminated	5	5
Contribute to an additional 11,400,000 low-income people, micro-entrepreneurs and SMEs financially included by 2020 through the policy intervention	Though not directly representational, the demand side research in countries reflected adult population of around 40 million being represented in policy directions	11,400,000

As the table above presents the data and analysis hub have met programme targets on research output and dissemination. Overall, SHIFT's data hub aimed to:

- Produce at least 1 new study carried out per year taking into consideration gender disaggregated data.
- Contribute to an additional 11,400,000 low-income people, micro-entrepreneurs and SMEs are financially included.

While SHIFT achieved its targets in terms of research outputs the measurement on the number of low-income people, micro-entrepreneurs and SMEs that has been financially included has proved not possible to collect and verify. Thus, this report focuses on presenting the research output of the data hub and outcomes for public and private sector on taking actions on these insights produced. SHIFT's data hub has conducted various research and data analytics over the course of the programme. Much of this work informed the Output 2 (Learning and Skills Development) and Output 4 (Policy & Advocacy) and supported investees in Output 1 (Challenge Fund Facility). Thus, the data and analysis hub provided technical research and support towards the programme's other three pillars. SHIFT ASEAN's data hub has published 20 blogs, 5 working papers, 12 infographics, 2 dashboards and 2 videos throughout the course of the programme as show in Table 7 below.

Table 7 – Publications of SHIFT Data and Analysis Hub

Type of publication	2016	2017	2018	2019	2020	2021	Total
Blog	2	3	10	3	2		20
Third party mentioning		2	1	6	3	1	13
Infographic		2	10				12
Working Paper		1	3		1		5
Dashboard			1	1			2
Video		2					2
<b>Total</b>	<b>2</b>	<b>10</b>	<b>25</b>	<b>10</b>	<b>6</b>	<b>1</b>	<b>54</b>

Below is a summary of these various research outputs that have been generated throughout the course of the programme, showcasing how the data and analysis was used to inform further programme activities and contribute towards overall impact of the programme.

**Outcome 3: Publicly available data and analysis improves the basis for informed decisions and creates a level playing field.**

### 3.3.1 REGIONAL

#### 3.3.1.1 REGIONAL THEMATIC CROSS BORDER RESEARCH STRENGTHENS SECTOR PRODUCTS WHICH DRIVE AND IMPACT FINANCIAL INCLUSION

SHIFT ASEAN has conducted various regional thematic studies on each of the programme's target groups covering [women](#), [MSMEs](#), [youth](#) and [migrants](#). These studies have led to new insights to guide product innovations, investment impact and policy guidance toolkits. They have also shed light on the relation between inclusive finance and various sustainable development goals including gender equality (SDG 5), energy access (SDG 7), MSME growth for youth and women, remittances and migration (SDG 8), and partnerships for sustainable development (SDG 17).

SHIFT produced country pagers for countries across the ASEAN region informing the state of gender differences in MSME access to finance. See for more detail country pagers on [Myanmar](#), [Lao PDR](#), [Viet Nam](#), [Cambodia](#), [Indonesia](#), [Thailand](#), [Malaysia](#), and [the Philippines](#).

These country and cross border studies, resulted in design of innovative business models, and use of the insights to create the business value proposition for private sector to design and have go to market

products and services. The insights gained was also used by development partners and government institutions, as reflected in the global remittance conference organised.

Likewise, despite the large pool of talent and entrepreneurial capacities, young entrepreneurs in ASEAN, also face severe constraints in accessing enterprise credit (only four percent) and savings (only four percent). Young entrepreneurs looking to access formal finance for their business face many of the same barriers as older adults, with additional ones including a lack of collateral and credit history, know your customer (KYC) requirements, low perceived business skills and experience, and minimum age requirements for opening a bank account. (UNCDF, 2018; UNCDF 2020, March). SHIFT further conducted a regional outlook analysis to identify opportunities for youth entrepreneurship and financial inclusion in Southeast Asia. ASEAN has seen an emergency of the so-called gig-economy workers, especially among the self-employed youth, but there continues to be a severe youth gap in enterprise finance. These insights were used by UNDP Youth Co-Lab in expanding their programme and partner with government and start-up platforms to advance youth entrepreneurship.

SHIFT conducted a regional research on regional cross-border remittances in 2018. The SHIFT study found that the vast majority of cross-border payments flow intra-ASEAN (85 percent) from developed to developing economies offering a lifeline for developing nations such as Cambodia, Lao PDR, Myanmar and Viet Nam (UNCDF 2017; UNCDF 2019). CLMV countries collectively have seen an increase of 43 percent on average on formal remittance inflows over the last five years, topping US\$ 21.7 billion in 2019. This enabled remittance service providers to better understand recipient's families better for product development and delivery and remittance-linked financial services. In addition to the digitization of informal remittances flows – there is also an opportunity to link remittances better to other product and services including savings, domestic payments, enterprise credit, and insurance to accelerate wider ASEAN financial inclusion in ASEAN developing economies.

The study also found that policymakers and regulators can harmonize regulations across countries in the ASEAN region, which forms a critical step towards unlocking access to digital remittance channels. These findings were also presented to the ASEAN member states through the ASEAN WC-PSS.

**1**Finally, universal access to clean energy solutions is critical for a range of development outcomes such as inclusive growth and job creation and climate change mitigation. However, clean energy is not always affordable for low-income people. A study of supported by SHIFT found that in Cambodia, 96 percent of the people in the urban areas have access to grid electricity, but this is only 66 percent for rural areas (UNCDF-MAP 2016).

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### 3.3.2 MARKET OUTCOMES IN TARGETS COUNTRIES

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#### 3.3.2.1 INCREASED COLLECTIVE DIALOGUE AND SHARED WILL WITHIN AND BETWEEN POLICY MAKING INSTITUTIONS AND PRIVATE SECTOR ACTORS ABOUT THE DELIVERY OF PRODUCTS AND SERVICES APPROPRIATE FOR LOW-INCOME SEGMENTS

The customer journey action research and FinScope in Cambodia informed the trainings conducted with the National Bank of Cambodia, supporting their efforts of developing the country's NFIS. For more info, please refer to (please see section 3.2.5.2)

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### 3.3.2.2 GREATER MARKET TRANSPARENCY

SHIFT regional studies led to greater transparency about market constraints and opportunities across thematic study areas covering women's financial inclusion, women MSME access to finance, remittances & migration and access to clean energy. Also, the FinDex and financial inclusion dashboard were uploaded and shared with all. These have resulted in more transparent and digestible information and insights being accessed by public and private sector stakeholders.

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### 3.3.2.3 REGIONAL ONLINE DATA HUB ESTABLISHED FOR THE CONSOLIDATION AND COMMUNICATION OF DATA, INFORMATION AND LEARNING

SHIFT's Data Hub launched a dashboard covering analysis of UNCDF MAP survey respondents from Cambodia, Lao PDR and Myanmar in 2017. A second regional Findex dashboard was launched in 2019 covering analysis of survey respondents from all ASEAN countries.

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### 3.3.2.4 IMPROVED AND MORE RESPONSIVE POLICY AND REGULATORY ENVIRONMENT

The customer journey action research conducted in Cambodia supported NBC in the development of the country's NFIS. The demand-side research in Cambodia, Lao PDR and Myanmar through UNCDF MAP, supported by SHIFT, allowed the governments of these countries to gain crucial demand-side information about their country's population to inform the design of their countries' NFIS.

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### 3.3.2.5 INITIAL FINANCIAL INCLUSION DEMAND SURVEY AND MARKET DIAGNOSTIC GATHERED IN ALL CLMV COUNTRIES

The demand-side research in Cambodia, Lao PDR and Myanmar through UNCDF MAP, supported by SHIFT, allowed the governments of these countries to gain crucial demand-side information about their country's population to inform the design of their countries' NFIS.

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## 3.3.3 USER OUTCOMES IN TARGETS COUNTRIES

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### 3.3.3.1 NATIONAL GOVERNMENTS ESTABLISH BASELINES AND TARGETS

As mentioned above, the demand-side research in Cambodia, Lao PDR and Myanmar through UNCDF MAP, supported by SHIFT, provided crucial demand-side insights to support the governments of these countries in formulating and design their countries' NFIS. SHIFT particularly supported the setting of sex-disaggregated baselines and targets in Cambodia and Myanmar. Through the capacity-building data management trainings at the State Bank of Viet Nam (SBV) the SBV staff were equipped with increased capacity to analyze data from their own demand-side research survey to also inform Viet Nam's NFIS and financial inclusion roadmap to achieve its targets (please see section 3.2.5.2).

In Cambodia an UNCDF FinScope MAP financial inclusion demand survey and market diagnostic were conducted in 2016 to inform the country's NFIS (please see section 3.4.1.1). The survey was completed in UNCDF's collaboration with FinMark Trust.

In Myanmar a similar FinScope survey was completed in 2014 and the report and roadmap to inform the country's NFIS were produced with support from SHIFT ASEAN. In 2018, UNCDF undertook a MAP refresh which included undertaking a financial inclusion demand survey and market diagnostic. This was the second MAP diagnostic undertaken in Myanmar and has allowed the regulators to have a baseline and measure of progress for financial inclusion between 2014 and 2017. SHIFT ASEAN supported the analysis of the UNCDF Myanmar FinScope refresh, undertaking a deep dive analysis on specific data themes, including remittance and a Myanmar state-based analysis (particularly analysing conflict affected states). The developed dataset is now available publicly using this link to a dashboard produced by UNCDF in Myanmar and has been used within the scope of the programme's gender transformative training activities (please see section 3.3.3.4).

Finally, in Lao PDR, a FinScope demand-side research refresh using lean data methodology (mobile tracker survey) to track the main financial inclusion indicators between larger scale FinScope Consumer Surveys was completed with the Banque of Lao (BoL). Similarly, as in Cambodia and Myanmar this informed the development of the country's most recent NFIS (please see section 3.4.1.2). Even though SHIFT's research informed the development of these NFIS which include policies to increase financial inclusion of low-income customer segment, the programme has not been able to collect information on how many people, micro-entrepreneurs and SMEs that have been financially included as a direct result of this.

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### 3.3.3.2 PROFESSIONALS, TSPS, POLICY MAKERS AND REGULATORS HAVE ACCESS AND EXCHANGE INFORMATION AND RESOURCES WITH PEERS

The demand-side research through UNCDF MAP, supported by SHIFT, customer journey action research and working papers on migrants and remittances and youth entrepreneurship and financial inclusion in ASEAN equipped professionals, policy makers and regulators with crucial information and actionable insights. The evidence of exchanging this information and resources between them is limited and outcomes focus on inputs into SHIFT Skills and Learning Development Output 2 (please see section 3.2) and Policy Output 4 activities (please see section 3.4).

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### 3.3.3.3 PROFESSIONALS WORKING IN FINANCIAL INCLUSION HAVE IMPROVED MARKET OPPORTUNITIES AND CONSTRAINTS TO ADDRESS THE NEEDS OF LOW-INCOME CONSUMERS, MICROENTREPRENEURS, AND SMALL AND MEDIUM BUSINESSES, ESPECIALLY WOMEN

Through collaborating with governments in the region, SHIFT launched several financial inclusion demand surveys and market diagnostics with a focus in CLMV countries. The data hub research informed the trainings under Output 2 with various outcomes for staff in financial service providers having increased capacity and concrete examples of institutionalizing data analysis and develop need-based services. For more info, please refer to Output 2 (please see section 3.2). Even though SHIFT's research informed various capacity-building and training activities that resulted in development of

specific need-based products and services catering for the low-income customer segment, the programme has not been able to collect information on how many people, micro-entrepreneurs and SMEs that have been financially included as a result of this.

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#### 3.3.3.4 THE AVAILABILITY AND USE OF BIG DATA AND ANALYTICS ARE STRENGTHENED

Since 2016 the Data Hub has been undertaking big data analysis to help FSPs to predict and better understand customer behaviour and to design need-based financial products and services, particularly for low-income women. Big data has helped FSPs improve customer targeting, reduce customers churn, track customer migration across financial institutions and products, reduce dormant savings accounts and improve savings mobilisation, leading to efficient and cost-effective last-mile delivery of financial products and services.

SHIFT has supported Gender Smart product innovation and sex-disaggregated big data analytics for FSPs in Cambodia and Myanmar. These initiatives supported FSPs in human centric product design starting with; first, the institutional gender self-assessment; second, developing institutional capacity to undertake product development and ideation based on customer data insights; third, ideating gender smart product refinements by analysing (and collecting) additional market and customer data; and lastly, developing a business case to pilot and launch the gender smart financial services.

#### **Regional**

In March 2018, UNCDF published an online Financial Inclusion Dashboard developed for Cambodia, Lao PDR and Myanmar (CLM) which included data from FinScope country level demand-side consumer surveys in all three countries as well as remittance data from SHIFT's remittance market assessment allowing the user to quickly obtain data-based insights regarding the levels of access to financial services such as credit, savings, insurance, and remittances in the CLM countries which can be disaggregated by different demographic and geographic variables such as gender, age and geographical area. The FinScope dashboard is being used to support easy analysis and data usage within the SHIFT team, allowing all team members to access data efficiently and easily. It has also allowed the SHIFT team to easily disseminate information to key stakeholders, government agencies, conferences, policy notes and through advocacy materials.

Additionally, in the first half of 2019, SHIFT mined half a million World Bank FinDex survey data respondents (conducted in 2011, 2014 and 2017) and based on this data prototyped and finalized an ASEAN regional dashboard for use by regulators in ASEAN to monitor financial access and exclusion gaps for all ASEAN countries, as well as other countries globally. Since then, the dashboard has been used in SHIFT ASEAN trainings as a reference, as well as being disseminated amongst ASEAN stakeholders. The insights taken from this dashboard, were incorporated into the UNDP – UNCDF Youth Financial Inclusion Working Paper (please see section 3.3.1.1).

Lean data surveys have also been conducted with three investees in the Challenge Fund Facility in order to evaluate how the business models reached women as a customer segment and provide further insights into the socio-economic profiles of the investees' customers. The findings of these lean surveys have been incorporated into three case studies for these investees: BRAC, LVPB and Thunes and these case studies are attached as annexes (please see case studies in Annex IV).

## Cambodia

SHIFT conducted a big data transaction research with data from four FSPs in Cambodia providing insights into gender differences in savings behaviour and access in the country. SHIFT analysed 6.5 million of savings and loan transactions and customer datapoints gathered from leading FSPs to measure long term savings mobilisation for women financial inclusion and empowerment. This data was then overlaid with demand side FinScope data (UNCDF, UN Pulse 2018).<sup>23</sup>

Findings included that nearly 70 percent of customers had low value or passive savings accounts with deposit balances below US\$ 5 and women were more likely to have passive accounts (75 percent) than men (59 percent). SHIFT found that as many as seven out of 10 savings accounts remain passive (less than US\$ 5) and that for women this is significantly higher than for men. The study estimated that by reducing passive savings accounts from 70 percent to 40 percent, between US\$ 52 million to US\$ 172 million could be added in deposits to the financial service providers. One promising finding was that young women and men are actively mobilizing savings, and there is hardly any gender gap in savings mobilization among youth. It has also led to a shift in focus programmatically on how to transform financial access into financial service usage that adds value for women's economic empowerment<sup>24</sup>. The findings from the research in Cambodia informed the customer journey action research activities in the country in Output 2 (please see section 3.2.3.1). While access to credit is somewhat similar between men and women in both Myanmar and Cambodia, women on average receive much lower average loan sizes. This rendered a strong business case for gender smart product development as women were loyal, yet overlooked customers (UNCDF 2018, July).

Savings mobilization remains a challenge in Cambodia, particularly for women living outside Phnom Penh and for older adults, as these depositors are more likely to have passive accounts. In parallel, UNCDF supported two FSPs in launching innovation pilots to try to link savings and payments in Cambodia. AMRET partnered with Wing Money to accelerate payment linked savings accounts for women in the country. Furthermore, the country wide study has helped the National Bank of Cambodia to place savings mobilization prominently on the country's national financial inclusion strategy. The Cambodia financial inclusion demand survey and market diagnostic was also disseminated for active use by stakeholders while the availability and use of big data and analytics was in the public and private ecosystem in Cambodia was strengthened.

## Myanmar

In Myanmar, SHIFT with the support of FMO and FCDO (formerly DFID), offered technical support to three large FSPs and three MFIs, on gender smart product development and data analytics to help scale and refine women-led enterprise loans. UNCDF gathered close to 1 million customer records through data collaboratives with the institutions. Key demand side challenges to women entrepreneurship in Myanmar identified through the scoping exercise included the limited awareness of finance among women, a preference for informal finance, limited financial autonomy in the household, low business registration and overall recognition of women entrepreneurship. While the supply side product does

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<sup>23</sup> Four big data dashboards were created for rapid FSP data analysis. Dashboard helps in understanding financial services usage in Cambodia by quickly segmenting big data by demographic and geographic details of customers (internal tool only due to FSP non-disclosure agreement).

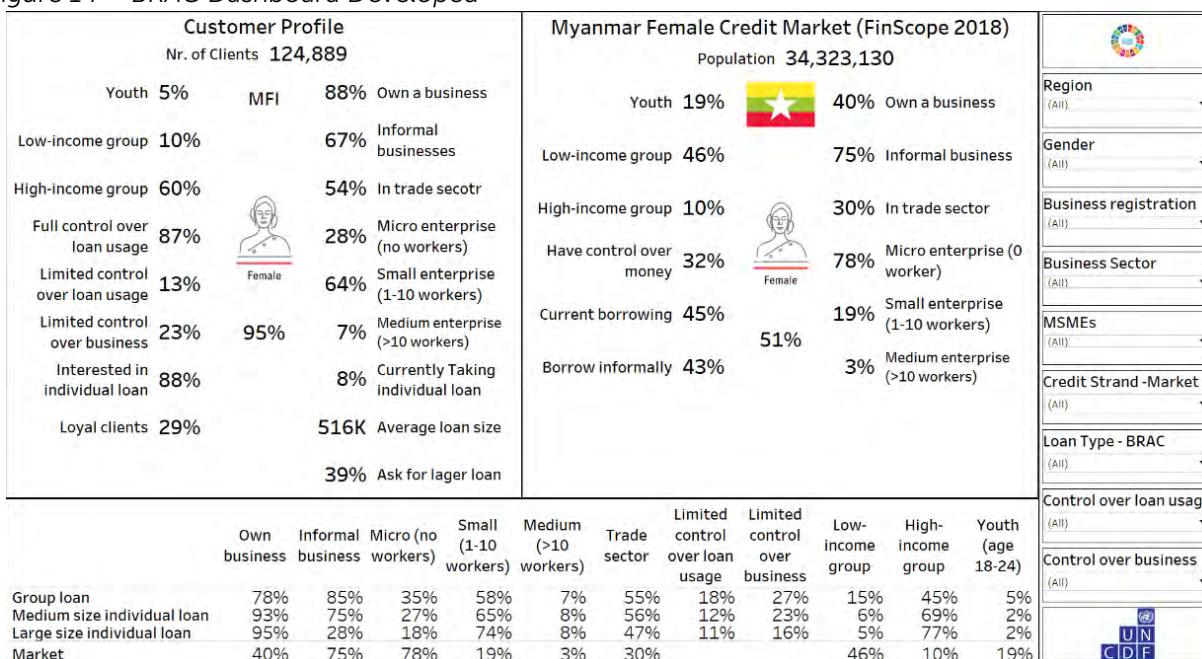
<sup>24</sup> A SHIFT in Focus: How to Transform Financial Access into Use. <https://spark.adobe.com/page/TfKLDNLvuXr5I/>

not always match the needs of customers, FSPs do not tap into existing customer and market data for more gender smart product development.

Building on the existing data available within the MFIs this technical support built a business case for addressing several of these specific gender barriers faced by women micro-enterprises. In addition to the 1 million customer data records provided, the project used 3,000 lean data surveys, FinScope market data, and qualitative analysis. The 3 FSPs used the women customer data insights derived from this to refine individual enterprise lending products, including launching awareness raising campaigns, reducing business registration requirements to target informal microenterprises, predicting and analysing loan graduation, and refinancing mechanisms for enterprise loans during COVID-19. Moreover, the FSPs gained capacity for using their own data for gender smart product development, tailoring loans to needs of specific women target groups, women entrepreneurs, farmers and homebased workers.

For example, BRAC Myanmar could build, based on the insights created, a business case that has been taken forward to graduate female micro-merchant from small group loans into individual enterprise loans. These individual loans are larger in loan size, were in higher demand as they are more tailored to the business financing needs, and women tended to have higher financial autonomy in terms of control of the loan usage decision making. If BRAC could have moved half of its loyal customers – around 15,000 women MSMEs - from group loan to individual loan, then US\$ 5.4 million additional loan amount would be generated. Moreover, BRAC has reduced the business registration requirements, which will help to expand the loan in rural and remote provinces where around 90 percent of the MSMEs (600,000 female MSMEs) simply lack a business registration and 75 percent of them is financially excluded. This too will help onboard new female micro merchants increasing the individual loan portfolio by a further US\$ 13.5 million. As of December 2020, this FMO supported initiative have reached 13,744 women entrepreneurs. The financial service provider set itself the ambitious goal of increasing its individual loans to up to 30-40 percent of its portfolio by 2025 and these interventions will help scale the individual MSME women’s business lending portfolio.

Figure 14 – BRAC Dashboard Developed



Trainings to support data driven policy development and tracking, analysis and development of data indicators under National Financial Inclusion Roadmaps were also undertaken with Myanmar’s Central Bank and the Financial Regulatory Department.

## Viet Nam

In January 2019, SHIFT conducted a training on financial inclusion data analysis with the SBV. Based on these initial activities, the scope of collaboration was increased considerably using the previous trainings as a basis for a “secondment” for four SBV staff (3 women, 1 man) to the UNCDF SHIFT office in Bangkok. For more info, please refer to Output 2 (section 3.2.5.2)

### 3.4 POLICY AND ADVOCACY

Table 8 – SHIFT Policy & Advocacy Pillar Indicators Performance vs. Target

Indicator	Programme Performance	Programme Target
Number of research studies commissioned and disseminated	8	5
Number of strategic partnerships developed by the end of the programme	17	3
Number of think shops organized	5	5
Number of ASEAN Conferences on Financial Inclusion conducted	11	5
Number of robust national financial inclusion strategies	4	6

As the table above presents SHIFT’s policy & advocacy pillar has overall met programme targets apart from the number of robust national financial inclusion strategies it aimed to contribute to, missing the target by two. Overall, SHIFT’s policy & advocacy pillar aimed to:

- Produce at least 1 policy note per year
- Produce at least 1 conference per year
- Conduct 1 regional workshop per year
- Develop at least 3 strategic partnerships
- Contribute to robust national financial inclusion strategies across 6 low-middle income ASEAN countries
- Leading financial institutions have gender strategies and operational plans
- ASEAN Economic Integration policies have integrated financial inclusion as a key priority backed by resources and plans

While SHIFT missed its target of contributing towards the development of six robust national financial inclusion strategies through overall direct contributions, the four that were formulated with direct support of SHIFT have proven vital towards improving financial inclusion in these economies of CLMV. Besides this, SHIFT programme also technically supported Brunei in formulation of its demand side

research, and also Malaysia in exploring ways of developing SDG impact pathways for evaluating Financial Inclusion impacts. Additionally, SHIFT has contributed towards harmonization and integration between ASEAN member states in formulating financial inclusion strategies in the region through the establishment of the ASEAN Working Committee on Financial Inclusion (WC-FINC), supported by SHIFT, in 2015. Overall, the Policy & Advocacy pillar of SHIFT has published 5 blogs, 5 policy briefing notes, 3 working papers and 2 case studies. In terms of financial inclusion policies in ASEAN, out of the 10 ASEAN member states, 8 of them (except Brunei and Singapore) have a dedicated national financial inclusion strategy in place. This has been achieved through various mechanisms and support from multiple institutions. The regional coordination through the ASEAN WC-FINC platform and regional and country level events and technical assistance has resulted in acceleration in adoption and implementation of the financial inclusion policies and related regulations. Partnerships have developed at country level between Ministry of women, Ministry of education and Central Bank (for example in Cambodia) and similar inter-ministerial and inter agency collaborations to accelerate financial inclusion targeting specific segments of the population.

In order to create a supportive business regulatory environment for FSPs that aim to serve low-income consumers, SHIFT has worked with central banks and various government ministries and agencies in the programme countries. Prior, data analytics were rarely employed to inform central bank policy making or product design among FSPs. Various forums and knowledge products created by SHIFT during the programme implementation were instrumental in introducing data analytics to promote financial inclusion.

At the regional level, UNCDF SHIFT efforts resulted in the formation of ASEAN WC-FINC in 2015, and since then has been engaging with the regional body to accelerate financial inclusion at the regional and country level. The ASEAN WC-FINC has set an overall target of national infrastructure readiness at 85 percent by 2025. The latest reported figures by ten ASEAN member states are shown in the table below. Some of these infrastructures did not exist in the programme countries before SHIFT's intervention.

Table 9 – Financial Inclusion Infrastructure

FINANCIAL INCLUSION INFRASTRUCTURE	READINESS LEVEL 2020	
	Number of Countries	%
Public credit registry* credit bureau	10/10	100%
Credit guarantee for Agri and MSMEs***	7/9	77.7%
Debt resolution and redress mechanism	7/10	70%
Financial inclusion monitoring framework** ***	5/8	62.5%
National strategy for financial inclusion** ***	7/8	87.5%
National strategy for financial education	5/10	50%
Legislation, regulations, platforms to support financial inclusion (i.e., enabling infrastructure) Including digital financial services (DFS)	10/10	100%
Specific institution to support financial inclusion mandate*	9/9	100%
Consumer protection regulation framework	9/10	90%

Digital ID	6/10	60%
<b>TOTAL</b>		<b>79%</b>

\* As of February 2020; \*\* Excluding Singapore; \*\*\* Excluding Brunei (Source: Measuring Progress: Financial Inclusion in selected ASEAN countries, ASEAN and UNCDF)

Over time, the ASEAN member states have expressed the following support from UNCDF, as part of SHIFT programme's technical engagement with ASEAN WC-FINC, which reflects both the market needs and space for programme involvement and contribution:

- Cambodia and Viet Nam's request for support for the development of national financial inclusion strategies and roadmap implementation;
- Technical support in M&E, partner cooperation and implementation of financial inclusion strategies by Cambodia, Indonesia, Lao PDR and Viet Nam;
- Thematic based survey and analysis data (of demand and supply side) by Cambodia, Indonesia, Philippines, Thailand and Viet Nam;
- Last-mile financing for enterprise development by Cambodia and Indonesia;
- Women's economic empowerment by Cambodia, Indonesia, Lao PDR and Viet Nam;
- Coordination of lessons and knowledge on implementation across ASEAN by Cambodia, Indonesia, Lao PDR, Myanmar and Viet Nam.

Partnerships with the [Alliance of Financial Inclusion](#) (AFI) promoted the inclusion of gender into the policy agenda on all the central bank members globally, which was condensed on a 10 points engagement named the Denarau Action Plan (DAP)<sup>25</sup> signed by members in 2016. The DAP is a membership commitment for reducing the gender gap in each AFI member. DAP agreement was followed by different actions driven by the strategic document on how to implement the plan and also a series of guidelines, toolkits and trainings led or supported by SHIFT. Besides on the DAP, SHIFT has collaborated with AFI at global and regional level on sex-disaggregated data use, national financial inclusion strategies development and monitoring; and guidance on AML/CFT due diligence aspects that hinder women inclusion. Besides AFI, SHIFT programme partnered with Monetary Authority of Singapore on the Singapore FinTech Festival as part of policy advocacy efforts. It also partnered with FDC, Australia in number of regional events related to financial inclusion.

At the country level, SHIFT supported the central banks of Cambodia and Viet Nam to introduce gender specific targets within the countries' NFIS and in the case of Myanmar, produced a discussion paper<sup>26</sup> on the constraints and enablers in terms of policy and regulations in the country that contributed to raise the government's and other stakeholders' awareness on the gender barriers to financial inclusion and brought to an active engagement of the country team in the implementation process of the 2013-2022 National Strategic Plan for International Advancement for Women (NSPAW)<sup>27</sup> and other relevant gender-related groups.

<sup>25</sup> The Denarau Action Plan can be consulted here: <https://www.afi-global.org/sites/default/files/publications/2016-09/Denarau%20Action%20Plan.pdf>

<sup>26</sup> AFI indicators: [https://www.afi-global.org/sites/default/files/publications/2019-12/AFI\\_PM\\_Core%20Set\\_FINAL\\_digital.pdf](https://www.afi-global.org/sites/default/files/publications/2019-12/AFI_PM_Core%20Set_FINAL_digital.pdf)

<sup>27</sup> The guideline for sex-disaggregated data is available here: [https://www.afi-global.org/sites/default/files/publications/2017-03/GuidelineNote-25%20FID-Leveraging%20Gender%20Data\\_digital.pdf](https://www.afi-global.org/sites/default/files/publications/2017-03/GuidelineNote-25%20FID-Leveraging%20Gender%20Data_digital.pdf)

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### 3.4.1 OUTPUTS/EXPECTED RESULTS IN TARGETS COUNTRIES

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#### 3.4.1.1 ACCELERATED IMPLEMENTATION OF NATIONAL FINANCIAL INCLUSION STRATEGIES IN ASEAN COUNTRIES

SHIFT organised the first ASEAN conference on financial inclusion under Myanmar ASEAN Chairpersonship in 2015. As an outcome of this conference and collective working with ASEAN secretariat, World Bank, AFI and other institutions, the ASEAN WC-FINC was set up. This committee enabled targeted work in National Financial inclusion strategies development and implementation. During this first conference the ASEAN Deputy Finance Ministers and Deputy Governors agreed to prioritise financial inclusion in contributing to the on-going support for the region's integration of financial markets and SME development during the commencement of SHIFT programme.

The outcome of having national financial inclusion strategy, its implementation and monitoring was achieved through the following initiatives under the SHIFT programme;

- Implementation of MAP in Cambodia, Lao PDR, Myanmar
- Technical assistance to National Bank of Cambodia to develop and implement the National Financial Inclusion Strategy and its coordination mechanism
- Technical assistance and strategic guidance to UNCDF team (supported under different programmes) in Myanmar and Lao PDR for development and implementation of National Financial Inclusion Strategy
- Technical assistance to State Bank of Viet Nam on demand side survey, use of data and development of gender inclusive strategy
- Technical assistance to Brunei Central Bank in demand side survey
- Capacity building of Bank Negara Malaysia team, in linking financial inclusion to SDG impact, through SDG impact pathways
- Sharing of learning and best practices with ASEAN member states on periodic level, and through ASEAN WC-FINC meetings
- Sponsorship and participation of non-AFI member states to attend AFI meetings on the development of national financial inclusion strategies.
- Gender Inclusive strategy developed for Cambodia, Lao PDR, Myanmar and Viet Nam.

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### 3.4.1.2 TECHNICAL TRAINING SUPPORT TO ASSIST CENTRAL BANKS AND RELEVANT GOVERNMENT MINISTRIES IN BETTER COLLECTING, ANALYZING AND UTILIZING DATA FOR POLICY AND REGULATORY DECISION MAKING AND FINANCIAL INCLUSION ROADMAP PLANNING.

Technical Assistance was provided to 9 ASEAN member states on NFIS M&E guidelines and frameworks, which is now being undertaken by the ASEAN Member States (AMS) on annual level. Some of the country specific outcomes are mentioned below:

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Cambodia	<ul style="list-style-type: none"> <li>Increased focus on savings, gender and digital based on NFIS developed and its implementation.</li> <li>Partnership between NBC with the Ministry of Education and Ministry of Women Affairs on financial literacy and women's economic empowerment, and with the Ministry of Environment on information sharing for sustainable finance.</li> <li>Enhanced use of data analytics by team of National Bank of Cambodia, thereby resulting in strong decision making and agile actions and partnerships with public and private sector.</li> </ul>
Lao PDR	<ul style="list-style-type: none"> <li>The Roadmap helped to establish financial infrastructure such as a credit information bureau and a Clearing House for interoperability in 2019. Similarly, a Decree on Consumer Protection was adopted in April 2019.</li> <li>A Plan for Strengthening Financial Education 2018-2025 was formulated. In addition, consumer protection and financial literacy have been priorities of the Roadmap.</li> </ul>
Myanmar	<ul style="list-style-type: none"> <li>Increased Gender focus, closely with the Ministry of Social Welfare in the implementation process of the 2013-2022 NSPAW <sup>121</sup>. Currently UNCDF is participating in the Gender Equality and Women's Empowerment Coordination Group (GEWECG) and the Participation Technical Working Group (PTWG).</li> </ul>
Viet Nam	<ul style="list-style-type: none"> <li>Enhanced use of data analytics by team of State Bank of Viet Nam, thereby resulting in strong decision making and agile actions and partnerships with public and private sector.</li> </ul>
Regional	<ul style="list-style-type: none"> <li>Strong peer-pressure in development and implementation of NFIS. Lao PDR accelerated its formal adoption of NFIS for implementation based on discussions in ASEAN WC-FINC meetings.</li> <li>Improved and regional standardized tracking of NFIS progress at annual level, through use of M&amp;E guidelines and frameworks developed.</li> <li>Increased focus and adoption of gender sensitive financial inclusion through guidelines, tool kits and publications undertaken through SHIFT at regional and global level, in partnership with AFI and ASEAN WC-FINC.</li> </ul>

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### 3.4.1.3 ADVANCED IMPROVED COORDINATION AND POLICY COOPERATION BETWEEN FINANCIAL INCLUSION ACTORS AND ACTORS PURSUING A WIDER DEVELOPMENT AGENDA

Improved coordination and cooperation between financial inclusion actors were pursued by implementing collaboration and learning opportunities via country and regional events, and specifically through one-to-one meetings between public and private sector stakeholders. The “ASEAN Financial Inclusion Conference: Enhancing Access to Finance for Unbanked People in the ASEAN Region” in Yangon, Myanmar from 29-30 October 2014, resulted in multi-stakeholder coordination and partnership, which culminated in setting up of the ASEAN WC-FINC. The “Women and Enterprises: Driving Financial Inclusion and Investment Returns Conference,” which took place in Phnom Penh, Cambodia on 29-30 April 2015, hosted by the National Bank of Cambodia in collaboration with UNCDF, DFAT and the United Nation Development Programme (UNDP) Cambodia, resulted in increased focus and participation of private sector in undertaking business model innovations, and resulting in regulator (Cambodia) and industry bodies (Viet Nam) participating in selecting and promoting market led innovations.

Several other conferences were organized in partnership with FDC, Australia and AFI. SHIFT also enabled LOAs and partnerships for advancing financial inclusion with Viet Nam, AFI and ILO. SHIFT has also enhanced collaboration and cooperation through its periodic involvement with ASEAN WC-FINC, ASEAN Working Committee on Payment Systems and Settlement (WC-PSS) and ASEAN Coordination Committee on Micro, Small and Medium Enterprises (ACCMSME), with objectives to mainstream gender considerations into national financial inclusion roadmaps, communicate data findings and market gaps for ASEAN level policy coordination (particularly around the remittance market) ultimately to create an informed and enabling environment for the expansion of inclusive financial services across the region. Advocacy documents developed by SHIFT, which also made it imperative for AMS to coordinate, resulted in a toolkit for financial inclusion policy makers on how to collect and use sex-disaggregated data; a guideline on integrating gender and women’s financial inclusion into national financial inclusion strategies. The work done under SHIFT on migration and remittances and involvement of stakeholders at the regional level, have resulted in a global intervention with selected countries in Asia, South East Asia and Africa supported by Swiss Agency for Development and Cooperation (SDC) and the Swedish International Development Agency (SIDA).

SHIFT also facilitated the participation of UNCDF partners in the South African Development Community (SADC) Financial Inclusion Forum and SADC ASEAN exchange workshop, held in Johannesburg in 2019. This included the Bank of the Lao PDR (BoL) and ASEAN Secretariat participation.

Various other government and private sector participation facilitated by SHIFT programme has resulted in improved understanding, contribution at country level to the financial inclusion agenda and women economic participation. Some of these events are the 2019 High-level Political Forum on Sustainable Development (HLPF), and the 62nd ISI World Statistics Congress held in Kuala Lumpur, Malaysia which CGAP convened focused on women’s financial inclusion in the digital economy.

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## 3.4.2 PROVIDER OUTCOMES IN TARGETS COUNTRIES

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### 3.4.2.1 ALL CLMV REGULATORS ARE MEMBERS OF AFI

SHIFT has designed activities to support CLMV regulators to become AFI members. As on 2020, Cambodia is a member of AFI. Lao PDR, Myanmar and Viet Nam are still not members of AFI. SHIFT has suggested financial support for membership on reduced basis for the first two years, but due to the membership fee amounts being considered high by these countries, and no future commitments by government to continue with the membership, the memberships could finally not become reality.

However, SHIFT engaged with all the four countries (CLMV) and sponsored their participation in various AFI events to experience the benefits of AFI membership, benefit from peer learning and global best practices. This has resulted in continued engagement of CLMV regulators with AFI, and also receiving specific case to case technical support from AFI.

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### 3.4.2.2 THEMATIC RESEARCH ENHANCES COLLABORATION ON CROSS REGIONAL ISSUES FACED BY SPECIFIC MARKET SEGMENTS

Enhanced collaboration at provider level were achieved through following initiatives:

- Insights into financial inclusion of People with Disability was strengthened and collective action towards it is being framed by ASEAN and selected country partners (Cambodia, Myanmar, Viet Nam and Indonesia). This was achieved through collaboration with the Association of Disabled Persons Organizations based in Jakarta, SHIFT launched a series of workshops in Myanmar, Cambodia, Viet Nam and Lao PDR. Furthermore, UNCDF SHIFT participated in the 5<sup>th</sup> Regional Meeting of Disabled Persons Organizations, presenting on how digital channels and financial products can accelerate financial inclusion for people with disabilities. (Annual report 2020).
- The work and insights generated on remittance work led to collective collaboration with ILO, IOM, UN Women and other UN agencies and private sector partner through the innovation fund round, which has resulted in increased focus on lowered cost of remittances, and increased cross border remittances in Cambodia and Myanmar.
- Financial inclusion issue itself received an impetus through SHIFT work at ASEAN level, with ASEAN member states coming together to standardise M&E indicators and issuing guidelines and framework to be periodically captured on annual basis.

Collaboration on gender issues resulted in collective action by government, development partners and private sector bodies through engagement with various committees in Myanmar. This resulted in set of recommendations to be implemented by public and private stakeholders.

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### 3.4.2.3 NATIONAL FI POLICIES, REGULATIONS AND STRATEGIES ARE IMPLEMENTED, ENFORCED MONITORED AND EVALUATED TO IMPROVE OUTREACH TO LOW-INCOME SEGMENTS

National financial inclusion policies, regulations and action plans outlined in the National Financial Inclusion Strategies of Cambodia, Lao PDR, Myanmar and Viet Nam are being presently implemented

by the respective countries. Monitoring frameworks have been developed at the regional level, that each ASEAN member states is using, apart from specific detailed frameworks being used by Cambodia, Myanmar and Viet Nam by December 2020.

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### 3.4.3 MARKET OUTCOMES IN TARGETS COUNTRIES

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#### 3.4.3.1 ENHANCED ALIGNMENT ON ECONOMIC INTEGRATION AND FINANCIAL INCLUSION POLICIES AND REGULATIONS ACROSS ASEAN, SPECIFICALLY FOR WOMEN. NATIONAL FI POLICIES, REGULATIONS AND STRATEGIES ARE DEVELOPED OR REDESIGNED IN RESPONSE TO THE NEEDS OF LOW-INCOME SEGMENTS

Building on the outcomes of the initial Yangon conference in 2014, the institutionalisation of the ASEAN WC-FINC was confirmed during the first ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM) in Kuala Lumpur, Malaysia in 2015.

The "Women and Enterprises: Driving Financial Inclusion and Investment Returns Conference," which took place in Phnom Penh, Cambodia in April 2015, and subsequent research supported and built upon together with AFI resulted in the Denarau Action Plan in Fiji was approved by AFI's 94 member states including select ASEAN countries; through this in total 115 institutions (Central Banks and/or Ministries of Finance) made clear their commitment to increase the number of women globally with access to quality and affordable financial services by 2021.

To align gender integration in national financial inclusion strategies, AFI and SHIFT released a Guideline Note titled "Integrating Gender and Women's Financial Inclusion into National Strategies." in 2017.

In addition, SHIFT's participation in AFI's eight Global Standards and Proportionality Working Group (GSPWG) meeting and the twelfth Financial Inclusion Strategy (FIS) Peer Learning Group (FISPLG) meeting, resulted in enhanced integration of best practices at the regional and global level.

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#### 3.4.3.2 ACCELERATED IMPLEMENTATION OF NATIONAL FINANCIAL INCLUSION STRATEGIES

This has been outlined in section 8.4.1.1. The market outcomes involve the establishment of the ASEAN WC-FINC, adoption of Denarau action plan, NFIS adoption in Cambodia, Lao PDR, Myanmar and Viet Nam, and overall ASEAN member states coming together to set standard guidelines and indicators to monitor the financial inclusion progress at country and regional level.

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### 3.4.3.3 A SUPPORTIVE BUSINESS REGULATORY ENVIRONMENT FOR FSPS IS CREATED THAT AIMS TO SERVE LOW-INCOME CONSUMERS

The supportive business environment activities resulted in following outcomes;

- Monetary Authority of Singapore co-funded SHIFT business model innovation partners to increase impact of outreach to low-income segment of remittance recipients in Myanmar and across CLMV. Thunes and SingCash were considered by MAS for further financial support.
- AMK in discussion with National Bank of Cambodia was granted licenses for undertaking cross border remittance as a Microfinance Deposit taking institution.
- Policies around digital payments, P2P lending, financial literacy strategies in selected CLMV countries resulted in proliferation of business models and further last mile inclusion of low-income segment through SHIFT initiatives around business model innovations and technical support.
- Women financial inclusion as a specific focus was included in strategies of government, and with SHIFT focus on women segment, more than 20 business models had women specific business models implemented in CLMV countries.



## 4 PROGRAMME CHALLENGES

- The rise and spread of COVID-19 have presented the UNCDF SHIFT programme with significant challenges. Firstly, this has had significant impacts on the economic activities in all the countries where activity implementations are being taken forward. As such many programme end beneficiaries have seen a significant drop in income and revenues. This has affected their capacity to repay loans, which has impacted the programme loan provision partners themselves. Furthermore, social distancing measures have meant that many other financial services (for example remittances) when not fully digitized have also had to close their businesses, and clients are no longer able to access them. Government and donor attention have also been temporarily shifted to responding to this situation resulting in licensing and agreement delays. All training activities and in person activities have also been suspended. Due to this and the previous point, some project partners have had to re-focus their business models entirely, whilst those with digital channels have been more resilient to this market shock.
- In response, UNCDF SHIFT has maintained regular and constant contact with programme partners collecting information on impacts and potential ways in which the programme can support them. As such, M&E reporting has been entirely focused on this, and currently business model adjustment proposals are being considered for further funding and timeline extensions. Furthermore, all UNCDF SHIFT travel has been suspended until further notice meaning that all the work is now online, and many events and programme workshop are currently on hold. As this situation continues, alternative ways of working are being implemented to ensure the programme achieves the expected results.
- Usage levels amongst some of the SHIFT fund grantees will require expanding programme support to increase.
- SHIFT's current M&E system is considered to be robust, however it has been noted that the aggregation of usage data presents some overall challenges for reporting purposes. Due to the variety of business models within the fund portfolio, it can be a challenge to compare usage data across grantees, and one option is to club business models according to type of service. To do so a standard definition of business models has now been developed, allowing partners to be grouped by business model and industry. This has been incorporated as a filter into the SHIFT Access and Usage dashboard meaning that access and usage can now be disaggregated.
- How to define and measure the indirect beneficiaries of the programme activities has been an interesting and learning experience, with no corresponding best practices around. To this end SHIFT has used the lean data surveys implemented with BRAC and LVPB to get insights and the results are discussed in the respective sections of the report. It should also be mentioned that an analytical deep dive into Thunes data, has shown that 29 percent of the remittance transactions to CLMV, are below US\$ 200. Currently, work has been taken forward to define the programmes indirect beneficiaries. Initial work has shown that the most accurate data to do this can be extracted from the challenge fund KPI. A draft calculation is being prepared.
- Working with various country teams, ensuring a coordinated structure of timely and efficient implementation has been a challenge and learning. With the completion of the 5<sup>th</sup> challenge fund window on Women MSME, the M&E framework needed to be harmonized across regions and country teams. To this end, SHIFT has been sharing and training other country teams in the M&E tools and setting up a coordination structure to clarify roles and responsibilities as well as timelines.

## 4.1 PROGRAMME SUSTAINABILITY

As a market development programme, it has been important to regularly assess the link between programme activities and the observed changes amongst programme stakeholders and to use the AAER framework, described in section 3.1.5 as a reference, to further gauge the extent of this change in terms of its sustainability and scale as evidenced in by partner behavioral change, model scaling and replication and the market responses. This gives us a framework through which to answer the following questions:

When the programme ends:

- will partners return to their previous way of working?
- will partners build upon the changes they have adopted without us?
- will pro-poor outcomes depend on too few people, firms, or organizations?
- will the system be supportive of the changes introduced (allowing them to be upheld, grow, and evolve)?

Evidence collected throughout the programme's implementation suggests that many partners will not return to their previous way of working, using SHIFT support to pilot and build a proof of concept that was then adapted to their market context and then further scaled with investment support coming from crowded in market stakeholders. Evidence for this has been clearest amongst the partners offering individual and MSME loans.

In Myanmar, BRAC with SHIFT support developed and piloted their first individual loans. Based on their success and further concept tweaking, BRAC has now set specific individual loan portfolio targets and based future organizational growth in Myanmar on this financial service. The partners commitment to this idea is clear, and its success was used by BRAC to crowd in market supporting stakeholders that have invested in the business model roll out. This has also been the case for SHIFT partners in Indonesia, including Julu, AwanTunai and Gandengtangan (GT) that were able to raise significant amounts of additional investment capital to expand the models piloted with SHIFT support. This has attracted the attention of competing firms who (according to our partners) have started replicating these models, proving that (women's) MSME credit can be economically feasible.

Evidence amongst SHIFT remittance service providers have suggested the same results, attributing the success of their fundraising campaigns to the success of the SHIFT supported pilots. This will allow them to further build upon the pilot and increase their impact as they expand remittance and remittance linked services for low-income group in Myanmar. In Viet Nam, the SHIFT supported Vi Viet e wallet is now also being expanded and replicated by other Vietnamese banks.

Within the scope of SHIFT policy and data work, the National Financial Inclusion Strategy (NFIS) in Cambodia, Viet Nam, Lao PDR and Myanmar are the most likely to be sustained in time as these have now all been approved. Most SHIFT support and cooperation was directed at the former two countries. In the case of Cambodia, the use of the FINSCOPE and data in decision making has been internalized with the partner requesting to take forward a survey refresh to inform the NFIS update. In Viet Nam, targeted capacity building in financial inclusion data analysis and collection has had the same results, with financial inclusion data being used to inform policy development and formulation. In both cases, SHIFT was also able to influence the content of the NFIS institutionalizing the importance of women's financial inclusion in these now approved documents. Collaboration in NFIS development has ensured the crowding in of other market players, especially in Cambodia where, as a direct result of this work,

other ministries have launched their own initiatives related to financial inclusion further strengthening results sustainability and scale.

SHIFT data analysis and collection capacity building activities with private sector partners also had important results, with activity attendees institutionalizing this knowledge and using it to build new financial products.

SHIFT partnership with WC-FINC also yield to sustainable results as the M&E guidance note completed with MAP in 2020 has been requested again by the WC-FINC for 2021.

The results that are least likely to be sustained in time, are those associated to the private sector partners who were unsuccessful in their business model launch. This includes many partners of the programme's first challenge fund window focused on clean energy, as well as some of the second challenge fund window focused on women's economic empowerment. Although some activities of business model roll out were supported, important challenges meant that these were not enough to establish strong partner commitment to the business idea and/or trigger any change in their behavior.

In the past five years, the various streams of work undertaken through SHIFT ASEAN have become institutionalised in terms of the challenge fund, a data hub, monitoring and evaluation institutional best practices and stakeholder constituencies and engagement channels. The data Hub has now been internalised within UNCDF, and the work initiated via SHIFT and tools developed is now implemented across UNCDF countries globally with data hub becoming one of the strategic support unit. The Challenge fund platform and learnings have now been integrated within UNCDF as one of the best practices and this platform continues to be leveraged by UN agencies and other development partners. The M&E system, with its framework and market systems development approach of adapt, adopt, expand and respond have been internalised within UNCDF Inclusive Digital Economy Practice Area with programme teams in Africa also implementing similar frameworks. The Constituencies and engagement channels developed by SHIFT ASEAN programme, for e.g., with ASEAN and its committee will be continued and technical engagement further strengthened and expanded. These infrastructures are well established to both deliver and further incorporate learnings within and beyond the program period.



## 5 GENDER EQUALITY, DISABILITY AND SOCIAL INCLUSION

### 5.1 GENDER INCLUSIVENESS OF SHIFT PROGRAMME

Women's financial inclusion has been fundamental throughout the implementation of SHIFT ASEAN's activities. Initially SHIFT conducted scoping of country gender strategies for programme focus countries: Cambodia, Lao PDR, Myanmar, and Viet Nam. These country strategies provided a crucial gender-sensitive overview of financial inclusion markets in the countries and provided insights on gender-based constraints to financial inclusion in these countries. These country strategies were developed in 2016 and informed a number of programme gender targeted activities in the focus countries.

Overall, the programme's 31 innovations launched across the five challenge funds have reached 2.9 million individuals out of which 1.1 million are women. Of the 31 innovations piloted, nine have targeted entrepreneurs of micro, small and medium enterprises. These innovations have reached 54,073 entrepreneurs, of which 84 percent were women. These entrepreneurs benefitted from a variety of innovative loan products, such as supply chain financing and specially designed individual women MSME loans. A number of SHIFT funded innovations targeted women with introduction of gender smart products or by designing campaigns that specifically focused on onboarding new women beneficiaries. A few others had a holistic approach. Examples of supported business models include e-wallets, remittance-linked savings accounts and a financial literacy gaming app. In Viet Nam, SHIFT ASEAN's investment in LienVietPostBank's (LVPB) ViViet e-wallet has shifted the market for e-wallets that cater to the specific needs of women. In Cambodia, the formal domestic remittance market was further developed through the programme's investment in Amret's remittance-linked savings account.

To gather more insights about customers of innovations supported by the Fund Facility lean data surveys were conducted with three partners in 2020: BRAC, LVPB and Thunes. The results for BRAC shows that around 89 percent of the BRAC MSMEs loan customers were women. The BRAC's enterprise loan seemed to positively contribute to the control over loan usage which was 82 percent for the group loan and 89 percent for the larger individual loans. Moreover, 73 percent of the group loan customers had control over their business compared to 84 percent of larger individual loans. BRAC women entrepreneurs were generally small microenterprises in the informal sector and improvements have been made by BRAC to serve them with larger enterprise loans, which includes the elimination of the business registration requirement allowing informal business to onboard (for more info please see BRAC case study in Annex VI).

In the case of LVPB, out of 2.7 million users around 40 percent are women and 2,500 are female merchants. As the bank plans to launch the loyalty programme in 2021 through the app, that could bring an opportunity for designing a gender smart loyalty product targeting women. For the lean data survey conducted with LVPB, 36 percent of LVPB mobile money customers are female compared to 58 percent in the mobile money market, and LVPB was successful in reaching out to female university students, working professionals and female micro-merchants. A high percentage of 75 percent of the female customers decided themselves about how to use the wallet for financial transactions. This could indicate that the mobile wallet had a positive influence on self-decision making, but it could also be caused by the different targeting of customers (LVPB are more tertiary educated compared to the national level (for more info please see LVPB case study in Annex VI).

For Thunes, the percentage of women receivers had increased from 58 percent at initiation in 2018 to over 70 percent in 2019 based on estimations given by the company<sup>28</sup>. While there is no clear client outcome data on how remittances were used, it is likely that remittances themselves have a positive impact on household incomes and gender (for more info please see Thunes case study in Annex VI).

In summary, across the diverse innovations of BRAC, LVPB and Thunes they have had effect on women's outreach and depending on the impact pathway of the specific intervention is likely not to harm gender equality, and probably benefited specific women empowerment outcomes.

Under the Gender Equality Fund in Myanmar, SHIFT ASEAN worked with 11 financial service providers to implement the gender self-assessment toolkit. The training on Gender-Sensitive Data Analytics and Product Development was offered to 21 middle and senior management working with data and product development or marketing decision-making from 12 FSPs<sup>29</sup>. UNCDF has equipped financial service providers with the skills to move the market towards gender-sensitive products for microentrepreneurs. In Cambodia, a total of 16 microfinance institutions were trained in gender smart product development and customer journey action research.

On a policy level, through the ASEAN WC-FINC, SHIFT ASEAN has supported the central banks of Cambodia and Viet Nam to develop robust national financial inclusion strategies to institutionalize sex-disaggregated data and policy making.

## 5.2 YOUTH OUTCOMES

In terms of youth, only two percent of the BRAC loans are made to customers below 25 in Myanmar, compared to 13 percent in Myanmar's credit market. Young people still face challenges to get formal individual enterprise loans. LVPB managed to reach out to youth comprising of 20 percent of its customers against 14 percent nationwide (UN Population Prospects, 2017). Mobile money usage has been strong among the higher income and young urban adults, with little gender gap. Digital financial services can help young people get equal access to financial service and therefore contribute to inclusive economic growth.

## 5.3 PERSONS WITH DISABILITIES (PWD)' FINANCIAL INCLUSION

Approximately there are 37.82 million PWDs in ASEAN. The global assistive technology market for PwDs and the elderly is projected to reach US\$ 31 billion by 2027 and will increasingly shift from being considered a luxury to being considered a necessity. Financial service institutions are losing out on a large and attractive market segment across the ASEAN region. PwDs comprise as much as 8.5 percent of the population in ASEAN; yet based on anecdotal evidence, only 0.5 percent of current microfinance clients come from this under-served community. PwDs are often left unbanked due to physical barriers (lack of ramps, braille, sign language interpreters) and social barriers (banks requiring a family member to oversee accounts or cosign for loans). However, if each PwD had an account and saved US\$ 5, this represents over US\$ 189 million that could be added to the banking sector in ASEAN. PwDs are often

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<sup>28</sup> This an estimation, because Thunes does not collect sex-disaggregated data, so they do a cross reference with beneficiaries' name and social networks to establish the gender.

<sup>29</sup> The FSPs participants were: 1-STOP, Acleda MFI Myanmar Co., Ltd, 2C2P Myanmar Network Ltd, ACCU/Central Cooperative Society, BRAC, Dawn Finance, Entrepreneurs du Monde, HANA Microfinance, KBZ Bank, LOLC and Social Vision Services.

denied loan as there is an expectation that their NPL rate will be higher than average. However, the reality is that the NPL rate for PwDs is in fact lower than the average population.

SHIFT undertook a case study method to understand the constraints faced by PwD in Lao and communicated about it to raise awareness around the issue. The PwD challenges as customer experience was mapped against financial services and the same findings were disseminated. SHIFT also further took up the issue to understand more about this particular segment through participating and getting involved in various platforms and associations. SHIFT with support from DFAT and in partnership with the International Foundation for Electoral Systems (IFES) has series of dedicated interactions, country level workshops with PwD organisations and stakeholders in Cambodia, Indonesia, Myanmar and Viet Nam. Two ASEAN level engagements and discussions also were held, where SHIFT presented on the learnings and insights gained on the digital and financial inclusion gaps. SHIFT also participated in the Second ASEAN Web Forum in 2020, on Disability-Inclusion and ASEAN Economic Integration: Challenges and Opportunities for Persons with Disabilities. This was organized by the ASEAN Secretariat, the ASEAN Disability Forum (ADF), and the General Elections Network for Disability Access (AGENDA). SHIFT programme also made a presentation and took part in discussions around digital and financial inclusion pathways for PwDs in ASEAN.

The discussions at ASEAN level, and partnerships with DPOs of Cambodia, Indonesia, Myanmar and Viet Nam have provided learnings to the programme to include disability inclusion aspects in its fund facility. This was reflected in few applications received which included PwDs as beneficiaries apart from women segment. Also, with the learnings and demand realized (based on consultation with mentioned organisations), a dedicated intervention around PwDs is being developed by SHIFT team to be included into the next regional strategic IDE programme being developed.

The demand and supply side challenges mapped with PwD stakeholders are mentioned below:

## DEMAND- SIDE CHALLENGES

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There are numerous demand-side challenges that face PwDs across ASEAN, including:

- **Financial Illiteracy.** Social stigmas in connection to social barriers have resulted in many generations of PwDs across ASEAN countries having limited to no access to educational opportunities and financial education. While financial education initiatives are becoming increasingly common at the financial institution level, the vast majority of financial institutions do not yet have financial literacy education programs to serve the spectrum of needs for those living with disabilities.
- **Information Inaccessibility.** Due to lack of access, many PwDs receive their information on financial access from Facebook which leaves them highly susceptible to fraud or disinformation campaigns. This has reduced trust in service provider messaging.
- **Limited Workforce Options.** PwDs are often excluded from the general workforce and must work in the informal sector or for substandard wages. For those selling items on the streets, they are at a higher risk of contracting COVID-19 or being affected by tourism reductions.
- **Policies.** Most services providers do not have a specific policy related to PwDs and do not have Operational Technical Guidelines (PTO) specifically related to people with disabilities. Their staff are not trained to provide services to PwDs.

- **Technology Costs.** Many PwDs cannot afford smartphones or computers that would be needed in order to access online adaptive technologies and cannot easily travel to institutions or organizations where technology or internet may be available for free.

## SUPPLY-SIDE CHALLENGES

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Similar to the demand-side challenges, supply-side challenges are those faced by digital and financial service providers in ASEAN, including:

- **Lack of Data.** There is a significant lack of data and information about PwDs to support financial sector and service provider planning. Banks and other service providers need to better understand the demand data and how best to provide services to PwDs before making an investment.
- **Prohibitive Costs.** The costs of trying to adapt products, services, and infrastructure to meet needs of eight or more types of disabilities may be prohibitively high for some providers due to how many modalities would be required.
- **Contradictory Policies.** National and local-level policies are often contradictory or vague. Service providers need specific, unified guidance so that they can know exactly what expectations are not being met and how best to adapt their services.
- **High Perceived Risks.** Lack of skills and life training for PwDs in poverty makes it very difficult for FSPs to be inclusive without taking on too much perceived risk.
- **Lack of Funding.** Lack of funding to support Financial Institutions, FSPs, and social enterprises that focus on PwDs significantly decrease their ability to adapt to PwD needs in a timely manner.
- **Location of PwDs.** Many PwDs live in rural areas or are difficult to access due to social and cultural factors. This adds an additional level of cost and difficulty for service providers seeking to provide services to PwDs.

A concept note has been drafted to discuss with interested development partners to work on digital and financial gaps for PwD segment during 2021.



## 6 PROGRAMME LEARNINGS AND WAY FORWARD

This report has reviewed a complex and diverse programme covering a range of activities at the regional (across ASEAN) and country level. Overall, the programme has achieved relevant results across its four workstreams with a greater focus on the innovation fund. In fact, as part of this workstream, SHIFT supported 31 partners which are now at different stages of the AAER framework with four of them (LVPB, BRAC, AwanTunai, Thunes) reaching the expand phase and one of them (BRAC) reaching the respond phase.

The learning and capacity building workstream has mostly been applied across the programme as shown by the business development and technical assistance trainings undertaken as part of the innovation fund work, as well as data driven products development trainings organized in the framework of the data work.

In terms of data and research, through the case studies and the other information collected it is possible to conclude that SHIFT positively impacted partners' data usage and supported them in developing new financial products customized to clients' needs.

Policy and advocacy results have been linked to the support provided by the programme to regulators in the region in developing NFIS with gender-specific targets which have been finalized for Lao PDR, Cambodia, Myanmar and Viet Nam.

From the findings described in the above sections, the following learnings and recommendations can be derived:

### 6.1 SUPPORTING THE RIGHT BUSINESS MODELS IN A TAILORED WAY IS KEY

#### Lessons learned

Private sector partnerships established through the innovation fund mechanism have been important for the launch of new and adjusted financial services that meet the needs of non-traditional market segments such as low-income women. To identify these partners, clearly describing application criteria and fund objectives has proven to be important to determine the quality of the applications received. Furthermore, supporting these inclusive and enabling business models in a tailored way, for example in the context of the COVID-19 pandemic, has been crucial for their success.

#### Recommendations

- The design of the Inclusive Innovation Fund should try to better balance the need of reaching as many potential applicants as possible, whilst maintaining a narrow enough focus to ensure programme effectiveness.
- The programme should maintain close, clear and timely contact with applicants and work with local partners to further incentivise quality fund application.
- In addition, the innovation fund needs to be flexible with less administrative requirements that helps the partners to navigate challenging periods,
- The Innovation Fund should maintain a continuum approach and provide customized advice, technical assistance, and trainings as and when needed, to maximize each partner's chances for business model success and bringing in market change.

## 6.2 TECHNICAL GUIDANCE AND ASSISTANCE ENABLE BETTER RESULTS

**Lessons learned:** A hands-on approach to Inclusive Innovation has important benefits during the business model implementation phase as it allows for greater insights into grantees performance (milestone and delivery), enables improved and timelier programme responses, and provides more learning opportunities for involved stakeholders. Resilience and sustainability of business models can be further ensured by establishing partnerships with technical service providers and investor networks early, allowing grantees to explore further funding and future expansion.

**Recommendations:** Three of the main challenges faced by partners that need to be the focus for future support and technical assistance were identified as a) partnerships with implementing partners, b) regulatory frameworks and c) lack of knowledge of the target market for new entrants.

## 6.3 THE STABILITY OF THE GRANTEES AFFECTS THE QUALITY OF THE PARTNERSHIP

**Lessons learned:** The staff turnover from the partner organizations proved to be a challenge in terms of commitment of the grantee to the investment, as well as in terms of business continuity and institutional memory.

**Recommendations:** The programme should maintain regular contact with grantees at both HQ and field levels, including in terms of field visits, meetings, networking among partners and with other UN agencies to support partners in recognizing the added value in partnering with UNCDF, in staying motivated and committed to implementing the initiative, and in achieving expected results while retaining the team in charge of the investment.

## 6.4 THE IMPORTANCE OF DATA AND CAPACITY BUILDING IN MARKET DEVELOPMENT

**Lessons learned:** By integrating data hub and capacity building activities, SHIFT was able to strengthen market supporting functions, including the capacity for customer-centric product development and data-driven decision making amongst public and private market stakeholders.

Although stakeholders regularly collected market data, they were not used effectively as a basis for product development or policy design. Therefore, SHIFT adopted an integrated approach combining data hub analysis with capacity building, transferring technical skills using practical examples and a “learning by doing” methodology which has led to greater knowledge retention and sustainability.

**Recommendations:** In the future, it is recommended that the programme conducts an impact assessment and monitoring to clearly detect changes in outcomes for beneficiaries. It is also recommended that the programme articulates its SDG 1 (poverty reduction), SDG 5 (gender) and SDG 8 (inclusive growth) focus and impact pathways better so that they can be consistently measured, as there continues to be a lack of data insights on poverty reduction and vulnerability impacts.

## 6.5 THE IMPORTANCE OF AN ENABLING POLICY ENVIRONMENT REGIONALLY AND NATIONALLY

**Lessons learned:** The insights created through data and research have been the basis of SHIFT programme policy advocacy messages, allowing SHIFT to promote the specific policy measures and reforms required to create an enabling environment for inclusive finance and the effective targeting of

specific groups including the poor, women, migrants, and MSMEs. The most effective way was to leverage regional networks and relevant committees including the Working Committee for Financial Inclusion (WC-FINC), where programme insights and technical guidance were channeled directly to a group of governments – strengthening direct collaboration for developing regional policy initiatives. This created constituencies for reform which promoted the ownership of the initiatives and the establishment of peer pressure mechanisms that led to the implementation of NFIS policies across the region.

**Recommendations:** The programme should engage more actively with fintech and banking associations as, in many countries, these stakeholders engage in developing industry standards and therefore could support the promotion of regulatory changes.

## 6.6 A MARKET DEVELOPMENT APPROACH REQUIRES AN APPROPRIATE MANAGEMENT STRUCTURE

**Lessons learned:** Taking a flexible management and integrated approach has been important for SHIFT to adapt to the dynamic nature of the market and continuously adjusting programme activities to ensure the achievement of high-level programme outcomes.

**Recommendations:** From a management perspective, the programme should establish a baseline by collecting consumer preferences as well as taking forward market mapping and interviews pre-programme, making it more straightforward to capture change across the market.

In addition, the programme should ensure synergies among the different workstreams and an integrated approach to programme management for achieving expected results.

## 6.7 LIMITED FUNDING INFLUENCES PRIORITIES

**Lessons learned:** Although programme fund raising has been ongoing, a significant funding gap from start of the programme partially affects the achieved results.

**Recommendations:** The programme design should commence work with existing budget to achieve results, with incremental scaling up of resources and expansion activities added in future stages of upscaling.

## 6.8 RECOMMENDATIONS FROM THE MTE PROVED EFFECTIVE IN IMPROVING SHIFT IMPLEMENTATION IN THE LAST YEARS

During 2018 a mid-term review of SHIFT was conducted which led to a number of concrete recommendations of programme changes and implementations. A summary of these actions taken is summarized below:

- More focus was given to fundraise for the data hub work and funds were secured from FMO to undertake gender smart product development work in Myanmar. In addition, a number of partnerships were established with different development partners (FMO, ESCAP, VISA, UNPulse etc.).
- SHIFT programme also put more focus on cost-sharing resources from partners when organizing trainings, as well as on disability issues and policy work. Disability-related workshops were undertaken in 2020 and productive engagement with WC-FINC brought at the finalization

of the M&E guidance note and of the regional financial inclusion M&E report is now completed and [published](#).

- The challenge fund was also strengthened following the recommendations of the MTE and started differentiating business models as well as providing TA to the applicants throughout the process improving the success rate of the windows.
- In terms of M&E, SHIFT has also strengthened its understanding of the beneficiaries groups thanks to lean data surveys carried out for BRAC and LVPB and countries TOCs were developed and are included in this report (see Annex II)

## 6.9 UNCDF ASEAN DIGITAL STRATEGY

UNCDF has now built on this experience with the launch of its new strategy, "[Leaving No One Behind in the Digital Era](#)", which is about transforming the lives of the unbanked and last mile through digital financial services and ensuring that the newly developed digital solutions are inclusive, and contribute to equitable growth. This will be done by accelerating the development of services that leverage digital finance and innovation and providing the right balance of technical expertise and financial support to governments and private sector actors. The Goal is to empower millions of people across Africa, Asia and the Pacific, and this framework has been enshrined within the UNCDF ASEAN 2.0 Strategy.

Previous UNCDF and SHIFT experience and learnings has laid the foundation for our future work which is organized in four workstreams. UNCDF SHIFT experience has shown that the foundation of an inclusive digital economy is an enabling regulatory environment. UNCDF will therefore strengthen its data and research work, as well as its capacity for stakeholder engagement and providing expert technical advice to address policy gaps. Interoperability between service providers, and lack of digital infrastructure have been mayor obstacles for the expansion of digital services, and as such the new strategy will focus on supporting the development of an open digital payment system, which will act as a driver for universal technology use and a stepping stone for access to expanded innovative financial services. For these to be available, UNCDF will continue to focus on inclusive innovation as the driving force of its previous strategy, partnering with the private sector to accelerate the development of commercially viable innovative digital financial services to create customer value and development impact. People are at the centre of this strategy, and previously successful customer centric approaches will be leveraged to empower customers and ensure that key customer segments such as farmers, youth, women, refuges, migrants and MSME have access to financial services. By working with ecosystem partners, UNCDF will use key strategic instruments including expert technical advice and training, stakeholder engagement, de risking financial instruments, data and research and customer centricity.

