MID-TERM EVALUATION:

SHAPING INCLUSIVE FINANCE TRANSFORMATIONS (SHIFT) PROGRAMME IN SAARC

PREPARED FOR: UNCDF

PREPARED BY: IMC WORLDWIDE, INC.

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Unlocking Public and Private Finance for the Poor

EVALUATION TEAM	
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MID-TERM EVALUATION: ***SHAPING INCLUSIVE FINANCE TRANSFORMATIONS – SAARC REGION***

Design: UNCDF Partnerships Unit.

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PROGRAMME DATA SHEET

Country:	Countries Within SAARC
Programme Title (long)	Shaping Inclusive Finance Transformations (SHIFT) in SAARC
Programme Atlas Code (by donor)	BMGF 00097112 EU 00101200

Financial Breakdown (by donor)

Commitments	As per Prodoc (amount USD)	Actual project budget (amount USD)
UNCDF	50,000	100,000
Bill and Melinda Gates Foundation	3,918,090	2,250,000[1]
European Union	5,316,137[2]	5,254,777
Funding gap	16,054,780	12,418,093

Delivery as of 31 December 2018 (per donor)

Donor	31 December 2016 ($ USD)	31 December 2017 ($ USD)	31 December 2018 ($ USD)
UNCDF	49,995	50,000	0
Bill and Melinda Gates Foundation	427,902	583,845	1,107,897
European Union	0	748,013	1,051,538
Total delivery:			4,019,190
Total project budget:			20,022,870

Executing Agency	UNCDF
Implementing Agency	UNCDF
Key Project Partners	Bangladesh Bank, Sustainable Finance Division (SFD), Bank and Financial Institutions Division (BFID), Bangladesh Telecommunication Regulatory Commission, Ministry of Finance, Government of Bangladesh
Approval Date of Project	June 01 2016 - PAC Approval
Project Duration as per Project Document	5 Years (July 1, 2016 to June 30, 2021)
Project Amendment	NA
Evaluation Date	January - February 2019

Other current UNCDF projects in-country	The Local Climate Adaptive Living Facility (LoCAL) Programme The Inclusive Economic Local Development (IELD) Programme The Municipal Investment Finance (MIF) Programme
Previous UNCDF projects (if relevant)	NA
Previous evaluations (if relevant)	NA
Dates of audits	NA

[1] The original BMGF commitment was $3,918,090. In March 2018, the commitment was reduced by $1,668,090.
[2] The EU Commitment was not listed in the Pro Doc but it was listed in the Letter of Exchange for inclusion of additional funds submitted to the PSC in May 2018. The total amount of funding was listed as USD 5,316,137.

ACRONYMS AND ABBREVIATIONS

a2i	Access to Information
AML	Anti-money laundering
ASEAN	Association of Southeast Asian Nations
AWP	Annual work plan
BBTA	Bangladesh Bank Training Academy
BDMS	Bangladesh Dokan Malik Samity
BDS	Business development service
BFP-B	Business Finance for the Poor in Bangladesh
BIBM	Bangladesh Institute for Bank Management
BMGF	Bill and Melinda Gates Foundation
BRAC	Known formerly as the Bangladesh Rehabilitation Assistance Committee, then the Bangladesh Rural Advancement Committee, and later as Building Resources Across Communities
BTCA	Better Than Cash Alliance
BTRC	Bangladesh Telecommunication Regulatory Commission
CFT	Combat financing of terrorism
CDR	Combined Delivery Report
CGAP	Consultative Group to Assist the Poor
DAC	Development Assistance Committee
DFCG	Digital Finance Consultative Group
DFS	Digital financial services
DPS	Digital payment system
eKYC	Electronic Know Your Customer
EU	European Union
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
FGD	Focus group discussion
FID	Financial Inclusion Department, Bangladesh Bank
FID-MoF	Financial Institutions Division, Ministry of Finance
FIPA	Financial Inclusion Practice Area
FMCG	Fast moving consumer goods
FSP	Financial service providers
G2P	Government to People
GoB	Government of Bangladesh
IELD	The Inclusive Economic Local Development Programme
InM	Institute for Inclusive Finance and Development (previously known as Institute for Microfinance)
KII	Key informant interview
LoCAL	The Local Climate Adaptive Living Facility Programme
M&E	Monitoring and evaluation
MDDRM	Merchants Development Driving Rural Markets
MFI	Microfinance institution
MFS	Mobile financial services
MIF	The Municipal Investment Finance Programme
MM4P	Mobile Money for the Poor
MMLA	Micro Merchant Landscape Assessment
MNO	Mobile network operators
MoF	Ministry of Finance
MRM	Measuring and results measurement
MSD	Market Systems Development
MSME	Medium Small and Micro Enterprises
MTE	Mid-term evaluation

NFIS	National Financial Inclusion Strategy
NGO	Non-governmental organization
OECD-DAC	Organisation for Economic Co-operation and Development Development Assistance Committee
PBA	Performance-based agreement
PRISM	Poverty Reduction through Inclusive and Sustainable Markets
PSC	Project Steering Committee
PSD	Payment System's Department
RMG	Readymade garment
RRF	Results and resources framework
SAARC	South Asian Association for Regional Cooperation
SDG	Sustainable Development Goal
SFD	Sustainable Finance Division
SHIFT	Shaping Inclusive Finance Transformations Programme
SME	Small and Micro Enterprises
TOC	Theory of change
TOR	Terms of reference
TOT	Training of trainers
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNEG	United Nations Evaluation Group
USD	United States Dollar

1. EXECUTIVE SUMMARY

1.1 About SHIFT

The Shaping Inclusive Finance Transformations (SHIFT) in the South Asian Association for Regional Cooperation (SAARC) programme is a regional market development initiative implemented by the United Nations Capital Development Fund's (UNCDF) Financial Inclusion Practice Area (FIPA). The programme seeks to stimulate investment, business innovations and regulatory reform to bring about lasting changes for low-income people. Specifically, it aims to expand economic participation of and opportunities for women and small and growing businesses to be active agents in the formal economy. By 2021, it aims to have enabled "at least one million low-income people, 65% of whom are women, and 30,000 small and growing businesses to access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption."[3] The programme design anticipated that SHIFT in SAARC would address both demand and supply-side constraints in interlinked financial markets, working primarily through financial service providers (FSPs).

As a regional programme, SHIFT in SAARC aims to eventually take advantage of regional-level policy and cooperation processes, to leverage multi-country perspectives and achieve synergies in policy advocacy. At the time of this evaluation, the programme has only implemented activities in Bangladesh.

The SHIFT in SAARC programme has benefited from three sources of funding as of the mid-term evaluation; The European Union (EU), The Bill and Melinda Gates Foundation (BMGF), and internal UNCDF core funding. As described in the full report, the BMGF reduced its commitment during programme implementation. The total committed contribution to the programme was initially USD 9,284,227. At the end of 2018, the revised committed contribution from all three sources was USD 7,604,777, and actual expenses against that commitment amounted to USD 4,019,190.

1.2 Evaluation Objectives, Methods, and Audience

The purpose of this mid-term evaluation (MTE) is to assess the relevance and performance of SHIFT in SAARC to date and to provide useful and relevant information to support evidence-based programme management and broader strategic decision-making at UNCDF. The timing of the evaluation coincides with the mid-point of SHIFT in SAARC's 60-month life span. The evaluation assesses the SHIFT in SAARC programme from its launch in 2016 through the end of 2018, within Bangladesh, the only geographic region in which it operates. The overall objectives of this MTE are to: 1) meet the accountability and learning objectives of UNCDF and the donors; 2) capture good practices and lessons learned; and 3) guide the remaining years of implementation and future programming through informed recommendations that will increase the probability of programme success by 2021.

The evaluation team used a theory of change (TOC) based approach to the evaluation, framed by the UN/Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) evaluation criteria.[4] The team conducted an extensive desk research and a field visit to Bangladesh to deepen the understanding of programme results. It assessed the validity of the TOC, the processes and operations that impact the quality of output, policy and regulatory issues, and ground-level performance and challenges facing UNCDF and its partners.

The evaluation team used a mixed-methods approach that included the analysis of quantitative data identified through the desk review and secondary research. The evaluation collected qualitative data through stakeholder and key informant interviews and focus group discussions (FGDs) with end-users. This MTE is expected to be used by the implementer (UNCDF SHIFT), the SHIFT board, the funders (including the Bill and Melinda Gates Foundation (BMGF) and European Union (EU)), stakeholders in the Government of Bangladesh (GoB) (including members of the Project Steering Committee (PSC)), and other stakeholders to whom the report will be disseminated.

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[3] UNCDF, 2016. *Programme Framework Document. Shaping Inclusive Finance Transformations (SHIFT) in SAARC, July 2016-June 2021*. (PAC Meeting Date: 01/06/2016.)

[4] The Organization of Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) sets principles and standards for development practice, including defining evaluation criteria for international development programmes. Criteria include Relevance, Effectiveness, Impact, Efficiency, and Sustainability. the UN Evaluation Group (UNEG) approved these criteria as a set of core evaluation criteria for UN evaluation.

1.3 Main Findings

1.3.1 Relevance

The SHIFT in SAARC programme design is relevant to the Bangladesh context as it was grounded in effective stakeholder consultation during design and aimed for an adaptive approach during implementation. The programme responds to the GoB's financial inclusion priorities by addressing its interest in digital financial services (DFS), a key mechanism for expanding financial access. The programme description's focus on gender aligns with government priorities for gender equality and women's empowerment. The programme's objectives complement those of several international frameworks and are aligned with key Sustainable Development Goals (SDGs).

The SHIFT in SAARC programme follows the principles of market systems development, resulting in a programme design that is broad, flexible and responsive to opportunities. The SHIFT in SAARC TOC includes the four pillars of activities and outputs that address the weaknesses in a market system that prevent financial inclusion. The programme uses research and evidence to align activities with the micro-merchants' and policymakers' needs and priorities. As designed, the programme has the potential to result in innovative, replicable business models.

The programme has faced challenges in several areas. Due to external constraints, the programme does not have the full scope for flexibility in implementation or enough funding or time to achieve its objectives. The planned five-year timeframe for the programme is insufficient, the existing funding sources (for three years respectively) are inadequate and not flexible enough for the market systems development approach. There is a need for a longer-term perspective with this approach. The programme has lagged in considering the financial inclusion and employment needs of women. By incorporating a robust gender analysis in the design phase, UNCDF could have developed stronger gender programming.

1.3.2 Efficiency

The UNCDF management and operations have delivered several activities and outputs over the past two years. They developed and disseminated impactful research and evidence on key themes related to financial inclusion, DFS and the micro-merchant sector; launched six innovation grants to promote the digitalization of the fast-moving consumer goods (FMCG) supply chain and digital financial inclusion of entrepreneurs; built financial services policymakers' and regulators' DFS and related capacity; built a coalition of public and private stakeholders in the DFS ecosystem; and built implementing partners' and low-income entrepreneurs' capacity.

Programme beneficiaries, such as micro-merchants and Kallyani women, reported appreciation for the programme's trainings. PSC members, who represent government institutions, reported appreciation of the SHIFT programme and its leadership. Among other achievements, they cited the programme's uptake of the PSC's suggestion to work with micro-merchants and link the real economy sector (i.e. the FMCG industry) to FSPs. The funding agencies are satisfied with programme progress but they have been concerned with the lack of communications from SHIFT in SAARC management, although these have reportedly improved over time.

SHIFT in SAARC managed their activities well in terms of keeping within the available budget. However, the programme may face challenges in spending the balance of the committed funds within the remaining time period.

While the relatively small team accomplished much in just two years, the SHIFT in SAARC programme has faced a number of implementation challenges. The level and mix of in-country staff were insufficient for the work required by the two funded projects. The programme has faced delays in output delivery and achievement of results due to factors both within and outside the control of UNCDF. Delays in setting up the MRM system, caused by staff vacancy, led to a system that does not generate enough evidence to inform accountability and contribute to programme improvements. Adaptive management of the program could be strengthened by using systematic enhanced monitoring methods[5].

Delays in project activities, notably related to micro-merchants, were related to the lower than expected capacity of local partners and consultant firms. The partner contributions to the programme have been mixed. Dnet is now performing well and ahead of schedule, BDMS is catching up after a late start, while FBCCI is still underperforming.

[5] As recommended for example in the guidance on *Measuring Market Development* drawn up by the Consultative Group to Assist the Poor (CGAP).

At the time of the mid-term evaluation, delivery of outputs had generally caught up for the first three pillars yet there were still delays in the fourth pillar: Innovation Incentives due to lags in contracting the innovation grants. SHIFT in SAARC has mostly overcome the implementation challenges that caused delays and the programme was operating at a faster pace at the time of the evaluation, yet delays in launching the innovation grants will negatively impact the achievement of programme objectives.

The implementation of SHIFT in SAARC in Bangladesh has not reflected the emphasis placed on gender in the SHIFT in SAARC programme framework due to the priorities of the funding obtained and the decision to focus on the micro-merchant sector. The MRM contains gender indicators and calls for gender-disaggregated data, but no gender-disaggregated data was available.

1.3.3 Effectiveness

At the financial services system level, the data and evidence work of SHIFT in SAARC, as well as their advocacy work through the convening of the Digital Finance Consultative Group (DFCG) shows signs of influencing the behaviour of FSPs. FSPs reported that SHIFT in SAARC brought the issue of DFS to the forefront of their attention. However, some major assumptions embedded in the programme's design have proven faulty, including that FSPs are constrained by information asymmetries. The evaluation team found no evidence that data and evidence products (i.e. research, studies and presentations) have a significant effect on FSPs behaviour with respect to launching new products or services. Instead, the FSPs are waiting to see the business cases resulting from the pilots in the FMCG sector, supported with the innovation grants. At the time of the evaluation, it was too early to assess the effectiveness of these innovation grants.

The evidence on whether improvements to the capacity of government officials, policymakers, and programme partners are on track to deliver improved financial inclusion policies and regulations that meet the needs of low-income consumers is mixed. The programme clearly influenced policymakers' thinking regarding *Electronic Know Your Customer (eKYC)* and the National Financial Inclusion Strategy (NFIS) but there is no evidence that SHIFT in SAARC's efforts contributed to advancing other priority policies and regulations for DFS. Stakeholders disagreed about the extent to which the programme has built awareness of the opportunities and constraints for gender equality or awareness of the women's market.

SHIFT in SAARC also works to build the capacity of partner organizations, which then deliver trainings to meso-level stakeholders. The evaluation team found that programme partner Dnet has delivered training-of-trainers (TOTs) to business association representatives, which resulted in the trainees changing their own business practices. It is too early to assess the impact of the TOT model on the micro-merchants who are the ultimate target of this training.

1.3.4 Likely Impact

The likely impact of the programme was reviewed from the perspectives of the financial services and real economy market systems and programme beneficiaries. For low-income programme beneficiaries, especially women and small and growing businesses, there is little evidence to date that financial services and products influenced by SHIFT in SAARC have had an impact as of the mid-term evaluation. The contribution of SHIFT in SAARC could have a significant impact on the inclusive financial services system through the eKYC guidelines. SHIFT in SAARC has had a positive, although limited to date, impact on improving eKYC guidelines, and ultimately this will have an influence on the forthcoming eKYC policy. By allowing faster and easier applications for financial accounts, eKYC may lead to the financial inclusion of millions of low-income people, especially female Ready-Made Garment (RMG) workers. The SHIFT in SAARC innovation grants promote partnerships and collaboration between FSPs, micro-merchants, distributors, wholesalers and regional FMCG companies, but it is too early to tell how grants might impact the real economy market system.

For the micro-merchant beneficiaries, SHIFT in SAARC's training has led to higher demand for goods, higher sales and better customer loyalty as a result of enacting new practices learned in business training. Micro-merchants also believe that aggregate demand for retail will increase in markets where several micro-merchants received business training.

For low-income programme beneficiaries, especially women and small and growing businesses, there is little evidence to date that financial services and products influenced by SHIFT in SAARC have yet had an impact. It may be too early to tell as the innovation grants are just starting to show potential to provide easy and convenient access to DFS, including payments and credit to micro-merchants and Kallyani women. The impact of SHIFT in SAARC on gender equality will likely be modest due to low outreach to women. The few hundred Kallyani women reached by the programme could benefit from increased incomes, empowerment, self-confidence and agency.

1.3.5 Sustainability

Sustainability relates to the ability of the financial services and real economy market systems to provide low-income consumer access to financial services and increased incomes beyond the end of the SHIFT in SAARC programme.

The government's ability to continue improving the enabling environment for inclusive DFS is an important underpinning of financial inclusion. The DFS training provided to Bangladesh Bank Training Academy (BBTA) shows great promise for sustainably building the capacity of central bankers in DFS and new financial technologies. The DFCG, which serves as a platform for public-private dialogue on inclusive DFS, could be sustainable if another organization steps up to serve as the Secretariat.

The sustainability of changes in the capacity of FSPs to reach low-income men and women is unknown at the time of the evaluation as SHIFT in SAARC had only just begun to work with a handful of FSPs through the innovation grant activity. For low-income consumers, there is only limited evidence of increased take-up of DFS. Kallyani women were encouraged to register for digital accounts, but there is not yet evidence of sustained use across this group. The programme may have a sustainable impact by encouraging these women to become DFS agents. Furthermore, there is no evidence yet of sustained use of DFS by micro-merchants as a result of the programme, and it is too early to assess whether the innovation grants will result in sustainable DFS use by consumers.

The sustainability of impacts on incomes will depend on the lasting effects of business training for micro-merchants and Kallyani women. For the women, sustainability will also depend on the continued viability of the InfoLady business model in the four districts. The most likely sustainable effects on gender equality will result from the Kallyani programme, which appears to create positive change in women's confidence, self-esteem and agency.

1.3.6 Gender and Human Rights

The SHIFT in SAARC initial framework put tremendous emphasis on gender equality and women's financial inclusion. However, the programme as implemented in Bangladesh lacks a focus on gender equality. As a result, SHIFT is not on track to achieve its gender goals. The programme did not understand the target market sufficiently during design, and it has not adapted adequately to learning that there were few female micro-merchants. Women do not participate in large numbers in major sectors that the programme focuses on, such as FMCG.

The inability to achieve gender equality objectives is partly due to the design and priorities of the funding opportunities the programme has availed and is thus somewhat out of the control of SHIFT in SAARC. Yet, inadequate attention to gender analysis in the design stage, particularly of the MDDRM project, resulted in limiting ability of the programme to pursue stronger gender equality programming. Little has been done to build on the results of the POWER study that the programme co-funded. Likewise, the programme could have taken more advantage of the innovation grants activity to promote women's economic empowerment.

1.4 Conclusions and Recommendations

The SHIFT in SAARC programme framework has proven broad and flexible enough to allow for the implementation of two very different projects working on two separate but interlinked market systems. In a relatively short period of time, SHIFT has:

- Supported financial services regulators by building their capacity and providing opportunities to learn from good international practices;
- Convened the DFS ecosystem of stakeholders and built a constituency around DFS;
- Promoted networking, knowledge sharing and advocacy around DFS for financial inclusion;
- Developed partnerships with actors in the FMCG sector within Bangladesh;
- Developed research and evidence on key themes related to financial inclusion, DFS and the micro-merchant sector and disseminated this evidence; and
- Launched six innovation grants aimed to promote the digitalization of the FMCG supply chain and the use of DFS by micro-merchants.

At the policy and regulatory level, there are signs of increased capacity and potentially improved policy and regulations, such as eKYC, which can meet the needs of low-income consumers. At the financial services and real economy market levels, SHIFT in SAARC has had less effect due to the short timeframe of implementation within the programme. Still, there are signs of positive impacts:

- Higher awareness of DFS and of the micro-merchant segment, which raises interest in serving this market:
- Increased information exchange among regulators and the private sector, and an expanded and strengthened DFCG coalition;
- Data provided in the Micro Merchant Landscape Assessment (MMLA) report led a social enterprise from Singapore to enter the Bangladesh market;
- A programme that works to digitize salary payments to RMG workers used data from the MicroAsia portal to better understand the behaviour of the micro-merchant segment, which processes the remittances from RMG workers; and
- Participation in the DFCG enabled one FSP to recognize they had could potentially create a digital savings product.

To achieve the objectives going forward, SHIFT in SAARC needs to devote more attention to:

- Accelerating the pace of implementation;
- Taking a more strategic and focused approach to policy advocacy activities to reduce the risk of chasing every topic policymakers raise;
- Creating a communication plan that tailors communications products to the type of stakeholder, with extra emphasis placed on communications with funders;
- Aligning and expanding the MRM system to promote programme learning and the inclusion of required disaggregated data; and
- Taking a more serious approach to promoting gender equality, women's economic empowerment and women's financial inclusion to meet the objectives of the SHIFT in SAARC framework.

The evaluation team offers the following key recommendations that SHIFT in SAARC should implement to increase impact across the four outputs during the time remaining in the programme.

- **Make the DFCG more action-oriented**

The DFCG has effectively achieved its main objective "to promote and support the development and enhancement of mobile money use and other forms of DFS. The core objective of this group is to open up dialogue on the strengths, opportunities, challenges, gaps in the use of DFS for a more inclusive economy and sustainable economic growth in Bangladesh." As a neutral organization, SHIFT is well positioned in the sector to have a more purpose-oriented, participatory, action-oriented working group that can take on specific topics to promote real change in the sector. This working group can be realized through an action plan, evidence-based workplans, and individuals that are committed to regular participation. UNCDF has experience coordinating DFS working groups in other regions (e.g. West Africa) that have action-oriented agendas from which they could borrow.

- **Create a more robust capacity building system**

Capacity building is one of the four outputs, and UNCDF is well positioned to play a lead role in this activity sector-wide. Training and capacity building for stakeholders is relevant, and they would benefit from a more robust, sector-wide approach in order to achieve long-term behaviour change and create institutional change management with a range of service providers.

- **Adapt programme management to available time and resources**

The market system development approach requires time to develop the system and achieve changes. Therefore, to achieve impact by the end of SHIFT, it is recommended to focus energy and investment on key sectors rather than spreading resources across new topics and activities. Considering the time remaining, it would be useful to take stock of ongoing activities and consolidate resources around activities which can lead to lasting changes, including focusing on quality over quantity with regard to the innovation grants, balancing programmes adaptiveness and reactiveness to stakeholder requests, improving future project planning within the programme, and improving the design of future programmes similar to SHIFT in SAARC.

- **Incorporate gender issues as a key strategic focus of the programme**

There is scope for UNCDF to improve in its incorporation of gender issues. UNCDF FIPA should require gender analysis for all proposed programmes before receiving headquarters approval. This analysis should involve secondary and primary research with the target market segments during the design phase to ensure that the data is current. UNCDF should also hire a technically qualified gender champion among the senior-level decision-makers.

2. SCOPE AND OBJECTIVES OF THE EVALUATION

The purpose of this MTE is to assess the relevance and performance of the UNCDF SHIFT programme in the SAARC region to date and to provide useful and relevant information to support evidence-based programme management and broader strategic decision making at UNCDF. The timing of the evaluation coincides with the mid-point of SHIFT in SAARC's 60-month life span. The evaluation assesses the SHIFT in SAARC programme from its launch in 2016 through the end of 2018 in Bangladesh, the only country in which it operates currently.

The evaluation's overall objectives are to: 1) meet the accountability and learning objectives of UNCDF and the donors; 2) capture good practices and lessons learned; and 3) guide the remaining years of implementation and future programming through informed recommendations that will increase the probability of programme success by 2021. The specific objectives of the evaluation are to**:**

1. Assess the programme according to the United Nations/OECD-DAC evaluation criteria which include key evaluation questions related to relevance, efficiency, effectiveness, likely impact, and likely sustainability;[6]
2. Assess the programme's operations against United Nations standards supporting the integration of gender equality and human rights;
3. Validate the programme's achievements;
4. Validate and/or refine the programme's TOC;
5. Compare SHIFT in SAARC to similar programmes and initiatives in Bangladesh to situate the programme in its broader environment and context; and
6. Understand the extent to which UNCDF private sector partnerships are successful in achieving the broader strategic objectives of UNCDF.

The evaluation's scope includes: assessing the execution and management of the SHIFT programme; weighing its appropriateness for achieving the stated higher-level objectives; and assessing the programme's contributions to influence the broader digital finance system and promote women's financial inclusion.

2.1 Approach to the Evaluation

Following the ToR, the evaluation team used a TOC-based approach, framed by the United Nations/OECD-DAC evaluation criteria. As a formative evaluation, the assessment focuses on the programme's context, activities and initial results. It assesses the extent and quality of programme implementation. The evaluation also explores the current and likely results of the programme, both immediate and longer-term, direct and indirect, and intended and unintended.

The evaluation team conducted an extensive desk research and a field visit to Bangladesh, to deepen its understanding of programme results to date. It assessed the validity of the TOC, the processes and operations that impact the quality of output, policy and regulatory issues, and ground-level performance and challenges facing UNCDF and its partners.

The evaluation team used a mixed-methods approach that included the analysis of quantitative data identified through a desk review and secondary research. The evaluation collected qualitative data through stakeholder and key informant interviews and FGDs with end-users. The overall methodology is defined by two frameworks: the programme's TOC (Section 3.1.1) and the evaluation matrix (Annex 2).

Additionally, the evaluation team used contribution analysis to assess the potential contribution of SHIFT in SAARC to observed outcomes. Contribution analysis captures and documents the drivers of change that influence an activity, in this case, the evolution of the eKYC policy environment in Bangladesh and the extent to which SHIFT in SAARC has contributed to any observed eKYC policy changes.

2.2 Use of the Evaluation

This MTE is expected to be used by the implementer (UNCDF SHIFT), the SHIFT board, the funders (including BMGF and EU), stakeholders in the GoB (including members of the PSC), and other stakeholders to whom the report will

[6] The Organization of Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) sets principles and standards for development practice, including defining evaluation criteria for international development programmes. These have been adopted by the United Nations Evaluation Group as norms and standards for evaluation.

be disseminated. The implementer, funders and programme board are interested in learning about the progress and effectiveness of the programme, assessing the validity of the TOC, and identifying both strategic and activity areas for improvement and course correction. They will use the evaluation's results to guide the programme in its remaining years of implementation, as well as to inform the design of future programmes that share SHIFT in SAARC's goals.

The evaluation report will provide preliminary evidence at the mid-term stage on the programme's current and likely contributions to:

- Building the organizational capacity (knowledge, institutional, financial, network) of FSPs, telecom companies, regulators and other key ecosystem actors to develop and facilitate the roll-out of financial services to underserved geographical areas and market segments;
- Supporting impact at the client level, assessing current or likely impact on end clients, reduced vulnerability, women's empowerment, and income and employment, and distinguishing between impacts on men and women able to access and use financial services; and
- Influencing the broader finance systems in which the programme has intervened, i.e. assessing the extent to which the programme, through its advocacy, funding, data/research and training/capacity building activities has begun to influence the broader inclusive finance systems (policy, institutions and markets).

2.3 Stakeholders

The stakeholders that participated in the evaluation include many of the same individuals and organizations that are the audience for the evaluation. The evaluation team took a 360-degree view of the SHIFT in SAARC programme and interviewed a sample of stakeholders with decision-making authority over the programme, UNCDF staff who are implementing or overseeing the programme, stakeholders who are collaborating or partnering with SHIFT in SAARC or working in the same context toward the same goals, and beneficiaries who are benefitting from the programme. These included:

- Decision-makers: Donors (EU and BMGF), PSC (Ministry of Finance (MoF), Bangladesh Telecommunication Regulatory Commission (BTRC), Bangladesh Bank, Sustainable Finance Department), and SHIFT Board
- UNCDF: Staff at regional and national levels
- Partners/Collaborators: Dnet, Bangladesh Dokan Malik Samity (BDMS), Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Bangladesh Institute for Bank Management (BIBM), Institute for Inclusive Finance and Development (InM), Access to Information (a2i), Bank of Asia, Grameen Phone, MicroSave
- Stakeholders working in the DFS ecosystem: BRAC, BFP-B, FHI360, ASA International
- Beneficiaries: Micro-merchants, Kallyani women, providers of business development services

The full list of participating stakeholders is in Annex 4.

2.4 Gender Equality and Women's Empowerment

The evaluation design reflected the emphasis that the SHIFT in SAARC Programme Framework Document placed on improving livelihoods and reducing poverty specifically for women and was framed by guidance from the United Nations Evaluation Group (UNEG) on how to ensure gender responsive evaluations. The evaluation matrix contained several questions that specifically addressed gender equality, and stakeholders at all levels were asked questions about programme activities, outputs and outcomes related to gender equality and women's empowerment. The team selected stakeholders with an eye towards obtaining strong female representation among the interviewees, despite the limitations of the context in which the programme operates.

3. PROGRAMME PROFILE

3.1 Programme Description

The SHIFT in SAARC programme is a regional market development initiative implemented by UNCDF FIPA. The initiative seeks to stimulate investment, business innovations and regulatory reform to bring about lasting change for low-income people.

The programme design, as per the Programme Framework Document, anticipates that SHIFT in SAARC will work primarily through FSPs to address both demand and supply-side constraints in interlinked financial and real economy markets. The programme aims to expand economic participation and opportunities for women, and small and growing businesses in the formal economy. By the end of the five-year programme in 2021, the initiative aims to have enabled "at least one million low-income people, 65% of whom are women, and 30,000 small and growing businesses to access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption."[7]

As a regional programme, SHIFT in SAARC aims to take advantage of regional-level policy and cooperation processes such as SAARC Secretariat, SAARC Finance, SAARC Development Fund and the SAARC Social Enterprise Development Programme to leverage multi-country perspectives and achieve synergies in policy advocacy.[8] The regional approach is intended to 1) take advantage of economies of scale in addressing common barriers (i.e. information and knowledge gaps) and 2) address constraints that are not possible to solve working within one country (i.e. cross-border remittances).

3.1.1 Theory of Change

The goal of SHIFT in SAARC is to improve livelihoods for low-income people and reduce poverty. The SHIFT in SAARC TOC hypothesizes that linking real economy and financial markets will enable greater use of financial services (especially DFS) and result in low-income people having greater access to employment, entrepreneurship and investment opportunities to improve their livelihoods.[9]

The SHIFT in SAARC programme is rooted in the research finding that low-income people face obstacles to participating in real economy markets, such as the retail market for FMCG and barriers to accessing products and services from the financial services market. These obstacles are related to market weaknesses such as a lack of information on the supply and demand sides, low capacity, an insufficient enabling policy and regulatory environment, and a lack of innovation incentives for financial services that reach the very poor. Weak linkages between the two market systems (financial services and FMCG retail markets) reinforce the obstacles that marginalized groups face. The SHIFT in SAARC programme,, therefore, emphasizes accelerated financial inclusion through DFS. Using a market systems development approach, the programme's interventions are delivered through four outputs (called pillars): data and analysis, capacity development, policy and advocacy, and innovation incentives.[10]

Table 1 summarizes the expected objectives and outputs for SHIFT in SAARC. The Programme Results and Resources Framework which presents indicators for each level of the TOC, by pillar, can be found in Annex 1. The pillars are organized in the Annual Workplans.

3.1.2 Data and Analysis

The SHIFT in SAARC design calls for expanding and improving data availability for regulators, policymakers, FSPs, meso-level organizations and small businesses to address information gaps within the financial services and the real economy market systems. The design assumes that "people are persuaded by data" and that good quality information will lead government and market actors to make evidence-based decisions to support changes in policy and the design of financial services to meet low-income consumers' needs.[11] Under this pillar, SHIFT in SAARC in

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[7] UNCDF, 2016. *Programme Framework Document.*
[8] A formal network of Central Bank governors and Finance Secretaries in the SAARC countries.
[9] UNCDF. 2018. Request for Proposal. Project: Mid-Term Evaluation of two UNCDF Financial Inclusion Practice Area Programmes in Asia – Shaping Inclusive Finance Transformation (SHIFT). Country: ASEAN & SAARC Region. RFP No.: 45481. Issued on: 11 April 2018. p.31
[10] These specific output titles are used inconsistently throughout SHIFT documentation – from the project document to the programme framework, and throughout this report the titles used are taken from this evaluation's terms of reference p. 31.
[11] UNCDF, 2016. *Programme Framework Document.* p.8

Bangladesh conducts research, assessments and analysis on consumer behaviour, DFS and financial inclusion, sectors and policies, and publishes and disseminates the findings and lessons learned. This pillar's expected results include "to inform DFS practice and policy and to bring Bangladesh's DFS knowledge and experiences to the global arena."[12]

3.1.3 Capacity Development

To enable market and government actors to keep up with a rapidly-changing DFS market, SHIFT in SAARC seeks to increase targeted stakeholders' knowledge and skills to increase the development and adoption of solutions, such as new financial products that meet low-income consumers' needs. The programme conducts capacity self-assessments and facilitates the participation of targeted stakeholders in peer-to-peer exchanges, trainings and events.

3.1.4 Policy and Advocacy

SHIFT in SAARC works to promote new policy and normative frameworks to stimulate innovation among FSPs and real economy businesses within the FMCG value chain to better meet the needs of low-income consumers and micro-merchants. Promotion takes the form of convening workshops and meetings to engage, understand and persuade stakeholders.

3.1.5 Innovation Incentives

The design aims of SHIFT in SAARC are to increase private sector investment to improve the quality and supply of client-centred financial products and business models. It addresses the lack of incentives for FSPs to invest in extending last-mile financial infrastructure to low-income markets through targeted, "smart" grants that can alter the risk-return calculus for private sector actors. In Bangladesh, SHIFT in SAARC is offering innovation grants that address the need for affordable access to finance and that promote collaborative private sector partnerships between the FMCG retail market and the DFS financial market.

3.1.6 Centrality of Gender Equality

The SHIFT in SAARC framework, based on SHIFT in ASEAN, focuses on women.[13] The strategic intent of SHIFT in SAARC is to "remov(e) market constraints limiting women's equal access to economic opportunities and participation in the markets."[14]

Table 1: SHIFT in SAARC - Expected Outcomes and Outputs [15]

Objective	Description
Programme Impact	Improved livelihoods and reduced poverty among low-income people, especially women in SAARC countries by 2021.
Programme Outcome	At least one million low-income people, 65% of whom are women, and 30,000 small and growing businesses to access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption.
Output 1 Data and Analysis	Produced, consolidated and analysed data on supply, demand and regulatory constraints affecting low-income consumers, women and real economy businesses in SAARC to strengthen the evidence base for decision making.
Output 2 Capacity Development	Provided capacity building activities on financial products, business models and needs of low-income consumers, especially women, and small and growing businesses for regulators, policymakers, Financial Service Providers and businesses higher up in the real economy value chain in SAARC

[12] UNCDF. 2016h. Annex 8 SHIFT SAARC in Bangladesh. Shaping Inclusive Finance Transformations (SHIFT) Bangladesh: Increased access and use of digital financial services by low income people and women, p. 9.

[13] SHIFT in Association of Southeast Asian Nations (ASEAN) is a regional market development programme that is seeking to increase the financial inclusion of low-income women in the least developed countries of ASEAN (Cambodia, Laos, Myanmar and Vietnam). SHIFT in SAARC has similar objectives and works through the same four pillars as SHIFT in ASEAN. Source: UNCDF. 2018. *Mid-Term Evaluation of Shaping Inclusive Finance Transformations (SHIFT) Programme in ASEAN*.

[14] UNCDF, 2016. *Programme Framework Document.* p. 18.

[15] UNCDF, 2016. *Programme Framework Document.* Table 2: Broad Resources and Results Framework SHIFT SAARC. p. 30. Wording is as provided in the original document.

Output 3 Policy and Advocacy	Supported regulators and policymakers to develop holistic and inclusive regulatory frameworks, policies and strategies through multi-stakeholder consultative processes, encouraging financial services providers and businesses to target and better serve low-income consumers, especially women, and small and growing businesses in SAARC.
Output 4 Innovation Incentives	Provided incentives for Financial Service Providers and businesses to develop, pilot and validate financial products and business models to meet the needs of low-income consumers, especially women, and small and growing businesses in SAARC.

3.1 Key SAARC Regional Contextual Factors[16]

3.1.1 Regional Socio-Economic Context

The SAARC region has a population of 1.7 billion people across eight nations. The SAARC economy, with a GDP of US $2.4 trillion, has achieved sustained growth and is projected to continue growing strongly over the next 10 years. The region has experienced a dramatic reduction in the share of the population living in poverty, but the region is quite varied in terms of the level of development and the size of individual economies. Additionally, there are widening inequalities in economic opportunities and incomes across SAARC, which impacts women in particular. Gender inequalities are persisting in areas of political and economic participation which can result in lower levels of growth and social welfare.[17]

3.1.2 Regional Financial inclusion Context

Financial inclusion through the access to and use of formal financial services (i.e. regulated financial services) is thought to support low-income people's movement out of poverty. The level of financial inclusion in SAARC remains low, at about 50 percent on average, but with wide variation across the region depending on income level, education level and gender, among other variables.[18] Businesses within the region, particularly small or women-owned, have low access levels to formal credit. Female business ownership is also low at 18%.[19]

On the demand side, barriers to financial services include problems related to knowledge and information, as well as firms' inability to meet financial sector requirements. Financial service usage is also diminished by consumers' perceived value of financial institutions' services (i.e. product characteristics, ease of access and quality of service).

On the supply side, the financial markets in SAARC face three key constraints: i) small market systems offering relatively modest distribution infrastructure; ii) Inadequate FSP investments to extend last-mile infrastructure, and; iii) fragmented financial market systems across national markets and weak inter-connections between financial and real-economy markets. Additionally, the financial sector is just one part of a "challenging business environment" in the region and in Bangladesh, which ranked 174 out of 189 on the World Bank's Doing Business Index in 2016.[20] The SHIFT in SAARC programme identified several trends which may allow greater financial inclusion:

- A growing momentum for financial inclusion generally across SAARC countries;
- A prioritization of women as consumers and employees;
- Innovative models that address financial exclusion by driving down the cost of customer acquisition;
- Alternative financing vehicles aimed at opportunities in the SAARC market; and
- New demographic and social trends increasing the demand for financial services.

3.2 Current Implementation Status

The table below describes the output indicators and targets as per the project document and the progress reported by the programme as of the end of 2018:

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[16] For the Bangladesh Context, please see Annex 7: Country Report
[17] UNCDF, 2016. *Programme Framework Document.* p. 10
[18] Ibid.
[19] Ibid. p. 15
[20] UNCDF, 2016. *Programme Framework Document.* p. 15. It is interesting to note that the ranking in 2019 is now 176 out of 190. (http://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf)

Table 2: Current Programme Implementation Status[21]

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

3.2.1 SHIFT in SAARC in Bangladesh

To date, the SHIFT in SAARC programme is implemented only in Bangladesh and focuses on accelerating the use of DFS. It has not entered other SAARC countries for reasons including operational difficulties within the SAARC Secretariat, delays with Bangladesh programme implementation, and lack of funding opportunities in other SAARC countries. As a result, SHIFT in SAARC has not yet achieved the expected economies of scale nor promoted cross-border products and solutions, limiting the programme's scale and narrowing the range of client-centred products and business models.

In Bangladesh, SHIFT works through two projects. One is funded by the BMGF and one by the EU. The programme also received UNCDF core funding. The BMGF-funded project focuses on promoting an enabling environment for DFS, while the EU-funded project focuses on improving the real economy market system for micro-merchants (shopkeepers) in the FMCG industry in order to improve incomes and build demand for DFS. Both projects work to improve linkages between the two market systems. Annex 7 summarizes the components of both project frameworks, as well as key milestones.

3.2.2 Governance of SHIFT in SAARC

SHIFT in SAARC Board: Comprising of representatives from UNCDF FIPA, UNCDF Asia Regional Office, the BMGF and the EU, the Board has oversight of programme implementation; provides strategic direction and advice to staff; approves annual work plans (AWPs) and budgets; takes decisions on approving programme plans and revisions, and;

[21] SHIFT in SAARC, SHIFT_M&E_Dashboard_December_2018.xlsx, Sheet: 6RBM SHIFT Overall.

provides guidance and oversight on programme risks and mitigation measures. Board meetings are held twice each year.

PSC: The PSC includes representatives of the MoF, the Bangladesh Bank (the central bank), and the BTRC. The PSC is responsible for providing policy guidelines, for monitoring implementation progress, and providing guidance on achieving synergies with related development initiatives in Bangladesh.

Government Partners: SHIFT in SAARC is implemented through a Direct Implementation Modality in Bangladesh. The relevant ministry is the Financial Institution Division of the MoF. The government implementing partner is the Bangladesh Bank and the cooperating partner is BTRC.[22]

3.2.3 Management and Staffing of SHIFT in SAARC

The SHIFT in SAARC management structure includes technical and project support teams in both Dhaka and Bangkok. At the regional office in Bangkok, the technical team includes the SHIFT SAARC Programme Manager, Data Management Specialist and Innovation Manager. This team is supported by a Monitoring and Evaluation (M&E) Officer, Programme Associate and a Regional Programme Management Specialist. In-country, the technical team currently consists of a Country Project Coordinator, Communications Officer and an M&E and Data Analyst. Until mid-2018, there was a Policy and Advocacy Specialist position. These staff are supported by a Project Officer, Project Associate and a Driver. National consultants (serving as staff) and long-term external consultants have supplemented the technical team. The Management Support Unit and the Partnerships, Policy and Communications Unit at UNCDF headquarters have also provided support. See Annex 7 for the programme organogram.

3.2.4 Implementing Partners

SHIFT in SAARC in Bangladesh has three formal partners (referred to as co-applicants) with which it has formed a consortium to implement the EU-funded Merchants Development Driving Rural Markets (MDDRM) project: Dnet, BDMS and the FBCCI. The three co-applicants were selected because they fit the narrow criteria required under the EU proposal.

- **Dnet** is a social enterprise and non-profit that has implemented digital initiatives in Bangladesh for over 10 years. It founded the InfoLady programme with Kallyani women (see iSocial description later in report). For SHIFT in SAARC, Dnet is responsible for research and data, training of micro-merchants and Kallyani women entrepreneurs, and conducting community awareness activities.
- **BDMS** is the national association of shop owners and only trade association that represents micro-merchants. All micro-merchant shopkeepers are members of BDMS through local associations. In this programme, the role of BDMS is to build the capacity of local level business associations and micro-merchants.
- **FBCCI** is the apex organization of all Chambers of Commerce in Bangladesh with 400 association members. They work at the central government level and are responsible for government lobbying and conducting seminars for business associations.

  SHIFT in SAARC is also working with other United Nations initiatives, including the UNDP-supported Access to Information initiative (a2i) and alongside the Better Than Cash Alliance to promote digital financial inclusion.

3.2.5 Beneficiaries

SHIFT in SAARC in Bangladesh aims to benefit four different groups while maintaining a focus on low-income consumers, women, small and growing businesses, and people living in rural areas (hereafter referred to collectively as low-income consumers):

- **GoB** including policymakers and regulators from the central bank, MoF and the BTRC;
- **Financial service providers and real economy businesses in the FMCG sector** including key stakeholders in the DFS market;
- **Market enablers** (i.e. industry apex organizations and business associations) including the partners FBCCI, BDMS and Dnet; and

[22] BIBM was originally listed as a Cooperating Partner as well.

- **Low-income people,** specifically micro-merchants (shopkeepers) and Kallyani women entrepreneurs (micro-franchisees of the InfoLady programme), based in four poor northern districts of Bangladesh (Jamalpur, Sherpur, Tangail and Sirajgonj) and low-income rural consumers in the same districts.

3.2.6 Data and Analysis

Since 2016, SHIFT in SAARC has facilitated two pieces of research that served as the foundation of the other programme activities: The Landscape Assessment of Retail Micro-merchants in Bangladesh (or MMLA) and the DFS Regulatory Framework Self-Assessment. SHIFT in SAARC has also benefited from broader UNCDF support, namely behavioural research about women's customer journey and women's financial inclusion, including the POWER study for Bangladesh (which SHIFT in SAARC co-funded) and the Gender Centrality study (which was still in draft at the time of the mid-term evaluation). Other demand-side research includes financial diaries, while supply-side research includes reports on interoperability and the digital transformation of microfinance institutions (MFIs).

SHIFT in SAARC disseminates research findings in reports, briefs, blogs and launch events attended by stakeholders from government, financial services sector and real economy markets. The outputs under this pillar include: five assessment reports, one research report, three policy briefs, one discussion brief, one research brief, 15 blogs, and two infographics. Two videos were produced and the programme produced one web portal (or hub) containing the data sets from the MMLA research, and hosted two launch events. Of these research activities, a few were focused on gender, specifically women's financial inclusion, as noted above. The total expenditures under this pillar were US$956,873 through the end of 2018.

3.2.7 Capacity Development

The goal of the capacity building activities implemented by SHIFT in SAARC is to "support building competences in the context of guiding DFS acceleration efforts."[23] These activities comprise training, mentoring and knowledge exchange visits. Technical assistance and capacity building trainings have been delivered to a range of stakeholders: micro-merchants, women entrepreneurs, and the implementing partners who deliver services to them; regulators and policymakers; and other stakeholders.

The programme has facilitated trainings for micro-merchants and Kallyani women entrepreneurs in order to build their business management skills and capacities and knowledge of DFS. The programme for Kallyani women prepares them to start up small businesses, selling products and services as part of a micro-franchise model operated by iSocial.

Capacity building for regulators falls into two categories: training for mid-to-low-level regulators and experiential learning (i.e. events and exposure visits) for senior-level regulators. The DFS regulatory self-assessment supported the development of the capacity building programme for regulators and policymakers, and the programme has facilitated the development and TOT of a DFS module for entry-level Bangladesh Bank staff.

Additionally, SHIFT in SAARC provided training and capacity building to business development service (BDS) providers and business associations working in the FMCG market in which the micro-merchants are active. Dnet provided training to a small number of micro-merchant business association representatives. SHIFT in SAARC has also provided a significant amount of capacity building through training and coaching to Dnet, BDMS and FBCCI.

From 2016 to 2018, capacity building activities included: seven Global Knowledge Exchange forums; two Knowledge Sharing workshops; two trainings for policymakers and regulators; one training for market actors; one training for Co-applicants; two TOTs for master trainers and one DFS training for print and digital media journalists. Numbers of people trained at the time of the evaluation included 1,166 micro-merchants, 278 women micro-entrepreneurs (Kallyani), 17 BDS providers, and 119 business association members trained by either Dnet or BDMS. The number of discrete training sessions held was not available. The total expenditures under this pillar were US$1,392,008 through the end of 2018.

3.2.8 Policy and Advocacy

The goal of this pillar is to create a conducive, regulatory environment to enable private sector financial services providers to engage in and innovate within DFS. The programme has developed policy briefs based on the initial DFS

[23] Ibid. p. 9.

regulatory assessment, hosted topical or thematic conferences and high-level roundtables with regulators and private sector stakeholders, and presented SHIFT research.

With the objective of informing the policy development process at Bangladesh Bank, SHIFT in SAARC initiated a dialogue with central bank on policy, regulation and the national financial inclusion strategy. SHIFT in SAARC is engaging closely with a2i, an initiative of UNDP, to promote digital financial inclusion in Bangladesh. The programme has focused on six priority policy issues that pose specific constraints to digital financial inclusion:

- Roll-out tiered Know Your Customer (KYC) and investigate the eKYC potential given the rollout of smart national identification cards;
- Form a DFS Standing Committee involving institutions with an interest in financial inclusion and DFS to define strategies, policies and operations relevant to DFS in Bangladesh;
- Promote financial innovations by introducing a regulatory sandbox to test new products and services to curb OTC transactions;
- Synergize mobile financial services (MFS) and agent banking guidelines to enhance financial inclusion;
- Continue to invest in technical and business infrastructure within Bangladesh Bank; and
- Enhance the Supervisory Framework for DFS, i.e. a robust, risk-based supervisory framework must be in place to ensure appropriate and effective oversight of the DFS sector in Bangladesh.

SHIFT in SAARC provided policy support and contribute to the NFIS development process.[24]

The programme has conducted several dialogues on various topics with the DFCG. Through the DFCG and the activities hosted by SHIFT in SAARC, the programme supported policy advocacy to address challenges on the supply side. UNCDF created a forum through which the private sector and the government could exchange information and perspectives. This effort has provided a platform for the private sector to advocate for enabling policies directly with the government.

The activities completed to date include: four high-level roundtable dialogues; the facilitation of the DFCG and several meetings/consultations/workshops; and one consultative dialogue undertaken jointly with a2i. Additionally, at least four publications were produced related to these events. For example, "Interoperability of Digital Finance in Bangladesh: Challenges and Taking-off Options" was produced as a background paper for the Interoperability of Digital Finance in Bangladesh: Challenges and Taking-off Options high-level roundtable. The total expenditures under this pillar were $647,366 through the end of 2018.

3.2.9 Innovation Incentives[25]

This pillar includes the creation of innovative business partnerships and solutions with the objective of expanding DFS through innovation grants, communication and awareness-raising to provide education and advocacy related to consumer and merchant use of DFS. The programme is piloting one new innovative business model to promote use of DFS by micro-merchants and women with plans to launch five more. To date, the programme has issued six Requests for Proposals to solicit the models. The first grant, for digitizing financial transactions in the micro-merchant supply chain, was awarded in late 2018. The list of the six Requests for Proposals is provided in Annex 7.

The Programme Framework Document and the original proposal for the MDDRM project called for a Challenge Fund (also called Second-Generation Challenge Funding). The purpose of this was to stimulate "innovations that are focused on solving the needs of specific groups, such as excluded and vulnerable people and women."[26] EU procurement rules do not allow Challenge Funds so SHIFT in SAARC chose to fund innovation grants instead, with the implication that the process took more time to implement.

Communications activities, which are included under this pillar, include an annual international conference and community-based educational campaigns carried out by Dnet. Additionally, SHIFT in SAARC has sent out 12 DFS news-related briefs to a stakeholder listserv. The total expenditures under this pillar were $1,159,875 through the end of 2018.

[24] UNCDF, 2015. *Grant Proposal Narrative to the BMGF*. 09/20/2015.
[25] The fourth pillar is called "Innovation and Communication" in the SHIFT in SAARC in Bangladesh framework (Annex 8).
[26] UNCDF. 2016h, P. 8

3.3 Current Financial Status

The original Programme Framework Document identified that the programme required US$20,022,870 to achieve its objectives, across an estimated three countries, for the 2016 to 2020 period. Of these funds, US$100,000 was provided from core UNCDF funding, the BMGF committed US$3,918,090, and the EU committed Euro 5,500,000 (US$5,316,137).[27] In March 2018, the BMGF commitment was officially reduced by US$1,668,090, resulting in a revised commitment of US$2,250,000. Of the EU commitment, an amount equal to US$5,254,777 was made available. Total funding commitments to the programme for the period of this evaluation is US$7,604,777.[28] Of that figure, $4,643,950 was allocated to Output targets and approved through the AWP process. Each year, the programme creates a budget in its AWP, which requires approval from UNCDF headquarters. Expenses are reported quarterly and annually in a Combined Delivery Report (CDR).

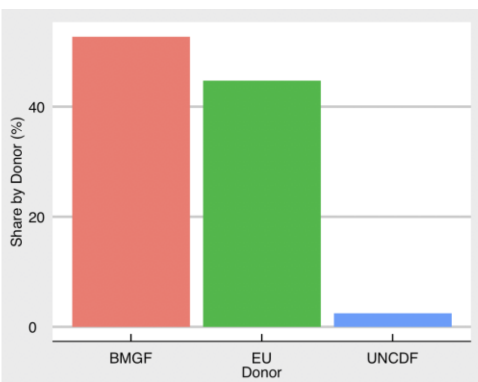
Table 3: Budgets and Actual Expenditures, 2016 – 2018 (USD)

	Original Contribution (USD)	**Revised Contribution (USD)**	**Actual Expenses (USD)**
BMGF	3,918,090	2,250,000	2,119,644
EU	5,316,137	5,254,777	1,799,551
UNCDF	50,000	100,000	99,995
Total	**9,284,227**	**7,604,777**	**4,019,190**

Total expenses allocated to outputs, as discernible through the documentation provided to the evaluation team and as per the programme's CDRs, were $4,019,190 (53% of the total AWP approved budget).

Figure 1 below shows each donor's contribution to actual expenses. Though the EU's contribution made up about 70 percent of the programme's budget as of the MTE, BMGF's funding made up a higher proportion of actual expenses at 53 percent.

Figure 1 Proportion of Expenses by Donor



3.4 Gender

The desired impact of the SHIFT in SAARC programme is to improve livelihoods and reduce poverty, especially among women, in SAARC countries. The focus of the programme shifted when the long term goal for Bangladesh was articulated as "co-contribute to the government Seventh Five Year Plan vision of *broadening the reach of the DFS, particularly for the poor in rural areas, and expanding the range of suitable services for the poor available in the Digital Systems* thus reducing the amount of money poor people spend on financial transactions and increase capacity of poor people to weather financial shocks and avail income-generating opportunities."[29]

[27] Figure is from the Letter of Exchange between UNCDF and the Project Steering Committee, May 2018.
[28] Budget figures provided by Programme Staff, expenses based on UNCDF Headquarters documentation.
[29] Ibid. p. 5.

4. EVALUATION APPROACH AND METHODOLOGY

4.1 Evaluation Methodology and Criteria

The MTE of SHIFT in SAARC is a formative evaluation using a theory-based evaluation (TBE) approach, framed by the UN/OECD-DAC evaluation criteria. The SHIFT in SAARC TOC was the key reference point for the TBE, which focuses on the programme's context, activities, outputs and initial results. The SHIFT in SAARC TOC hypothesizes that programme activities and outputs lead to changes at three levels: 1) programme outcomes, including policy and regulatory-level changes; 2) financial and real economy market system outcomes, including incentivizing and building capacity of private sector actors; and 3) programme outcomes, including greater use of DFS leading to increased income and employment for low-income people. The evaluation was designed to assess the extent and quality of programme implementation, the current and likely results of the programme, how outputs and outcomes occurred, and any challenges facing UNCDF and its partners.

The evaluation is founded upon the key evaluation questions that are organized in an evaluation matrix following the TOC and according to the five OECD-DAC criteria: relevance, efficiency, effectiveness, likely impact, and likely sustainability. Gender equality is a cross-cutting element across all criteria. The evaluation matrix provides the key research questions at different levels of the SHIFT SAARC results chain, organized according to the evaluation criteria, the evaluation sub-questions, judgement criteria, means of verification and data sources, including the stakeholders interviewed (Annex 2).

4.2 Data Collection Methods and Analysis

Primary data collection tools used for the evaluation include: 1) semi-structured individual interview guides; 2) a customized FGD guide; and 3) the socio-economic profile survey. Annex 3 provides details about the data collection tools and types of evidence each tool produced. The team selected these data collection methods because of their appropriateness for a mixed-methods formative programme evaluation, given the resource and time constraints of the evaluation. Given the programme's market system development approach, the evaluation team used contribution analysis to assess SHIFT in SAARC's contribution to an observed outcome alongside possible alternative drivers of that change.

The team analysed qualitative data collected through individual interviews and FGDs through traditional qualitative data analysis techniques. All stakeholder interviews and FGDs were recorded after receiving permission from the interviewees, in line with the relevant ethical requirements of an international development evaluation.[30] The evaluation team then transcribed and coded the recordings, using an initial hierarchical coding structure. A second phase of coding focused on emerging themes in the data. The team used MaxQDA, a qualitative data analysis software which aids in coding and organizing text, to support this analysis process. The team analysed quantitative financial and programme monitoring data using simple comparison or trend operations in the R statistical environment and Excel.

4.3 Data Sources and Quality

The evaluation used several lines of evidence, including:

- Desk review of programme documents, reports and publications (list of documents is in as Annex 5);
- Quantitative analysis of secondary programme data, including financial and monitoring data that was analysed for trends and a results' comparison against targets;
- In-country field visits that included individual interviews with staff and key stakeholders, FGDs, and a socio-economic profile survey with the participating programme beneficiaries; and
- Remote interviews with additional key informants via phone.

The team triangulated data from these sources to cross-check the findings and asked similar questions of all stakeholders and beneficiaries, allowing for comparison across multiple sources. The questions were designed to collect data needed to answer the key and sub-evaluation questions of the evaluation matrix. Triangulation allowed the evaluation team to obtain details on the meaning and significance of the data collected. Additionally, the data

[30] Only two stakeholders declined to be recorded.

collection methods combined with the design of the data collection tools and analysis methods contributed to the validity and reliability of the results.

4.4 Sampling Strategy

The evaluation used a purposive sampling strategy to select key informants. The sample of stakeholders and end-users was informed by the objectives and scope of the evaluation and derived with UNCDF through a stakeholder mapping exercise. The sample included programme decision-makers, implementers, actors in the DFS space, implementers and/or funders of similar programmes, and beneficiaries. A sufficient number of key stakeholders were selected in order to provide substantial evidence for developing conclusions and recommendations for the programme. For end-user sampling, the evaluation team relied on guidance from UNCDF about appropriate locations, given time and resource constraints and the need to access a sufficient number of individuals for focus groups. See Annex 10 for tables summarizing the evaluation samples.

4.5 Stakeholders' Consultation Process

The evaluation team consulted with the SHIFT in SAARC regional and national staff at several important junctures during the evaluation. A kick-off meeting was held remotely with the regional lead and national staff at the beginning of the process. During the inception phase, the evaluation team leader met with the regional team in Bangkok. Other evaluation team members and the national team in Bangladesh participated via video link. This meeting contributed greatly to the finalization of the Inception Report. During the fieldwork visit, the evaluation team briefed the national SHIFT in SAARC staff on the evaluation purpose and design, and the evaluation team de-briefed on initial findings. During the entire evaluation process, the evaluation team and the staff have been in communication for data collection, data verification and scheduling purposes.

4.6 Gender Equitable Evaluation

The evaluation team took steps to incorporate gender equality considerations into the conduct of the evaluation. This included conducting gender-disaggregated analysis for primary data collected from beneficiaries and developing gender-focused indicators at all levels of evidence as well as across the five evaluation criteria. These indicators guided the evaluation regarding gender effects. Unfortunately, the evaluation team was unable to apply data to many of these indicators (See Annex 8 for the Gender Equality Criteria Indicators).[31] Among the beneficiaries interviewed, 12 out of 42 were women, and 13 of 61 stakeholder key informants were women. This latter number reflects the low participation of women in relevant positions at stakeholder institutions and is in itself a finding of this evaluation.

4.7 Limitations and challenges of the evaluation

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

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

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

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

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[31] These indicators were developed based on recommendations from the UNCDF Evaluation Unit or inspired by guidance provided in United Nations Evaluation Group (2011), *Integrating Human Rights and Gender Equality in Evaluation -- Towards UNEG Guidance* or Spaven, Patrick, and Karina Broens Nielsen. 2017. *Measuring Market Development: A Handbook for Funders and Implementers of Financial Inclusion Programs*. Washington, D.C.: CGAP.

5. EVALUATION FINDINGS

5.1 Criterion 1: Relevance and quality of design

The appropriateness of the programme's objectives to the real problems, needs and priorities of its target groups/beneficiaries and the quality of programme design through which these objectives are to be reached.

The SHIFT in SAARC programme design is relevant to the Bangladeshi context due to its effective stakeholder consultation during design and adaptive approach to implementation. The programme design directly addresses the priorities of the Government of Bangladesh for digital financial inclusion and gender equality. It also contributes to UNDAF and several SDGs.

The programme's TOC is logical. It outlines four pillars of activities that address identified market system weaknesses that prevent financial inclusion. However, there is incomplete evidence that the logic will work to achieve objectives. Based on similar programmes' experience in the context of Bangladesh, it is not clear that SHIFT in SAARC will achieve its programme objectives with the existing funding and the associated timeframe.

The programme design is aligned with internationally recognized best practices for market systems development for financial inclusion, despite a few notable exceptions. The timeframe and secured funding are insufficient for this approach. The overall objective - 'to increase the percentage of adults using DFS' - for the Bangladesh programme is not measurable.

SHIFT in SAARC has considered the needs and interests of demand-side customers and the target merchants by undertaking field-level research with these target groups. The programme as designed is consistent between the programme objectives and partners' needs and strategy. The design relies primarily on innovation grants and capacity building to ensure that the approach can be transitioned, expanded and/or replicated by others.

The programme design aligns with national and funder-level gender standards. It implicitly aligns with United Nations standards on mainstreaming gender. Yet, the programme has also done less well in considering women's financial inclusion and employment needs. By incorporating a robust gender analysis in the design phase, UNCDF could have developed stronger gender programming.

Question 1.1: How relevant are the SHIFT in SAARC programme approaches that are being implemented to the priorities and policies of the Government of Bangladesh including the regulatory/policymakers on financial inclusion?

The programme is relevant to the GoB's policy priorities, particularly those related to digital financial inclusion for low-income people. The programme team used a consultative process during programme design in 2015 and early 2016, and an adaptive approach during programme implementation to ensure the relevance of the programme approach. UNCDF consulted closely with financial inclusion regulators and policymakers at the Bangladesh Bank and other government agencies during programme design and implementation. The programme has also adapted in response to government requests by addressing specific topics of interest to the government, e.g. Blockchain.

SHIFT in SAARC addresses key priorities of the GoB, particularly the focus on achieving financial inclusion through digital pathways, as articulated in the Seventh Five Year Plan for FY2016-2020: Accelerating Growth, Empowering Citizens. The goals and objectives of SHIFT in SAARC specifically support several of the plan's objectives, including financial access for low-income people through MFS and agent banking, and use of MFS for key payments (e.g. Government-to-People (G2P) and remittances). The Seventh Five Year Plan also emphasizes empowering women and reducing gender inequality.

The GoB is focused on achieving the SDGs.[32] SHIFT in SAARC contributes to the SDGs, primarily SDG1 (No Poverty) and SDG17 (Partnerships for the Goals). SHIFT in SAARC also focuses on marginalized communities thus contributing to SDG 10 (Reduced Inequality). The work with Kallyani women and research related to women's financial inclusion contributes to SDG5 (Gender Equality).

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[32] http://www.bd.undp.org/content/bangladesh/en/home/library/democratic_governance/sustainable-development-goals--bangladesh-progress-report-2018.html

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

Question 1.2: As presently designed, how coherent is the SHIFT in SAARC programme design in view of its objectives, and how well is it designed with regard to eventual transition, expansion and replication of the programme approach by others?

The programme's TOC is logical and coherent. However, there is incomplete evidence that the logic will work to achieve its objectives. The programme is only partly designed according to best practices for market systems development for financial inclusion, and its timeframe and secured funding are insufficient for its approach. The overall objective for the Bangladesh programme is not measurable.

The SHIFT in SAARC TOC articulates logical steps from programme activities to expected outcomes.[33] Among other assertions, the TOC says that information and data will incentivize the private sector to invest in financial product innovations and business models for low-income markets. It also asserts that capacity building combined with information will cause policymakers and regulators to develop more enabling policies for DFS. It further asserts that capacity building of micro-merchants and women entrepreneurs will create demand for DFS and other innovations in the FMCG retail market.

Implicit in the TOC reasoning is the assumption that actors are embedded in contexts, particularly institutional contexts, which will support the desired behaviour change. As noted earlier, the financial inclusion policy context of Bangladesh was very favourable when the programme was under design but by the time of implementation had become more restrictive. Consequently, it has been more difficult for the programme to achieve its policy and advocacy objectives.

Despite the logic of the TOC, the descriptions of the programme provided by SHIFT in SAARC can be overly complicated and confusing. One funder reported that the description of the project objective is "confusing" and "not good." Another funder stated, "I have never seen a coherent package of products in SHIFT." The broad and flexible design of SHIFT in SAARC, which in some respects is a strength, allowed the implementation of both the BMGF-funded and the EU-funded projects simultaneously. This has forced the programme to over-emphasize links between the two market systems with an assumption that there would be synergies in implementation and outcomes, which have not been realized. Due to different approaches and objectives reflecting different donor priorities, this combination of projects may have led to confusion about programme purpose and methods and over-extended the SHIFT in SAARC team's attention, rather than achieving greater impacts.

Two aspects of the TOC merit mention. The evaluation team found the placement of communications activities within the Innovation pillar confusing since communications is a critical function that runs across all pillars. Also, the overarching objective for SHIFT in SAARC in Bangladesh - *To increase the percentage of the adult population in Bangladesh actively using a variety of affordable DFS from 9% to 35% by 2019* - is not actually measurable. It is only possible to count the number of DFS accounts (not individuals) with available national-level data.

Question 1.2.1: Is the programme design in line with internationally recognized best practices?

The programme design is aligned with internationally recognized best practices for market systems development for financial inclusion, with a few exceptions. For example, there is a need for a long-term perspective and for an improved accountability approach.

The SHIFT in SAARC design takes a market systems development (MSD) approach by focusing on whole market systems (financial services and FMCG retail) and facilitating changes across these markets. The programme design follows key MSD principles of the Consultative Group to Assist the Poor (CGAP) for financial inclusion. The programme aims for systemic change in attempting to influence inclusiveness in both market systems. SHIFT in SAARC plays a facilitative role in these market systems by building capacity and enabling market actors to perform their functions more effectively. The programme also allows for experimentation through incentivizes for innovative financial product pilots and services for the FMCG market. This experimentation will support learning and adaptation among actors in both market systems. MSD programs require a long-term perspective because the path to

[33] The ToC is described in section 2.1

development outcomes is non-linear, unpredictable and takes time. Additionally, the approach to accountability in MSD programmes requires enhanced monitoring, effective risk management and evidence-based adaptation, as well as a conducive environment for engaging in experimentation.

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

- **Long-term perspective:** The SHIFT in SAARC framework calls for a five-year timeframe. As of the evaluation field visit, funding had been secured for only three and a half years. Good practice calls for even longer funding horizons than allowed in the framework, for example, 12 to 18 months of an inception phase and five years of implementation.
- **Accountability:** Systematic evidence-based adaptation appears to be built into the programme through the Board and PSC governance processes. However, this is insufficient and there is little evidence that the programme conducts enhanced monitoring in line with MSD good practice.

Question 1.2.2: Are the programme approaches and activities, as designed, likely to achieve the objectives, based on experiences of similar programs and the context?

Based on experience with similar programmes and the political economy context in Bangladesh, it is not clear that SHIFT in SAARC will achieve its programme objectives with the existing funding and the associated timeframe.

A comparison of the SHIFT in SAARC programme design to other UNCDF MSD programs for financial inclusion reveals that there is little evidence to date that the policy and advocacy, data analysis, or capacity building pillars will result in the desired long-term outcomes. There is some limited evidence that technical assistance and grant support for FSPs increases the supply of DFS products.

The SHIFT in SAARC programme follows the same MSD approach as SHIFT in ASEAN (SHIFT ASEAN) upon which it was modelled. SHIFT ASEAN has a similar TOC, goals and intervention approaches with a few notable exceptions. SHIFT ASEAN, which has been implemented at a regional level since 2014, focuses solely on improving the financial inclusion ecosystem to bring about the targeted impacts, and it supports financial services innovations through a Challenge Fund. By the time of the SHIFT ASEAN mid-term evaluation in 2018, the programme had increased market actors' awareness through capacity development and/or policy and advocacy activities. There was direct outreach to client level beneficiaries resulting from one Challenge Fund activity. It is not clear, based on these results, that the capacity development and policy and advocacy activities of SHIFT in SAARC are appropriate for achieving the stated objectives.

UNCDF's Mobile Money for the Poor (MM4P) programme uses an MSD approach to build the overall DFS ecosystem in selected countries, although it differs from the SHIFT design in several ways. Activities are organized into six workstreams related to elements of the DFS ecosystem.[34] Activities centre on "ecosystem development," consisting of the range of interdependent measures that bring stakeholders together to build an inclusive sector.[35, 36] MM4P uses a three-phase approach for in-country programme development: 1) Buy-in: build relationships with all stakeholders; 2) Improve: support key stakeholders through smaller engagements to improve current business; and 3) Innovate: work with several stakeholders to design and launch innovative concepts and partnership models.

SHIFT in SAARC is not engaged in all the MM4P workstreams, although the framework is certainly flexible enough for it to do so. Additionally, SHIFT in SAARC has skipped the Improve phase, raising the question of whether the program would have benefited from supporting a small group of stakeholders in order to become familiar with them and their capabilities before moving on to the innovation grant activity.

The MM4P programme was found to have "achieved greater traction among FSPs than in the policy/regulation and infrastructure space." The MM4P programme has provided a significant amount of direct technical assistance and grants to FSPs which was found to result in greater investment in DFS. The DFS Working Group was also found to be an important contributor to DFS development. These finding suggests that the innovation grants, along with support for the DFCG, may lead to greater investment in DFS in Bangladesh. In comparison, MM4P's work in policy and

[34] Honeycomb: Providers of DFS ((1) providers and (2) infrastructure), users ((3) retail customers and (4) high volume users), distribution ((5)agents), and (6) policy and regulation.

[35] E.g., information provision, consensus building, awareness raising, and partnership building

[36] Genesis, p. ? 15 or so.

regulation was relatively limited, therefore the team could not draw conclusions about the ability of that workstream to develop a DFS eco-system.

Question 1.2.3: Is the programme design consistent between programme objectives and partners' needs, strategy and capacity to implement?

The programme as designed is consistent between the programme objectives and partners' needs and strategy. However, the design has not always been implemented as planned. See Section 5.3: Effectiveness of this report, which provides details on SHIFT in SAARC's partners within the Bangladesh Bank.

Question 1.2.4: Are funding amounts and planned timeframe consistent with objectives and provide necessary flexibility?

The five-year timeframe of the SHIFT in SAARC framework is the minimum time required for an MSD programme's success[37]. These types of programmes seek to change the behaviour and relationships of market actors, which takes time.

The context also affects the ability of SHIFT in SAARC to achieve its objectives within time and funding limits. As one interviewee reported, "In Bangladesh, the policy context is very critical, policymakers are not interested to welcome new innovation or new discussions at the policy level…two to three years is not sufficient to have impact at the policy level."

SHIFT in SAARC's funding to date has not been sufficiently flexible for an MSD programme. It has not always supported adaptation to changed conditions. For example, the BMGF reduced funding when it was clear that the outcome they desired for the MFS guidelines would not be achieved. Still SHIFT in SAARC had enough remaining funds to change the programme approach to one that leverages other actors (the DFCG) and projects (A2i) to influence policymakers.

Questions 1.2.5: How well is the programme designed with regard to eventual transition, expansion and replication of the programme approach by others?

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

UNCDF has developed a DFS training module and transferred it to the BBTA so that they can build the capacity of the entering class of central bankers on DFS each year. This initiative has the potential to ensure a continuous improvement in the Bank's capacity in DFS.

The programme intended that capacity building activities for micro-merchants and Kallyani women entrepreneurs be expanded and replicated by co-applicants. Whether this will be possible depends on the specific partner's core business interests and business model.

Question 1.3: To what extent is the SHIFT in SAARC programme design sufficiently taking into consideration the needs and interests of: demand-side customer segments (low-income groups, women and small and growing businesses); supply-side service providers; and meso-level organizations (e.g. BDS providers, associations)?

SHIFT in SAARC has considered the needs and interests of demand-side customers and the target merchants by undertaking field-level research with these target groups. The MMLA report provided evidence that informed the design of the business training, mobile app and other activities for the demand-side customers, specifically the micro-merchants. The InfoLady programme supported by SHIFT in SAARC, considered the needs and requirements for rural women to earn an income, as well as the needs of female consumers. It is designed to allow women to work on their own schedules and sell valuable products and services to neighbouring women, who are not able to buy these items elsewhere.

[37] See Rufner, Tim et al.; "Evaluation of Market Systems Development Approach"; Sida, 2018.

The DFS Assessment of policymakers informed the capacity building programme and the policy and advocacy activities implemented with BMGF funding. SHIFT in SAARC co-funded the Bangladesh PoWER study and the Gender Centrality research, to better understand financial inclusion and economic challenges and opportunities faced by women in Bangladesh. There is not yet evidence that these have influenced programme activities or had an impact on the broader DFS ecosystem.

Question 1.4: To what extent is programme design sufficiently taking (into consideration) cross-cutting issues such as human rights, marginalized groups (including the disabled) and gender?

The programme design aligns with national and funder level gender standards. It implicitly aligns with United Nations standards on mainstreaming gender. No gender analysis was included in the initial assessment.

Question 1.4.1: Was a gender analysis included during the initial needs assessment?

No gender analysis was performed for Bangladesh before or during the design of the SHIFT in SAARC programme.[38] As a result, the programme team was surprised when the MMLA revealed that only two percent of all micro-merchants in the country are women. Gender disaggregated secondary data was referred to during project design, but the reporting of this data was inadequate.

The evaluation team found that there is no requirement for using a gender analysis as an input to designing a programme framework. There are gender equality screening questions as part of the programme approval process, but it is not clear if these were applied to the programme, nor is it clear that they would have been effective in this case.[39] Requiring a gender analysis, with mandatory primary research, would allow UNCDF to better align programme designs that specifically aim to advance gender equality, with the given context.

Question 1.4.2: Does the project align with United Nations standards on mainstreaming strategy on gender into the design of SHIFT?

SHIFT in SAARC was designed with an implicit but not explicit alignment to UNCDF or United Nations gender equality guidelines. The design of the EU-funded project was required to follow EU gender guidelines and is aligned accordingly. The BMGF-funded project has no explicit gender alignment. In designing programmes, UNCDF design teams are expected to refer to broad United Nations principles about gender equality and the empowerment of women, but staff report that these high-level principles are not easily implementable. There is no specific gender analysis tool in place that a design team could use to better address gender equality objectives in programme design.

Question 1.4.3: Does the programme align with national gender-related goals?

On paper, the emphasis on gender aligns with national gender-related goals as articulated in the GoB's Vision 2021 which targets empowerment and equal rights for women by 2021. It also aligns with the Sixth and Seventh Five Year Plans. Gender equality and empowerment is one of seven targets of the Sixth Five Year Plan, with goals to raise women's participation in tertiary education and women's literacy continued under the Seventh Five Year Plan.

5.2 Criterion 2: Efficiency

The extent to which the programme has delivered quality outputs that are appropriately managed and overseen.

UNCDF management and operations have delivered several activities and outputs over the past two years. They have developed and disseminated important and impactful research and evidence on key themes; launched six innovation grants; built the capacity of policymakers and regulators; built a coalition of public and private stakeholders in the DFS ecosystem; and built the capacity of implementing partners and low-income entrepreneurs. The evaluation's interviews and focus groups revealed that programme beneficiaries strongly appreciated the trainings provided. The PSC members appreciate the programme and its leaders as well as SHIFT in SAARC's taking up the micro-merchant segment, and linking the real economy sector, (i.e. the FMCG industry) to FSPs. Funders are concerned with the communications from management. Programme management is reported to have improved

[38] We are referring here to a stand-alone gender analysis that assesses the gender implications of a proposed project or programme. In the case of SHIFT in SAARC, a micro-level gender analysis would have unearthed the gender disparities in the micro-merchant sector. A gender screening undertaken as part of the Social and Environmental Screening process would by itself be insufficient for discovering the existing gender disparities. See United Nations Development Programme. 2016. *How to conduct a gender analysis: A guidance note for UNDP staff*. UNDP: New York City.
[39] Comment provided by Heew.

communications with funders. SHIFT in SAARC managed their activities well in terms of keeping within the available budget. However, the programme may be challenged in spending down the committed funds balance within the remaining time period. Although the programme used a “staff-up” approach whereby staff were hired as funding was secured, the level and mix of in-country staff were insufficient for work required by the two projects. The programme has faced other challenges including falling short on the timing of output delivery and achievement of results, due to factors both within and outside of UNCDF’s control. The programme’s MRM system is another area of weakness, which is due at least in part to a long-term staff vacancy. The MRM system does not generate enough evidence to inform accountability and contribute to programme improvements, but it could make a more valuable contribution to programme management with certain modifications. However, SHIFT in SAARC has largely overcome the challenges that caused delays, and the programme was operating at a faster pace at the time of the evaluation.

Question 2.1: How well has UNCDF management and operations (at both the programme and headquarters level) supported delivery of the programs to date?

The SHIFT in SAARC team has accomplished much in two years, but the team was understaffed and lacked certain requisite expertise. The programme met most of its output targets, even though the programme was challenged with serious delays in the first year of operations. While the team has caught up with implementation, delays in launching the innovation grants will negatively impact the achievement of programme objectives. Management is relying on informal methods to keep abreast of changes in the financial and real economy markets. Adaptive management of the program could be strengthened by using systematic enhanced monitoring methods too.

The relatively small SHIFT in SAARC team in Bangladesh, with the assistance of the regional team in Bangkok, accomplished many activities in just two years. To keep the programme staff “nimble and focused on looking at trends, managing relationships and influencing people,” the programme is designed to “staff-up” as funding agreements are signed while using a pool of short- and long-term consultants and sharing resources with other UNCDF programmes.[40] The programme also relies on delivering activities through co-applicants, partners and contractors/grantees. There are indications, however, that the number and mix of in-country staff were insufficient to meet the volume of work required. One position in Bangladesh remained vacant for almost one year as the process for replacing the incumbent was drawn out, and the Dhaka team lacks staff with programming expertise in Medium Small and Micro Enterprises (MSMEs) development. In late 2018, in response to delays and to ensure that planned activities under the MDDRM project are completed on time, three additional national consultants were hired.

As compared to plan, the actual composition of the regional and in-country teams reflects the priorities of funding received. The regional Women’s Economic Empowerment Analyst position went unfilled while an unplanned Innovation Manager position was filled. Importantly, there are no women on the technical teams of either the regional or national offices.

In 2016 and 2017, spending against budget lagged somewhat for the BMGF project. However, in 2018, both projects under SHIFT in SAARC spent around 99 percent of their annual budget. By the end of 2018, programme funds utilized against budget was as follows: BMGF funding 95% delivered; EU funding 34% delivered; and UNCDF core funding 100% delivered. Through 2018, it appears that programme staff managed their activities well within the available financial resources, despite delays in programme implementation. However, analysis of spending versus budget suggests that SHIFT in SAARC will have to spend US$3,358,587 during the period January 2019 through January 2020 to use all available funds by the end of the EU project period. This does not seem realistic given that they have not spent more than $2,360,718 in any given year, so far. Even though the programme plans to spend US$1.5 million on innovation grants through the end of the project period, it will still be difficult to spend all remaining funds.

The evaluation team found that the SHIFT in SAARC Board meetings are well-documented with both extensive reporting from the programme and detailed minutes. The Board TOR states that “a representative of the SAARC Secretariat and/or SAARC member country will hold at least one seat on the Board” in order to represent the interests of programme beneficiaries, i.e. low-income people and MSME owners. The Board has not had a beneficiary representative present at any of the Board meetings.[41]

[40] UNCDF, 2016. *Programme Framework Document.* p. 9.

[41] Two meetings have been held, on October 6, 2017 and March 9, 2018.

The PSC has been active in guiding the programme, and it recommended an increase in the target outcome for the BMGF-funded project.[42] Per the TOR, the PSC was to meet twice per year, but members agreed to meet every quarter. Records and interviews indicate that the committee has met less frequently, with meetings recorded on November 21, 2017, January 31, 2018, and August 12, 2018. Meetings are scheduled based on the needs of the MoF. Some PSC members suggested that the programme should find more 'vibrant' representatives, meet more often, and take members to the field to see SHIFT in SAARC in action.

The SHIFT in SAARC team and stakeholders recognize that programme implementation was significantly delayed during the first year. The BMGF-funded project, signed in July 2016, did not produce a major output until May 2017. Stakeholders agree that the team and certain partners have made much progress in catching up. However, the delays will likely result in SHIFT in SAARC underachieving its objectives when current funding ends in January 2020.

Implementation delays reportedly were due to lags in obtaining government approval and in recruiting the team. These processes were known risks and could have been better mitigated. However, closer analysis suggests that implementation delays also could have been caused by management and external issues.

- The in-country team's inexperience working with UNCDF and the United Nations system contributed to procurement difficulties and subsequent delays in contracting and operations. More effective support from the UNCDF regional office on administrative and operational functions could have helped to address this challenge.
- Implementation of the BMGF-funded project activities was slowed at the donor's request while the donor reconsidered its approach.
- Weak local capacity on the part of the MMLA research firm and the co-applicants led to significant delays that had knock-on effects on subsequent activities of the EU-funded MDDRM project.[43]
- Staff were required to take on additional and unplanned activities when SHIFT in SAARC was unable to bring on two implementing partners under the BMGF-funded project.

As a result of the delays, it is unlikely there is sufficient time left in the final year of the programme to build on the results of the piloted innovations. This lack of time is unfortunate as several stakeholders emphasized the importance of having the demonstration effects of successful innovations in order to encourage the private sector to enter the market.

The programme has met or exceeded its targets in terms of the SHIFT in SAARC output indicators for the first three pillars. Given the delays with implementation, this indicates that UNCDF underestimated possible achievement of outcome targets. If UNCDF had not experienced delays, the programme could have achieved higher output numbers.

The programme found it difficult to meet the targets in Pillar Four activities due to delays in starting the innovation grants. Only one grant agreement had been signed by the end of 2018 as compared to the target of two. By the end of 2019, the programme aims to have signed all six grant agreements. Delays were in part due to holdups with the MMLA as noted above, and to the more time-consuming process required to design and procure six separate innovation grants rather than one challenge fund, as originally planned.

Question 2.1.1: Is programme management monitoring changes to the financial and real market economies and political/economic environment and making course corrections as necessary?

Management's ability to effectively change course depends on having accurate and timely information on financial services and real economy markets and the political economy. Management appears to focus on informal monitoring of market and political economy changes through dialogue with key partners. SHIFT in SAARC management is closely engaged with policymakers and in contact with private sector actors.

Despite the lack of a systematic enhanced monitoring system, the programme has adapted to changing circumstances based on field research and assessments. For example, the MDDRM project was adapted based on evidence that 1) there were few BDS providers serving micro-merchants and 2) there were few women micro-

[42] That is, the programme should aim to increase DFS access from **19 to 35 percent** by 2019 instead of 30 percent as initially planned.

[43] The EU-funded grant agreement was signed in December 2016 but it was only approved, by Letter of Exchange with the government, on May 14, 2018. However, implementation began in 2017.

merchants. The programme would be well served in future by having a more systematic approach to tracking changes in the market system.

Question 2.2: To what extent have programme deliverables (outputs) met the expectations of programme beneficiaries, board members and development partners?

The quality of programme outputs has met the expectations of end-user beneficiaries and the expectations of stakeholders and partners. However, PSC members and one funder are concerned with the timeliness of delivery. Both funders are dissatisfied with the quality and quantity of communications from the SHIFT in SAARC team.

PSC members appreciate the programme and its leadership. PSC members are supportive of the programme's work in raising policymakers' awareness around emerging financial services technologies, building the capacity of government policymakers and regulators, working with micro-merchants, and linking the private sector (i.e. the FMCG industry) to financial services.

However, some members are concerned with the pace of implementation. One stated, "we would not say that we are very excited or happy, but we are satisfied with the progress of the project (considering) the reality." They recommended that SHIFT in SAARC place more emphasis on getting things done on time. The evaluation team found mixed reactions regarding the responsiveness of SHIFT in SAARC to PSC requests for information.

As previously mentioned, the BMGF reduced the amount and length of time for funding SHIFT in SAARC in early 2018. The reasons given were: 1) the changing regulatory context implied that the objective of achieving a more competitive and open market for other entrants could not happen; 2) there were other agencies working in the DFS space that attracted BMGF funding, and; 3) delays in SHIFT in SAARC implementation meant that it would be impossible to achieve all the deliverables within the timeframe.[44]

All funders were concerned with the lack of communication from SHIFT in SAARC management. Concerns include the lack of responses to funder inquiries and forgetting to credit funder support, e.g. for sponsoring a conference.[45] Additionally, funders prefer more tailored programme updates as opposed to the general programme communications (i.e. newsletter) that they receive. Programme management appears aware of some, but not all, of these funder concerns and reportedly has improved their communication methods.

SHIFT in SAARC has built partnerships with BTCA and a2i around engagement on policy issues. A2i appreciates that SHIFT in SAARC brings technical expertise on financial inclusion as well as an international perspective. For its part, a2i provides SHIFT in SAARC with policy access as they have been active in Bangladesh since 2006 and currently sit in the ICT Ministry. The two organizations are working together on eKYC, DFS and financial literacy and have jointly hosted policy events, discussions and workshops. The engagement with a2i is relatively young but there are plans to engage more fully in the near future and begin to collaborate on advocacy for DFS interoperability.

Question 2.3: To what extent is the programme MRM generating sufficient evidence to inform accountability and contribute to programme improvements?

The MRM system has been a challenge and is not providing information that would contribute to programme improvement. The challenge is a result of weak demand from management for MRM evidence to support decision making, incomplete MRM data, and misaligned indicators. The MRM contains gender indicators and calls for gender-disaggregated data, but no gender-disaggregated data was available.

The MRM challenge for SHIFT in SAARC is due also in part to personnel issues.[46] The M&E and Data Analyst position was vacant for almost one year. External consultants have supported the programme by designing and assisting with the MRM, however, their efforts were not enough.[47] At the time of the MTE inception report, the MRM system benefited from the hiring of a new M&E Officer. Bringing the system up to date has been difficult since the proper

[44] UNCDF Clearance Form, March 10, 2018.
[45] UNCDF also forgot to invite the funders to the Dhaka-based conference.
[46] It was also a challenge for the evaluation team. The evaluation team received an initial version of the MRM data relatively late in the evaluation inception phase and then received the complete MRM data through December 2018 late in the final reporting phase. Additionally, the evaluation team did not receive supporting data that the programme team indicated exists.
[47] For example, the consultants were not full time. One long term consultant had a contract for up to 190 days per year.

documentation is missing.[48] At the time of the MTE field visit, the SharePoint site that the MRM will be housed in was still under construction.

The MRM system has indicators that measure programme outputs, programme outcomes, market outcomes, SHIFT in SAARC outcomes and impacts. At the higher levels of the results chain, this categorization of the indicators does not map directly to systemic changes (or changes in the inclusive finance system or the inclusive FMCG retail market systems). Changes to the financial and real economy markets are tracked instead by indicators such as "number of improved operational practices introduced" and "percent increase in the number of active service providers in the DFS eco-system." Changes to the policy environment are tracked with indicators such as "number, types and specific features of new or improved regulations." To date, many of these indicators have no associated data. For example, data for 2017 and 2018 is available only for one impact indicator, five market outcomes indicators and two programme outcomes indicators. This is indicative of the early stage of the programme. (See Annex 7: Country Report for more details.)

The programme reported that it captures market development changes, specifically new partnerships involving DFS. However, this information is not reported on the MRM, even though it is an indicator of systemic change. Instead, it is reported through a newsletter to stakeholders and through the Progress Narrative for 2017 to the BMGF.[49] This is useful data that should be better captured by the MRM. The programme does not appear to use a framework such as Adopt, Adapt, Respond and Expand to assess what they are finding, and nor does it convert that information into management decisions.[50]

While the MRM contains indicators for all levels of the TOC from outputs to impact, the programme has focused on data collection and reporting for output indicators. Little data is available for any outcome indicators and what is available comes primarily from satisfaction surveys from training participants.

In theory, MRM reports are generated bi-annually. In practice, no report was produced last July per the schedule. When asked whether and how MRM data informs management decisions, senior managers only offered vague responses. Management is more reliant on conversations and interactions with stakeholders to stay updated on changes that occur due to the programme. Nevertheless, the SHIFT in SAARC team reports that they have quarterly indicators that they use for planning purposes and that guide their planning at weekly meetings.[51]

Questions 2.3.1: Does the programme MRM have specific indicators and data to measure progress on human rights and gender equality? Are these being collected, analysed, utilized regularly?

Of the thirty-one SHIFT in SAARC indicators in the MRM, seven relate to women or gender. All gender indicators have zero (0) as a baseline data point. Many other indicators call for gender-disaggregated data, but no such data was found in the MRM. The programme also tracks gender-related results in a "gender tracker." This spreadsheet tracks all SHIFT in SAARC publications, including event highlights, and documents whether the event/publication address gender issues and how it did so. This is a useful tracker with the results feeding into the MRM. However, the copy provided to the evaluation team was not up to date.

Question 2.4: How well are partner contributions/involvement in the programme working?

The partner contributions to the programme have been mixed. Dnet is now performing well and ahead of schedule, BDMS is catching up after a late start, while FBCCI is still underperforming. The organizational capacity assessment tool used by UNCDF over-estimated the capacity of these partners. The partners' contributions are not likely to facilitate women's financial inclusion or economic empowerment due to the selection of micro-merchants and the Fast-Moving Consumer Goods sector as the focal points for the MDDRM project.

SHIFT in SAARC has invested significant time and effort into building the capacity of the co-applicants, with mixed results. SHIFT in SAARC conducted a capacity assessment of each partner before contracting them, but this

[48] Key informant interview.
[49] Progress Narrative for period ending December 31, 2017. Pp. 10 and 11.
[50] UNCDF SHIFT ASEAN. N.d. Morris, D. M. M. Jalil. "MRM System for a Financial Inclusion Program: The Case of UNCDF's SHIFT ASEAN Program." And Nippard, Daniel, Rob Hitchins and David Elliott. 2014. "Adopt-Adapt-Expand-Respond: a framework for managing and measuring systemic change processes. Briefing paper. Springfield Center: Durham, UK.
[51] Note that the data and indicators tracked by the MRM are not entirely the same as the data reported to UNCDF HEADQUARTERS as they are not aligned with the HEADQUARTERS database, which is primarily focused on financial inclusion.

assessment over-estimated the true capacity of these partners. The programme provided training on M&E and project and materials design, and co-applicants received a master training on DFS and participated in many of the SHIFT in SAARC conferences and meetings. The programme also provided ongoing coaching to support quality implementation of activities. This support has been most effective in preparing Dnet to deliver TOTs and trainings to micro-merchants and Kallyani.

Dnet has performed better than initial expectations. After a slight delay, Dnet officially began implementation in May 2017. The organization has met targets, milestones and timelines, and reported progress to SHIFT in SAARC in a timely fashion. Dnet reported that it caught up with the schedule by assigning sufficient staff and conducting several activities simultaneously. At the time of the evaluation, they were running ahead of schedule.

BDMS was significantly delayed in starting implementation due to an internal dispute that prevented it from signing the grant agreement with SHIFT in SAARC until July 2018. As a result, BDMS only started to deliver activities in the three to four months prior to the MTE. BDMS is reported to have good organizing skills and has been making efforts to catch up. Nevertheless, SHIFT has had to invest unexpected time and effort into building the internal capacity of BDMS.

FBCCI has the lowest capacity of the three partners in terms of understanding DFS or digital transactions related to the FMCG value chain. In 2018, FBCCI had 10 activities planned and delivered only two. The shortcoming was said to be due to their pre-occupation with election-related activities that year. At the time of the evaluation, SHIFT in SAARC had not received any final reports from FBCCI, and the organization was still not performing to expectations despite the significant amount of time and effort that UNCDF put into building their capacity on DFS, programme implementation and M&E.

iSocial is a social enterprise that was part of Dnet at the time of programme design but was spun-off in 2017 to become an independent legal entity. iSocial implements the InfoLady program, which uses a franchise model, with Kallyani women. Within the UNCDF programme, Dnet recruits and trains women for the InfoLady programme, after which they operate under iSocial. iSocial does not receive any direct funding or support from SHIFT in SAARC, but they are critical to the ultimate success of the Kallyani programming, and they benefit indirectly from UNCDF support.[52]

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

- BIBM is a national training, research, consultancy and education institute focused on the banking and finance sectors and collectively owned by all the banks in Bangladesh. They have worked with SHIFT in SAARC to co-host a conference. Originally, SHIFT in SAARC planned that BIBM would develop and then deliver the DFS training module for central bankers.
- The InM (previously the Institute for Microfinance), is a non-profit organization engaged in research and training for the microfinance sector. SHIFT in SAARC commissioned InM to produce a study on Interoperability.

Question 2.4.1: Are partner contributions sufficient and aligned to facilitate women's financial inclusion and economic empowerment?

The implementation of SHIFT in SAARC in Bangladesh has not reflected the emphasis placed on gender in the SHIFT in SAARC programme framework. Part of the reason for this is that the BMGF-funded project had no explicit gender alignment, as it is primarily concerned with policy advocacy. The design of the EU-funded project followed EU gender guidelines. However, the project is locked into working with a segment of entrepreneurs in which women are underrepresented.

UNCDF is addressing women's financial inclusion and economic empowerment through their support for the InfoLady programme and, to a lesser extent, the micro-merchants. But this is insufficient for reaching large numbers of women entrepreneurs. Dnet will train 1700 to 1750 micro-merchants and 225 to 240 women entrepreneurs. BDMS will train 800 to 900 micro-merchants, and reach 140 to 170 micro-merchants through informative training

[52] Note that the head of iSocial was interviewed as part of the field visit.

sessions and reach 80 to 100 members of women's business groups with information sharing events. Women thus comprise 11 percent of the entrepreneurs targeted to receive training.

The amount of resources allocated to achieve gender-related objectives is low compared to the amount of emphasis the Programme Framework Document placed on gender-related objectives. This allocation reflects funder priorities. To have a significant impact on women's economic empowerment with current funding, SHIFT in SAARC would need to have worked in economic sectors where women are more prevalent. There is no evidence that they attempted to take this step.

5.3 Criterion 3: Effectiveness

Extent to which SHIFT deliverables are contributing (or not) to capacity development of partner organizations.

The extent to which SHIFT in SAARC is on track to contribute to the capacity development of partner organizations depends on the partner. At the government level, although satisfaction with capacity development and evidence and data activities is high, SHIFT in SAARC's capacity building efforts have produced mixed results to date. The programme has clearly had a positive influence on the eKYC draft guidelines and to a lesser extent the NFIS. But there is less evidence and considerable disagreement among stakeholders about the extent to which SHIFT in SAARC's efforts have contributed to promoting enabling financial inclusion policy and regulations within the Bangladesh Bank.

At the micro-level, Dnet reports there is high demand for the micro-merchant business training and that the merchants were very engaged during the trainings. BDMS reported similar findings. Additionally, BDMS reports that news of the trainings is spreading even beyond the four project districts by means of the business associations, leading to increased demand.

In FGDs and interviews, micro-merchants, Kallyani entrepreneurs and business association members, all trainees expressed satisfaction with the business trainings. Micro-merchants reported that they never had an opportunity before to learn about innovative technologies that could help their businesses. The association members said they had never before considered the bottlenecks facing micro-merchants. All training participants that were interviewed agreed that the trainings were relevant, of good quality and very effective, and that they would recommend the training to others.

At the meso-level, SHIFT in SAARC's TOTs for business association representatives resulted in the trainees changing their business practices. It is too early to assess the impact of the TOT on the micro-merchants who are the ultimate target.

At the financial system level, the Data and Evidence work of SHIFT in SAARC shows signs that it has positively affected FSPs by improving the use of evidence and increasing information exchange among DFS stakeholders. Both private sector and government stakeholders cited the research on micro-merchants and the work convening the DFCG as influencing FSP behaviour. FSPs reported that SHIFT in SAARC brought the issue of DFS to the forefront of their attention. Yet, there is no evidence that SHIFT in SAARC has helped FSPs yet develop inclusive financial services business models. The programme only recently launched the innovation grants, which are intended to incentivize the development of financial services innovations for micro-merchants. Thus, it is too early to assess the extent of the grants' demonstration effects on the financial services sector.

Programme stakeholders disagreed about the extent to which the programme has built awareness of the opportunities and constraints for gender equality or awareness of the women's market among policymakers as well as other stakeholders. The evaluation team found little effect of the programme's work in this area. Several stakeholders recommended that SHIFT in SAARC do more substantive work on gender equality.

Question 3.1: To what extent are programme deliverables helping financial services partner organizations to develop and scale viable financial inclusion business models for men and women?

There is no evidence yet that SHIFT in SAARC has helped FSPs to develop financial inclusion business models. However, the programme has improved the use of evidence and information exchange among DFS stakeholders. It recently launched the innovation grants, which will incentivize the development of financial services innovations for micro-merchants. These steps are precursors to the development of financial inclusion business models.

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

SHIFT in SAARC has improved the use of evidence to some extent through the MMLA, which influenced FSPs by demonstrating that there are 1.6 million retailers with 60% of their inventory in FMCG products. This data revealed "a great opportunity for a backward value chain." One stakeholder reported that the numbers in the report made it easier for a Singaporean social enterprise to make the final decision to enter the Bangladesh market for value chain digitization. There was no evidence of other data and analysis products, such as the POWER Study or the financial diaries, having yet had any effect on FSPs.

SHIFT in SAARC improved information exchange among DFS stakeholders by promoting participation in coalitions, such as the DFCG. This prompted one provider to begin to explore opportunities in digital savings for their microfinance clients.

Question 3.2: To what extent are programme deliverables helping meso-level stakeholders (e.g. BDS providers, associations) to deliver services to stated beneficiaries?

Meso-level stakeholders such as business association leaders and BDS providers have not yet delivered services to the end-user beneficiaries, the micro-merchants. These stakeholders are on track to do so, however, as some of them have recently completed business training and have begun to adopt changed business practices themselves.

To date, the SHIFT in SAARC programme has trained the trainers of two co-applicant organizations, Dnet and BDMS, to provide training to meso-level stakeholders such as business association representatives and BDS providers. These groups were trained to both understand and provide support to enhance the growth of micro-merchant businesses. At the time of the MTE, 17 BDS providers and 119 business association members had been trained by either Dnet or BDMS. FBCCI has provided training programs for business association leaders and has organized a session on DFS, focused on SMEs and awareness building for leaders.

An FGD with business association representatives who participated in business training provided by Dnet found that participants had also made changes to their own businesses. These representatives now use the Dnet mobile app to keep a record of all their credit sales; they have a better understanding of business management and are more organized with inventory and cash management. They self-report that they are attracting more customers as a result. There was no evidence, however, of them using their training yet to mentor other micro-merchants, which was the expected outcome of the training. This is likely because the trainees had only been trained in December 2018. However, the high level of engagement of these participants suggests that there may be lasting improvements in the business management behaviours of the business association representatives (See Annex 7: Country Report for more details).

Question 3.3: To what extent are SHIFT in SAARC's policy and advocacy activities at the national level on track to contribute to changes in the capacity of policymakers/regulators to develop and enact financial inclusion policies/regulations affecting low-income people and specifically women?

SHIFT in SAARC has delivered several outputs which aim to build policymakers' and regulators' capacity to enact financial inclusion policies and regulations for low-income people. There is some evidence that data and evidence activities, such as the DFS Regulatory Assessment, and capacity development activities, such as Knowledge Sharing events, Global Knowledge Exchange Forums, and the DFS Training module, have increased the knowledge and abilities of policymakers. To date, the evidence shows that new capacity has had little effect on the development of new policies or regulations, with the notable exception of the eKYC guidelines and to a lesser extent NFIS.

Stakeholders are not in agreement as to why SHIFT in SAARC has not had more influence on the development of enabling financial inclusion policies and regulations. Although stakeholders also had widely varying opinions about the extent to which SHIFT in SAARC has built build awareness of the constraints and opportunities for gender equality, the evaluation team found little effect of the programme's work in this area.

The purpose of the policy and advocacy activities such as coalition building, networks, policy dialogue and coordination, was to promote an improved policy and regulatory environment for digital financial inclusion. SHIFT in SAARC has used its convening power in Bangladesh to strengthen coalitions and partnerships between the public and private sector actors to promote enabling DFS policy. It has convened organizations through events such as high-level roundtables and leadership of the DFCG. One stakeholder stated, “Some important topics in regulations [are] being taken up (e.g. Interoperability and eKyc]. I see these changes and there are not many (organizations) working on this.”

Key informants reported that under the programme’s leadership, the DFCG became a “very effective” and "interesting platform to express the needs and limitations of all stakeholders." SHIFT in SAARC brought the government into the DFCG coalition for the first time and was credited with getting the government to be more open with the private sector. For example, as a result of participation in the DFCG, the government publicly stated that interoperability was important and announced a schedule for addressing the issue. This statement was a first, according to a SHIFT in SAARC key informant. The DFCG has effectively promoted conversations among DFS stakeholders; it has raised awareness of DFS among different actors; created a positive environment for advocacy among the public and private stakeholders; and given the private sector access to lobby the government.

SHIFT in SAARC undertakes other policy and advocacy activities including direct consultations with the central bank. These consultations include commenting on draft policies and regulations. For example, SHIFT in SAARC commented on the draft NFIS and persuaded the Bangladesh Bank to include DFS in that strategy. The evaluation team, however, could not obtain a stakeholder observation on the effect of these less visible activities.

SHIFT in SAARC has supported its policy and advocacy efforts with research to provide data and evidence to regulators and policymakers. This effort has effectively improved information exchange and dialogue among regulators/policymakers and FSPs by raising awareness of DFS issues, providing evidence for the market, and promoting a dialogue between regulators/policymakers and the private sector, particularly FSPs. Stakeholders recognized the importance of evidence that the programme produced. One stakeholder that the evaluation team interviewed stated, “They conducted a DFS Regulatory Framework Assessment. They have identified the gap areas, (between) what service providers are saying, what regulators think should be improved. That was one of the important improvements…for the development of DFS in our country.”

UNCDF has raised stakeholders’ awareness on many DFS related topics including: financial inclusion, merchant payment, eCommerce, blockchain, interoperability and eKYC. Through their activities, SHIFT in SAARC started a conversation on DFS among the policymakers/regulators and market actors in Bangladesh, making DFS a "new buzzword." However, there was no agreement on whether the programme raised awareness on gender constraints and/or the gender gap in DFS.

SHIFT in SAARC has conducted activities to directly increase the capacity of regulators and policymakers to support the development of enabling policies that can address the needs of low-income people. They have raised central bankers’ awareness of emerging technologies, including interoperability, blockchain and regulatory sandboxes. The programme has also built the capacity of policymakers and regulators through knowledge sharing events and global knowledge exchange forums. These types of activities were effective in influencing the eKYC policy development process and promoting regulatory issues such as regulatory sandboxes. One government stakeholder who had convinced executives of blockchain’s importance commented, “Before [SHIFT in SAARC], within Bangladesh Bank very, very few people were aware of the emerging technologies, like blockchain or IoT [internet of things. [Now] there is rising awareness among the mid-level and even the senior level staff. For example, [before] I could not convince senior management about blockchain. Two weeks after having training by UNCDF, our Finance Minister is now interested in application of blockchain.”

In the long term, SHIFT in SAARC’s DFS training module may have the most impact on policymakers’ and regulators’ capacity. This training module has the potential to increase DFS knowledge and capacity of the entire Bangladesh Bank staff over time. The programme provided a TOT for BBTA and Bangladesh Bank staff with the purpose of preparing BBTA to be able to provide DFS training as an ongoing activity. The programme will use the module to train the annual intake of Bangladesh Bank recruits each year while delivering parts of the module as standalone trainings

While SHIFT in SAARC has had positive effects on building the awareness and capacity of policymakers, the evidence on whether those improvements have resulted in improved financial inclusion policies and regulations that can meet the needs of low-income consumers is for the moment scant. Of the priority policy agenda that SHIFT in SAARC identified, it has been most effective in promoting enabling financial inclusion policies through efforts to support eKYC policy, (see case study, Annex 9). Fewer than half of the government key informants mentioned that SHIFT in

SAARC had influenced the eKYC policy while no private sector stakeholders identified this as an accomplishment. However, there is little evidence yet that SHIFT in SAARC's efforts have influenced any other policies, aside from the NFIS as mentioned above.

SHIFT in SAARC has worked with a2i in promoting an enabling eKYC policy in Bangladesh. SHIFT in SAARC's direct contribution includes producing the DFS regulatory assessment and a policy synthesis paper, providing support for policy dialogues, South-South exchange visits, and coalition building, and supporting regulators and policymakers to undertake best-practice consultative processes to develop holistic and inclusive regulatory framework and policy for low-income consumers.[53] Two years after SHIFT in SAARC started operations, there is now a new eKYC national-level committee, draft guidelines (tailored to the local context), a draft circular and plans to begin an eKYC pilot. However, the evaluation team could not conclude that the SHIFT in SAARC programme was the main contributor to advancing the eKYC regulations, as a2i has taken the lead and has been a major influence. As described in Annex 9: The eKYC Case Study, the real impact of SHIFT in SAARC has most likely been to speed up the process.

Aside from the eKYC policy, there is considerable among stakeholders about the influence of SHIFT in SAARC on the DFS enabling environment in Bangladesh. One private sector stakeholder expressed the belief that the provision of information and evidence will impact policymakers: "I've seen people from different ministries taking part in [DFCG]. You are giving them information. We expect that this information will contribute." However, others in the private sector disagree with this assessment.

The results of SHIFT in SAARC to date call into question the programme's TOC around influencing policy. Both funders and UNCDF believed that raising policymakers' and regulators' awareness and knowledge about DFS would change behaviour and lead to more inclusive DFS policies. However, it appears that the mechanisms of raising awareness and sharing knowledge, even when coupled with coalition building and advocacy, are insufficient in Bangladesh to change policy. For example, a KII respondent said, "There were some areas where we thought that greater awareness among policymakers, regulators, and FSPs on key issues around digital financial services could help unlock regulatory barriers…[What was observed was that] the report was done, the dissemination workshop was done but I have not seen evidence of influence or attitude change as a result of that work." Government representatives (along with one or two private sector respondents) emphasized that it takes time in Bangladesh to influence policy and regulations. This suggests that it could well be too early to assess whether SHIFT in SAARC can achieve other policy changes.

Only a few government stakeholders addressed SHIFT in SAARC's influence on changing policy and they emphasized that it takes considerable time in Bangladesh to move policy. Government stakeholders were more likely to attribute raised awareness as the outcome of SHIFT in SAARC's efforts. No private sector stakeholders identified any changes to policy or regulations due to the efforts of SHIFT in SAARC and about half stated there had been no effect. These stakeholders provided various explanations for why SHIFT in SAARC's capacity building and advocacy efforts varied have not had more traction, including the following:

(1) **SHIFT is perceived by some in the private sector as not strong enough**. Its attempts to influence priority policies are constrained by lack of capacity and/or bandwidth. This was the reason given for missing the opportunity to lead the NFIS, although SHIFT did provide a supporting activities.

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

(3) **Power to change regulation is housed elsewhere**. There is disagreement among stakeholders about where the power to change regulation lies. Programme documents called for UNCDF to "directly collaborate [within the central bank] with the Financial Inclusion Department (FID) and the Payment Systems Department (PSD)." Some believe the

[53] Know Your Customer (KYC) is the process in which a business, such as a bank, identifies and verifies the identity of its clients. It helps prevent identity fraud and brings transparency to the system. eKYC or electronic KYC is the electronic version of KYC. eKYC is considered critical for financial inclusion as it is the only way that banks and other FSPs will be able to efficiently onboard millions of customers to DFS. Not only is traditional KYC time-consuming and burdensome, but illiterate and semi-literate consumers are more likely to be challenged by formal KYC requirements.

institutions that SHIFT has targeted with advocacy do not have power to effect DFS regulations. One private sector respondent commented, "It is not the central bank that takes decisions, it is the PM (prime minister), ICT advisor and certain groups that take decision. If you want to control this it needs to come from the top." Additionally, the centre of power to effect policies and regulations varies depending on the topic. For example, another private sector stakeholder commented, "The next goal is fintech – the highest trade body [of e-commerce] is Bangladesh Association of Software and Info Services (BASIS). The current ICT minister used to be the BASIS president. So now [the ICT] Minister has the agenda of bringing this Digital Bangladesh to a better shape…BASIS [is] very influential."

Underachievement may also have resulted from not focusing on advocacy targets specified in the programme's design. Though the programme design targeted FID and PSD, the GoB assigned SHIFT in SAARC to work with the Sustainable Finance Department (SFD) which is responsible for green finance, and FID, to a lesser extent. Consequently, SHIFT in SAARC's relationship with the PSD is complicated and has likely resulted in missed opportunities. A central banker commented that UNCDF's work is redundant to PSD's work and that it would be better if the work of both groups was synchronized.

One well-placed observer suggested that SHIFT in SAARC should implement a project or intervention with the policymakers in order to better support changes in policies and regulations. SHIFT in SAARC itself has expressed interest in action research.

Question 3.3.1: To what extent is the programme building awareness of constraints and opportunities for gender equality?

Stakeholders had widely varying perspectives on this, ranging from positive to negative on building awareness of gender constraints. Generally, the evaluation team observed little evidence of effects from SHIFT's work in this area. The SHIFT team has not yet taken on board the POWER study recommendations in any activities. There was little evidence that stakeholders are aware of SHIFT's publications and events on the topic of gender. Several stakeholders, from both private sector and government identified gender as an area where SHIFT needs to do more work in the future. Additionally, it was observed that it would be better to have gender equality permeate all of SHIFT's programming rather than treat it as a peripheral activity. The one innovation grant targeted to women is the last innovation grant issued. The preceding five innovation grants do not have targets for women beneficiaries nor even requirements for sex-disaggregated data when reporting results.

Question 3.3.2: To what extent is the programme building awareness and understanding of the women's market?

To date, SHIFT has not effectively built awareness or understanding of the women's market. The programme suffered a setback in this area when the MMLA revealed that women comprised only a small share of all micro-merchants in the country. SHIFT adapted the programme to include women merchants by supporting an expansion of the existing InfoLady or Kallyani programme. While this was a step in the right direction, this programme is much smaller than the micro-merchant programme, thus limiting its potential impact.

5.4 Criterion 4: Likely Impact

Likely programme impact at both beneficiary and market/policy system levels, supply side, and meso level.

SHIFT in SAARC has had a limited but positive impact on improving eKYC guidelines, and ultimately this will have an influence on the forthcoming eKYC policy. This improvement could positively impact the inclusive financial services system. The eKYC policy has the potential to accelerate the on-boarding of millions of RMG workers to digital payments.

SHIFT in SAARC has undertaken several activities with the aim of developing the FMCG value chain to promote the use of DFS. The programme has developed the capacity of implementing partners, meso-level actors, and end-users, developed and disseminated evidence and data on micro-merchants as a viable market for financial services, and designed and solicited six innovation grants to promote new relationships and the use of DFS in this value chain. The evidence to date suggests only that the capacity building of micro-merchants and Kallyani women has led to changes in their business management practices, which they report has led to higher demand for goods, higher sales and better customer loyalty. Micro-merchants also believe that aggregate demand for retail will increase in markets where several micro-merchants have received business training.

SHIFT in SAARC's impact on gender equality will likely be modest due to low outreach to women. The few hundred Kallyani women reached by the programme can potentially benefit through increased incomes, empowerment, self-confidence and agency. The programme may also have indirect effects on gender equality at the level of female consumers as a result of the products and services provided by the InfoLady programme.

Question 4.1: (Supply-side) On the basis of FSP products launched to date, which are most likely to deliver impact at the level of programme beneficiaries, including particularly low-income women, and why?

To date, no FSP products have been launched as a result of SHIFT in SAARC. The programme plans to pilot various financial services with male and female micro-merchants through the innovation grants that the programme recently awarded. Interviews with micro-merchants in the field suggests that the cost of digital financial products will need to come down to attract large numbers of merchants and their customers.

At the time of the MTE, the programme had not contributed to the launch of any new FSP products. The Innovation Grants, which will pilot a variety of financial services with male and female micro-merchants were just launched at the time of the mid-term evaluation, therefore no products had been developed yet.

Question 4.2: (Regulatory) On the basis of programme performance to date, what is the likely impact of the changes in policies and regulations at the level of financial markets and systems in Bangladesh?

As discussed, SHIFT in SAARC has contributed to the forthcoming eKYC policy, which has the potential to accelerate the on-boarding of millions of RMG workers to digital payments.

SHIFT's contribution is significant as the eKYC policy when finalized, should make on-boarding new DFS customers, such as RMG workers, faster and easier. For example, driven by the BTCA, there are programmes in Bangladesh to mandate switching payments for 4.5 million RMG workers, approximately 70 percent of whom are women, from cash to digital payment. Currently, the process can take up to three to four months per factory to sign on all workers. For example, Sarathi signed 10,000 RMG workers to accounts last year. With eKYC, the process could take just minutes for one worker to be on-boarded rather than hours or days. As more RMG workers get paid digitally, they will be remitting money at less cost and more securely to family members in rural areas. The indirect impacts of SHIFT in SAARC's work to advance eKYC guidelines could be very widespread if family members on the receiving end of remittances become encouraged to take up DFS.

Question 4.2a What are the possible long-term effects on gender equality? Are the gender-related outcomes likely to be sustainable?

The only positive long-term effects on gender equality that are likely to occur will result from SHIFT in SAARC's support for Kallyani women in the InfoLady programme. The InfoLady programme demonstrates positive non-financial effects on women entrepreneurs. In an FGD, Kallyani women reported that they feel more socially connected and self-confident, and they believe they are empowered by this work. They are proud that they can help others, particularly other women.. Whether the women are earning very much from their work was unclear to the evaluation team, however, it is important to note that these women have worked in the InfoLady programme for less than one year.

The programme is likely having positive indirect impact on the women served by the Kallyani entrepreneurs. The impact of SHIFT in SAARC on women's use of DFS is unclear, whereas the impact of business training on the women is likely to be sustainable. The only risk to the impact of the training is that it will depend on the InfoLady business model remaining viable for them.

Question 4.3 (Meso) [new] On the basis of programme performance to date, what is the likely impact of the changes in capacity and in relationships between market actors, at the level of the real market economy?

As discussed elsewhere in this report, SHIFT in SAARC's work developing the FMCG value chain has developed the capacity of implementing partners, meso-level actors and end-users or micro-merchants. The evidence to date shows only that the capacity building of micro-merchants and Kallyani women led to changes in business management practices.

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

The Data and Evidence work has raised the awareness of FSPs of the micro-merchant sector as a viable market for financial services. The DFS-related workshops and events have raised DFS awareness among companies high up the FMCG value chain. However, the evaluation team could not meet with a representative from a major supplier in the FMCG value chain due to scheduling conflicts, thus this perspective is missing from the evaluation. As a result, it is perhaps not surprising that the team found no evidence of changes in relationships between FMCG value chain market actors (i.e. micro-merchants, distributors, wholesalers, manufacturers and others) at this stage of the programme. It is also somewhat early to assess the impact of changes in micro-merchants' or Kallyani women's capacity. However, there are signs of positive impact of business training and of using the app.

Micro-merchants reported several positive effects of the training on their business activities, including a higher demand for products, higher sales, and more customers. Furthermore, merchants reported that there should be a positive aggregate demand effect when several merchants within their bazaar (i.e. marketplace) receive the same training. Key informants, however, believe that further business training is needed to ensure sustainable behaviour change among the micro-merchants. (See Annex 7 for more information.) Users of the mobile app for micro-merchants also reported many benefits, such as better judgement about extending credit, less forgetfulness about debtors, and quicker collections. These benefits should improve cash flow. (See Annex 7)

Dnet is working to mainstream the mobile app to FMCG providers, which could have a significant impact on the FMCG value chain throughout Bangladesh. At the same time, the innovation pilots (in combination with the app) could impact micro-merchants by saving them time and money, increasing the speed of stocking their shops, reducing debts, and increasing cash flow and improving sales, although it is too early to say (See Annex 7 for more information).

5.5 Criterion 5: Sustainability

Sustainability of programme results within the broader policy and market environments.

Sustainability relates to the ability of the financial services and real economy market systems to provide low-income consumers access to financial services and increased incomes beyond the end of the SHIFT in SAARC programme. The ability of the government to continue improving the enabling environment for inclusive DFS is an important underpinning of financial inclusion. The DFS training provided to BBTA shows great promise for sustainably building the capacity of central bankers in DFS and new financial technologies. The programme's success in getting DFS included in the NFIS and its influence in advancing eKYC should have sustainable effects. The DFCG, which serves as a platform for public-private dialogue on inclusive DFS, could be sustainable if another organization takes over leadership of it. There is little evidence that SHIFT in SAARC has effectively changed the capacity of FSPs to reach the low-income market. There is also no evidence yet of sustained use of DFS by micro-merchants, and it is too early to assess whether the innovation grants will result in sustainable DFS use by consumers. The sustainability of impacts on beneficiaries' incomes will depend on the lasting effects of business training for micro-merchants and Kallyani women. For the women, sustainability also depends on the continued viability of the InfoLady business model in the four districts. The most likely sustainable effects on gender equality will result from the Kallyani programme, which appears to be having positive impacts through effects on women's confidence, self-esteem and agency.

The sustainability of results in market systems development programs is often examined with reference to the Adopt, Adapt, Expand and Respond framework. In the Adopt stage, a market actor has 1) successfully adopted a behaviour or practice change to the ultimate benefit of the low-income consumer, women or small business, 2) recognized the value of continuing these changes irrespective of inputs from a programme like SHIFT in SAARC, and 3) made a plan to invest in keeping these changes. In the Adapt stage, the market actor has made investments that allow them to continue with the changed practice without programme support.[54] The SHIFT in SAARC programme is primarily in the Adopt stage across its activities. In terms of the UNCDF Maturity Model, the programme is in the Innovation stage: *Innovate and test new financing/business models, learn and create conditions for consolidation*.

[54] Nippard, D., Hitchens, R. and Elliott, D. (2014). *Adopt-Adapt-Expand-Respond: a framework for managing and measuring systemic change processes. Briefing Paper.* Retrieved from: http://springfieldcentre.com/wp-content/uploads/2014/06/2014-03-Adopt-Adapt-Expand-Respond-Briefing-Paper1.pdf

Question 5.1: To what extent are changes in the capacity of FSPs to reach low-income men and women likely to continue over time?

There is little evidence yet that SHIFT in SAARC has effectively changed the capacity of FSPs to reach the low-income market, and it is too early to say what changes at the FSP level might continue over time.

Before SHIFT in SAARC, FSPs had less awareness of DFS and little incentive to extend services to low-income men and women, particularly those considered "last mile." The SHIFT Programme has built FSPs capacity in DFS and started to provide innovation grants to broaden the DFS market to reach low-income men and women. However, the programme's short timeframe threatens to halt activities just as they are building momentum. The limited remaining time also means there will be little time for the market to learn from and react to the results of the innovation grants. The time remaining may not allow for FSPs who are participating in the innovation grants to continue operating any successful new business models without support from SHIFT in SAARC. Further, as a few private sector stakeholders pointed out, the financial services market needs to see business cases to convince them to start innovations. Innovation labs or challenges funds could support this effort. Business cases would promote sustainability among the FSPs.

Question 5.2: To what extent are changes in GoB priorities and performance introduced as a result of SHIFT – including in the way GoB implements gender-sensitive financial inclusion policies - likely to be sustainable over time?

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

The DFCG has effectively convened the public and private sectors in Bangladesh around emerging issues in DFS. For the DFCG to continue, another institution will have to take ownership of it. Even if UNCDF were to extend the SHIFT in SAARC programme, one stakeholder reminded the evaluation team that: "the DFCG should be handed over to someone else. Because a development partner's responsibility is [only] to kick-off such initiatives." During the next several months, a succession plan for the DFCG needs to be concluded to ensure a smooth transition to a new secretariat.

There has been no change to date in the way the GoB implements gender-sensitive financial inclusion policies.

Question 5.2.1: To what extent has the programme contributed to the sustainable access and use of DFS by the target end-users, especially women?

Interviews with micro-merchants and the Kallyani women suggest that entrepreneurs' use of MFS is related to cost and convenience, while customers' use of MFS depends on awareness. The sustainable use of MFS by merchants will depend on the affordability of the channel. Dnet also reported that the micro-merchants are not ready to switch to digital finance yet although they are "pushing them step by step." Until demand from customers increases significantly, there does not appear to be a strong rationale for merchants to deepen their use of MFS. The cost of DFS would need to come down for demand to increase. Interviews with merchants found that about two-thirds have used MFS services such as bKash since before SHIFT in SAARC started.

The DNET mobile app could be sustainable after the programme ends. The FMCG companies could promote or support the app in the future. For example, there is interest from Unilever in this, as well as in the toolkit that Dnet developed.

Question 5.2.2: What are the possible long-term effects on gender equality? Are the gender-related outcomes likely to be sustainable?

The most likely sustainable effects on gender equality will result from the Kallyani programme, which appears to have positive impacts through effects on women's confidence, self-esteem and agency. The sustainability of impacts on women's income depends on the sustainability of the InfoLady business model. (See Annex 7 for more information.)

6. FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 Findings

6.1.1 Relevance and quality of design

The appropriateness of the programme's objectives to the real problems, needs and priorities of its target groups/beneficiaries and the quality of programme design through which these objectives are to be reached.

The SHIFT in SAARC programme design is relevant to the Bangladeshi context due to its effective stakeholder consultation during design and adaptive approach to implementation. The programme design directly addresses the priorities of the Government of Bangladesh for digital financial inclusion and gender equality. It also contributes to UNDAF and several SDGs.

The programme's TOC is logical. It outlines four pillars of activities that address identified market system weaknesses that prevent financial inclusion. However, there is incomplete evidence that the logic will work to achieve objectives. Based on similar programmes' experience in the context of Bangladesh, it is not clear that SHIFT in SAARC will achieve its programme objectives with the existing funding and the associated timeframe.

The programme design is aligned with internationally recognized best practices for market systems development for financial inclusion, despite a few notable exceptions. The timeframe and secured funding are insufficient for this approach. The overall objective - 'to increase the percentage of adults using DFS' - for the Bangladesh programme is not measurable.

SHIFT in SAARC has considered the needs and interests of demand-side customers and the target merchants by undertaking field-level research with these target groups. The programme as designed is consistent between the programme objectives and partners' needs and strategy. The design relies primarily on innovation grants and capacity building to ensure that the approach can be transitioned, expanded and/or replicated by others.

The programme design aligns with national and funder-level gender standards. It implicitly aligns with United Nations standards on mainstreaming gender. Yet, the programme has also done less well in considering women's financial inclusion and employment needs. By incorporating a robust gender analysis in the design phase, UNCDF could have developed stronger gender programming.

6.1.2 Efficiency

The extent to which the programme has delivered quality outputs that are appropriately managed and overseen.

UNCDF management and operations have delivered several activities and outputs over the past two years. They have developed and disseminated important and impactful research and evidence on key themes; launched six innovation grants; built the capacity of policymakers and regulators; built a coalition of public and private stakeholders in the DFS ecosystem; and built the capacity of implementing partners and low-income entrepreneurs.

The evaluation's interviews and focus groups revealed that programme beneficiaries strongly appreciated the trainings provided. The PSC members appreciate the programme and its leaders as well as SHIFT in SAARC's taking up the micro-merchant segment, and linking the real economy sector, (i.e. the FMCG industry) to FSPs. Funders are concerned with the communications from management. Programme management is reported to have improved communications with funders.

SHIFT in SAARC managed their activities well in terms of keeping within the available budget. However, the programme may be challenged in spending down the committed funds balance within the remaining time period. Although the programme used a "staff-up" approach whereby staff were hired as funding was secured, the level and mix of in-country staff were insufficient for work required by the two projects.

The programme has faced other challenges including falling short on the timing of output delivery and achievement of results, due to factors both within and outside of UNCDF's control. The programme's MRM system is another area of weakness, which is due at least in part to a long-term staff vacancy. The MRM system does not generate enough evidence to inform accountability and contribute to programme improvements, but it could make a more valuable contribution to programme management with certain modifications. However, SHIFT in SAARC has largely overcome the challenges that caused delays, and the programme was operating at a faster pace at the time of the evaluation.

6.1.3 Effectiveness

Extent to which SHIFT deliverables are contributing (or not) to capacity development of partner organizations.

The extent to which SHIFT in SAARC is on track to contribute to the capacity development of partner organizations depends on the partner. At the government level, although satisfaction with capacity development and evidence and data activities is high, SHIFT in SAARC's capacity building efforts have produced mixed results to date. The programme has clearly had a positive influence on the eKYC draft guidelines and to a lesser extent the NFIS. But there is less evidence and considerable disagreement among stakeholders about the extent to which SHIFT in SAARC's efforts have contributed to promoting enabling financial inclusion policy and regulations within the Bangladesh Bank.

At the micro-level, Dnet reports there is high demand for the micro-merchant business training and that the merchants were very engaged during the trainings. BDMS reported similar findings. Additionally, BDMS reports that news of the trainings is spreading even beyond the four project districts by means of the business associations, leading to increased demand.

In FGDs and interviews, micro-merchants, Kallyani entrepreneurs and business association members, all trainees expressed satisfaction with the business trainings. Micro-merchants reported that they never had an opportunity before to learn about innovative technologies that could help their businesses. The association members said they had never before considered the bottlenecks facing micro-merchants. All training participants that were interviewed agreed that the trainings were relevant, of good quality and very effective, and that they would recommend the training to others.

At the meso-level, SHIFT in SAARC's TOTs for business association representatives resulted in the trainees changing their business practices. It is too early to assess the impact of the TOT on the micro-merchants who are the ultimate target.

At the financial system level, the Data and Evidence work of SHIFT in SAARC shows signs that it has positively affected FSPs by improving the use of evidence and increasing information exchange among DFS stakeholders. Both private sector and government stakeholders cited the research on micro-merchants and the work convening the DFCG as influencing FSP behaviour. FSPs reported that SHIFT in SAARC brought the issue of DFS to the forefront of their attention. Yet, there is no evidence that SHIFT in SAARC has helped FSPs yet develop inclusive financial services business models. The programme only recently launched the innovation grants, which are intended to incentivize the development of financial services innovations for micro-merchants. Thus, it is too early to assess the extent of the grants' demonstration effects on the financial services sector.

Programme stakeholders disagreed about the extent to which the programme has built awareness of the opportunities and constraints for gender equality or awareness of the women's market among policymakers as well as other stakeholders. The evaluation team found little effect of the programme's work in this area. Several stakeholders recommended that SHIFT in SAARC do more substantive work on gender equality.

6.1.4 Likely Impact

Likely programme impact at both beneficiary and market/policy system levels, supply side, and meso level.

SHIFT in SAARC has had a limited but positive impact on improving eKYC guidelines, and ultimately this will have an influence on the forthcoming eKYC policy. This improvement could positively impact the inclusive financial services system. The eKYC policy has the potential to accelerate the on-boarding of millions of RMG workers to digital payments.

SHIFT in SAARC has undertaken several activities with the aim of developing the FMCG value chain to promote the use of DFS. The programme has developed the capacity of implementing partners, meso-level actors, and end-users, developed and disseminated evidence and data on micro-merchants as a viable market for financial services, and designed and solicited six innovation grants to promote new relationships and the use of DFS in this value chain. The evidence to date suggests only that the capacity building of micro-merchants and Kallyani women has led to changes in their business management practices, which they report has led to higher demand for goods, higher sales and better customer loyalty. Micro-merchants also believe that aggregate demand for retail will increase in markets where several micro-merchants have received business training.

SHIFT in SAARC's impact on gender equality will likely be modest due to low outreach to women. The few hundred Kallyani women reached by the programme can potentially benefit through increased incomes, empowerment, self-confidence and agency. The programme may also have indirect effects on gender equality at the level of female consumers as a result of the products and services provided by the InfoLady programme.

6.1.5 Sustainability

Sustainability of programme results within the broader policy and market environments.

Sustainability relates to the ability of the financial services and real economy market systems to provide low-income consumers access to financial services and increased incomes beyond the end of the SHIFT in SAARC programme. The ability of the government to continue improving the enabling environment for inclusive DFS is an important underpinning of financial inclusion. The DFS training provided to BBTA shows great promise for sustainably building the capacity of central bankers in DFS and new financial technologies. The programme's success in getting DFS included in the NFIS and its influence in advancing eKYC should have sustainable effects. The DFCG, which serves as a platform for public-private dialogue on inclusive DFS, could be sustainable if another organization takes over leadership of it. There is little evidence that SHIFT in SAARC has effectively changed the capacity of FSPs to reach the low-income market. There is also no evidence yet of sustained use of DFS by micro-merchants, and it is too early to assess whether the innovation grants will result in sustainable DFS use by consumers. The sustainability of impacts on beneficiaries' incomes will depend on the lasting effects of business training for micro-merchants and Kallyani women. For the women, sustainability also depends on the continued viability of the InfoLady business model in the four districts. The most likely sustainable effects on gender equality will result from the Kallyani programme, which appears to be having positive impacts through effects on women's confidence, self-esteem and agency.

The sustainability of results in market systems development programs is often examined with reference to the Adopt, Adapt, Expand and Respond framework. In the Adopt stage, a market actor has 1) successfully adopted a behaviour or practice change to the ultimate benefit of the low-income consumer, women or small business, 2) recognized the value of continuing these changes irrespective of inputs from a programme like SHIFT in SAARC, and 3) made a plan to invest in keeping these changes. In the Adapt stage, the market actor has made investments that allow them to continue with the changed practice without programme support.[55] The SHIFT in SAARC programme is primarily in the Adopt stage across its activities. In terms of the UNCDF Maturity Model, the programme is in the Innovation stage: *Innovate and test new financing/business models, learn and create conditions for consolidation*.

6.2 Conclusion

The SHIFT in SAARC programme was designed as a regional market system development intervention with the goal that "at least one million low-income people, 65% of whom are women, and 30,000 small and growing businesses [will] access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption."[56] The programme has only implemented activities in one country, Bangladesh, and as a result, will not reach this goal by June 2021. For reasons related to funder priorities and a lack of grassroots evidence collection during design, the intervention has not realized the framework's gender equality mandate. Based on the experience of similar programmes, it is unclear whether the TOC for SHIFT in SAARC, although logical and coherent by itself, will deliver the desired outcomes.

Within these limits, the programme's framework has allowed the implementation of two very different projects working on two separate but interlinked market systems. In a relatively short period of time, SHIFT in SAARC has succeeded to:

- Develop and disseminate important and impactful research on key themes related to financial inclusion, DFS and the micro-merchant sector to inform policy and practice in Bangladesh;
- Launch six innovation grants aimed to promote the digitalization of the FMCG supply chain, and the digital financial inclusion of micro-merchants and Kallyani women to promote DFS use by the end consumers;

[55] Nippard, D., Hitchens, R. and Elliott, D. (2014). *Adopt-Adapt-Expand-Respond: a framework for managing and measuring systemic change processes. Briefing Paper.* Retrieved from: http://springfieldcentre.com/wp-content/uploads/2014/06/2014-03-Adopt-Adapt-Expand-Respond-Briefing-Paper1.pdf

[56] UNCDF, 2016. *Programme Framework Document.*

- Support the financial services regulators by building their capacity, introducing them to new ideas and emerging technologies, and providing them with opportunities to learn from good international practices;
- Develop a coalition of stakeholders in the DFS ecosystem, including policymakers, FSPs, telecoms, MFIs and development actors for the purposes of knowledge sharing, capacity building, networking and advocacy for more enabling policies;
- Build the implementing partners' capacity to continue offering training and innovations to micro-merchants and Kallyani women;
- Build the business capacity of a few thousand low-income entrepreneurs;
- Increase capacity and potentially improve policy and regulations, such as eKYC guidelines, which can promote financial inclusion of low-income consumers;
- Raise awareness and knowledge of DFS and of the micro-merchant segment to raise interest in serving this market; and
- Increase information exchange among regulators, the private sector, and an expanded and strengthened DFCG coalition.

There are several areas, however, in which implementation fell short:

- Funders are not satisfied with the quality of programme communications;
- There were serious delays in implementation and delivery of activities during the first year;
- At the time of the evaluation, there was little evidence about the extent to which SHIFT in SAARC has contributed to an enabling environment for DFS in Bangladesh, aside from eKYC guidelines;
- At the time of the evaluation, there was little evidence that the programme had built awareness of the opportunities and constraints for gender equality or the women's market; and
- At the financial services and real economy market levels, SHIFT in SAARC has had less effect than planned due to the short timeframe of the programme.

6.3 LESSONS LEARNED

Several recommendations that arise from this evaluation cannot be applied effectively in the remaining time of this programme. They are presented here as lessons learned for future funding opportunities.

6.3.1 Lesson Learned 1: Future Project Planning

For future multi-year market system development projects, the evaluation team recommends budgeting resources for a preparation phase that allows time to build relationships with the relevant stakeholders, negotiate and seek government approvals to launch the programme, fully recruit and train the programme team, finalize activity plans with stakeholders, and identify viable innovation grant recipients. In addition, the market analysis should be more robust and include a gender analysis. This will ensure that real economy sector work can support gender equality and women's economic empowerment. Similarly, there should be an analysis of entry points to promote DFS to identify high-volume sectors that include priority segments, such as women.

6.3.2 Lesson Learned 2: Improve Design

The evaluation team found the programme, as described in documents and by staff, to be overcomplicated and confusing. The evaluation team recommends that UNCDF simplify and clarify their programming in Bangladesh. While the SHIFT in SAARC framework was very broad and flexible, it may be that UNCDF could have implemented the two projects as stand-alone activities, with each being simpler. Alternately, if the overarching goal is to increase access and use of DFS, SHIFT in SAARC should concentrate on activities centred on this goal.

6.3.3 Lesson Learned 3: Match the programme need with the funding opportunity

The SHIFT in SAARC programme uses a market systems development approach and incorporates an appropriate level of flexibility. However, UNCDF's funders did not fully support the level of adaptation that was/is required. For example, BMGF reduced funding when it was clear that MNOs were not included in the revised MFS Guidelines and the EU reportedly will not permit UNCDF to adjust the results framework or to drop certain activities. This constrains SHIFT in SAARC's ability to achieve its objectives.

> *"Because market systems are complex and dynamic, …. The TOC also requires room for flexibility during interventions, so that funders are able to adapt and adjust to market change without having to redesign the underlying program documents and TOC."*
>
> *CGAP. 2015. "A Market Systems Approach to Financial Inclusion: Guidelines for Funders."*

6.3.4 Lesson Learned 4: Risks

The programme design included a Risk Management Plan which identified potential strategic, political, operational and organizational risks to SHIFT in SAARC and associated mitigation measures. Several of these risks have occurred, and it is useful to go back and assess how well the anticipated mitigation measures worked.

Risk: The data that is collected and analysed is not properly understood and used correctly.

There is no indication that data has not been understood, some believe that policymakers do not take evidence into consideration. The description of this risk may need to be expanded and appropriate mitigation measures identified. For example, adapting SHIFT in SAARC to use a broader approach to policy advocacy.

Risk: The products and business models do not lead to impact beyond the programme.

This is a real risk for SHIFT in SAARC, and the proposed mitigation measures (monitoring to allow adjustments and supporting providers) will be insufficient if there is not enough time to disseminate the pilot results before programme funding ends. This risk should be expanded in the future to consider delays in the innovation models and how these can be mitigated.

Risk: Staff recruitment takes longer than anticipated.

Although good mitigation measures were identified and employed by the programme (e.g. support from the regional office, use of long-term consultants), the programme experienced operational delays associated with this risk. UNCDF needs to identify other measures that can expedite recruitment or ensure other global/regional staff are available for future programmes.

Risk: SHIFT in SAARC does not lead to impact beyond the programme timeline.

The mitigation measures included engaging strategic partners to ensure their contribution to the long-term sustainability of the programme. It is unclear to what extent the Programme is engaging the co-applicants to identify how they can contribute to long-term sustainability. While capacity building of these partners will have sustainable effects on those institutions, how will their activities under SHIFT in SAARC continue when funding ends?

6.4 Recommendations

Going forward for the remainder of the programme, there are some key recommendations that SHIFT in SAARC should implement to increase impact across the four outputs:

6.4.1 Recommendation 1: Innovate faster

Start the innovation actions faster. It is not possible to have impact or achieve sustainability without the adoption and scale-up of successful innovation pilots. The pilots need to be done in a timely way to give the market evidence that will encourage them to invest. Along these lines, the expected demonstration effects of the pilots should be explicit in the TOC and the MRM.

Related to this, the DFCG needs to become more action-oriented. The DFCG is currently effective at achieving its main objective "to open up dialogue on the strengths, opportunities, challenges, gaps in the use of DFS for a more inclusive economy and sustainable economic growth in Bangladesh." As a neutral organization, SHIFT in SAARC is well-positioned to introduce a more purpose-oriented, participatory, action-oriented working group that can take on specific topics to promote real change in the sector. The programme could co-facilitate this group as the secretariat with a senior-level leader from the Central Bank (i.e. a committed champion who will devote time), regular meetings, designated members, and specific topical sub-groups that engage on priority issues selected by the group. UNCDF has experience coordinating DFS working groups in other regions (e.g. West Africa) that have action-oriented agendas from which they could borrow.

6.4.2 Recommendation 2: Create a more robust capacity building system

SHIFT in SAARC is well-positioned to play a lead capacity development role at the sector level. Though several training workshops have been conducted with various stakeholder groups, the evaluation team received feedback that the training was not sufficient for those trained and was not extended to other relevant segments. SHIFT in SAARC documentation also did not demonstrate a systematic and robust approach to capacity building and training output. There remain many additional opportunities to increase DFS usage but capability remains a critical barrier. Reinforced capacity development for the stakeholders, especially on gender issues, is relevant and could support long-term behaviour change while creating institutional change management with a range of FSPs.

6.4.3 Recommendation 3: Adapt programme management to time and resources

Given SHIFT in SAARC's focus on changes in market actor behaviour leading to economic opportunity for women and small businesses, realistic expectations for market systems change should be better aligned with project and funding length.[57] The market system development approach requires time to develop the system and achieve changes. To achieve impact by the end of SHIFT, the evaluation team recommends a deep dive on key sectors where energies and investments are focused rather than spreading resources across new topics and activities. While adapting to the changing context is essential to remain relevant, reacting without considering how a new activity fits within the strategy diminishes focus on impact of key activities. Considering the time remaining, the evaluation team recommends not expanding to new segments, sectors or initiatives; instead, it would be useful to consolidate resources to go deeper on fewer activities. This approach would include focusing on key sectors already researched and creating better-tailored knowledge management resources, distribution channels, and learnings highlighted from the activities already carried out. The programme should focus on quality over quantity. For the innovation grants, focusing on quality would mean focusing on a couple of well-designed projects with robust PBAs that could deliver some quick wins for evidence. It is inadvisable to start market research on new topics or organize large stakeholder roundtables/conferences to present findings.

6.4.4 Recommendation 4: Review and Revise the MRM System

The MRM system should be better aligned with the CGAP framework for market development in inclusive finance to improve accountability. This involves identifying and measuring systemic change, as well as changes in the inclusive financial and real economy market systems, and distinguishing these changes from intermediate outcomes over which the programme has more control. A careful review of existing results framework indicators and targets is needed to ensure that indicators are in the right category. These changes would produce evidence that staff can learn from to better manage the programme.

The programme could also improve change monitoring in market systems to better support necessary course corrections by introducing new indicators that address specific constraints SHIFT in SAARC is trying to alleviate. For example, most micro-merchants have unregistered businesses which prevents them from opening merchant DFS accounts with higher daily transaction amount limits that would allow them to do more business with DFS. As the programme is encouraging merchants to register their businesses, the number of merchants that register their businesses and take up merchant accounts would be a strong indicator of programme effectiveness and changing practices of a market actor.

The timing of data collection could be improved. The co-applicants' data is reported to SHIFT in SAARC when they reach a milestone and need to apply for the next tranche of funding. It would benefit the monitoring function if this data were provided by co-applicants on a regular basis, say every three to six months, so that the SHIFT in SAARC team could obtain a snapshot of the whole programme at regular intervals and use the data to make management decisions.

[57] UNCDF, 2016. *Programme Framework Document.* p. 18.

The programme does not appear to have a plan to conduct follow-up monitoring visits three to six months after the MDDRM business trainings are finished, such as with micro-merchant or women entrepreneur trainees. One co-applicant recommended that SHIFT in SAARC provide resources to allow for ongoing monitoring of changes at the micro-merchant level, "so we can know the impact of the activities we have implemented and take corrective measures."

Finally, with respect to the TOC and the structure of outputs, communications activities should be pulled out and treated as a cross-cutting theme like gender equality. This would ensure they receive the required attention and would increase TOC logic.

6.4.5 Recommendation 5: Incorporate gender issues as a key strategic focus

UNCDF FIPA should require gender analysis for all proposed programmes before receiving headquarters' approval. This analysis should involve secondary and primary research with the target market segments during the design phase to ensure that the data is current. In the words of one key informant "first, we need to know the problem" regarding women as entrepreneurs.

Within the country or regional office, SHIFT in SAARC or UNCDF should recruit a technically-qualified gender champion at the senior management level in order to advance the women's economic empowerment agenda. The champion should build the capacity of the programme team and focus on the innovation grants and DFCG to raise the awareness of women as a critical market segment. Specifically, the champion should:

- Build the national team's awareness of gender equality and women's empowerment issues so they can ask the right questions and better engage with donors and partners on this issue. Headquarters should take the lead on this to ensure a common understanding of gender equality throughout the agency;
- Ensure that the team understands the POWER findings, a study to which they contributed, and determine how they may implement the programme based on the study's findings;
- Work with innovation grant recipients to ensure female customers/entrepreneurs are included;
- Create a DFCG working group on gender issues; and
- Ensure that gender is incorporated into all programmes, activities and institutional structures.

7. GENDER AND HUMAN RIGHTS

The SHIFT in SAARC Programme Framework put tremendous emphasis on gender equality and women's financial inclusion, however, the Programme as implemented in Bangladesh lacks a focus on gender equality. This is partly due to the design and priorities of the projects that funders supported. Inadequate attention to gender analysis in the design stage resulted in a limited ability to pursue stronger gender equality programming and achieve gender goals. During implementation, the Programme has used a quota or "tick-box" approach towards gender equality. Little has been done to build on the results of the POWER study or take advantage of the Innovation grants to promote women's economic empowerment.

The SHIFT in SAARC Programme Framework explicitly acknowledges the gender disparities in SAARC financial markets and stated that "it is important to reduce gender disparities in financial markets." It went on to recognize the three ways that women interact with markets in the region: a) as consumers of goods and services; b) as employees in various types of firms; and c) as entrepreneurs. The SHIFT in SAARC stated strategy was to make targeted investments to stimulate new models that could rapidly increase women's access to financial services or reduce existing gender gaps in services.

Given the focus on gender in the programme design, it would be expected that the Programme would have put considerable attention on gender analysis or incorporate a gender focus into the initial market research and innovation grants. However, none of these happened and the secondary research available was not adequate. As a result, SHIFT in SAARC has not been able to achieve its gender goals. The programme did not understand the target market sufficiently during design and it did not adapt adequately once it learned there were few women micro-merchants. To the extent it adapted and tried to include women but supporting the Kallyani women, the programme selected a group that is small scale their contribution is rather limited. Further, only one of the six innovation grants is focused on women micro-merchants, and this was the last grant to be announced.

The lack of gender focus is partly a result of the funders priorities. The BMGF-funded project has no gender focus as it is focused on policy and regulations. The EU proposal did address gender but it locked in on the micro-merchant segment which resulted in the Programme having little opportunity to address women's financial or economic inclusion.

At the same time, it appears that the national team does not have an adequate understanding of gender equality and women's economic empowerment programming and is insufficiently familiar with gender barriers to financial inclusion or market employment. The programme has no specific action plan to address gender barriers, even after receiving the PoWER study's results. There do not appear to be any team members that have the knowledge, skills, experience, or expertise in this important area. For example, the only innovation grant under implementation at the time of the evaluation did not require sex-disaggregated data for the micro-merchants to be reached. Innovation grants are critical for demonstrating the use case for women but this will be difficult to do without the data.

Lessons Learned

Gender-specific concerns have not been embedded in the programme as it is currently being implemented. There is a high-level policy report (PoWER) that could serve as a guide. However, key informants report that this report has had relatively little or no impact on advocacy, awareness-raising, and/or development of products and services. In addition to the PoWER study, there are numerous other sector-wide resources and studies highlighting the DFS gender gap, both specific to Bangladesh and regionally, that could have informed gender-related programming.

To illustrate, it was well into implementation, that the MMLA revealed that women micro-merchants may not be involved in FMCG as much as in other MSMEs. If the gender analysis had been conducted earlier, or if the market research scope started with a focus on identifying gender constraints, the programme could have targeted segments that involve a higher share of women. The market research could have first identified sectors where women are employed/active and then assessed their barriers/enablers to participation, rather than select a sector first.

In other SHIFT in SAARC activities, counting the numbers of women trained and/or in attendance at roundtables is just a "tick box" action, without any meaningful impact. The attitude of the national team to gender equality which is shared by many other stakeholders, is that a programme output is sufficiently covered if a certain quota of women is participating in programme outputs.