

UN CAPITAL DEVELOPMENT FUND

Programme Document Annex

SUPPORT TO FINANCIAL INCLUSION IN MYANMAR 2012-2013 THROUGH THE “MAKING ACCESS TO FINANCE POSSIBLE” (MAP)



Region: Asia

This programme aims to contribute to the development of a strong financial sector in Myanmar, inclusive for low-income households and (their) micro and small enterprises, thus contributing to the achievement of the Millennium Development Goals (MDGs) and in particular the goal of reducing poverty by half in the year 2015.

Programme Outcome:

The intended outcome of the programme is to define the financial inclusion agenda in Myanmar and align resources with key priorities, based on a rigorous evidence-based diagnostic exercise concluded by intense stakeholder dialogue and decision making.

Within the context of the United Nations Strategic Framework for Myanmar, MAP will also inform policy priorities and programmatic implications for ongoing transition from UNDP HDI to regular country programme from the second half of 2013 onwards, which will be specifically relevant to the transition of UNDP's microfinance portfolio.

Programme Outputs:

1. Output 1: An in-depth and strategic diagnostic on financial inclusion analysing demand, supply and regulatory issues;
2. Output 2: A national roadmap, defining critical steps to accelerate financial inclusion and enabling a programming framework that supports the alignment of donor and investor support through a multi-stakeholder dialogue, in the spirit of the Paris Declaration on Aid Effectiveness;
3. Output 3: An online resource for presentation of financial inclusion data on Myanmar that contributes to a database available to the Myanmar and global financial inclusion stakeholder communities;
4. Output 4: Resources well managed and lessons learnt documented.

Duration and Funding

Programme Duration: **1 year**

Start/end dates: **August 2012 -
September 2013**

Total estimated budget: \$885,310

Out of which:

1. Funded Budget: \$885,310

2. Unfunded budget: \$0

Sources of funded budget:

- Government
- UNCDF \$488,838
- LIFT Myanmar \$396,472
- Donor ...
- NGO...

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1 Introduction

The UN Capital Development Fund (UNCDF), in collaboration with United Nations Development Programme (UNDP) office in Myanmar, is planning to conduct a set of comprehensive and coherent diagnostics on the financial services sector in Myanmar under the heading “Making Access to Financial Services Possible” (MAP). MAP is a diagnostic and programmatic framework that has been developed by UNCDF in partnership with two organisations, the FinMark Trust (FMT) and the Centre for Financial Regulation and Inclusion (Cenfri), for the specific purpose of supporting the expansion of access to financial services for low-income households and (their) micro and small enterprises. The outputs produced as part of MAP are intended to become public goods that can advance the global financial inclusion agenda.¹

Following the elaboration of a set of diagnostics, the MAP framework enables to convene a broad range of stakeholders around the diagnostics in a dialogue on the development of a national financial inclusion roadmap.² The roadmap that will be enabled and detailed as part of MAP, identifies key drivers of financial inclusion, defines specific actions that should be taken in order to contribute to enhanced financial inclusion and is intended to serve as the point of reference to plan, coordinate, and assess progress on financial inclusion agenda with the full range of stakeholders; government, private sector actors, and donors.³ The document embedding the roadmap is intended to be dynamic; refreshing the diagnostic work and revisiting and updating the key actions and commitments are foreseen at regular two-year intervals.

The process described has much in common what has been called the development of “*National Microfinance Strategies*” by the Consultative Group to Assist (CGAP), a process in which UNCDF has played a leading role worldwide. From CGAP’s global assessment of National Microfinance Strategies and donor involvement a main outcome was that “*UNCDF is the donor organisation most often associated with National Microfinance Strategies*”.⁴

UNCDF’s partner organisations in MAP have already implemented main elements of the overall MAP exercise in over 14 countries on the African continent, some of which were (partly) funded by UNCDF. Since, a full partnership has developed, culminating in the joint development of the MAP concept.

¹ **UNCDF** is the UN’s capital investment agency for the world’s 48 least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF programmes help to empower women, and are designed to catalyze larger capital flows from the private sector, national governments and development partners, for maximum impact toward the MDGs. (www.uncdf.org). **FinMark Trust** is an independent trust whose purpose is making financial markets work for the poor, by promoting financial inclusion and regional financial integration in Africa. It conducts research to identify systemic constraints and advocates for change on the basis of research findings. (www.finmark.org.za). **Centre for Financial Regulation and Inclusion (Cenfri)** is a non-profit think tank that supports financial sector development and financial inclusion by facilitating better regulation and market provision of financial services. Cenfri has spun off FinMark Trust as a separate and independent organisation yet both organisations have maintained close working relations. Cenfri conducts research, provides advice and builds capacity of regulators and market players (www.cenfri.org). For the implementation of MAP in Myanmar, Cenfri will bring in its partner institution Bankable Frontier Associates (BFA) in specifically for the purpose of using its expertise in payment systems development (www.bankablefrontier.com).

² The scope of MAP is subject to consultation with the relevant government authorities, e.g. the Central Bank, and with development partners seeking to collaborate around the MAP exercise.

³ A roadmap can also be considered a national strategy. The term roadmap is used to focus on its action orientation and to facilitate regular review and updating that is more difficult with a strategy that may need to go through lengthy review, revision, and approval processes.

⁴ CGAP Brief on “National Microfinance Strategies”, June 2008 (www.cgap.org).

In 2012 MAP has been first introduced to Asia and parts of the framework are currently being implemented in support of the ADB programme for “*The Development of a Strategic Framework for Financial Inclusion*” in Thailand.⁵

The catalytic position of UNCDF, with its primary mandate to assist the governments of Least Developed Countries to develop their economies and a focus on financial inclusion, leverages the existing expertise and experience within the partner organisations and triggers the unleash of synergies between the all three partner organisations’ competencies. The partnership between UNCDF, FMT and Cenfri in MAP has been agreed with the objective of implementing MAP in 22 countries over the next six years for the stated objective of enabling “*the provision of a portfolio of appropriate financial services to the excluded and underserved segment of the population in order to improve their welfare, as well as to enhance financial intermediation and financial sector development*”.

⁵ Technical Assistance Report of ADB Project Number 45128, a Policy and Advisory Technical Assistance, December 2011.

2 Background and Context

In Myanmar access to finance is limited and compared to neighbouring countries the financial sector is small and underdeveloped.^{6 7} The banking sector is dominated by the four state-owned banks, among which most activity is assumed by the Myanmar Economic Bank (MEB). MEB also has the largest branch network in Myanmar consisting of 325 branches. For comparison, all 19 private banks together have a total number of 332 branches, mainly clustered in urban areas and Yangon. Within the banking sector, the Myanmar Agricultural Development Bank (MADB) is the bank mainly involved in agricultural lending through its network of 223 branches.

The Central Bank of Myanmar (CBM) is the primary regulator and supervisor of financial institutions. As part of its current interventions, the CBM administratively determines the range within which banks can set their interest rates, something which has led to a lack of available market-based interest rate mechanisms or tools. Currently the deposit rate has been set at a minimum of 8% per year while the lending rate is maximized at 13%, regardless of maturity. This interest-rate spread cap disallows for cost recovery in financial service delivery to the segment of lower-income and rural households and in effect forms a key constraint for building a sustainable, inclusive financial sector. For comparison, informal money lenders may charge upwards of 10-15% per month.

There are only few institutions providing microfinance services and an estimated 90% of potential deposit and loan clients are unserved while 95% are considered underserved. Access to finance in rural areas is hardest to find yet most needed, both in terms of economic development as in terms of food security and poverty reduction. While the economic value of the formal agricultural sector in Myanmar makes up a significant 27.6% of GDP and while an estimated 70% of people live in rural areas, where they find employment and their main source of income in agriculture, only 2.5% of all loans are made to this sector.

In total, it is estimated that the institutions doing microfinance serve 3.6 million individuals and businesses through over 12,000 branches and outlets and provide some 441 billion kyat in credit⁸. Overall, in the group of providers of “microfinance” services, six categories can be identified with at least some level of formality; state banks, private banks, NGOs, cooperatives, specialised agricultural companies and village banks. Table 1 found immediately below on page 6 presents some basic supply data on the six categories of providers mentioned.

⁶ The analysis and information is drawn from unpublished mission reports of UNCDF and World Bank.

⁷ The total loan amount outstanding in the banking sector as a percentage of GDP in 2010 was a mere 3.4% with the comparative number for deposits at 9.4%, indicative of a highly liquid financial sector with low outreach as evident from the low loan to deposit ratio. Data from Central Bank of Myanmar, January 2012.

⁸ US\$ 1= Myanmar Kyat 874,000; source Central Bank of Myanmar website (www.cbm.gov.mm), assessed 30 July 2012.

Table1: Microfinance providers in Myanmar 2011.⁹

Category	Individual Institutions	Number of Branches / Outlets	Number of Loans	Loans Outstanding (in Kyats)	Average Loan Size (in Kyats)	Total Savings (in Kyats)	Number of Deposit Accounts	Average Deposit Size (in Kyats)	Regulated	Supervisory Agency
State Bank	MADB /1	205	1,420,000	358,168,430,000	252,231	66,149,950,000	3,030,000,000	22	Yes	Ministry of Agriculture
	MSLE /2	143	208,778	31,341,790,000	150,120	N/A	N/A	N/A	Yes	Ministry of Finance and Revenue
Private Bank	MLFDB	53	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Central Bank of Myanmar
Non-Governmental Organisation	UNDP-PACT /3	110	560,000	47,200,000,000	84,286	N/A	N/A	N/A	No	N/A
	GRET /4	N/A	4,332	300,313,000	69,324	N/A	N/A	N/A	No	N/A
	AMDA /4	N/A	1,510	55,109,960	36,497	N/A	N/A	N/A	No	N/A
	Save the Children /4	N/A	16,656	400,000,000	24,015	N/A	N/A	N/A	No	N/A
	Total /4	N/A	1,197	165,077,000	137,909	N/A	N/A	N/A	No	N/A
	World Vision /4	N/A	8,131	1,000,000,000	122,986	N/A	N/A	N/A	No	N/A
Cooperatives /5		148	67,905	2,430,530,000	35,793	4,861,130,000	67,905	71,587	Yes	Central Cooperative Society
Specialized Agricultural Companies /6		75	N/A	N/A	N/A	N/A	N/A	N/A	No	N/A
Village Banks /7		12,000	1,400,000	N/A	N/A	N/A	N/A	N/A	No	N/A
TOTALS		12,734	3,688,509	441,061,249,960		71,011,080,000	3,030,067,905			

On pawn shops and informal providers, such as money lenders, no additional information on outreach is available other than that they are known on an anecdotal basis to be amply engaged in financial service delivery to the lower-income segment.

⁹ /1 Data as of end-March 2011 from MADB.

/2 Data as of end-March 2011 from CBM.

/3 Data as of end-2011 from UNDP-PACT.

/4 Data as of end-September 2009 from ACTED and Banking with the Poor Network, "Microfinance Industry Report: Myanmar 2010," November 2009.

/5 Data as of end-November 2011 from the Cooperative Bank.

/6 Data as of end-2011 from Ministry of Commerce.

/7 Data as of end-2011 from MADB.

Overall, reliable information on the financial sector, its providers, the use of financial products and the needs for financial services is lacking in quality and quantity and in some cases not available at all, constituting a significant constraint to designing a well informed and effective strategy for financial sector development and financial inclusion¹⁰. Overall, the financial system in Myanmar is in its very early stages of development and until this year concerted efforts to address the major constraints were virtually absent.

Since the recent elections of April 2012 however, the related opening up of the political spectrum has brought about the start of a process of most significant changes, among which an overwhelming increase in the number of foreign development organisations and agencies that have entered Myanmar in the search of an appropriate programme design and a local counterpart, based on reliable and relevant information. Financial inclusion, often under the name of microfinance, has apparent broad political support from both the established authorities and the National League of Democracy (NLD), and has been put at the centre of the development efforts.

In May 2011, Myanmar President Thein Sein's made the official statement that a sustainable microfinance system should be established, following which the government has set up a working group on microfinance development.¹¹ Following the statement, when convening the Rural Development and Poverty Alleviation Central Committee meeting in June 2011, the President declared the objective of building sustainable enterprises for the delivery of micro savings and credit services to be one of eight development priorities for the Myanmar government.¹² In the meantime the CBM has enacted a new Microfinance law as recent as in November 2011, allowing for a legal space for independent microfinance providers, while simultaneously creating a Microfinance Supervisory Enterprise (MSE) for effective supervision of the microfinance institutions.

At a workshop, jointly organised by the Ministry of Finance and Revenue (MFR) and the EU, held in Yangon in November 2011 on "*The development of the financial sector of Myanmar and its role in supporting inclusive economic growth and poverty reduction*", attended by a most broad spectrum of representatives from the MFR, the head of the CBM, officials and experts from international development banks and NGOs, economists, financial experts and the leader of the NLD Aung San Suu Kyi, the latter declared financial inclusion of central importance to successful development and poverty reduction.

In the setting described, evidenced by the outcomes of the Yangon workshop, a set of interrelated critical challenges for financial inclusion have become apparent.

¹⁰ Even officially provided data seem unreliable; e.g. the total number of 3 billion (!) savings account at an average of 22 MMK in the MADB in Table 1.

¹¹ IRIN Asia, 29 June 2011 (www.irinnews.org; IRIN humanitarian news and analysis service of the UN Office for the Coordination of Humanitarian Affairs).

¹² United Nations Strategic Framework 2012-2015 for Myanmar, p. 7.

- *Challenge of building of building a long-term strategy for financial inclusion:* In absence of an overall strategic framework for financial inclusion, there is a need for the elaboration of a coherent set of logically sequenced and mutually reinforcing decisions that provide a long-term roadmap to guide and inform actions of stakeholders seeking to extend financial inclusion in Myanmar. This roadmap should be built on through the development of shorter term concrete action plans to realise longer term ambitions. Without this overall strategic framework, the risk exists of the evolution of programmes and activities on financial inclusion that are inefficient, incoherent and potentially counter-productive.
- *Challenge of alignment and mutual reinforcement of development efforts of a broad range of stakeholders:* Often, organizations seeking to assist the development of the financial sector and extend financial inclusion are designing and implementing programmes on an individual basis with often stand-alone activities. Simultaneously, the government is being put under strain by a new type of appeal on their capacities and by the sheer scale and speed of the development activities. These situations are combining to constrain the effectiveness of financial sector development efforts, which intense coordination and alignment of activity may assist in resolving.
- *Challenge of finding reliable information and data as a basis for informed decision making:* Good quality strategic decision making aimed at improving financial inclusion can be enhanced by the availability of reliable information. Information should significantly include the socio-economic situation of low-income households and their needs in terms of financial services, given that low-income households and their micro enterprises are the intended beneficiaries of financial inclusion efforts in the first place. Other sets of information forming a crucial basis for the development of a well informed and effective strategy for financial inclusion relate to existing financial service providers, the regulatory and institutional setting and infrastructure affecting financial sector development, potential delivery channels and mechanisms, and technical innovations from outside the financial sector that could enhance financial inclusion.

The situation described outlines the need for the collection of detailed and nationally representative data on intended clients, on financial service providers and on the overall setting of the financial sector, for the identification of a critical path guiding the decision making process towards financial inclusion and for overall coordination and alignment of development efforts by stakeholders, led by the Myanmar authorities. The MAP programme for Myanmar is based on these exact critical development needs as a basis for furthering financial inclusion and builds on the specific expertise of experience gained in similar exercises elsewhere by the combined MAP partners, FinMark Trust, Cenfri and UNCDF.

The identification of challenges and related development needs for financial inclusion in Myanmar, and the relevant role of MAP in meeting those development needs are fully in line with the priorities set in the United Nations Strategic Framework 2012-2015 for Myanmar.

The UN Strategic Framework for Myanmar identifies the “*need for timely, accurate and relevant socio-economic data*” as a basis for informed and effective decision making as one of seven key development challenges. Furthermore, the UN Strategic Framework for Myanmar has defined extending the supply of microfinance service to achieve financial inclusion as a main targeted Outcome to work towards achieving its First Strategic Priority: “*Encourage inclusive growth (both rural and urban), including agricultural development and enhancement of employment opportunities*”. The UN Strategic Framework aims to achieve this Outcome and Strategic Priority, among other measures, by: “*working with the Government to develop the much needed policy support*”.

3 UNCDF and MAP in Myanmar

UNCDF is the UN’s capital investment agency for the world’s 48 least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on the poorest countries of Asia and Africa, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples’ lives. UNCDF programmes help to empower women, and are designed to catalyse larger capital flows from the private sector, national governments and development partners, for maximum impact toward the MDGs.

UNCDF has been engaged with the Myanmar microfinance sector for over two years through its role as the official policy advisor to UNDP on microfinance. It is in the process of establishing a physical presence in the country by engaging a Microfinance Specialist for the UNCDF MicroLead programme in Myanmar, who for 30% of his or her time will also support the implementation of MAP.

MAP and UNCDF’s role in MAP may lead to a joint programme with UNDP in support of the microfinance sector over the next 5 years. MAP results will be used to inform policy priorities and programmatic implications for ongoing transition from UNDP HDI to regular country programme from the second half of 2013 onwards, which will be specifically relevant to the transition of UNDP’s microfinance portfolio. The transition will be the basis of a potential UNDP-UNCDF joint programme.

In the meantime a Financial Inclusion consultant has been hired as a regional advisor for MAP. The regional MAP advisor he will spend 60% of his available time on Myanmar with a focus on MAP, assisting coordination of the MicroLead programme where requested. He will be supported by the technical infrastructure of the UNCDF Asia Pacific regional office in Bangkok. Furthermore, the creation of a position of UNCDF MAP programme manager responsible for MAP worldwide is in the pipeline. The combined group of positions mentioned will be engaged in the development and management of UNCDF’s programmes in Myanmar.

In order to further ensure adequate coordination with the Livelihoods and Food Security Trust Fund's (LIFT) and work effectively on the MAP's implementation, LIFT will contribute to local project coordination through a Microfinance and Markets Officer, who will serve as an interlocutor with key partners in country and in particular with the various government agencies and the MSE and CBM.¹³

MAP Myanmar has been and will continue to be coordinated and aligned with the World Bank's efforts to enhance the framework and institutional capacity for delivery of microfinance in Myanmar as part of the "Financial Inclusion for National Development" project (FIND) and with the broader financial sector reform efforts proposed in Financial Sector Master Plan and related initiatives of the CBM.

The two other partners in MAP, FMT and Cenfri will be in Myanmar during a kick-off phase in which a kick-off workshop is organised; a second time for an extensive period to guide and implement the actual research and finally for a closing workshop and finalization of reports and the financial inclusion roadmap.¹⁴

4 Expected Outputs and Activities

The outcome by the end of the programme (September 2013) will be a defined evidence-based financial inclusion agenda in Myanmar and related alignment of resources with key priorities following intense stakeholder dialogue and consultative multi-stakeholder decision-making. The programme specific outputs to be achieved by MAP in Myanmar are:¹⁵

Output 1: An in-depth and strategic diagnostic on the state of financial inclusion, analysing demand, supply and regulatory issues.

The diagnostic study will take a holistic look at the financial sector, by identifying market opportunities, policy imperatives as well as potential market and regulatory barriers to maximise on these opportunities. It will cover the following components:

1. *Context*: the country economic and historical context will have a significant impact on the nature and development of the financial sector.
2. *Demand-side landscape*: understanding the level of financial inclusion and the nature of demand is fundamental to the diagnostic. This will be done through the roll-out of the FinScope survey, to be subcontracted to a local research agency.¹⁶ In addition, qualitative focus group research, once again subcontracted to a local provider, will be used to explore what underlies financial service usage and behaviour. The demand-side research will specifically investigate demand patterns for MFIs, village-managed loan funds (village banks), banking, insurance and other products by considering the alternative informal options used by respondents and the cost thereof, thereby assessing pre-conditions for financial inclusion and product sustainability.

¹³ The Livelihoods and Food Security Trust Fund (LIFT) is a five-year multi donor fund of US\$100 million for Myanmar, governed by a donor consortium (<http://lift-fund.net/>).

¹⁴ Details of the complete MAP process, outputs and a timeline can be found below in the Annexes ...

¹⁵ For a fully detailed overview of outputs and deliverables, including tables of content and further specifics, please refer to annex ...

¹⁶ FinScope is a nationally representative financial usage survey developed by the FinMark Trust.

3. *Supply-side landscape*: the study will scope the financial sector landscape, across a variety of stakeholders (formal and informal) in a number of product areas. It will importantly also consider the distribution of such products and the emerging distribution channel convergence of the different products; the role of traditional financial institutions such as banks, MFIs and village-managed loan funds, and possibilities for interactions among these and other institutions to provide value-adding services to the excluded population.
4. *Policy and regulatory landscape*: The diagnostic will consider the policy, regulatory and supervisory landscape of relevance to financial inclusion. The most important will be the MSE, CBM and the MFR, but ministries and authorities responsible for agriculture, cooperatives, telecoms, trade and industry, women and youth, labour or social development, can all directly or indirectly impact on financial inclusion. The policy landscape study will include, among others, a review of the existing legal and regulatory provisions for the various financial services providers, inter-linkages, gaps and opportunities for streamlining them. As part of the process leading to the policy and regulatory diagnostic, close consultation will take place with the World Bank on the outputs of the FIND project and the results of MAP will be aligned with interventions based thereon. The results of MAP's diagnostics will be shared.
5. *Financial infrastructure*: the diagnostic assesses how the general infrastructure (internet, telecoms, postal services) as well as financial sector infrastructure (APEX or some variation of a wholesaling financing vehicle, credit bureaus, rating agencies, technical service providers, research and academia, national associations, etc.) may be created, leveraged or strengthened in order to help further expand financial access.
6. *Client capability and protection front*: the diagnostic will give full consideration to financial literacy and capabilities from a client perspective, as well as ways in which the principles of client protection and financial education can be tightly anchored within the agenda of promoting greater financial access.

Output 2: A national financial inclusion roadmap, defining critical steps to accelerate financial inclusion and enabling a programming framework that supports the alignment of donor and investor support through a multi-stakeholder dialogue, and in the spirit of the Paris Declaration on Aid Effectiveness.

1. Overall priorities and key triggers for financial inclusion will be determined in a process of intense consultation with all key stakeholders and embedded in a Roadmap, based on the results of the diagnostics delivered under Output 1.
2. After the roadmap has been established, concrete and immediate next steps to be taken to initiate implementation will be identified and embedded in an Action Plan.
3. Roadmap and Action Plan will be budgeted and existing donor and investor activity will be aligned with the roadmap. Seeking further support and investment, and the alignment with Roadmap and Action Plan are facilitated by the design of a Programming Framework enabling programming and funding aimed at dealing with the key triggers of financial inclusion.

Output 3: An online resource for presentation of financial inclusion data on Myanmar that contributes to a database available to the Myanmar and global financial inclusion stakeholder communities.

1. Using the existing platform of the MIX Market, online and interactive access will be created to in the form of a geographical map, with data on supply and financial service usage linked to most relevant macro information and data tables, aggregated across sources
2. The platform will allow visualisation of supply and take-up, analyses of available access to financial services at the province level, as well as Identification of patterns and trends in access across provider types, products, and geographies.

Output 4: Resources well managed and lessons learnt documented.

1. Supervision by UNCDF by the Senior Regional Technical Advisor, coordination and management by a Regional MAP Advisor (Financial Inclusion consultant) and a UNCDF-MicroLead Programme Specialist (30% of available time) combined with in-country project coordination by LIFT's Microfinance and Markets Officer to ensure that all activities are undertaken on time and outputs meet and/or exceed targets
2. Monitoring, steering by UNCDF based on agreements signed with implementing partners and outputs and deliverables embedded therein.
3. Programme evaluation to be conducted in conjunction with the Global MAP programme.

5 The Added Value of MAP for Myanmar

The key value-adding attributes of the MAP programme for Myanmar in summary are:

1. A holistic approach, taking a broad view of financial inclusion through the ranges of products and services, institutions, delivery channels and actors;
2. Deep quantitative and qualitative diagnoses and analyses set the stage for well-informed dialogue among stakeholders and builds a foundation of legitimacy of planned interventions;
3. Taking systematically on board experience from previous national strategy exercises and coordination with any other current processes;
4. Straightforward and compelling road maps built on stakeholder diagnosis; and
5. Regular updates of analysis and road maps built into the process, with increasing country management of the process.

More specifically,

(a) quality data will significantly aid the development of an evidence-based national strategy for financial inclusion: the added value of a thorough and detailed diagnostic of state of financial inclusion in Myanmar is significant, given that there is an absence of good quality information on low-income households, their socio-economic settings and related needs for financial services, supply of financial services and sector infrastructure, and the policy and regulatory environment at macro level.

(b) Structures and open processes to foster intense multi-stakeholder dialogue of diagnostic results will significantly aid the development of consensus on priorities, resulting in greater coherent stakeholder strategies and actions: with the sudden openness of Myanmar towards the global development community and investors, a large number of actors with a form of engagement in financial sector development and financial inclusion have entered the country often in the form of an individual initiative. A strategy for financial sector development to create a coherent effort towards achievement of improved financial inclusion is lacking, just as a framework for coordination and alignment of individual donor activities, adding to the already significant strain put on the capacities of the authorities and allowing for scattered and undirected development efforts towards financial inclusion.

The diagnostic and programming framework offered in MAP makes for a timely offer of assistance to the Myanmar authorities and the donor community overall in terms of coordination of efforts, increasing effectiveness and efficiency, and unleashing synergies.

6 Implementation Methodology

As a process, MAP will be conducted in six separate yet logically related phases. MAP is specifically structured to allow for exhaustive information collection and to incorporate broad, continued participation of stakeholders that can contribute to the objective of greater financial inclusion. MAP will be implemented under government leadership yet will catalyse the involvement of a wide range of stakeholders, including non-traditional players, ranging from policy makers and regulators to market players, intermediaries and different entities that can represent the market that is currently excluded. Particular attention will be given to involving parties that are relevant but are not typically involved in specific sector discussions (e.g., telecommunications ministries, social protection ministries involved in or planning for conditional cash transfers, agriculture ministries, consumer associations, etc.).

The MAP process will incorporate a step-by-step approach calibrated to specific country conditions and built upon or leveraging existing or planned in-country processes. It will not be a linear process but rather fine-tuned to the country setting. It will be based on the following elements (project phases are bold, the sequential steps are numbered):

Phase 1: Preparatory missions

1. Expression of interest in undertaking a MAP process by central bank / government / or other major stakeholders (such as multi-donor platforms);
2. Preliminary discussions with MSE, the CBM, other parts of government and other stakeholders on the basis of a short country-specific concept note, in order to confirm initial interest and commence the process of securing buy-in and ownership;
3. Formal endorsement by the government.

Phase 2: Inception mission

The first phase of the project will include a kick-off workshop where a wide-set of stakeholders are introduced to the project and methodology. The workshop will be followed by a set of meetings with key stakeholders. Information gathered during the kick-off workshop and meetings will shape the focus of the diagnostic and country engagement. This will be captured in a post-country visit note. In addition, the MAP team jointly with the government will form a steering committee chaired by a relevant government department that effectively serves as a sounding board and guides the research process. The steering committee is generally composed of key stakeholders in the financial services sector, including but not limited to the Central Bank, Ministry of Finance and Revenue, Microfinance Supervisory Enterprise, National Statistics Office, key private sector players. To support better coordination within the United Nations Strategic Framework for Myanmar, the Steering Committee will endeavour to closely align with the governance arrangement for the larger country programme.

4. A technical workshop to build stakeholder engagement and awareness of the initiative and to test the country-specific game plan;

Phase 3: Country review

The in-country review process will involve individual meetings with broad set of stakeholders (government, private and donor) over a three week period. The visit will produce a post country note outlining preliminary findings that emerged from the consultation process. The FinScope survey exercise will run parallel and continue after the in-country visit with the design of the questionnaire content, translations, sampling framework and field preparation for the FinScope survey, including training for the field. Also in this phase, focus group research will be conducted to render qualitative demand-side insights as part of the FinScope work stream.

5. The country diagnostic work: data collection and analysis;

Phase 4: Report writing, survey fieldwork and data analysis

The in-country review is followed by extensive working sessions where the information collected during in-country meetings are assessed and vetted against available supply-side data, existing demand side data, and focus group discussion results. FinScope data will be captured, cleaned and weighted and top line analysis published separately to the diagnostic report. Key findings from the FinScope results combined with research on the supply/policy side as inputs to the full policy and regulatory review to highlight the market and policy and regulatory hurdles.

6. The preparation of the draft analysis and preliminary conclusions;

Phase 5: Stakeholder workshop and formulation of a financial inclusion roadmap and action plan

The draft diagnostic, including FinScope results, will be presented at a stakeholder workshop to allow stakeholders the opportunity to comment on the analyses and generally provide reflection and inputs. The comments and inputs will be combined with those from the authorities and funding partners and will be included in the basis on which the final diagnostics, roadmap and action plan will be founded.

7. A stakeholder workshop (or series of workshops and consultations) to discuss and debate the draft analysis and preliminary conclusions and their implications for future action;

8. The first draft of the national financial inclusion roadmap for comments;

9. The final roadmap and final version of the financial inclusion analytical report.

Phase 6: Documentation of a programmatic framework and hand over

In the final phase of project's processes, the national financial inclusion roadmap and related action plan will be formally handed over to the SC, and will form the basis for the development of a programmatic framework. The programmatic framework function is to operationalise the strategic priorities and concrete actions embedded in roadmap and action plan by translating them into projects and programs and linking those to necessary and available budgets and investments. The process of developing the strategic framework as main implementation instrument will be facilitated by UNCDF and will take place in the platform of the WG. It is not foreseen at this point that there will be a need for additional continued financial support of UNCDF beyond the project period. However, during MAP's implementation UNCDF will work to secure continued working of the WG after completion of the MAP process.

10. Government, private sector and donor programming based on the priorities established in the roadmap and actions defined in the action plan through the elaboration of a programmatic framework. The programmatic framework accommodates collective and individual programming by different stakeholders based on key principles such as complementariness, integration and efficient management of programs, effective targeting of the various segments of the overall lower income and vulnerable part of the population, results-based management, alignment of programs of development partners working on financial inclusion with the roadmap and action plan, and encouragement of subsidiarity and partnership.

7 Programme Management

7.1 General

UNCDF bears the accountable and overall responsibility for MAP in Myanmar, while MAP partners – Cenfri and FinMark Trust – will be responsible parties for some of the constituent parts of MAP. A successful MAP exercise however hinges on a broader group of stakeholders constituted by a country specific group of partners, such the Myanmar government, organisations that co-fund MAP or are involved implementation. The agreements reached with those agencies and organisations will also be embedded in formal documents, such as the Terms of Reference (ToR) for the Steering Committee and Working Group, the MAP project document and the contract with the research house.

In order to make for smooth organisation and to create clarity on roles and responsibilities, on the next page immediately below an overview of organisations and bodies involved in management and implementation will be given and related to stages in the overall MAP process, to milestones and to deliverables.¹⁷

¹⁷ The Steering Committee (SC) and Working Group (WG) and their respective mandates and responsibilities have not been described in the table below, despite the fact that they are instrumental in MAP's implementation. The reason for this is the fact that the exact roles and responsibilities of SC and WG depends on agreements with the Myanmar authorities on the exact ToR. The intended position and role for the SC is that of a small committee consisting of representatives of the Myanmar authorities and of funders of MAP, which is responsible for decisions on overall management and the ultimate authorization body with regard to the MAP process and implementation. The position and role of the WG is that of a large body consisting of a broad group of stakeholders that are directly or indirectly involved in financial inclusion and financial sector development or which activities have financial service delivery as a crucial input.

7.2 MAP Partners and their roles and responsibilities

Organisation	General Responsibility	Team and Contractors	Specific Responsibility	Milestones	Deliverables
UNCDF	<ul style="list-style-type: none"> Oversight and quality assurance Overall internal and external coordination of MAP implementation, engagement of funders and government, and arrangement of visas Facilitation of the programming framework based on the Financial Inclusion Roadmap and Action Plan 	Sr Regional Technical Advisor	<p>Final, overall responsibility within UNCDF for use of resources and delivery of activities.</p> <p>Final, overall responsibility for coordination, organisation and funding.</p> <p>Liaison with senior management and board members of LIFT and other equivalent stakeholders.</p>	<p>Funding confirmation;</p> <p>Government interest;</p> <p>Visas arrangement;</p> <p>Project plan signed off;</p>	
		Regional MAP Advisor (Financial Inclusion Consultant)	Day to day overall coordination with partners, technical staff in LIFT and in other equivalent stakeholders; reports to Sr Regional Technical Advisor	<p>Installation SC and WG with TORs signed off;</p> <p>Programming framework enabled.</p>	
		In-country (MicroLead) Programme Specialist (30% of full employment)	General in country assistance; supports in-country interlocutor		
		In-country Programme interlocutor (LIFT	Interlocutor with key partners in country such as government, MSE, CBM, SC		

		Microfinance and Markets Officer)	and WG; In-country logistics		
FinMark Trust	FinScope demand-side survey	FMT Research Team (4 pax, 100 consultant days)	<ul style="list-style-type: none"> Contracting, training and quality control Myanmar research house Reporting FinScope 	Research house appointed;	Brochure;
		Local research house	Administer survey questionnaire and preparatory FG research; provision and training of field staff, roll out of fieldwork, and analysis of results.	Questionnaire signed off by SC; Training research house signed off; Survey completed and dataset created; Deliverables completed and signed off.	Topline Findings Presentation; Detailed findings report; Dataset
Cenfri	<ul style="list-style-type: none"> Supply-side, regulatory and financial infrastructure diagnostic Overall synthesis report combining FinScope, supply-side and regulatory diagnostics Analyst input to the multi-stakeholder dialogue process towards the Roadmap, Action and Programming framework. 	Cenfri consultant team (6 pax, 260 consultant days)	All reporting and diagnostics, except for FinScope.	FGD provider contracted;	Desktop research results presentation;
		Contracting BFA for payment system analysis	Input payment system	Kick-off agenda and list of invitees/stakeholders signed off by SC; Approval of presentation and publication of all deliverables and data by SC;	Project Kick-Off Note; Post-country visit Country Context Note;

				<p>Closing workshop agenda and list of invitees/stakeholders signed off by SC;</p>	<p>Full Diagnostic report;</p> <p>Synthesis document (containing main constraints and opportunities);</p> <p>Policy and regulatory analysis</p>
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8 Monitoring and Evaluation

The partnership between UNCDF and Cenfri and FinMark in MAP will be monitored and evaluated based on the agreements on outputs and deliverables that will be embedded in this MAP Annex document. Apart from this formal evaluation, the overall success of MAP will be measured against the extent to which the authorities and funding partners (SC) and a broad stakeholder group (WG) consider MAP a success, which should be evident from the formal approval of the outputs (SC) and enactment on the Roadmap, Action Plan and Programming Framework (WG and broader group of stakeholders).¹⁸ The table immediately below outlines key deliverables and associated timelines. The dates are indicative and subject to change.

Table 2: Summary deliverables and timeline

Deliverable	Timeline
Desktop research results presentation	September 2012
Kick-off presentation and post kick-off briefing note	October 2012
Post country visit briefing note	January 2013
Draft FinScope reports: Brochure, Top-line Findings report, Full Research report and Technical report	June 2013
Drafts of: Full Diagnostic Report, Synthesis Report and Policy and regulatory analysis	June 2013
An online resource for delivery and presentation of financial inclusion data that contribute to a global database	June 2013
Closing Workshop and presentation to SC and WG of results, including draft road map	July 2013
Final Deliverables: FinScope brochure, presentation, technical and full-research report; Full supply-side diagnostics, Synthesis report, and the Policy and Regulatory analysis; Roadmap and Action Plan; Interactive online platform that provides access to aggregated financial inclusion data.	Aug-Sept 2013
Draft programming framework	Aug-Sept 2013

¹⁸ The overall programme monitoring framework can be found in Appendix 2 and includes means of verification for monitoring and evaluation purposes.

9 Assumptions, Risks and Mitigation

#	Description of Assumptions or Risks	Category	Impact & Probability	Risk Assessment / Countermeasures / Management Response
1	Government endorsement not obtained.	Organisational and Political	Programme can not start, hence can not achieve outcome <i>Probability = Low</i>	There is strong, broadly carried political support for increasing financial inclusion within the government, embodied in a government workgroup on financial inclusion and poverty reduction; UNCDF will tap in to this channel aided by the networks of UNDP, LIFT and World Bank.
2	Government endorsement obtained too late, e.g. after November 2012	Organisational and Financial	Programme budget becomes partly unfunded <i>Probability = Medium</i>	UNCDF will give highest priority to seeking government endorsement. MAP's timeliness and unique catalytic features with ample benefits for Myanmar will be communicated combined with MAP's nature as a non-political exercise lead by the government. Ultimately it will be explained that it is a "take it now, leave it or find additional funding" situation.
3	A lack of endorsement or participation by a critical mass of key stakeholders	Organisational and Strategic	Output 2, the National Financial Inclusion roadmap will lack support and the exit strategy or sustainability is at risk <i>Probability = Low</i>	Engagement for MAP has already been sought by UNCDF with main stakeholders such as UNDP, World Bank and LIFT, which have strong networks and leverage with government and donor community. Inviting stakeholder engagement is part of regular UNCDF processes and its experience and lessons learned will be built on in Myanmar.
4	The National Statistics Office lack capacity to provide good quality and quantity data	Strategic	The quality of the programme outcome will be undermined as the evidence base on which diagnostic and roadmap are founded is weak <i>Probability = Medium</i>	Contract a local, good quality private survey company if available. Delivery of technical and on-the-job assistance by project partners Cenfri and FinMark Trust, who have the experience to deal with this situation and a track record to back it up.

5	The capacity base for MAP's implementation in Myanmar is run too thin because of a too large portfolio of running programmes on a global scale.	Organisational and Strategic	<p>The delivery of outputs will be slowed down</p> <p><i>Probability = Medium</i></p>	<p>The main bottleneck in making progress against the projected timeline is expected to be found in local government's procedures.</p> <p>Since MAP is a strategic exercise and involves long-term objectives, the relative set back of late delivery of a few months has little impact in achievement of the overall outcome.</p> <p>Cenfri and FinMark Trust deal with simultaneous implementation and designing of programmes as a matter of course.</p> <p>Approval of programmes allows FinMark Trust and Cenfri to adapt their staff base to needed level.</p> <p>UNCDF project management will closely monitor progress.</p>
6	Data and survey results are considered by the government as too sensitive to publish	Political and Strategic	<p>Programme can not achieve outcome</p> <p><i>Probability = Medium to High</i></p>	<p>The nature of the MAP process and its intended benefits will be thoroughly explained to the government.</p> <p>Appeal will be made on the central importance of financial inclusion as recently proclaimed by government and NLD through the working group on financial inclusion and poverty reduction, using leverage of partners UNDP, LIFT and World Bank.</p> <p>The government will be asked to sign a letter of intent and approval of MAP in all its aspects confirming commitment at inception</p>
7	Lack of follow-up on diagnostics and roadmap	Organisational and Strategic	<p>Programme will not achieve intended impact</p> <p><i>Probability = Low</i></p>	<p>During the process of doing the MAP exercise ample effort will be made to ensure buy-in and ownership of government and development partners.</p> <p>A working group will be formed as part of the MAP process at inception, which will include all development partners and</p>

				<p>other stakeholders and which will be amply informed on survey results, requested for feedback and involved in design of the roadmap.</p> <p>The MAP-produced roadmap will be based on evidence on the intended beneficiaries of overall development efforts, the low-income and poor households, denial of follow-up would undermine the development community itself, leaving little else to do than participate.</p>
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10 Detailed Work Plan

Milestones and Activities	August 2012- September 2013														
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Output 1: An in-depth and strategic diagnostic on Financial Inclusion analyzing demand, supply and regulatory issues;															
MILESTONE 1: LAUNCH PROGRAMME															
1.1 Negotiate agreement with LIFT															
1.2 Execute agreement with LIFT															
1.3 Endorsement Letters finalized and sent to Governments															
1.4 Follow up until Government signature is obtained															
MILESTONE 2: PROJECT COORDINATION and LOGISTICS ARRANGED															
2.1 Arrange Visas for staff and consultants															
2.2 Arrange for and clarify local project coordination															
MILESTONE 3: STEERING COMMITTEE and WORKING GROUP ESTABLISHED															
3.1 Make TOR for SC and WG															
3.2 Make list of SC and WG members															
3.3 Send invitations and hold meetings with SC and WG members															
3.4 Finalize SC compositions and sign of on TOR															

MILESTONE 4: DEMAND, SUPPLY and REGULATORY DIAGNOSTICS COMPLETED																
4.1 Demand Side FinScope Survey																
4.1.1 Publish ToR for FinScope																
4.1.2 Review proposals from research houses and inform SC																
4.1.3 Develop shortlist and notify preferred research houses																
4.1.4 Appoint and contract research house																
4.1.5 Initial draft questionnaire to research house																
4.1.6 FMT to receive comments from research house																
4.1.7 Send Final Draft questionnaire to SC, WG and research house																
4.1.8 Kick-Off workshop (7-12 October): introduction FinScope and MAP; questionnaire design																
4.1.9 Send revised draft questionnaire to SC, WG and research house																
4.1.10 Receive final sample and maps from research house (3 weeks)																
4.1.11 NSO to prepare data template and training manual																
4.1.12 Send final questionnaire to SC for sign off																
4.1.13 Preparation of training (including logistics), print training questionnaire and manual																
4.1.14 Preparation of field work (including logistics), print maps, sample etc																
4.1.15 Training, internal and external pilot																
4.1.16 Data capture templates																

4.1.17 Analysis workshop																
4.1.18 Sign off final questionnaire																
4.1.19 Fieldwork (incl. listing)																
4.1.20 Field visits – quality control																
4.1.21 Data capture and cleaning																
4.1.22 Field and technical report																
4.1.23 Final weighted data set; send data to Cenfri																
4.1.24 Document writing; analysis, presentations and reports																
4.1.25 Workshop preparatory meetings with Cenfri																
4.1.26 Sending draft deliverables to SC for approval																
4.1.27 Closing workshop: presentation of diagnostics and survey results																
4.1.28 Finalization of FinScope deliverables																
4.1.29 Send final deliverables to SC for approval																
4.2 Assessment of Supply and Regulatory Issues																
4.2.1 Publish TOR for Focus Group Discussion Provider, review proposals and select and appoint FGD provider																
4.2.2 Working session with research house on focus group design																
4.2.3 Desktop review of background literature																
4.2.4 Preparations Kick-Off meetings																
4.2.5 Kick-Off workshop: introduction MAP and supply-side and regulatory diagnostic; follow-up meetings with SC, WG and survey partners (FMT)																
4.2.6 Draft post Kick-Off briefing Note and Second version of Desktop review of literature																
4.2.7 Technical input for FGD, coordination and logistical input as preparation for in-country visit																

4.2.8 Interviews in Yangon and Naypyidaw with stakeholders; attending FGD and in-country working sessions															
4.2.9 Post-Country Briefing Note															
4.2.10 Working sessions Post-Country visit with FGD company, Bankable Frontiers, processing of collected data and analyses															
4.2.11 Working sessions with FMT and incorporation results FinScope survey															
4.2.12 Report writing of supply side diagnostic, policy and regulation diagnostic and synthesis documents															
4.1.13 Workshop preparatory meetings with FMT															
4.1.14 Sending out draft deliverables to SC for approval															
4.1.15 Closing Workshop: presentation diagnostics and survey results															
4.1.16 Finalization of deliverables and sending to SC for approval															
Output 2: A Financial Inclusion national roadmap defining critical steps to accelerate financial inclusion															
MILESTONE: ROADMAP, ACTIONPLAN & PROG FRAMEWORK ELABORATED															
1. Set up the SC and WG, and confirm local project coordination															
2. Kick-off meeting and stakeholder meetings															
3. Workshop preparatory meetings between FMT and Cenfri															
4. Presentation at Closing Workshop of Roadmap assumptions, opportunities and constraints															
5. Finalization of Roadmap, Action Plan and Programming Framework based on feedback workshop															
6. Handover Roadmap, Action Plan and Programming Framework to SC and WG															
Output 3: An online resource for presentation of financial inclusion data on Myanmar that contributes to a database															

available to the Myanmar and global financial inclusion stakeholder communities															
MILESTONE: ONLINE PRESENTATION SYSTEM LAUNCHED															
1. Communication and coordination on data sources and formats between MAP partners															
2. Clean, process and code data															
3. Site lay out															
4. Receive final dataset from survey partners															
5. Discussion and review of draft mapping results															
6. Determine hosting location, configure if needed															
7. Launch mapping site with financial inclusion data															
Output 4: Resources well managed and lessons learnt documented.															
MILESTONE: PROGRAMME REALISATION MONITORED															
1. Hire consultant responsible for MAP coordination															
2. Monitor progress and realisation of outputs and deliverables against indicators in Programme Monitoring Framework and against milestones embedded in Timeline															
3. Hand over of Final Diagnostic results and Roadmap, Action Plan and Programming Framework to SC and WG for follow through															

11 Budget and Payment Schedule

11.1 Budget¹⁹

The exchange rate used for drawing up the budget was based on the one used in the Draft Grant agreement with Cenfri (1US\$=SAR8.42). The budget for the survey has been based on a proposal of the research house

MAP MYANMAR BUDGET DETAILS										
OUTPUT/ACTIVITIES	Description	2012	Responsible Party	Source of Funding		2013	Responsible Party	Source of Funding		Total
		Aug-Dec		UNCDF	LIFT	Jan-Dec		UNCDF	LIFT	
Output 1: An in-depth and strategic diagnostic on Financial Inclusion (FI) analyzing demand, supply and regulatory issues										
Activity 1.1. Technical assistance for demand side Finscope which includes appointment of research house, scoping mission, appointment of research house, training workshops and pilot study	Consultants	\$54,092	FMT	\$54,092		\$0				\$54,092
	Travel	\$45,125		\$45,125		\$0			\$45,125	
	Supplies	\$14,449		\$14,449		\$0			\$14,449	
Subtotal Activity 1.1		\$113,666				\$0				\$113,666
Activity 1.2. Execution of Finscope survey which includes fieldwork, analysis and final report and presentation	Consultants	\$73,328	FMT	\$73,328		\$0				\$73,328
	Travel	\$23,588		\$23,588		\$0			\$23,588	
	Supplies	\$0				\$0			\$0	
	Editorial/Printing	\$0				\$0			\$0	
Subtotal Activity 1.2		\$96,916				\$0				\$96,916
Activity 1.3.1 Outsourcing Research House household survey	Outsource	\$247,000	FMT		\$247,000					\$247,000
Activity 1.3.2 Outsourcing Focus Group Discussions	Outsource	\$29,691	Cenfri		\$29,691					\$29,691
Subtotal Activity 1.3		\$276,691						\$0	\$0	\$276,691
Activity 1.4. Supply and Regulatory Assessment	Consultants	\$130,425	CENFRI	\$130,425		\$0	CENFRI			\$130,425
	Travel	\$37,338		\$37,338		\$0				\$37,338
	Supplies	\$0		\$0		\$0				\$0
Subtotal Activity 1.4		\$167,763				\$0				\$167,763
Activity 1.5 Synthesis of full diagnostic tool	Consultants	\$0	FMT and CENFRI	\$16,898		\$16,898	CENFRI			\$16,898
	Travel	\$0		\$0						\$0

¹⁹ The budget specified here includes funding of additional outputs and deliverables on the request of co-funding partner LIFT. The three main extra outputs and deliverables are: 1. The sample size of the FinScope survey has been raised to include 5,000 households and make the survey nationally representative for remote and rural areas, which are areas of special interest to LIFT; 2. Special thematic papers on Financial Inclusion and Agriculture (agricultural finance and MADB customer experience) and on Financial Inclusion and Consumer Protection will be produced; 3. An online and interactive platform on financial inclusion in Myanmar will be realised. The budget which would result if the three deliverables on the request of LIFT would not have been included can be found in Appendix 3.

	Editorial/Printing	\$0		\$27,563		\$27,563				\$27,563
Subtotal Activity 1.5		\$0				\$44,461				\$44,461
SUB TOTAL OUTPUT 1		\$655,036				\$44,461				\$699,497
Output 2: A national roadmap defining critical steps to accelerate financial inclusion and alignment of donor support within a programming framework through a multi-stakeholder dialogue										
Activity 2.1. Pre-programmatic consultations with technical committee and stakeholders and local project coordination	Consultants	\$0	FMT and Cenfri	\$8,098		\$8,098	FMT and Cenfri			\$8,098
	Travel	\$0		\$7,934		\$7,934				\$7,934
Subtotal Activity 2.1		\$0				\$16,032				\$16,032
Activity 2.2. Finalisation of diagnostics and development of road map and action plan	Consultants	\$0	FMT and Cenfri			\$20,344	FMT and Cenfri		\$20,344	\$20,344
	Travel	\$0				\$0				\$0
	Editorial/Printing	\$0				\$0				\$0
Subtotal Activity 2.2		\$0				\$20,344				\$20,344
SUB TOTAL OUTPUT 2		\$0				\$36,376			\$20,344	\$36,376
Output 3: An online resource for delivery and presentation of financial inclusion data that contributes to a global database										
Activity 3.1. Generation of supply-side data into an online landscape platform that allows user interaction, that is inline with global standards and that allows for updates and monitoring over time	Consultants	\$7,500	MIX		\$7,500	\$53,000	MIX		\$53,000	\$60,500
	Travel	\$4,000			\$4,000	\$4,000			\$4,000	\$8,000
	Software	\$0				\$5,000			\$5,000	\$5,000
Subtotal Activity 3.1.		\$11,500				\$62,000			\$62,000	\$73,500
SUB TOTAL OUTPUT 3		\$11,500				\$62,000			\$62,000	\$73,500
Output 4: Programme Management										
Activity 4.1. UNCDF MAP Advisor reporting to Senior Technical Advisor (Regional HQ), based in Myanmar provides in-depth monitoring, coordinate/facilitate post strategic road-map for in terms of developing the detailed programming framework and shares lessons amongst partners	Staff	\$37,000	UNCDF	\$37,000			UNCDF			\$37,000
	Travel	\$13,000		\$13,000						\$13,000
Subtotal Activity 4.1		\$50,000								\$50,000
Activity 4.2. Senior Technical Advisor (Regional HQ) supervises programme operations and ensure targets are met or exceeded	Staff cost (see below in blue)		UNCDF				UNCDF			\$0
	Travel									\$0
Subtotal Activity 4.2		\$0				\$0				\$0
SUB TOTAL OUTPUT 4 (Excluding 1% direct cost)		\$50,000				\$0				\$50,000
SUB TOTAL OF ALL OUTPUTS EXCLUDING 1%		\$716,536		\$488,838	\$288,191	\$142,837		\$0	\$82,344	\$859,373
ACTIVITY 4: 1% DIRECT COST OF STAFF COST	STAFF 1%	\$2,882			\$2,882	\$823			\$823	\$3,705
GMS FOR LIFT FUND (6%)	GMS 6%	\$17,291			\$17,291	\$4,941			\$4,941	\$22,232
TOTAL		\$736,709		\$488,838	\$308,364	\$148,601		\$0	\$88,108	\$885,310

Appendix 1

Detailed Outputs and Deliverables of MAP Diagnostic & Programming Framework

Output 1: An in-depth and strategic diagnostic on Financial Inclusion analysing demand, supply and regulatory issues

Deliverable	Purpose	Content
Demand-side diagnostic: FinScope		
1. Brochure	<ul style="list-style-type: none"> - For public dissemination of the FinScope data. Easily understood version of the key findings 	<ul style="list-style-type: none"> - Introduction - Sample and methodology - Understanding the lives of people in Myanmar - Contextualising the drive for greater financial inclusion – daily realities <ul style="list-style-type: none"> o Urban: rural o Gender distribution o Source of income o Age distribution - Financial inclusion analytical framework <ul style="list-style-type: none"> o Financial inclusion in Myanmar o What drives banking? o What drives the use of other formal (non-banking) products? o What drives the use of informal products? o Access strand for Myanmar <ul style="list-style-type: none"> ▪ Comparing rural and urban ▪ Comparing levels of financial inclusion in Asia and Africa ▪ Access strand based on income source o Savings, borrowing, remittance and insurance o Savings strand <ul style="list-style-type: none"> ▪ Drivers of savings o The credit strand <ul style="list-style-type: none"> ▪ Drivers of borrowing ▪ Risk and insurance o Insurance strand <ul style="list-style-type: none"> ▪ Main risks ▪ Main coping mechanisms ▪ Incidence of remittances ▪ Remittance mechanisms o The Landscape of Access

<p>2. Topline Findings Presentation</p> <p>3. Detailed findings report</p>	<ul style="list-style-type: none"> - For stakeholders to engage with the dataset and determine the implications of the demand side findings - Detailed demand side findings in a report format. The analysis includes both demographic based on a livelihoods framework and financial inclusion data 	<ul style="list-style-type: none"> ▪ Transactional ▪ Insurance ▪ Credit ▪ Savings ▪ Remittance - Key take-outs • Introduction and background • Methodology of the study • Study findings <ul style="list-style-type: none"> • Demographic characteristics • Income and expenditure • Financial inclusion (Access Strand) • Savings, borrowing • Landscape of Access • Conclusion • Executive summary • Introduction • Study findings <ul style="list-style-type: none"> • Demographic characteristics of the adult population • Age and gender distribution • Educational attainment • Lived poverty index • Household environment • Household assets • Access to communication technology • Access to infrastructure • Documentation • Livelihoods • Income • Farming
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4. Dataset	<ul style="list-style-type: none"> - Nationally representative dataset captures detailed demand side data 	<ul style="list-style-type: none"> • Financial capability • Day-to-day money management • Financial planning • Awareness of financial products • Choosing financial products • Financial inclusion <ul style="list-style-type: none"> • Analytical framework • Defining financial inclusion • Usage of financial products and services • Borrowing/Credit • Savings • Insurance • Remittances • Conclusions <p>Final, weighted, nationally representative dataset in SPSS and MS Excel format (if required)</p>
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Deliverable	Purpose	Content
Supply-side Diagnostic		
Desktop-research results presentation in PPT and MS Word format (approximately 20 ppt slides)	<ul style="list-style-type: none"> - Internal presentation (FinMark Trust & Cenfri²⁰) in order to facilitate co-learning and avoid duplication of research efforts²¹. - Provide country context, and identifying existing literature and datasets as a starting point for dialogue with stakeholders at kick off meeting. 	<ul style="list-style-type: none"> - Country context <ul style="list-style-type: none"> o Macroeconomic context: GDP (including composition of GDP), GDP per capita, GDP growth, demographic data, structure of employment o Sector specific context: Agriculture - High level financial service sector information <ul style="list-style-type: none"> o Financial sector infrastructure data o Financial sector players - List existing research - List existing data-sets
Project kick-off note (05-10 page document)	<ul style="list-style-type: none"> - Internal deliverable for steering committee or funders - Capture initial responses and inputs into MAP process provided by key stakeholders - Identify additional key strategic avenues from the kick-off meeting that the study will 	<ul style="list-style-type: none"> - Introduction - Project context <ul style="list-style-type: none"> o Project background o Key stakeholders - government and funders - Strategic focus areas <ul style="list-style-type: none"> o Key focus areas of stakeholders and government as identified during kick-off workshop o Key focus areas emerging from market context - Next steps <ul style="list-style-type: none"> o Next steps and key dates for research process

²⁰ Presentation slides will be shared with local consultant.

	explore, highlighted at the stakeholder meeting.	
Country context note (10-20 page document)	<ul style="list-style-type: none"> - Capture and highlight key focus areas, as identified during in-country consultation, for further analysis and validation. Sets initial hypotheses. - Communication tool to inform the steering committee members on the focus of the study 	<ul style="list-style-type: none"> - Introduction - Market context <ul style="list-style-type: none"> o Macroeconomic and political context o Financial sector context o Players and products o Informal financial sector o Distribution o Demand - Regulation context - Next steps - List of in-country meetings held and contact details
Diagnostic (100 – 150 page document or same content conveyed in smaller thematic documents)	<ul style="list-style-type: none"> - Map the financial products and providers in country in order to provide a detailed context of the financial services sector - Information base by which stakeholders can engage with each other²² - Communicate country's financial inclusion storyline. - Form the basis for developing a roadmap and action plan 	<ul style="list-style-type: none"> - Introduction - Macroeconomic context - Financial sector context, including financial services providers. - Products: <ul style="list-style-type: none"> • Savings: <ul style="list-style-type: none"> o Context o Policy and regulation o Products (available in market and take-up) o Channel • Payments: <ul style="list-style-type: none"> o Context o Policy and regulation o Products (available in market and take-up) o Channel • Credit: <ul style="list-style-type: none"> o Context o Policy and regulation o Products (available in market and take-up)

		<ul style="list-style-type: none"> ○ Channel • Insurance: <ul style="list-style-type: none"> ○ Context ○ Policy and regulation ○ Products (available in market and take-up) ○ Channel • Demand-side analysis <ul style="list-style-type: none"> ○ Profile of the market ○ Market typology (segmentation exercise) ○ Use of informal financial services ○ Perceptions and experience with formal financial services providers & products - Gap analysis from the demand-side data²³ - Focus Notes on main themes emerging from full diagnostic. - Thematic Paper on Financial Inclusion and Agriculture - Thematic Paper on Financial Inclusion and Consumer Protection - Distribution <ul style="list-style-type: none"> ○ Existing distribution channels ○ Potential distribution channels (e.g. agricultural value chains etc.,) - Conclusion
Synthesis document	Identify opportunities and constraints that will inform the development of road map.	<ul style="list-style-type: none"> - Key conclusions - Opportunities - Constraints - Recommendations - Next Steps

²³ FinScope survey data is used in a detailed demand-side analysis, which forms part of the “gap analysis”: identifying the shortfall between demand and supply.

Deliverable	Purpose	Content
Policy and regulation diagnostic		
Policy and regulatory analysis	Identify existing national financial inclusion policies and legislation relevant to financial services and their delivery that are currently affecting the development of the sector.	<ul style="list-style-type: none"> - National financial inclusion policy - Summary of products and services regulation (drawn from diagnostic report) - Other legislation that is relevant to the financial services sector, e.g. labour laws and tax. - Institutional regulation and arrangements - Conclusion - Recommendations

Output 2: A financial inclusion national roadmap defining critical steps to accelerate financial inclusion that lead to a programming framework supporting the alignment of donor and investor support in the spirit of the Paris Declaration on Aid Effectiveness, achieved through a multi-stakeholder dialogue.

Deliverable	Purpose	Contents
- Roadmap	To determine overall priorities for financial inclusion through a process of consultation with key stakeholders.	<ul style="list-style-type: none"> - Background and Introduction - Objectives - Myanmar Financial Inclusion Market Development Approach - Key-drivers of financial inclusion - Market opportunities - Systemic constraints - Implications for policy and regulation - Way forward <ul style="list-style-type: none"> o Short-term, o Mid-term a o Long-term - Conclusion and Next Steps
- Action plan	<ul style="list-style-type: none"> - To determine immediate next steps following from road map in order to maintain momentum. - Links roadmap to programming framework. 	<ul style="list-style-type: none"> - Matrix of specific activities put on a timeline - An activity and project plan up to six month and up to one year
- Programming framework	<ul style="list-style-type: none"> - Donor alignment - Investor support 	- Overview of existing, planned and needed programmes developed by donors and/or investors including budgets, outputs and activities. The contribution of these programmes on achieving the milestones on the FI roadmap

Output 3: An online resource for delivery and presentation of financial inclusion data that contribute to a global database

Deliverable	Purpose	Contents
Online platform that provides access to supply data, demand data and project research in aggregated and detailed views.	<ul style="list-style-type: none">- One-stop access to supply and demand market data, aggregated across sources, with access to more detailed data as available, including views by provider and channel.- Visualization of data in a map format with online features that allows analyses of available access to financial services at the province level- Identification of patterns and trends in access across provider types, products, and geographies (as the data permits).	Online resource in the form of a map, visualizing supply and demand layers for market data along with the most relevant macroeconomic information. The site will aggregate all project data outputs and will link to detailed data tables and research results as available. All data will be available for download and offline usage or sharing with other data platforms.

Appendix 2 MAP Myanmar Programme Monitoring Framework (PMF)

	Narrative	Indicators (baseline/target and indicative timeframe)	Means of Verification (MoV)	Responsibilities
Specific Objective: The outcome by the end of the programme (2013) will be enhanced understanding and awareness amongst a broad range of stakeholders of the key drivers of financial inclusion, including a set of interrelated specific actions that will enable increased and sustainable access to a portfolio of appropriate, demand-driven and responsible financial services for the excluded and underserved segments of the population of Myanmar.				
Expected Output 1	<i>An in-depth and strategic diagnostic on Financial Inclusion analysing demand, supply and regulatory issues in Myanmar</i>			
	<p>Diagnostic framework and exercise aimed at gaining insight and understanding of the state of financial Inclusion in Myanmar</p> <p>(a) Ensure funding (2012)</p> <p>(b) Find government endorsement, ownership and buy in (2012)</p> <p>(c) FinMark Trust and Cenfri do surveys and analyses</p> <p>(Of low-income households, their socio-economic situation in the context of Myanmar and their needs for financial</p>	<p>Baseline: None</p> <ul style="list-style-type: none"> - Demand side diagnostic (5,000 households); - Supply side diagnostic; and - Regulatory diagnostic; <p>All of highest analytical quality, giving ample and detailed insights in the situation with regard to the state of Financial Inclusion in Myanmar, existing and potential future delivery channels, their outreach and products; and issues in the overall situation with regard to regulation and infrastructure.</p> <p>By August 2013</p>	<p>Programme Document signed off by funders</p> <p>Government signs of on request to implement the MAP Framework</p> <p>Deliverables:</p> <p>Desktop research results presentation and report (last week September 2012);</p> <p>Project Kick-Off Note (1st week</p>	<p>FinMark Trust</p> <p>Cenfri</p> <p>Bankable Frontier Associates</p>

	Narrative	Indicators (baseline/target and indicative timeframe)	Means of Verification (MoV)	Responsibilities
	services; of existing and potential future supply of financial services to the excluded and underserved segment; and of regulatory issues affecting the state of financial inclusion).		<p>November);</p> <p>Country Context Note (21 January 2012);</p> <p>Drafts of Brochure, Top-line Findings report, Full Research report and Technical report (7 June 2012);</p> <p>Drafts of Full Diagnostic Report, Synthesis Report and Policy and regulatory analysis (7 June 2012);</p> <p>Final Deliverables: FinScope brochure, presentation, technical and full-research report;</p> <p>Full supply-side diagnostics; Synthesis report; and the Policy and Regulatory analysis;</p> <p>All endorsed and</p>	

	Narrative	Indicators (baseline/target and indicative timeframe)	Means of Verification (MoV)	Responsibilities
			approved by the Project Steering Committee and Technical Working Group, and well received by LIFT and the development partners working on Financial Inclusion in Myanmar. All late August 2013	
Expected Output 2	<i>A national roadmap for Financial Inclusion, which defines critical steps to accelerate FI and enables a programming framework that supports the alignment of donor and investor support through a multi-stakeholder dialogue, in the spirit of the Paris Declaration on Aid Effectiveness.</i>			
	<p>2.1: Determination of overall priorities long and mid term priorities for financial inclusion through a process of consultation with key stakeholders.</p> <p>2.2: Determine of immediate next steps following from the longer-term priorities road map to initiate action and to link to a programming framework.</p>	<p>Baseline: None</p> <p>Development of a Financial Inclusion Roadmap, consequential Action Plan and related Programming Framework of high quality, adding ample added value to the Financial Inclusion agenda and stakeholder community.</p> <p>August 2013</p>	<p>Roadmap, Action Plan and Programming Framework received, disseminated and presented at stakeholder meetings to Project Steering Committee and Technical Working Group.</p> <p>Endorsement by Steering Committee.</p> <p>Positive feedback</p>	<p>UNCDF (Cenfri and FinMark Trust)</p>

	Narrative	Indicators (baseline/target and indicative timeframe)	Means of Verification (MoV)	Responsibilities
	2.3: Overview of existing, planned and needed programmes developed or to be by donors and/or investors including budgets, outputs and activities, and the contribution of these programmes on achieving the milestones on the FI roadmap		<p>from and endorsement by LIFT.</p> <p>Positive feedback from stakeholders on the added value and utility of the Roadmap, Action Plan and Programming Framework.</p> <p>Endorsement by the Working Group (WG), evident from the WG's continued existence and use of the Roadmap, Action Plan and Programming Framework for designing or aligning of development partners' interventions aimed at increasing Financial Inclusion.</p>	
Expected Output 3	<i>An online resource for delivery and presentation of financial inclusion data that contributes to a global database.</i>			
	Creation of an online and interactive mapping system showing financial inclusion data	<p>Baseline: None</p> <p>A high-quality online and interactive resource for delivery and presentation of financial inclusion data on Myanmar, adding value by making relevant, reliable, detailed as well as aggregated data and</p>	<p>Delivery and accessibility of the platform online on the MIX Market (www.mixmarket.org)</p>	MIX Market

	Narrative	Indicators (baseline/target and indicative timeframe)	Means of Verification (MoV)	Responsibilities
		information on financial inclusion in Myanmar easily available and useable to stakeholders inside Myanmar and worldwide (June / July / August 2013)	Endorsement by the Project Steering Committee.	
Expected Output 4	<i>Resources well managed and lessons learnt documented..</i>			
	<p>4.1 Programme Management</p> <p>Regional coordination and back up from UNCDF by a Financial Inclusion consultant working on Regional Map support and a Senior Technical Advisor, both working from the Regional Office.</p> <p>In country Programme support by MicroLead Programme Specialist (30% part-time) and a LIFT Microfinance and Markets Manager.</p> <p>4.2 Programme Monitoring</p>	<p>Baseline: None</p> <ul style="list-style-type: none"> - One Senior Technical Advisor (Regional HQ) (5%-10% of his full-time employment); - One regional MAP Advisor (Financial Inclusion consultant) (60% of his time, intermittent); - One local (MicroLead) Programme Specialist (30% of his full-time employment); - One local programme interlocutor with key stakeholders in the country (LIFT Microfinance and Markets Officer) <p>All activities undertaken with adequate quality and according to projected duration;</p> <p>Outputs and related deliverables meeting and/or exceeding expectation in terms of quality and timeliness.</p> <ul style="list-style-type: none"> - All activities undertaken on time and outputs meeting and/or exceeding targets 	<p>Monthly reporting by Regional MAP Advisor (consultant);</p> <p>Assessment Sr. Technical Advisor;</p> <p>Feedback MicroLead Programme Specialist and LIFT Management.</p> <p>Monitoring of timeliness based on Timelines document</p> <p>Feedback LIFT Microfinance and Markets Manager;</p> <p>Feedback SC.</p>	<p>UNCDF</p> <p>UNCDF</p>

Appendix 3 Budget for originally proposed project activities for comparison

Below an Output-based budget is presented with the originally intended project activities to enable comparison with the originally proposed input-based budget. The difference in budget is caused by smaller sample for the household survey (3,520 instead of 5,000 households) and leaving out the online presentation of financial inclusion data (MIX).

MAP MYANMAR BUDGET DETAILS										
OUTPUT/ACTIVITIES	Description	2012	Responsible Party	Source of Funding		2013	Responsible Party	Source of Funding		Total
		Aug - Dec		UNCDF	LIFT	Jan - Sept		UNCDF	LIFT	
Output 1: An in-depth and strategic diagnostic on Financial Inclusion (FI) analyzing demand, supply and regulatory issues										
Activity 1.1. Technical assistance for demand side Finscope which includes appointment of research house, scoping mission, appointment of research house, training workshops and pilot study	Consultants	\$54,092	FMT	\$54,092		\$0				\$54,092
	Travel	\$45,125		\$45,125		\$0			\$45,125	
	Supplies	\$14,449		\$14,449		\$0			\$14,449	
Subtotal Activity 1.1		\$113,666				\$0				\$113,666
Activity 1.2. Execution of Finscope survey which includes fieldwork, analysis and final report and presentation	Consultants	\$73,328	FMT	\$73,328		\$0				\$73,328
	Travel	\$23,588		\$23,588		\$0			\$23,588	
	Supplies	\$0				\$0			\$0	
	Editorial/Printing	\$0				\$0			\$0	
Subtotal Activity 1.2		\$96,916				\$0				\$96,916
Activity 1.3.1 Outsourcing Research House household survey	Outsource	\$147,000	FMT		\$147,000					\$147,000
\$0										
Activity 1.3.2 Outsourcing Focus Group Discussions	Outsource	\$29,691	Cenfri		\$29,691					\$29,691
\$0										
Subtotal Activity 1.3		\$176,691						\$0	\$0	\$176,691
Activity 1.4. Supply and Regulatory Assessment	Consultants	\$130,425	CENFRI	\$130,425		\$0	CENFRI			\$130,425
	Travel	\$37,338		\$37,338		\$0				\$37,338
	Supplies	\$0		\$0		\$0				\$0
Subtotal Activity 1.4		\$167,763				\$0				\$167,763
Activity 1.5 Synthesis of full diagnostic tool	Consultants	\$0	FMT & CENFRI	\$16,898		\$16,898	CENFRI			\$16,898
	Travel	\$0		\$0						\$0
	Editorial/Printing	\$0		\$27,563		\$27,563				\$27,563

Subtotal Activity 1.5		\$0				\$44,461				\$44,461
SUB TOTAL OUTPUT 1		\$555,036				\$44,461				\$599,497
Output 2: A national roadmap defining critical steps to accelerate financial inclusion and alignment of donor support within a programming framework through a multi-stakeholder dialogue										
Activity 2.1. Pre-programmatic consultations with technical committee and stakeholders and local project coordination	Consultants	\$0	FMT & CENFRI	\$8,098		\$8,098	FMT & CENFRI			\$8,098
	Travel	\$0		\$7,934		\$7,934				\$7,934
Subtotal Activity 2.1		\$0				\$16,032				\$16,032
Activity 2.2. Finalisation of diagnostics and development of road map and action plan	Consultants	\$0	FMT & CENFRI			\$20,344	FMT & CENFRI	\$20,344		\$20,344
	Travel	\$0				\$0				\$0
	Editorial/Printing	\$0				\$0				\$0
Subtotal Activity 2.2		\$0				\$20,344				\$20,344
SUB TOTAL OUTPUT 2		\$0				\$36,376				\$36,376
	Consultants		MIX				MIX			\$0
	Travel									\$0
	Software									\$0
Subtotal Activity 3.1.		\$0				\$0				\$0
SUB TOTAL OUTPUT 3		\$0				\$0				\$0
Output 4: Programme Management										
Activity 4.1. UNCDF MAP Advisor reporting to Senior Technical Advisor (Regional HQ), provides monitoring, coordination and facilitation of developing programming framework	Staff	\$37,000	UNCDF	\$37,000			UNCDF			\$37,000
	Travel	\$13,000		\$13,000						\$13,000
Subtotal Activity 4.1		\$50,000								\$50,000
Activity 4.2. Senior Technical Advisor (Regional HQ) supervises programme operations and ensure targets are met or exceeded	Staff cost (see below in blue)		UNCDF				UNCDF			\$0
	Travel									\$0
Subtotal Activity 4.2		\$0				\$0				\$0
SUB TOTAL OUTPUT 4 (Excluding 1% direct cost)		\$50,000				\$0				\$50,000
SUB TOTAL OF ALL OUTPUTS EXCLUDING 1%		\$605,036		\$488,838	\$176,691	\$80,837		\$0	\$20,344	\$685,873
ACTIVITY 4: 1% DIRECT COST OF STAFF COST	STAFF 1%	\$1,767			\$1,767	\$203			\$203	\$1,970
GMS FOR LIFT FUND (6%)	GMS 6%	\$10,601			\$10,601	\$1,221			\$1,221	\$11,822
TOTAL		\$617,404		\$488,838	\$187,292	\$82,261		\$0	\$21,565	\$699,665