



Thematic Evaluation of UNCDF's Inclusive Finance Portfolio 2012 - 2013

*Innovations and Challenges in
Designing and Managing Thematic Evaluations*

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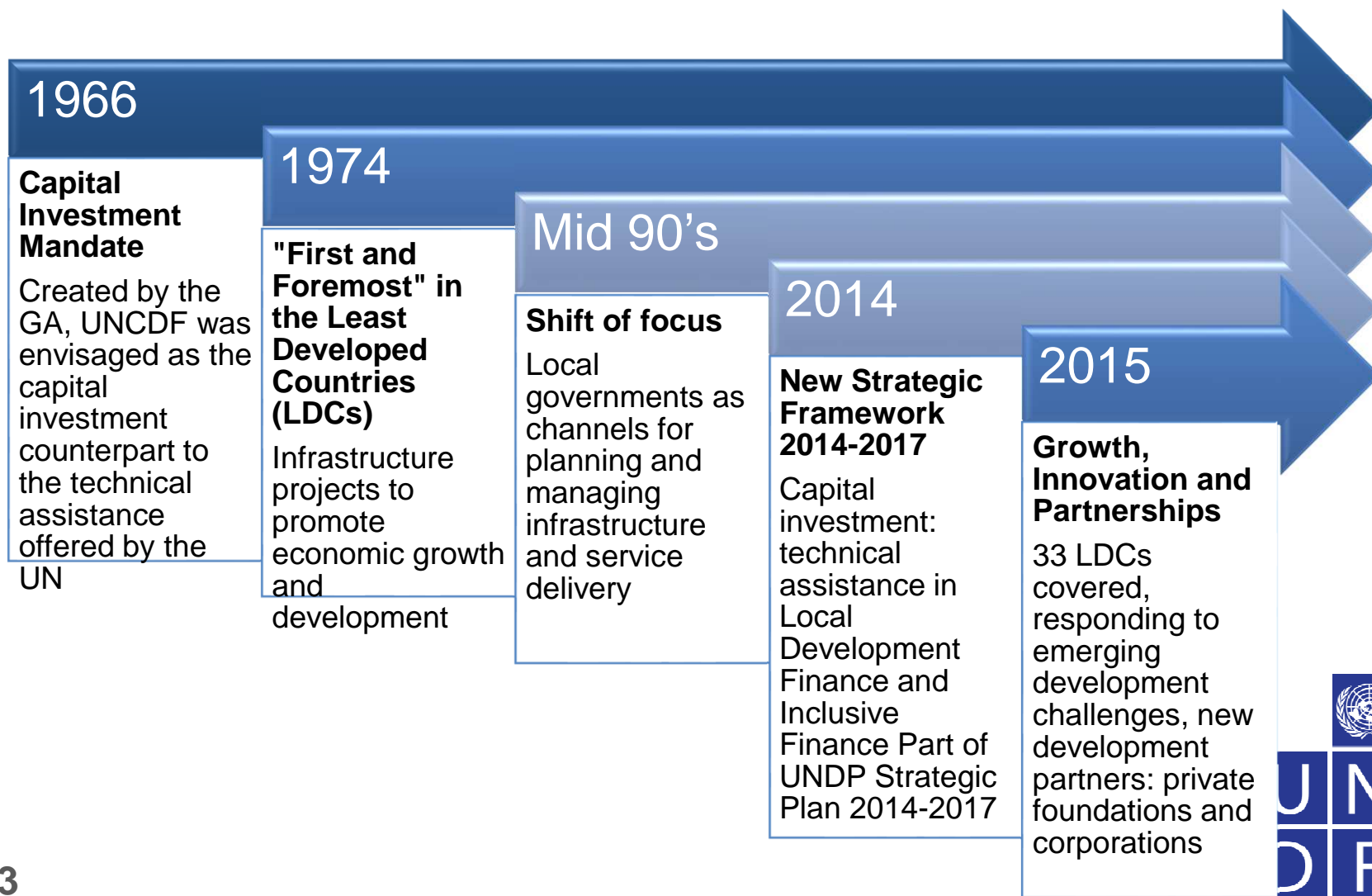


Outline



- Background
- Scope of evaluation
- Management
- Design & methodology
- Data gathering and synthesis
- Evaluation dissemination and utilization
- Conclusion

Evolution of UNCDF



LDC presence and initiatives



Scaling up Making Access Possible program, a multi-country initiative to support financial inclusion through evidence-based country diagnostic, stakeholder dialogue, and roadmap development

Global

Mobile Money for the Poor program increases mobile-enabled delivery channels for financial services to serve 17 million active digital financial clients, representing a net increase of 11 million users across 8 LDCs

Global

BTCA a public-private partnership committed to accelerating the shift from cash to electronic payments – is supporting the UNDP in the battle against Ebola, working with UNMEER and 3 Governments

Guinea, Liberia & Sierra Leone

CleanStart helps poor households and micro-entrepreneurs to access financing for low-cost clean energy and builds confidence among commercial banks about the prospects of financing the clean energy sector

Nepal

With \$5 Million MicroLead mobilized \$20 million from Gates Foundation and invested in FSPs from the South who brought about USD 100 million of their own equity to fund their expansion in LDCs.

Global



33
COUNTRIES

LDCs WITH UNCDF
PROGRAMMES

LOOKING diagnostic tool on local development finance providing analysis of how to accelerate growth, increase the equity and resilience of economies by focusing local development, and re-investing fiscal receipts and private sector capital

Global

Local Climate Adaptive Living Facility (LoCAL) supports local governments play in strengthening resilience to climate change through local investments. It seeks to become their mechanism for climate finance at the local level.

Nepal

LFI supports to unlock domestic capital markets for catalytic investment in local economic development, and is most developed in Tanzania with a \$120 million pipeline of 30 investment projects

Tanzania

Joint UNDP/UNCDF Pacific Financial Inclusion Program reached almost 700,000 Pacific Islanders with a new financial product or service, including almost 400,000 people with regulated savings products.

Pacific



Scope of the Evaluation



- Complied with new requirement in Evaluation Policy for thematic evaluation
- Evaluation also at request of external peer review
- **Objective:** strategic and comprehensive assessment of UNCDF's support to developing inclusive financial systems in LDCs:
 - At **Financial Service Provider** level
 - Influence on broader **Policy** and **Institutional Environment**
- **Approach:** cross-section analysis 20 + countries, 90 + FSPs over 1 – 3 year period

1. Setting up the management and governance structure

UNCDF hired a team of **independent consultants**

- (+) Control over building the team of consultants
- (+) Strong quality control via prescriptive, theory-of-change evaluation methodology
- (+) Use of inception report critical to steering exercise

- (-) Team management easier through a firm?
- (-) How to balance accountability with learning in view of utilisation?

- (+/-) Advisory Panel involved but rather small

2. Designing the evaluation

(+)

- More ambitious than similar exercises before: theory of change, assessing 'sector development approach' – moving beyond change in performance of individual organisations to influence on broader systems; 5 DAC criteria/evaluation matrix
- Quite innovative for the inclusive finance sector more broadly as well as for UNCDF – opportunity to profile evaluation approach as means to improve internal approaches to measurement

(+/-)

- Building ownership for more sophisticated evaluation approach than usual
- Being clearer on what methodology could/could not do
- Balancing rigour with cost-efficiency in data collection

Figure 1

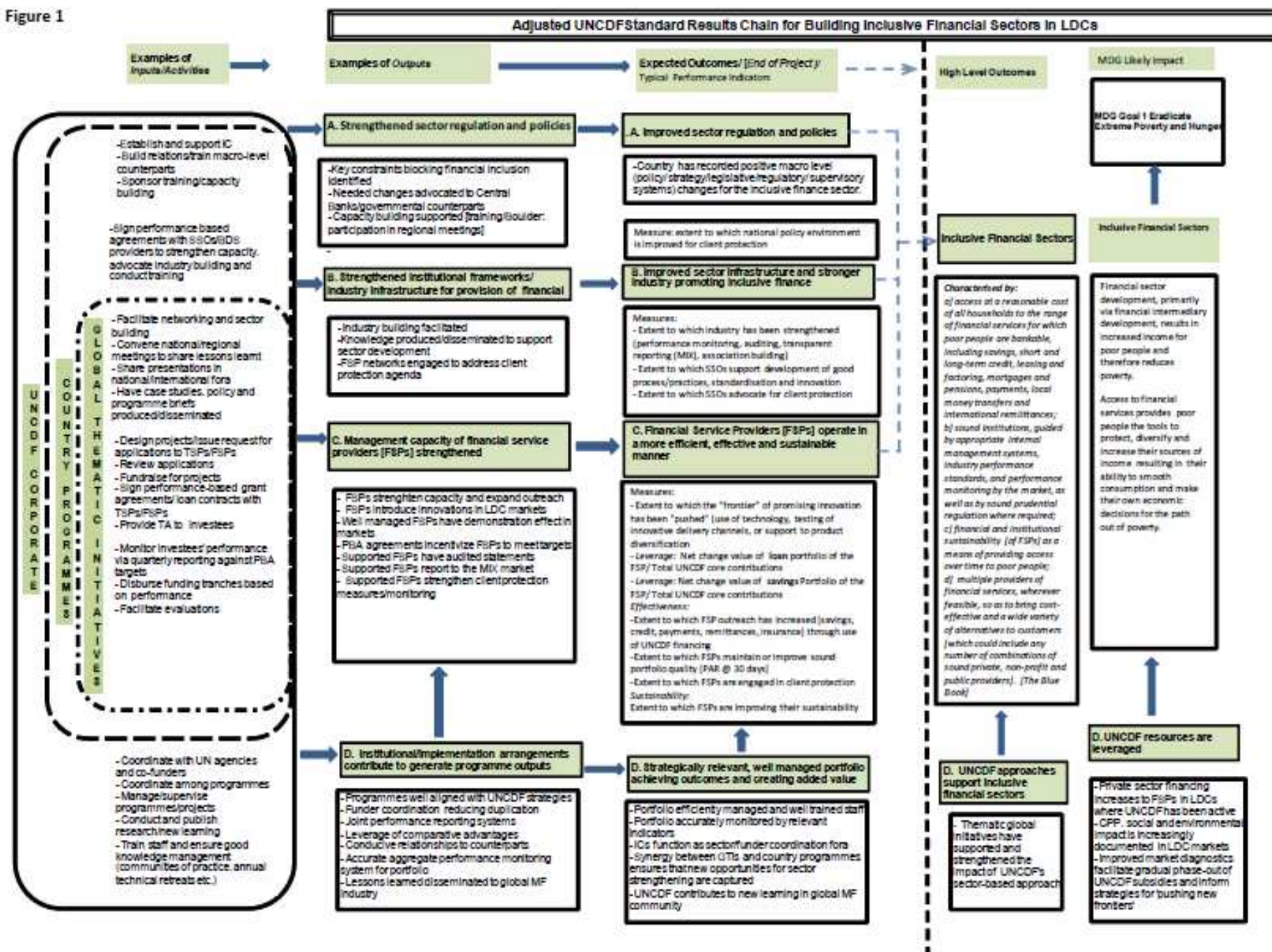


Table 1.1: Summary of Programme Areas Assessed and Scored	
Main Evaluation Questions	Key questions
A. Are UNCDF's microfinance sector programmes and GTIs strategically relevant given its mandate, instruments and comparative advantages?	A1: Aligned with UNCDF's mandate A2: Integrated in national strategies A3: Coordinated with partners A4: How appropriate were they?
B. Are UNCDF's investments in microfinance effective in terms of achieving their intended results?	B1: Achieving retail outcomes B2: Achieving meso-level outcomes B3: Achieving macro-level outcomes B4: Supporting systems changes B5: Contributing to coordination/funding
C. To which extent have programme outputs attained to date been commensurate with the input of resources and time allocated?	C1: Sufficient funds/time to deliver outputs C2: Sufficient management arrangements C3: Efficient incentive system (PBA)
D. To which extent have the UNCDF programme investments contributed to MDGs (likely impact)?	D1: Improved access to finance for the poor D2: Sustainable growth in underserved markets D3: Leveraged increased resources D4: industry and policy level impact D5: Impact on women's empowerment D6: Impact on environmental sustainability
E. To which extent are UNCDF's MF investments leading to sustainable provision of financial services for the intended clients?	E1: Positive trend towards retail sustainability E2: Sustainability at meso/macro level E3: Clear and workable exit strategy

3. Data gathering and synthesis

(+)

- Theory-of-change approach and evaluation matrix allows for easier organising and transformation of data into evaluation findings
- Rich array of QUAL and QUANT data gathered according to clear research protocols, helps with aggregation of findings
- Combination of desk review plus country visits to ensure 'representativeness' of findings

(+/-)

- Deciding how complex data sets should be: accuracy and credibility vs. efficiency
- Agreeing 'rules of transparency' in data scoring to ensure ownership of results

(-)

- Data sets rather 'heavy,' scoring at level of sub-questions 'one level too far'?

4. Dissemination and utilisation of evaluation findings

(+)

Donor peer review ensures wide dissemination to key actors

(+)

Evaluation findings **disseminated internally and externally**

(+)

Strong management response process with many agreed key actions, most since implemented

(+/-)

Challenges in synthesising complex range of conclusions into 'generalist' communications

CONCLUSION

- Serious attempt at increasing the scope and range of evaluation results within UNCDF as per Evaluation Policy
- Evaluation instrumental in validating existing approaches and suggesting change; also in helping build an evaluation culture within UNCDF
- Evaluation considered innovative by the donor peer group, scored highly
- However, quite ambitious exercise. Effort needed both to design and manage AND to build ownership of methodology to ensure utilisation of findings