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Dalberg

CGAP Strategic Evaluation

Final Synthesis Report

May 2022

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LIST OF ABBREVIATIONS

AFI	Alliance for Financial Inclusion
API	Application programming interface
BFA	Bankable Frontier Associates
BMGF	Bill and Melinda Gates Foundation
BOP	Bottom-of-the-pyramid
CG	Council of Governors
CGAP	Consultative Group to Assist the Poor
CCAF	Cambridge Centre for Alternative Finance
CFI	Centre for Financial Inclusion
DAC	Development Assistance Committee
DBM	Digital Business Models project
DFI	Development finance institution
DFF	Digital Finance Frontiers
DFS	Digital financial services
DFSRS	Digital Financial Services Regulation and Supervision project
EMDEs	Emerging markets and developing economies
ExCom	Executive Committee
FCDO	United Kingdom Foreign Commonwealth and Development Office
FSP	Financial services provider
FI	Financial inclusion
FY	Financial year
G2P	Government-to-person
GPFI	Global Partnership for Financial Inclusion
IFC	International Finance Corporation
LiFi	Livelihoods and Financial Inclusion project
MEL	Monitoring, evaluation, and Learning
MEG	Member engagement and governance pillar
MFI	Microfinance institutions
MIS	Management information system
MIX	Microfinance Information Exchange
MNO	Mobile network operator
MSE	Micro and small enterprises
MTE	Mid-term Evaluation
OECD DAC	Organization for Economic Co-operation and Development's Development Assistance Committee
R&D	Research and development projects
SDGs	United Nations Sustainable Development Goals
SECO	Swiss Secretariat for Economic Affairs

SSB	Standard-setting body
SSO	Sector support organization
SteerCo	Steering Committee
OECD	Organization for Economic Cooperation and Development
WB	World Bank
WDI	World Development Indicators
WFI	Women's financial inclusion
WIRAL	Women in rural and agricultural labor
UBA	United Bank for Africa
UNSGSA	UNSG's Special Advocate for Inclusive Finance for Development
USAID	United States Agency for International Development

GLOSSARY

Digital financial services (DFS): Financial services delivered over a digital channel (e.g., SMS, internet), using any electronic instrument (phone, card, POS, computer). These accounts, products and services can be accessed remotely (outside a standard physical branch or outlet) through phones, agents, ATMs, POS devices, and the like.

Emerging markets and developing economies (EMDEs): All countries excluding high-income countries with a total population of at least 10 million and a GDP per capita below USD 7,500, as per World Bank's World Development Indicators (WDI).

Regulators: Policymakers, regulatory institutions, and to some extent supervisors who set and enforce rules in the financial services domain as well as other relevant domains, including but not limited to those whom CGAP has directly engaged in its learning and dissemination activities.

Providers: The financial service providers active in the financial inclusion space, including banks, mobile money providers, microfinance institutions, fintech start-ups, and major internet platforms. These include but are not limited to those whom CGAP has directly engaged in its learning and dissemination activities.

Funders: Donors and investors interested in financial inclusion, not limited to those with whom CGAP engages.

Open API: An application programming interface (API) allows one software program to “talk” with another. APIs enable a wide range of innovative products and services that millions of people use every day. For instance, APIs are what make it possible for ride-hailing apps to leverage other companies' mapping and payments systems. Sometimes companies create an API for a single or small number of partners. When a financial services provider “opens” its APIs, it makes them widely available for other companies to use.

“Take-in” influence: As a result of CGAP's work, (i) the improvement of a stakeholder's understanding of specific topics or (ii) an increase in the stakeholder's intention to change its practices, policies, and regulations.

“Take-action” influence: A target stakeholder (i) taking concrete steps to change policies, practices, or regulations, (ii) implementing such changes, or (iii) institutionalizing changes within their organization as a result of CGAP's work.

Tier 1 partners: Actors with whom CGAP pilots or tests innovations and solutions by providing extensive technical assistance and capacity-building support.

Tier 2 partners: Actors to whom CGAP provides light or ad hoc advice and support. They are targeted with multiple events and/or have regular dialogue with CGAP. Actors participating in working and advisory groups or communities of practice are also included in this definition.

Tier 3 actors: Stakeholders who have one-off or no direct engagement with CGAP but consume knowledge products or are influenced by CGAP partners.

LIST OF APPENDICES¹

Appendix I – Overview of project deliverables, results frameworks, documents reviewed, and list of interviews

Appendix II – Strategic Relevance and Scalability Study

Appendix III – Stakeholder Survey Analysis

Appendix IV – Influence Maps (Rule Setters & Enforcers, Standard Setting Bodies, DFS Providers, Multilateral Funders, Bilateral Funders, Development Finance Institutions, Capacity Building Organizations)

Appendix V – Project Evaluation Reports (Gender Mainstreaming, COVID-19 Response, DFS Regulators/Supervisors, Digital Rails, Digital Business Models, Sector Support, LiFi)

Appendix VI – Inception Report

¹ Appendices II to VI are separately submitted documents.

EXECUTIVE SUMMARY

This report summarizes findings from the strategic evaluation of CGAP conducted by Dalberg Advisors between February 2020 and June 2022. The evaluation was commissioned by CGAP's Executive Committee and serves four objectives:

- assess the impact and effectiveness of CGAP's technical work through deep dives into selected projects and work streams;
- assess the extent to which CGAP's insights were influential in the financial inclusion marketplace, and derive lessons to inform future influence;
- articulate CGAP's strategic relevance, positioning, and comparative advantage in a rapidly evolving financial inclusion landscape, and the extent to which it has helped scale financial inclusion outcomes; and
- provide high-level guidance and recommendations for the next CGAP strategy.

The evaluation consists of seven project deep dives, seven influence maps, a strategic relevance and scalability assessment, and this final synthesis report. Across these different components, our team conducted 119 interviews with external parties (including regulators, funders, financial service providers, and other financial inclusion organizations), 68 interviews with CGAP staff, a survey of 300 CGAP stakeholders, and multiple engagements with the CGAP leadership team, Executive Committee, and Council of Governors.

The executive summary below covers key findings and strategic recommendations. The main body of the report is organized to correspond with the OECD DAC evaluation criteria.

In a rapidly evolving financial inclusion ecosystem, CGAP has remained a relevant and influential voice. Over the last decade, the once sparsely populated financial inclusion (FI) ecosystem has become crowded with financial service providers (FSPs), funders and investors, and academic and knowledge institutes. As evidence of the increasing maturity of the ecosystem, in recent years several sector support organizations have emerged—these are groups that provide technical assistance and capacity building services, serve as industry bodies and conveners, or collect and curate data on financial inclusion. In this evolving context, CGAP has continued to hold its own as the industry's go-to knowledge hub. It is seen in a positive light by funders, regulators, FSPs, and support organizations alike.

CGAP derives its influence through five interrelated, mutually reinforcing characteristics that are core to the organization. First, CGAP's governance, organizational structure, and track record result in a *neutral, apolitical image*. Second, CGAP consistently takes strong, independent positions that *champion a pro-poor and women-centric agenda*. Leveraging these attributes, CGAP was able to effectively convene the FI sector in the early months of the COVID-19 pandemic to articulate and coordinate a collective path forward. CGAP steered the sector to focus on the immediate impact of COVID-19 on the poor by providing funders and members with actionable guidance on how best to support FSPs and poor customers through the crisis. Stakeholders did not second-guess CGAP's intentions, and mobilized quickly in response. The influence maps developed for this evaluation consistently found that across stakeholder types, including regulators, digital financial services providers, and funders, CGAP was seen as a credible voice that champions the poor.

Third, CGAP adopts a *"think-and-do" approach* of in-country learning and on-the-ground-testing. Stakeholders value CGAP's willingness and ability to immerse itself within a specific context and then draw from that research more widely relevant lessons. For example, financial supervisors in contexts as different as Myanmar, Pakistan, El Salvador, and Jordan noted that CGAP's case studies and on-the-ground findings from other countries were especially helpful in designing and implementing their own solutions.

Fourth, CGAP's team has a *unique blend of intersectional expertise*, across both topical (e.g., agriculture) and technical (e.g., fintech product development) domains. The stakeholder survey revealed that

CGAP scored highly on relevance and technical quality of content across a diverse set of FI-related topics, including customer segments, business models, and FI regulations and supervision systems.

Finally, CGAP *has the ear of senior decision makers* in the financial inclusion ecosystem. Nearly half of respondents to the stakeholder survey were principles or senior executives with their organization. Within this group, the average rating (out of 10) on how likely they were to recommend CGAP to a peer to improve their strategy or operations was an impressive 8.3. Influence maps demonstrate that CGAP is especially adept at influencing rule setters and enforcers (including regulators) and global standard-setting bodies.

Looking ahead, there is clearly much that is positive to continue building from. However, we also see **three key challenges that CGAP should plan to address as it looks to further amplify its influence:**

1. *CGAP's impact narrative has become somewhat unclear to key stakeholders.* CGAP's impact narrative—the story that links CGAP's work to financial inclusion and broader development objectives—has undergone multiple iterations in recent years: the championing of gender (including through a revision of vision statement language); the January 2020 CEO blog post on the “guiding stars” of income generation, essential services, and protection and safeguards²; the COVID-19 pivot that included a resumed focus on microfinance institutions (MFIs); and most recently the January 2022 CEO blog post that highlights the connection between financial inclusion and the green agenda³. While individually each of these efforts at articulating CGAP's focus areas was timely and relevant, collectively they have sown some uncertainty around what exactly CGAP is looking to do in the years ahead (for example, some microfinance institutions are under the impression that CGAP is once again likely to champion their cause). In an environment where financial inclusion is no longer seen as an end in itself, but rather as an enabler of other objectives,⁴ a clear impact narrative that resonates with stakeholders and cuts through confusion can help ensure CGAP remains relevant. The CGAP VII strategy process that is currently underway can serve as an important platform through which the organization can clearly articulate its focus areas.

2. *CGAP's approach to partnerships has been inconsistent and at times narrow.* CGAP's partnerships—across diverse counterparties including regulators, funders, digital financial services (DFS) providers, and capacity building organizations—are perceived positively. For example, regulators and training institutions that partnered with CGAP for the Digital Financial Services Regulation and Supervision (DFSRS) project found the engagement to be mutually rewarding. But such partnerships are often limited to achieving narrow, project-specific objectives. Partner organizations do not serve as evergreen, active nodes that CGAP can leverage to influence target stakeholders. Once projects have ended, the connection that binds partners with CGAP tends to weaken. In the same DFSRS example, partners felt that they did not have channels to share their own insights from the field with CGAP after the project had ended. In addition to the example of project partners, CGAP may also be able to get more leverage from its members. CGAP members often have the ear of financial inclusion decision-makers, and can play an important role as influence intermediaries. Multiple members mentioned that they would like to be more involved with CGAP's dissemination activities but do not know how. Especially of note, at-large members of the ExCom, who are high-profile financial inclusion leaders in emerging economies, felt there was a significant opportunity for CGAP to better leverage their in-country networks when looking to influence decision makers. This is especially important to keep in mind as financial inclusion in emerging economies will increasingly be affected by local and regional investors, large corporations, government bodies, and other actors that CGAP does not currently influence.

² “[Keeping our eyes on the prize](#)” - 2020

³ “[Financial inclusion for an inclusive, greener, more resilient world](#)” - 2022

⁴ CGAP itself has published work arguing for the enabling role of financial inclusion in achieving the SDGs: <https://www.cgap.org/research/publication/achieving-sustainable-development-goals>

3. *CGAP's internal knowledge machine can be further strengthened.* In the past, CGAP has implemented formal mechanisms to support the cross-pollination of ideas, including multi-day annual project reviews, review committees for projects and outputs, quarterly technical team meetings, and semi-annual project reports. While some of these practices continue, they are often seen as “check-the-box” exercises rather than genuine opportunities to share learning. CGAP used to have a strong culture of informal knowledge sharing activities, such as ad hoc internal discussions of specific topics for interested staff, “water cooler” conversations between colleagues (that included technical discussions), and in-person interactions during field visits. The shift to a remote work model during the pandemic has at best weakened these informal engagements. CGAP staff and consultants are less likely to sit in on a colleague’s virtual presentation than they are on in-person events. Even with staff and consultants returning to in-person work, CGAP’s increasing decentralization (e.g., there are now four staff in Nairobi) means that it will be important to find new ways to ensure robust knowledge and idea sharing.

To summarize our findings, while CGAP is generating much value for FI stakeholders, some of it is being left on the table. The thrust of our forward-looking recommendations therefore is to help CGAP capture this latent value to (i) become a more effective agenda setter in a dynamic FI ecosystem, (ii) increase the adoption and implementation of its insights among a diverse set of on ground actors, and (iii) improve its internal knowledge machine to support teams in sharing and leveraging insights with each other.

To become a more effective agenda setter, CGAP should consider:

1) Develop and articulate a clear, simple, brief impact narrative on CGAP’s priorities and interventions for external audiences, which is consistent with its TOC. As noted above, CGAP’s strategic priorities and impact narrative have evolved multiple times in recent years. A crisp, one-page, narrative that builds off CGAP’s TOC, which serves as a communication tool for external audiences and a prioritization tool for staff is an important step to clear confusion and anchor ecosystem stakeholders. This impact narrative should focus equally on what CGAP intends to do and the broader industry outcomes that it aspires to achieve—the current TOC and external-facing narrative devotes more attention to industry outcomes.

As CGAP refreshes and refines its TOC and impact narrative, it should consider identifying and focusing on 2–3 cross-cutting programs / themes that map to common priority areas and top-of-mind topics for funders, providers, and policy makers, which would constitute the bulk of CGAP’s work for CGAP VII. These could include, for example, climate, gender, health, and employment and livelihoods, among others. The focus areas could still be analyzed using CGAP’s multi-dimensional lenses of customers, business models, infrastructure, and policy. Alternatively, CGAP could choose to have a dedicated theme on policy or infrastructure that would cut across different topics (e.g., climate, health, gender, etc.). This would help define focus areas and/or projects (e.g., basic enablers for women’s financial inclusion) and areas / projects to de-prioritize (e.g., general basic enablers work, which could potentially be “transferred” to partner organizations that work directly with emerging market regulators and standard-setting bodies [SSBs]).

CGAP’s foundational and ‘definitional’ research on new topics in digital finance (e.g., blockchain, AI, and their potential financial inclusion implications) remains core to its value proposition to many actors in the sector and must remain a component of any work program for CGAP VII. However, there is a need for CGAP to (1) demonstrate greater selectivity in identifying the right topics and/ or ‘white spaces’ for such R&D work (especially if they do not immediately fall under any of the 2-3 program areas), (2) clearly communicate to relevant audiences and funders that such foundational work is not expected to yield ground results and/ or impact, especially in the short term, and (3) ensure that there is a viable exit plan for develop an exit plan for these R&D topics—whether that is to plant the seeds for future, e.g.: (i) expand or grow into a full-fledged project, (ii) transfer to another organization that is better suited to cover / work on the topic, or (iii) simply exit and wind down work.

It should be noted that CGAP's leadership has already recognized this recommendation as a priority. Current efforts are underway as part of the CGAP VII strategy process to develop a new TOC and a clear external-facing narrative.

2) Developing and deepening relationships and partnerships in emerging countries in the Global South to remain both relevant and influential in the sector. CGAP continues to be perceived by most in the sector as a Global North-centric organization. There is good reason for this: CGAP's offices are in Washington, D.C. (its headquarters) and Paris, staff and leadership predominantly hail from OECD countries, and nearly all funder members in the Council of Governors (CG) are based in developed countries of Europe and North America. Simultaneously, CGAP's current staff representation, reach and networks, and member base are shallow in important emerging and middle-income countries—such as China, India, Bangladesh, Nigeria, Pakistan, Indonesia, Colombia, and Ethiopia—where the largest share of the un- and under-banked reside and where major financial innovations are expected to unfold. Other factors for selecting where CGAP should establish presence and members include countries where large foundations and bilateral funders exist, country income levels, etc.

To develop new relationships in these and other relevant geographies, CGAP could consider mapping and then engaging key local stakeholders, including providers, funders, and regulators. CGAP can do this most efficiently by leverage existing networks and partnerships, e.g., through CG members that may have a strong local presence. In parallel, CGAP could identify and execute low-touch partnership models to kick-start its engagement in these countries. This could include, for example, deeper and more formal alumni engagement and initiating fellowship / affiliate programs that allow CGAP to build local knowledge and capacities over time without investing in full-time resources or consultants (who may not have the reach and depth of influence in these markets). As a longer-term option, CGAP could explore expanding its membership to include local funding institutions, including middle-income country bilateral aid agencies, corporate foundations active in the DFS space (e.g., Reliance Foundation, Nilekani Foundation, Tata Trusts, Ayala Foundation, etc.) to help accelerate its ability to influence key in-country decision makers.

To increase the adoption and implementation of its insights more widely, especially among market and non-market actors in developing countries, CGAP should consider:

3) Build and maintain a high-level dialogue and relationship (that lasts beyond individual projects) with select organizations that have reach and influence with actors in multiple developing countries. As the FI sector has evolved, the number and variety of organizations that provide support to country level market and non-market actors (e.g., UNSGSA, Toronto Centre, GSMA, AFI, etc.) has increased. At the same time, regulators and funders (e.g., the World Bank) have become more multidimensional and sophisticated. These organizations could be further leveraged by CGAP to link and connect to on-the-ground actors who can put CGAP's insights into play. These organizations also agree that CGAP can add significant value to them. Partner organizations must be selected carefully based on a range of factors that could include their (i) presence and activity in multiple thematic contexts and priority geographies for financial inclusion; (ii) reach and influence among multiple key target audiences such as regulators, funders, and FSPs; and (iii) track record of partnership and implementation success.

4) Sharpening and refining how CGAP exerts influence. In recent years, CGAP has taken large strides in improving and increasing the effectiveness of its approach to exerting influence. Building on these efforts, CGAP could consider the following to sharpen its influence further:

- Prioritize wider knowledge-building and knowledge-sharing activities over deeper direct technical support to individual actors;
- Devote sufficient time and resources, especially early in the project lifecycle, to identifying target audiences and sub-audiences as well as their needs and knowledge gaps;
- Ensure that frequent touch points and sufficient resources are set aside for exerting ongoing influence, instead of waiting to make these connections and expend these resources solely at the very end of projects;

- Include influence outcomes in the simplified TOC and more explicitly incorporate clear influence metrics into the project results chains.

Finally, to maintain its positioning and quality as a global knowledge organization, it is critical for CGAP to strengthen and improve its internal learning machine.

5. Improve knowledge management. CGAP should consider the following recommendations to improve and strengthen internal knowledge sharing:

Modelling effective practices and ensuring that CGAP leadership underscores their importance. Organizations where internal learning flourishes often focus on fostering a culture of collaboration, and cues from leadership are highly effective in shifting staff attitudes in this direction. CGAP leadership can celebrate or highlight successful collaborations (or lessons drawn from less successful efforts), call out staff that take advantage of opportunities to share knowledge, and propose new ideas. Doing so will help set expectations around knowledge sharing and collaboration throughout the organization, and will encourage junior colleagues and new arrivals to take up these practices—over time, embedding such practices as part of the organizational culture.

Improve and strengthen opportunities for CGAP staff and consultants to take advantage of its considerable brains trust across topic and themes. First, increase opportunities for project teams to brainstorm and share emerging lessons (both on technical content, e.g., financial inclusion business models for women’s livelihoods, and on process, e.g., how to apply a topic prioritization or gender lens prioritization framework). Specific ways this could be done include using existing structures like Annual Blocked Week (CGAP’s team retreat) and internal staff meetings to host semi-structured discussions and debates on top-of-mind content questions, and instituting pull-based measures like brown-bag lunches to bring in external speakers. Second, from a systems perspective, CGAP should explore investing in a well-catalogued and easily searchable internal online knowledge platform or library of CGAP-authored content (including content that CGAP staff and consultants publish on non-CGAP platforms).

CGAP remains a powerful and critical voice in financial inclusion. As it defines its next 5-year strategy in the months ahead, we hope the findings and recommendations from this evaluation serve as a useful input into CG and leadership team discussions.

1. OBJECTIVES

The Executive Committee (ExCom)⁵ of the Consultative Group to Assist the Poor (CGAP) engaged Dalberg Advisors to conduct a mid-term strategic evaluation of CGAP VI (FY 2019-23). Overseen by a Steering Committee,⁶ we conducted the evaluation over a two-and-a-half-year period, from February 2020 to June 2022. The main objectives of the evaluation were to:

- assess the impact and effectiveness of CGAP’s technical work through deep dives on selected projects and work streams;
- assess the extent to which CGAP’s insights were influential in the financial inclusion marketplace, and derive lessons to inform future influence;
- articulate CGAP’s strategic relevance, positioning, and comparative advantage in a rapidly evolving financial inclusion landscape, as well as the extent to which it has helped scale financial inclusion outcomes; and
- provide big-picture guidance and recommendations for the next CGAP strategy.

This is the final report. It synthesizes perspectives on CGAP’s overall positioning, achievements, and challenges, and makes recommendations on its priorities and opportunities in CGAP VII and beyond. It draws upon the evaluation’s main building blocks (described below) and is underpinned by a robust mixed-methods design including project evaluations, a strategic relevance and scalability assessment, and influence maps (described in detail in the methodology section below), among other elements.

It is structured as follows:

- **Section 2| Approach and methodology** – outline of the approach, anchoring on the building blocks, including a bottom-up assessment of projects; a top-down assessment of CGAP’s strategic positioning, relevance, and scalability; influence maps; and an overview of the tools and methods used in our analyses.
- **Section 3| Background** – relevant trends and developments in the global financial inclusion landscape within which CGAP operates, to set the stage for evaluation findings and recommendations.
- **Section 4| Findings** – synthesis of findings (including achievements, comparative advantages, and challenges) mapped to the OECD-DAC framework.
- **Section 5| Recommendations** – high-level guidance and recommendations, based on our findings, to help sustain and expand CGAP’s relevance and impact.
- **Section 6| Annex** – supporting material from the evaluation, including the outputs from all previous phases.

⁵ The Executive Committee (ExCom) advises and is accountable to the Council of Governors (CG). It functions as the link between CG members and CGAP’s operational team that is responsible for executing CGAP’s work. It has eleven members: one for each of the five CG constituencies, four elected at-large members that are industry practitioners, an appointee of the World Bank Group, and the CGAP CEO (who is an ex-officio member).

⁶ The evaluation Steering Committee guides the ExCom and is comprised of representatives from CGAP’s Operational Team as well as the ExCom.

2. APPROACH AND METHODOLOGY

2.1 Approach

The evaluation included three key building blocks that helped develop a comprehensive, 360-degree view of CGAP: 1) project assessments, 2) strategic relevance and scalability assessment, and 3) influence maps.⁷

Project assessments

We conducted seven discrete project evaluations (out of a total of 16 CGAP VI projects) covering the following: (i) CGAP's COVID-19 response,⁸ (ii) gender mainstreaming, (iii) digital rails, and (iv) digital financial services (DFS) regulation and supervision. We completed this phase in December 2021 by evaluating (v) digital business models, (vi) sector support, and (vii) livelihoods for financial services.

The OECD Development Assistance Committee (DAC) framework (relevance, effectiveness, efficiency, impact, and sustainability) served as the foundation for the seven project evaluations. We placed greater emphasis on four of these criteria—relevance, effectiveness, impact, and sustainability (i.e., we de-prioritized efficiency)—to align with the overarching evaluation objectives. In addition, since assessing CGAP's influence was paramount, we tweaked the evaluation framework to isolate influence as an independent dimension of analysis. This helped provide a clear, bottom-up view of the most important stakeholders for CGAP's work and the extent to which project-level deliverables were successful in influencing these stakeholders. The key project evaluation questions are listed below.

Figure 1: Questions for project evaluations

Relevance	<ul style="list-style-type: none">• How aligned is the project to CGAP's results chain and the CGAP-wide theory of change?• How relevant is the project and its support, partnership, and approach in addressing the development gaps in financial inclusion?• How additional is the project's objective in bridging gaps in the financial inclusion space?
Effectiveness	<ul style="list-style-type: none">• How effective was the project in producing and adapting its deliverables? What were the underlying drivers and rationale for changes in plans? What lessons can we draw from it?• How effective are the project's products and services (in-country support, research, piloting, use-cases, etc.) in engaging with partners and non-partners?
Efficiency	<ul style="list-style-type: none">• What is the relative cost-efficiency of the different deliverables?
Influence	<ul style="list-style-type: none">• How effective are the project's products and services (workshops, pilots, knowledge products, research papers, etc.) in influencing its partners and non-partners?• Is the project influencing the most relevant stakeholders?• How effective is the project's pathway to influence priority stakeholders?
Impact	<ul style="list-style-type: none">• Has the project achieved its intended impact?• Have any unintended (positive or negative) impact been achieved?
Sustainability	<ul style="list-style-type: none">• How is the project set up to ensure that partners and non-partners continue to take forward the work/lessons after the projects ends?

Strategic relevance and scalability assessment

This report provided a comprehensive, CGAP-wide view of the following main questions:

⁷ The overview of project assessments can be found in Appendix I. Appendix II contains the Strategic Relevance and Scalability Study. Appendix IV comprises all seven influence maps (Rule Setters & Enforcers, Standard Setting Bodies, DFS Providers, Multilateral Funders, Bilateral Funders, Development Finance Institutions, and Capacity Building Organizations).

⁸ There was no formal COVID-19 project. However, we evaluated CGAP's institutional response to COVID-19 to provide insights into CGAP's ability to adapt to changes in terms of both its external-facing activities and its internal organization in FY 20-21.

Table 1: Main questions for the strategic relevance and scalability report

#	Component	Questions
1	Strategic relevance	<p><i>Overall value and relevance:</i></p> <ul style="list-style-type: none"> • What value does CGAP add to the sector? • To what extent and how was CGAP successful in conceptualizing relevant projects and workstreams for CGAP VI to focus on? • How flexible is CGAP’s current approach to respond to change and remain relevant? What should change? <p><i>Overall influence:</i></p> <ul style="list-style-type: none"> • To what extent has CGAP been effective in learning, communicating, and influencing relevant and influential stakeholders? • To what extent have the tools, interventions, influence models deployed by CGAP succeeded in driving desired outcomes? <p><i>Future relevance and role:</i></p> <ul style="list-style-type: none"> • What are the “islands of excellence” or key comparative advantages that CGAP has been able to develop? • How can CGAP stay relevant now and for the future? How, if at all, should its role evolve in the financial inclusion landscape?
2	Scalability	<ul style="list-style-type: none"> • How well is CGAP set up to ensure that partners and non-partners continue to take forward and/or are ready to scale the work/lessons of CGAP?

The report leveraged insights from other evaluation outputs (project evaluations and influence maps that included nearly 150 internal and external consultations) and supplemented these with targeted interviews with sector experts and key opinion leaders (N=27), internal CGAP interviews (N=~10), and data from an external stakeholder survey (N=300+).

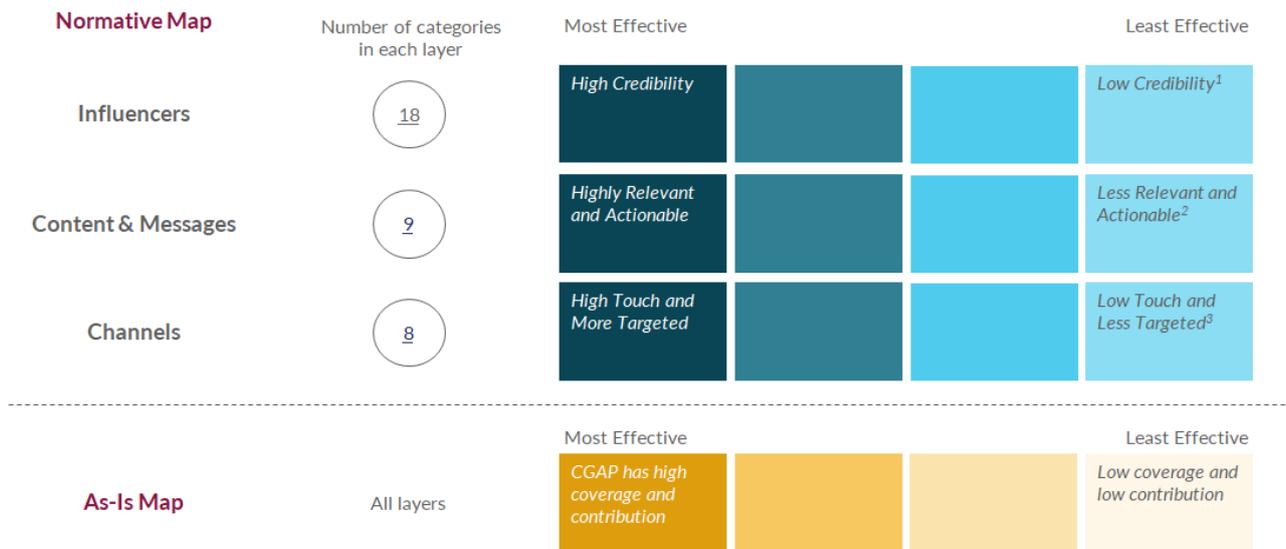
Influence maps

We focused on influence because it is essential to CGAP’s mission and impact. CGAP partners with a diverse set of stakeholders, including funders, governance bodies, implementers, global advocacy bodies, and support organizations⁹ to develop and deploy its insights. The incentives and interests that underpin CGAP’s relationships with these partners vary, but are largely based on the originality, credibility, and quality of CGAP’s ideas. In order to drive change, CGAP must wield its influence to ensure that actors: (i) improve their understanding and awareness of specific topics and (ii) take concrete decisions and actions to change the way they work (e.g., revising policies, regulations, business operations, etc.). The pathways to influence these actors are complex. Focused interviews and research helped us build a robust understanding of how CGAP’s intended audiences make decisions, who regularly affects those decisions, the contents and messages that resonated most in that process, and the channels through CGAP engaged with these audiences most successfully. For each stakeholder group, we developed a map to visualize how CGAP’s audiences are best influenced, and where CGAP’s current approach overlaps or leaves gaps.¹⁰ In total, we developed influence maps for four stakeholder groups and eight specific stakeholder types: (1) funders (multilaterals, bilaterals, and DFIs), (2) governance bodies (rule setters and enforcers and standard-setting bodies), (3) advocacy bodies and support organizations (capacity-building organizations), and (4) implementors (DFS providers).

⁹ Funders include institutions responsible for providing grants to facilitate growth in the financial services ecosystem and offering risk capital to build financial capacity and infrastructure at competitive or concessionary rates in emerging countries. Governing bodies comprise rule-setters and enforcers develop binding rules, ensure fair financial markets, and enforce compliance with regulation. They also include standard-setting bodies (SSBs), who develop international standards that promote well-functioning financial systems and assist other governing bodies (e.g., central banks and SSBs) with developing and implementing sound policies. Sector support organizations are a diverse set of institutions that are engaged in ecosystem development through technical assistance, advisory, advocacy, convening, and research.

¹⁰ The detailed methodology for Influence Maps is provided in Appendix IV.

Figure 2: Explanation of influence maps¹¹



These maps provide a snapshot of CGAP’s influence with a given stakeholder group based on its past and current portfolio of work. Importantly, these maps do not aim to prescribe a singular influence pathway for all CGAP projects that aim to influence the targeted stakeholder. Rather, they are meant to serve as starting points for intentional and informed discussion on how CGAP’s projects and leadership aim to maximize their influence.

2.2 Methodology

Across these building blocks, we deployed a combination of primary and secondary analytical tools, including a review of CGAP’s internal documentation, a literature review, an analysis of CGAP’s management information system, and interviews with CGAP staff and management, CGAP members, external experts, and key opinion leaders.

Review of CGAP project and organizational documentation

We relied heavily on a review of CGAP documents to develop a deeper understanding of CGAP’s strategy and deliverables. At the organizational level, brand equity documentation contributed to our understanding of how CGAP thinks about leveraging its brand, while CGAP V and VI strategy documents informed our understanding of strategic directions and how different pillars were defined. Documentation such as results chains and frameworks, project plans, and influence strategies for target audiences, meanwhile gave us a project-specific perspective. Reviewing these documents ensured that we had full information on each project’s intended goals and outcomes, as well as its role in CGAP’s overall portfolio.

Literature review

We conducted an ongoing review of topical and high-level financial inclusion literature to understand gaps and opportunities in the space, identify key stakeholders, and benchmark CGAP against similar global organizations. A non-exhaustive summary of the literature is provided in the table below.

¹¹ Notes: (1) Influencer’s proximity, accountability, and authority with the target stakeholder contribute to their influence on them. (2) Relevance speaks to the usefulness of the content, while the attribution of on-the-ground changes to that content is highly determined by its actionability. (3) Frequent touchpoints with targeted scope and participation creates deeper intensity and engagement with target stakeholders.

Table 2: Select list of documents and literature reviewed

#	Topic	Reference
1.	Digital financial services	Ceyla Pazarbasioglu, Alfonso Garcia Mora, Mahesh Uttamchandani, Harish Natarajan, Erik Feyen, and Mathew Saal, "Digital Financial Services," World Bank, 2020
2.	Measuring financial inclusion	Asli Demirguc-Kunt, Leora Klapper, Dorothe Singer, Saniya Ansar and Jake Hess, "Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution," 2018
3.	Women's digital financial inclusion	Better Than Cash Alliance, Women's World Banking, and the World Bank Group, "Advancing Women's Digital Financial Inclusion," G20 Global Partnership for Financial Inclusion (GPMI), 2020
4.	Global COVID-19 social protection responses	Alan Gelb and Anit Mukherjee, "Digital Technology in Social Assistance Transfers for COVID-19 Relief: Lessons from Selected Cases," Center for Global Development, 2020
5.	COVID-19 impact on microfinance institutions	ADA, Inpulse, Grameen Credit Agricole Microfinance Foundation, "Beyond the Difficulties Posed by the COVID-19 Crisis, New Opportunities Are Emerging for Microfinance Institutions (MFIs)," 2020
6.	Regulatory innovation and fintech	UNSGSA Fintech Working Group and CCAF, "Early Lessons on Regulatory Innovation to Enable Inclusive FinTech," Office of the UNSGSA and CCAF, 2019
7.	Standard-setting bodies in financial inclusion	GPMI, "Global Standard-Setting Bodies and Financial Inclusion: The Evolving Landscape," 2016
8.	Mobile money industry	GSMA, "State of the Industry Report on Mobile Money," 2019
9.	Fintech business models	IFC, "Financial Inclusion in the Digital Age," 2018
10.	Livelihoods and financial inclusion	DAI, "Strategic Synthesis of Key Thinking and Experience of Work, Livelihoods, and Financial Services," 2020

Analysis of CGAP's management information system (MIS)

An analysis of CGAP's MIS served as a starting point for project evaluations. MIS data provided a quick snapshot of overall effectiveness by demonstrating how effective the project has been at achieving the outlined deliverables as planned in order to meet its outcome targets. For each project, we were able to determine the percentage of deliverables that were completed, on-track, or delayed. We were also able to identify the share of deliverables that explicitly accounted for gender in their outcomes, indicating the relative progress across projects on conducting gendered analyses in line with CGAP-wide gender mainstreaming efforts.

We recognize that CGAP's deliverables and timelines are flexible to the needs of the sector and partners. Therefore, we saw minimal value in looking only at percentage of deliverables achieved, on-track, or delayed. Instead, we focused on providing a qualitative narrative describing why deliverables and timelines changed, and how relevant and effective that shift was in accommodating external factors. We did this by mapping the changed project-level deliverables to the overall results chain and determining if the change continued to keep the project on track to meet the outcomes. By comparing across projects, we developed a comprehensive perspective on CGAP's ability to deliver.

Interviews with CGAP staff and management

We conducted 68 interviews with CGAP staff and consultants to ensure that we had complete knowledge of project goals, target audiences, and influence strategies. These interviews, which included both leadership team members and project staff, were instrumental in defining evaluation questions that were targeted at each project's unique stage of development. They also provided us with a deep understanding of how each project was seen internally in terms of the relevance and effectiveness of its work and ability to influence target audiences.

Interviews with CGAP members, external experts, and key opinion leaders

For both the CGAP-level assessment and the seven project assessments, we relied heavily on interviews with key external stakeholders. We conducted 119 interviews with CGAP members, funders (e.g., foundations, multilateral, and bilateral institutions), governance bodies (e.g., regulators, supervisors, and standard-setting bodies), financial services providers (e.g., fintechs, bigtechs, and banks), global advocacy bodies, and support organizations (market facilitators, consulting firms, and think tanks).

Table 3: Breakdown of external interviews

#	Stakeholder type	Number of interviews
1.	CG members and funders	51
2.	Support organizations and industry experts	49
3.	Financial services providers	12
4.	Governing bodies	7

At the project level, these included both partner and non-partner organizations. We interviewed approximately 25–30 stakeholders per project, and almost 30 stakeholders for the strategic relevance and scalability assessment. The interviews collectively helped us answer several evaluation questions at both the project and CGAP level.

Stakeholder survey with CGAP's audience

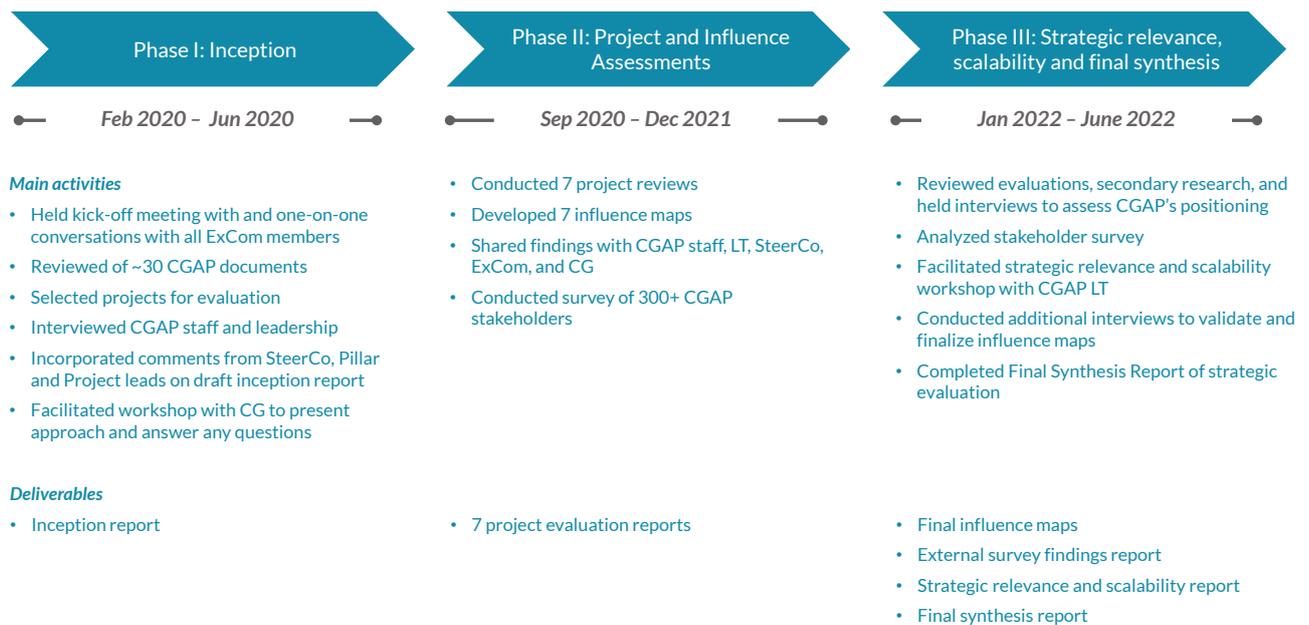
To complement stakeholder interviews, we conducted a broad, cross-project survey in December 2021 – January 2022 to capture anonymous inputs from CGAP's audience. The survey had 301 respondents split across all major target audiences, including funders (25%), governing bodies (10%), financial services providers (19%), and sector support organizations (28%).¹² These responses provided us with a comprehensive view of how stakeholders engage with CGAP's content and advisory support, how they perceive its relevance and usefulness, the impact it has on their organization, and the future priorities they envision for CGAP and the financial inclusion sector. To minimize survey fatigue, we conducted the survey only once at the end of the project assessment phase. We partnered closely with CGAP's monitoring and evaluation (M&E) and communications teams to design and administer the survey and to keep it as short and targeted as possible.

2.3 Timeline

Over two and a half years, the evaluation completed three distinct phases and provided 12 independent deliverables. The exhibit below highlights the main activities and key deliverables in each phase.

¹² The survey had a 53% completion rate. 45% of respondents were principals or senior executives in their organization. The greatest number of respondents (179) noted Sub-Saharan Africa as a region of focus, followed by global (68) and South Asia (61). 185 respondents noted working in the financial inclusion sector, followed by 83 in agriculture and food security and 71 in the financial sector and macroeconomics.

Figure 3: Evaluation timeline



2.4 Limitations

The two main limitations of our approach are in how to quantify the relative influence of CGAP's work and the impossibility of attributing impact solely to CGAP's influence:

- 1. Quantification of relative influence:** Through the influence assessment, we were able to qualitatively determine the extent of CGAP's influence and the relative impact of different intermediaries (e.g., thought leaders, academics), products (e.g., research papers, blogs), and channels (e.g., forums, one-on-one conversations). This analysis is based on how CGAP's stakeholders perceive CGAP's products and services. We were not, however, able to quantify differences in the effectiveness of products or channels. For example, while we may be able to say that funders respond more positively to blog posts than to research papers, we cannot quantify the relative influence of a blog post versus a research paper on funders.
- 2. Contribution versus attribution:** Since CGAP works through partnerships with other stakeholders, its influence cannot be separated from other knowledge products and influencers the stakeholder may be subjected to. Therefore, instead of attempting to *attribute* impact to CGAP's influence, we will look to identify and measure the *contribution* CGAP's influence has made to that impact.

3. BACKGROUND

3.1 The financial inclusion landscape

The last decade has seen a rapid expansion in global financial inclusion. Measured narrowly as account ownership,¹³ financial inclusion has boomed. In 2021, there were 1.35 billion registered mobile money accounts, up 18% since 2020 and 10 times the number in 2012.¹⁴ Countries as varied as Benin, Cameroon, India, Indonesia, Nicaragua, Pakistan, Senegal, Peru, Uganda, and Tanzania, among others, have seen account ownership more than double in this period.¹⁵ Account usage—the volume and frequency of transactions—is also growing.¹⁶ For example, in 2021, an average of 1.5 million person-to-person (P2P) mobile money transactions were made every hour—more than 20 times the number in 2012 (68,000 transactions).¹⁷ In addition, the global mobile money industry processed USD 1 trillion in 2021, representing a 31% increase year-on-year.¹⁸

This expansion has been driven by a combination of government initiatives and private investments, with digital technology serving as a transformational and cross-cutting enabler. Governments in more than 50 countries have defined a national financial inclusion strategy.¹⁹ Targeted government schemes, such as India's *Jan Dhan Yojana*, which led to the creation of 380 million bank accounts between 2014 and 2019,²⁰ have driven large-scale account expansion. Private investments—especially the rise of local and international financial service providers, including fintech start-ups—have also played a significant role. In 2018 alone, fintech firms (including those in developing countries) received more than \$100 billion in investment. Today, there are more than 250 fintech firms in China, 190 in India, and nearly 50 in Indonesia.²¹ Across the board, the spread of mobile technology—including access to data services—and other digital technology advances have increased momentum for financial inclusion and have helped the industry reach poorer and more remote customers cost effectively. For example, investments in enabling systems such as digital ID have allowed financial institutions to significantly shorten the account opening process, and digital transaction technology has reduced the need for physical banking infrastructure. More recently, “big tech” players have started to enter the financial services market in both developed and emerging economies, either because embedding these products and services enables their core businesses, or because of the potential to leverage their data assets and network benefits to fundamentally transform financial service delivery.

However, the sector has a long way to go. There is a growing need to shift focus from opening accounts to improving the quality of financial products and services being offered. Even as account ownership has proliferated, customers in developing countries are not making even the most basic use of these accounts. In South Asia, a third of bank accounts are inactive.²² Only 16% of adults in developing countries report saving for retirement. More advanced uses of financial services, such as insurance products to build resilience or credit for activities beyond consumption and micro-scale enterprises, are even less common. This limited use of financial services is due to issues both of demand (e.g., low financial literacy) and supply (e.g., products that are not designed for poor people). Weak or non-existent customer protection measures have also prevented uptake, as rapid change has sometimes led to fraud or customer exploitation, which in turn has soured demand.²³ Examples abound—in Tanzania, for example, more than a *quarter* of digital borrowers said that not understanding the terms and fees of their loans led to late repayments or even defaults.²⁴ Overcoming

¹³ Account (individual or joint) either at a financial institution or through a mobile money provider.

¹⁴ GSMA, “State of the Industry Report on Mobile Money – 2021”

¹⁵ The World Bank, World Development Indicators

¹⁶ Note: Data being collected in 2021 for the next Global Findex update, to be published in early 2022, will further document and quantify the increase in use of digital accounts and payments.

¹⁷ GSMA, “State of the Industry Report on Mobile Money – 2021”

¹⁸ Ibid.

¹⁹ The World Bank Brief, “Overview: National Financial Inclusion Strategies”

²⁰ Pradhan Mantri Jan Dhan Yojana website

²¹ Financial Times, “Fintech, the Rise of the Asian ‘Super App’” December 11, 2019

²² Measured as having no deposits or withdrawals over the course of one year. Source: Findex data.

²³ CGAP, “The Face of Financial Inclusion in 2025: The Experts’ View,” 2017.

²⁴ CGAP, “It’s Time to Slow Digital Credit’s Growth in East Africa,” 2018.

these challenges will require governments, providers, and the international community to work together to build a regulatory environment that fosters innovation while protecting customers, to design scalable products that meet the needs of poor people, and to empower potential customers with the information and skills needed to make the most of financial access.

Segments across and within countries remain persistently unbanked and require targeted strategies. The financial inclusion ecosystem has largely (outside of government social safety nets) focused on segments that are already engaged in economic activity, meaning that actors participating in unpaid labor (largely women) have been systematically ignored. Today, of the remaining 1.7 billion unbanked individuals, 1.1 billion are women. The expansion of account ownership in recent years has not reduced the gender gap.²⁵ In fact, countries like Jordan and Bangladesh have seen this gap increase. In several countries across Asia and Africa, including Afghanistan, Cambodia, Pakistan, Madagascar, Niger, and South Sudan, women's account ownership remains below 25%.²⁶ Moreover, the world's roughly 16 million refugees are often unable to access their home country bank accounts and prevented from creating accounts at their destinations.²⁷

COVID-19 has slowed progress, but also has created opportunities. For example, repayment rates for micro-loans dropped 10% globally in the early months of the pandemic, threatening many providers with insolvency.²⁸ At the same time, government-to-person (G2P) digitization expanded as countries looked to provide relief rapidly and directly to citizens. Traditional FSPs invested in and accelerated their digital transformations in unprecedented ways. The Nigerian mobile money provider Paga, for example, doubled the number of merchants in its network and witnessed a 200% increase in quarterly users at the outset of the pandemic, while Orange, a mobile money service, saw worldwide merchant payments jump by 20%.²⁹ As we discuss later in this report, CGAP stepped up during this crisis by offering financial inclusion ecosystem stakeholders its technical credibility and expertise to help mitigate, respond to, and recover from the pandemic.

Overall, the global financial landscape and ecosystem are evolving rapidly; this presents an organization like CGAP with new challenges—the most relevant of which (for this evaluation) is the increasingly crowded ecosystem. The knowledge and support ecosystem for financial inclusion has become increasingly mature and dense since the early 2000s, when CGAP was essentially the sole global player. As the sector has matured, the landscape of knowledge providers has also become more fragmented and specialized. In particular, the rise of new actors with specific mandates (e.g., on emerging technologies, digital financial inclusion, women's financial inclusion), as well as specific technical and operational capabilities (e.g., capacity building organizations, consulting firms, associations of regulators and supervisory bodies, global and in-country advocacy bodies, industry associations, think tanks, and knowledge hubs), means that CGAP must much more explicitly focus its mission than in the past in order to be truly additive and complementary to existing efforts. This is an important strand that we pick up and focus on in the rest of this evaluation.

At the same time, rapid change creates opportunity: key sector actors are increasingly addressing financial inclusion as a mechanism for solving other development challenges, as opposed to as an end in and of itself. This is especially true for funders, who are CGAP's core constituency. In a survey of CGAP target audiences, 78% of funders reported at least one project categorized as a non-financial sector project with a financial inclusion component. Eighty-four percent reported embedding financial inclusion in non-financial-sector programming (e.g., agriculture, women's empowerment, and social protection). And 75% described the diffusion of financial inclusion components within aid agencies as an important or very important trend (this was higher for multilateral and bilateral funders). This evolving perspective within the field creates an opportunity for CGAP to champion inclusive financial services as a cross-cutting enabler of the SDGs.

²⁵ Measured as the difference in account ownership between men and women.

²⁶ Findex data.

²⁷ CGAP VI Strategy Document.

²⁸ CGAP, "COVID-19: How Does Microfinance Weather the Coming Storm?" 2020

²⁹ The World Bank, "The Impact of Covid-19 on Digital Financial Inclusion" 2021

3.2 CGAP's evolution

CGAP played a pioneering role in the financial inclusion sector and has evolved to keep pace with the sector's growth and changing needs.

- **CGAP phase I and II (1995–2003):** In its initial years, CGAP was closely associated with the microfinance sector. At the time, there were only a handful of comparable organizations that provided funds and technical assistance to MFIs, including Women's World Banking, Accion, and the Grameen Foundation. CGAP's additionality derived from its speed and flexibility relative to other actors in meeting the needs of MFI practitioners and disseminating best practices.³⁰
- **CGAP III and IV (2003–2013):** In this period, CGAP's focus expanded beyond the MFI industry to explore diverse financial services (through the Graduation program), identify alternative delivery channels (such as commercial banks and microinsurance), and foster sound policies (by assisting countries with branchless banking regulations). As new insights and service providers emerged, CGAP's comparative advantage was rooted in its convening power and proximity to the World Bank.³¹
- **CGAP V and VI (2013–2018):** More recently, in the past decade, CGAP has focused on establishing the link between financial inclusion and social and economic outcomes for poor people, especially women. It has developed research programs on understanding customers, technology-based innovations, inclusive business models, and enabling policy environments, all while sustaining its focus on financial inclusion. It has deepened its engagement with market and non-market actors (e.g., funders), supported influential policy actors (e.g., regulators and standard-setting bodies), and piloted new solutions with fintechs. However, in an increasingly fragmented knowledge landscape, the rise of new actors with specific mandates (e.g. on the intersection of emerging technologies and digital financial services) makes it harder for CGAP to find agendas that others are not working on, or are not working on in the same way. It is therefore more important than before for CGAP to select topics and craft approaches that are additional and complementary to what others are already pursuing.

Figure 4: Evolution of financial inclusion ecosystem of actors



³⁰ The World Bank, "Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs," 2004

³¹ Global Program Review; volume 3, no. 1, Independent Evaluation Group, World Bank; CGAP Phase IV Mid-Term Evaluation, Universalia, 2012.

The CGAP VI strategy, which is the basis for this evaluation, has itself undergone several evolutions. Initially, the strategy highlighted and centered on four interconnected priorities: (i) *creating customer value*, (ii) *emerging business models*, (iii) *enabling infrastructure*, and (iv) *next generation policy*. Project activities were to be grounded in these four priorities and would enable CGAP and its partners to achieve the impact statement: “poor people are able to capture opportunities and build resilience.”³²

Then, in January 2020, CGAP announced a realignment. Wary of the assumption that giving people access to a bank account would by itself help countries and communities meet broader social and economic development goals, CGAP’s leadership chose to focus on: *How can access to financial services help poor people improve their lives?* In answering this question, CGAP identified three priority impact areas—*income generation, provision of essential services, and protection of basic standards of living*—where financial services could play a meaningful role for the poor. These three impact areas would help CGAP focus its work, allowing the organization to look beyond account ownership and, according to CGAP’s leadership, “find ways to put the financial sector to work in service of the poor, rather than for its own sake.”

However, CGAP was prevented from fully exploring these strategic priority areas due to the global spread of Covid-19 in March 2020, shortly after the announced realignment. CGAP rapidly shifted its course in the short term to respond more effectively to immediate needs identified by sector stakeholders—in particular, microfinance sector support and digital G2P and distribution. Finally, as Covid-19 concerns have started to abate globally, CGAP has largely returned to planned programming, focusing on the four pillars and the three priority impact areas.

The evaluation considers these strategic shifts as essential context for understanding and framing CGAP’s achievements, challenges, and lessons, which the next section explores. The organization has a unique opportunity to thoughtfully reset its priorities within a wider context of change in the ecosystem. Not only does this evaluation culminate at the same time as work on the next CGAP strategy begins, but also at a time of new leadership at CGAP and cautious optimism for the recovery from COVID-19. Together with the expected release of the Findex in June 2022, which will likely set a common stage for the sector, CGAP’s forthcoming strategic direction can help set the tone, tenor, and substantive agenda for its many stakeholders and audiences.

³² CGAP, “Strategic directions FY 2019-23,” May 2018

4. FINDINGS

This section summarizes evaluation findings across the OECD DAC criteria.³³ As discussed in the inception report, “influence” has been added as a category given its unique role in CGAP’s impact model. Relevance, effectiveness, influence, and impact are covered in greater detail as these were areas with the most relevant findings. The project individual reviews (attached in the Appendix) include project-level summaries covering all DAC criteria.

4.1 Relevance

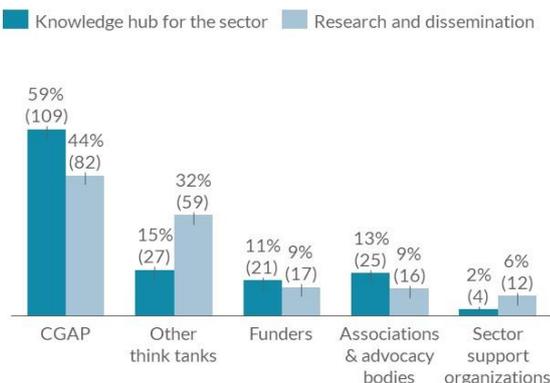
In a fast-evolving financial inclusion ecosystem, CGAP’s work has remained relevant to its most important stakeholders. In the role of an impartial, unbiased, authoritative voice that champions a pro-poor perspective, CGAP reaches many of the sector’s most senior leaders. The financial inclusion landscape has become more crowded, complex, and fragmented since CGAP was founded in 1995. During this time, a range of knowledge and service providers have emerged with specialized mandates to address more complex issues. In this context, CGAP remains relevant by focusing on its role as a neutral creator, aggregator, and arbiter of knowledge. CGAP inspires deep trust among stakeholders (including funders, regulators, providers, and sector support organizations³⁴), which affords it significant convening power. A telling example is when, as part of its COVID-19 response, its credibility with the microfinance industry helped convene funders and engage them in productive and honest dialogue on how they could support the sector. Moreover, across the Digital Business Models (DBM), DFSRS, and Livelihoods and Financial Inclusion (LiFi) projects, funders, regulators, and sector support organizations all noted CGAP’s impartiality as critical to its influence. Regulators note that CGAP is a supplier of rigorous best practices, sector support organizations and funders welcome CGAP’s inputs into their strategy and operations, and providers are eager for CGAP to directly engage on their business practices. Our survey shows that for research and dissemination activities and as a knowledge hub for the sector, CGAP’s target audience is much more likely to prefer CGAP over other actors.

Figure 5: Type of organization preferred for different financial inclusion knowledge activities

Survey question: Please select the type of organization (CGAP or other) that you use the most for each activity (multiple choice)

Most respondents prefer CGAP over other organizations for research and knowledge

Type of organization used most for each activity
N=186



“ The advantage they have that no other organization, including my own, has is neutrality. There is no sense that CGAP is speaking on behalf of a single organization or a single advocacy body. ”
– Global non-profit organization

“ I don't think anybody is seen as the trusted neutral third-party expert to the extent that they are. ”
– Humanitarian aid organization

“ We have really valued CGAP as a way to give a clear and unbiased view on what the donor and financial sector community thinks about key topics. ”
– Telecom industry association

³³ Organization for Economic Cooperation and Development’s Development Assistance Committee defined six evaluation criteria that provide a normative framework to determine the merits of different interventions, programs, strategies, and activities. See: [OECD DAC Evaluation Criteria](#).

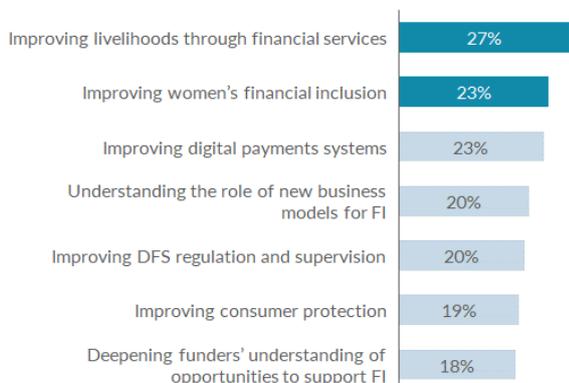
³⁴ Sector support organizations are actors that aim to strengthen the FI ecosystem by providing technical assistance and capacity building, serving as industry bodies and conveners, or collecting and curating data on financial inclusion.

Further, CGAP’s mission to capture opportunities and build resilience for poor people, especially women, is unique and relevant in the ecosystem. The CGAP stakeholder survey shows that its audience is engaging extensively with topics that link to economic empowerment for the poor and women. Specific projects have drawn these linkages effectively. In its COVID-19 response, for example, CGAP focused explicitly on describing the immediate impact of COVID-19 on the poor, understanding how FSPs were addressing the crisis, and learning in real-time to guide funder and member responses to support poor customers. In the ongoing LiFi project, there is an explicit focus on identifying and testing solutions that stabilize, enhance, and sustain incomes for poor individuals. CGAP’s efforts to champion gender equity in recent years³⁵ have resonated strongly with stakeholders, especially CGAP members. Members see CGAP’s focus on gender as being relevant to their own strategic objectives, which increasingly prioritize gender equity.

Figure 6: CGAP topics with highest respondent engagement

Survey question: Which of the following topics have you most engaged with CGAP’s work (e.g., by partnering with CGAP, reading a report, or attending a webinar)?

CGAP topics with highest respondent engagement
N=186



“The people that are the hardest to reach – the migrants, the youth with very little business experience, the more rural people who have smaller markets – these are the sort of people that still need an institution looking out for them. **This is also one of the outstanding things CGAP has been able to do in its best work and I hope it would find niches where it can continue to do that.**”
– Research center focused on financial inclusion

“At CGAP, one non-negotiable is that we focus on poor people. We are taking money out of budgets intended to tackle severe global problems and we **have to stay focused on poor people's needs.**”
– Ex-CGAP staff at a global non-profit organization

Finally, CGAP has the ear of senior decision makers. This point is further discussed in the *Effectiveness* section below.

Looking ahead, CGAP is on strong footing to remain relevant in the field of financial inclusion. Yet two emerging challenges may require attention: articulating a clear impact narrative that resonates with key stakeholders and finding channels to better connect with increasingly large and relevant actors in emerging and developing economies. CGAP’s impact narrative—the story that links CGAP’s work to financial inclusion and broader development objectives—has undergone multiple iterations in recent years: the championing of gender equity (including through the revised vision statement language); the January 2020 CEO blog post on the “guiding stars” of income generation, essential services, and protection and safeguards;³⁶ the COVID-19 pivot that included a resumed focus on MFIs; and, most recently, the January 2022 CEO blog post that highlights the connection between financial inclusion and the green agenda.³⁷

While individually each of these efforts at articulating CGAP’s focus areas was timely and relevant, collectively there is now some uncertainty surrounding what exactly CGAP is looking to do in the years ahead—for example, some MFIs are under the impression that CGAP is once again likely to champion their cause. In an environment where financial inclusion is no longer seen as an end in itself, but rather as an enabler of other objectives,³⁸ having a clear impact narrative that resonates with stakeholders

³⁵ Specific efforts include adding a particular focus on women to CGAP’s vision statement, developing a gender equity in financial inclusion strategy, strengthening staff efforts toward [achieving / highlighting?] gender equity, and building and maintaining FinEquity, a gender-focused community of practice.

³⁶ CGAP, “Keeping our Eyes on the Prize in 2020,” 2020. < <https://www.cgap.org/blog/keeping-our-eyes-prize-2020>>

³⁷ CGAP, “Financial Inclusion for an Inclusive, Greener, More Resilient World.” 2022. < <https://www.cgap.org/blog/financial-inclusion-inclusive-greener-more-resilient-world>>

³⁸ CGAP itself has published work arguing for the enabling role of financial inclusion in achieving the SDGs: <https://www.cgap.org/research/publication/achieving-sustainable-development-goals>

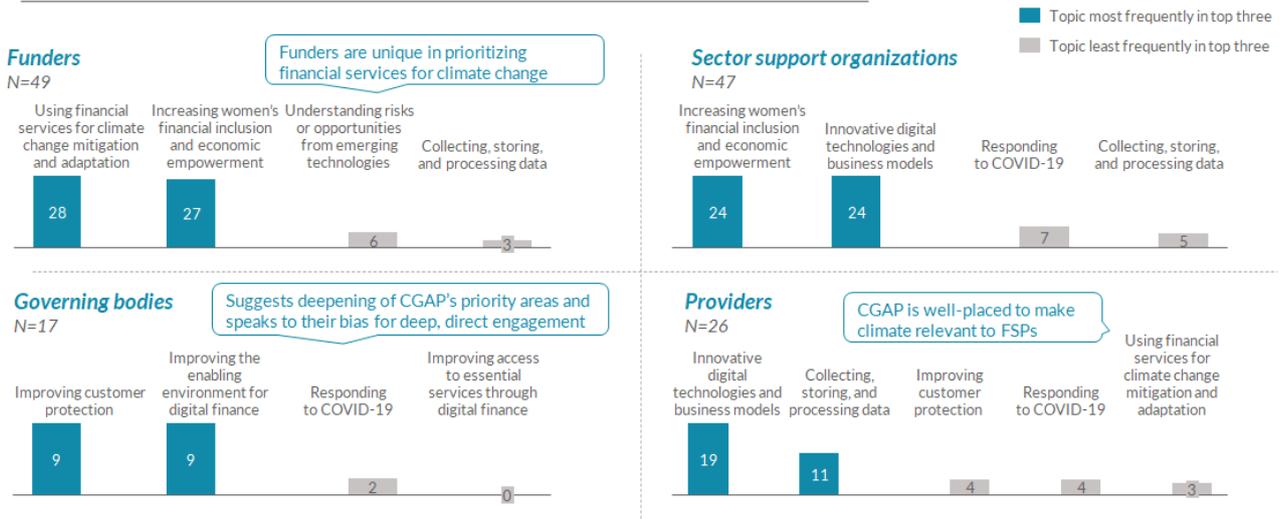
and cuts through confusion can help ensure that CGAP remains relevant. The CGAP VII strategy process that is currently underway can serve as an important platform for clearly articulating the organization’s focus areas. As one input into the process, the figure below summarizes responses from the stakeholder survey, and suggests that women’s financial inclusion, climate change, and innovative technology and business models are most top of mind for CGAP stakeholders.

Figure 7: Topics that relate to stakeholders' FI-related goals over the next two years

Survey question: Please select up to three topics that relate to your organization's financial inclusion-related goals for the next two years (multiple choice)

Topics that relate to stakeholders' FI-related goals over next two years

N=159: Respondents were asked to list up to three topics – for example – 28 funders chose climate as one of their top three topics, making it the most frequently chosen topic by funders



Note: Funders include public donors, private investors, and foundation. Providers fintech firms, banks, digital platforms, and other financial services providers. Governing bodies include regulators, supervisors, standard-setting bodies, and policymakers. Sector support organizations are inclusive of consulting firms, non-profits, think tanks, and capacity-building organizations. This figure does not include respondents that do not belong to these four categories.

A second challenge for CGAP is its ability to become (or in some cases remain) relevant for important emerging market stakeholders. In countries with a large share of the unbanked population and where major innovations are taking place—including China, India, Nigeria, Indonesia, and Colombia—CGAP is currently reaching a small set of relevant actors. For example, in India, major developments in financial inclusion are taking place through fintech unicorns that are rapidly expanding their service offerings and government programs like Unified Payments Interface (which accounted for USD 1 trillion of transaction value in 2021–22). Yet CGAP is not currently able to influence relevant actors like commercial investors, large corporations, local fintech firms, or the Indian government. This point is discussed further in the “influence” section below.

4.2 Coherence

Overall, CGAP demonstrates strong internal and external coherence³⁹. CGAP teams work effectively across projects, taking care to do valuable, meaningful work and avoid duplication within the organization and more broadly within the field. As an organization, CGAP plays a unique role as a knowledge hub for the sector.

CGAP’s robust project selection process and frequent meetings of CGAP’s leadership team help ensure that effort is additive, and duplication is minimized. Any new project goes through multiple internal reviews, including from CGAP leaders who have cross-organization visibility and can identify areas of potential collaboration or duplication. For example, DFSRS and DBM project teams were able to effectively collaborate despite COVID-induced delays that disrupted planned deliverables. This was due to two factors: first, both teams clearly articulated their respective strengths on topics of mutual interest. Second, sharing project staff, holding frequent alignment meetings, and accessible

communication channels (such as Slack) allowed staff to easily share information and effectively coordinate engagement on new topics.

Externally, stakeholders saw CGAP’s activities as effectively defined and coordinated with those of other actors in the sector. Discussing DFSRS, for example, stakeholders indicated that the work streams on scaling the basic enablers and SSB engagement were highly effective at aligning with the priorities of several development partners, capacity-building institutions, SSBs, and other global bodies. Stakeholder survey respondents viewed the FinEquity community of practice as a value-adding initiative, helping both increase knowledge of gender and financial inclusion (80% of respondents) and facilitating the creation of valuable connections (50%). Stakeholders also see the Sector Support project’s work in the FI landscape as unique and valuable, since no other organization has enough influence on funders to be able to shape their agendas as effectively as CGAP.

4.3 Effectiveness

CGAP is effective at operating as a think-and-do tank. It surfaces relevant insights by closely partnering with and learning from on-the-ground actors. CGAP then brings these lessons to important decision makers.

CGAP’s guidance often influences its partners’ decisions, suggesting CGAP’s model is effective. Across regulators, providers, and sector support organizations, those in longer-term partnerships with CGAP to build capacity or test innovations all point to the significant value of CGAP’s technical expertise, guidance, and networks. In the DFSRS project, CGAP worked with partner supervisors in Myanmar, Pakistan, El Salvador, and Jordan to build internal capacity through deeply embedded technical support. Several supervisors noted that the success of their engagement with CGAP has been driven by CGAP’s effective use of case studies from peer countries, willingness to share its wide network, and credibility with other governing bodies like SSBs. As part of its efforts on the Digital Rails project, CGAP worked with five FSP partners (ranging from large multinationals like MTN to small mobile wallets like Wave Money) to build their open API implementation capabilities. Stakeholders noted that CGAP’s work was critical to changing the mindsets of these actors towards digitizing their businesses and internalizing the benefits of becoming an “open player.”

CGAP is also effective at taking its insights to decision makers and financial inclusion leaders. When CGAP talks, key emerging market regulators and the biggest funders in financial inclusion listen. Nearly half of respondents to the evaluation survey identified as principals or senior executives. Of note, this group is comfortable recommending CGAP to others to improve their operations or strategy, rating it an 8.3 out of 10 in this regard.

Figure 8: Assessment of senior stakeholder engagement with CGAP

Survey question: What position do you hold within the organization? Please select the most relevant category (multiple choice)



CGAP’s effectiveness is driven by its strong interdisciplinary team. CGAP staff possess a rare combination of expertise across financial inclusion and adjacent areas (e.g., agriculture, gender, business models) that allows them to speak authoritatively on challenges faced by market and non-market actors. Not only does CGAP benefit from staff that can, for example, discuss both agricultural economics and fintech product development with similar fluency, but also CGAP’s project teams bring a diversity of interdisciplinary expertise to bear on research topics. The LiFi evaluation provided an effective example through the Women in Rural and Agricultural Labor (WIRAL) program, which leveraged internal expertise on agriculture, surveys of smallholder families from CGAP V, and lessons on building resilience from prior work on customer centricity. Similarly, prior regulatory experience

helped the DFSRS project team add significant value in its interactions, direct partnerships, and knowledge products, effectively leveraging internal expertise on basic enablers as well as relationships with SSBs developed in CGAP V.

“ [Country] teams are very excited about CGAP's expertise in this very specific area of agriculture and DFS. You usually can find **really good agriculture people and really good DFS people**, but **it's very difficult to find both**. ”

– Multilateral donor agency

“ We could always rely on CGAP for interesting, timely and cutting-edge research, and also on a very good understanding of our membership of policymakers and a great understanding of the landscape. **All of these are significant values which CGAP has** and which is why we use them regularly. ”

– Association of financial policymakers

However, the weakening of formal and informal knowledge-sharing mechanisms and inconsistent collaboration among teams and pillars threatens CGAP's effectiveness as a knowledge organization. In the past, CGAP has implemented formal mechanisms to support the cross-pollination of ideas, including multi-day annual project reviews, review committees for projects and outputs, quarterly technical team meetings, and semi-annual project reports. While some of these practices continue, they are often seen as “check the box” exercises rather than genuine opportunities to share learning. CGAP also used to have a strong culture of informal knowledge-sharing activities, such as ad hoc internal discussions for interested staff on specific topics and “water cooler” conversations between colleagues that included technical discussions. The shift to a remote work model during the pandemic has significantly weakened this informal structure. CGAP staff and consultants are less likely to sit in on a colleague's virtual presentation than an in-person event. Even with staff and consultants returning to in-person work, CGAP's increasing decentralization (e.g., there are now four staff in Nairobi) means that it will be important to find ways to ensure robust knowledge and idea sharing.

Staff confirmed these knowledge-sharing challenges across several project evaluations. In the DBM project, staff noted significant room for improvement in terms of the frequency of, participation in, and formats for knowledge-sharing activities within CGAP. Staff described instances in which they lacked awareness of similar work being done by colleagues, differences in methodologies, and missed opportunities for alternative thinking. For instance, DBM and DFSRS both have prioritization frameworks for identifying relevant next-generation issues; there may have been a missed opportunity here for cross-learning. As another example, the Sector Support team and relationship managers were unable to effectively leverage each other's knowledge bases due to weak two-way communication channels. Finally, while the LiFi project is still in its early days, existing channels for knowledge sharing across the project's three programs have focused largely on practical considerations. There has been limited information sharing, meanwhile, around emerging lessons that can support the development of integrated, project-wide messages on livelihoods and resilience. Outside of content-focused insights, the similarities in audience, approaches, and planned deliverables across all work programs can benefit from more systematic information sharing.

4.4 Efficiency

Note: the evaluation did not include a deep audit of CGAP's resource utilization. As discussed in the inception report, the findings in this section focus on how efficiently CGAP was able to pivot at the onset of the COVID-19 pandemic.

CGAP demonstrated commendable agility in efficiently pivoting ongoing projects and activities to focus more sharply on COVID-19. It immediately deprioritized other project work, realigned staff and resources, and brought together stakeholders to identify critical areas of focus. The response was structured as multiple standalone activities focusing on MFIs, G2P, knowledge sharing, and understanding the impact of the pandemic on poor people. This necessary pivot came with costs. Staff needed to overcome significant challenges in a rapidly evolving environment both personally and in the organization. Longstanding project plans were cut short or paused, teams were reallocated to address topics they were not expecting to work on (e.g., microfinance), and some projects incurred substantive delays in key activities. CGAP was able to successfully navigate through these choppy

waters, efficiently prioritizing work streams and projects with hard constraints and identifying those where disruption could be better absorbed. For example, DBM's dissemination activities were curtailed as they were not considered urgent and time-sensitive. DFSRS' work with policymakers, on the other hand, was not cut short.

4.5 Influence

CGAP's influence is the mechanism through which its thought leadership and knowledge products are translated into impact on the ground. As a knowledge organization, CGAP focuses on affecting the decisions its partners and audiences make; influence is therefore an especially important institutional characteristic to understand well. The appendix contains influence maps for key CGAP stakeholders, summarizing how effective CGAP is at reaching each type of audience.

In recent years, CGAP has made considerable efforts to influence financial inclusion decision makers more effectively. It has become especially adept at reaching rule setters and enforcers, standard-setting bodies, and capacity-building organizations.

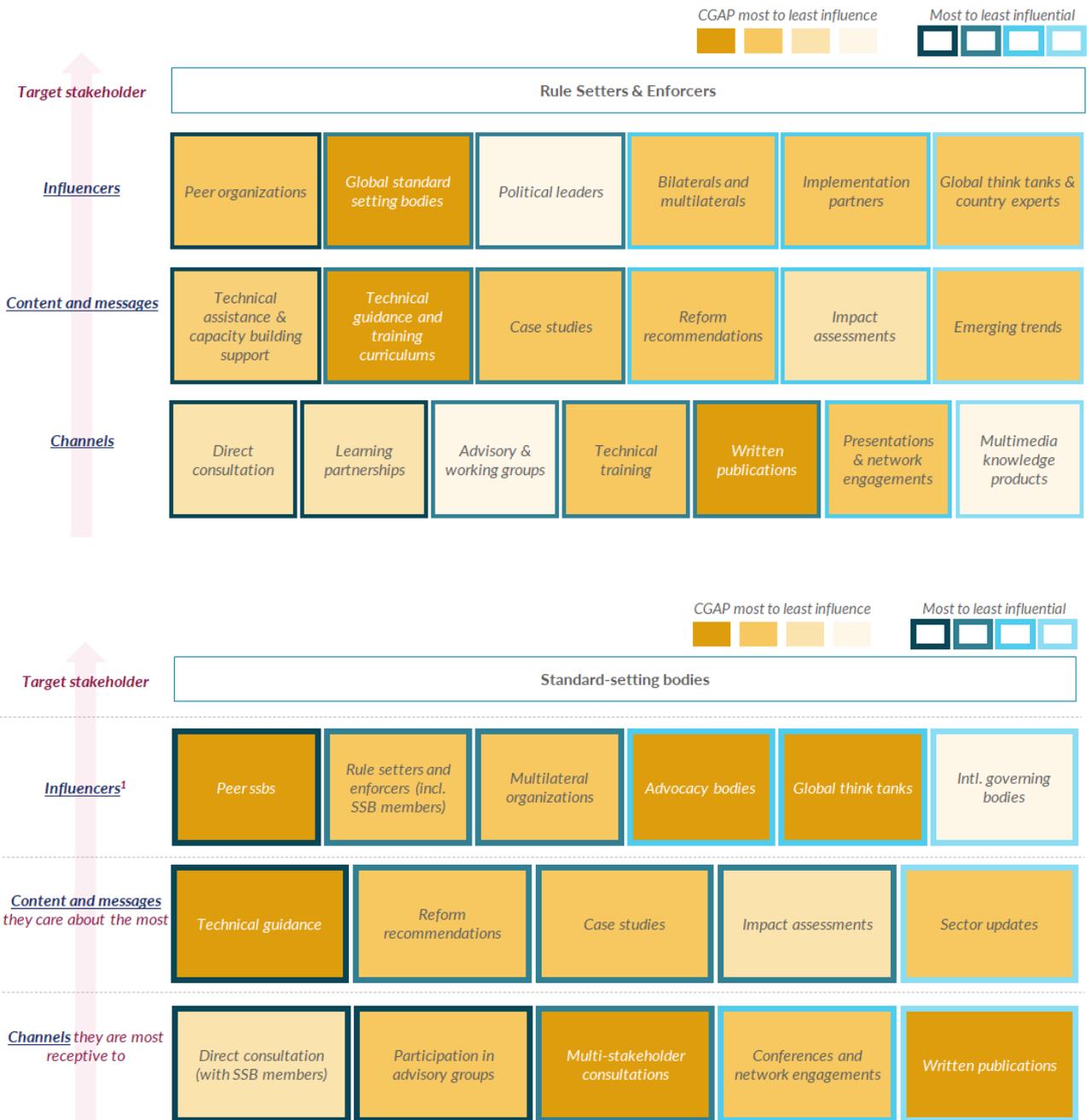
Recognizing the significant role of influence in its theory of change, CGAP has increasingly formalized its focus on achieving influence. Project teams, with the help of the communications team, are building project-level influence strategies that outline target audiences and the impact CGAP wishes to have on them, planned outputs (e.g., blog posts, publications, convenings), and dissemination activities. Unlike the previous approach, wherein dissemination of project insights was often planned to take place only when a project ended (and therefore was likely to be left incomplete as new projects kicked off and absorbed more of the technical team's bandwidth), CGAP now is more disciplined about engaging with key audiences earlier and more frequently. For example, the LiFi project has defined an influence strategy with important deliverables throughout the project's lifecycle. With more than a year of the project still remaining, the team has already posted multiple blog posts, published emerging findings in long form (e.g., on the impacts of COVID-19 on vulnerable livelihoods), convened and published on the business case for supporting women in rural and agricultural livelihoods, hosted a webinar on the impacts of small business finance, and launched collaborations with UNCDF, MCF, DigiFarm, and AgroMall. Like the LiFi project, upcoming CGAP efforts are expected to design and execute thoughtful, robust influence strategies.

Also of note, CGAP has increased its efforts to decentralize its operations by placing key staff and consultants in developing countries (e.g., four staff, including a member of the leadership team, are now based in Nairobi). This shift to larger local presence was planned to take place in 2020, but was delayed due to the COVID-19 pandemic. We expect that the coming years will see CGAP's local presence in key markets translate into meaningful influence.

Our findings from influence maps⁴⁰ suggest that CGAP is especially effective at reaching some key financial inclusion actors, including rule setters and enforcers (RSEs) and SSBs. RSEs, such as central banks and consumer protection agencies, define and enforce rules and regulations that govern financial markets. SSBs, such as the Bank for International Settlements, develop international standards and guidance that promote well-functioning financial systems. CGAP's strong influence with these bodies reflects the extensive investments the organization has made in engaging RSEs and SSBs as learning partners and more broadly supporting adoption of financial inclusion agendas.

⁴⁰ The detailed methodology for Influence Maps is provided in Appendix IV.

Figure 9: Influence maps for RSEs and SSBs



Note: (1) Given their relatively limited influence, the influencer category does not include other domestic or regional organizations that are SSB members, such as the SEACEN Centre and the Shenzhen Stock Exchange; we also do not include political leaders as their influence is targeted towards rule setters & enforcers, who in turn represent their perspectives and interest in SSBs.

Through its technical credibility and agenda-setting reputation in financial inclusion, CGAP is also adept at influencing capacity-building organizations (CBOs). Of note, CBOs can serve as an important intermediary in reaching other stakeholders, including funders and DFS providers.

Figure 10: Influence map for CBOs



Note: 1. COPS refers to Communities of Practice that bring together sector stakeholders for knowledge sharing

The appendix contains findings from all influence maps. The table below summarizes findings from normative and as-is maps.

Table 4: Summary of insights from influence maps

Stakeholder type	Example organizations	Influencers	Content and messages	Channels
Multilateral and bilateral organizations	World Bank, ADB, USAID, JICA	<p><i>Most influenced by:</i> national governments, peers, rule setters and enforcers</p> <p><i>CGAP's reach:</i> CGAP does not typically aim to influence national government policies. CGAP is highly influential with rule setters and enforcers</p>	<p><i>Most influenced by:</i> reform recommendations, impact assessments, technical and capacity building support</p> <p><i>CGAP's reach:</i> CGAP develops strong content on reform recommendations (e.g., regulatory enablers for DFS)</p>	<p><i>Most influenced by:</i> direct consultations, technical trainings, conferences, long-form written publications</p> <p><i>CGAP's reach:</i> Technical trainings are a CGAP strength, but direct consultations are rare (too resource intensive)</p>
Development finance institutions (DFIs)	CDC, KFW-DEG, IFC, EIB	<p><i>Most influenced by:</i> national governments, private sector investors, other DFIs, multilaterals, and bilaterals</p> <p><i>CGAP's reach:</i> CGAP does not focus on national governments or private sector investors.</p>	<p><i>Most influenced by:</i> datasets, case studies, impact assessments</p> <p><i>CGAP's reach:</i> CGAP's case studies are strong and relevant. Data sets and impact assessments are less common</p>	<p><i>Most influenced by:</i> direct consultations, written publications, technical trainings</p> <p><i>CGAP's reach:</i> CGAP publications are of high quality and reach key DFIs. Technical trainings are well received. Direct consultations are rare.</p>
Capacity building organizations (CBOs)	Toronto Centre, Digital Frontiers Institute, BTCA, AgriFin Accelerate	<p><i>Most influenced by:</i> think tanks, funders, RSEs</p> <p><i>CGAP's reach:</i> CGAP effectively reaches think tanks, funders, and RSEs</p>	<p><i>Most influenced by:</i> technical guidance, training material, case studies, impact assessments</p> <p><i>CGAP's reach:</i> Technical guidance is a major CGAP strength. Training material and case studies are also effective.</p>	<p><i>Most influenced by:</i> direct consultations, written publications, technical trainings</p> <p><i>CGAP's reach:</i> CGAP publications are of high quality and reach relevant CBOs. Technical trainings are well received. Direct consultations are rare.</p>
Rule Setters & Enforcers (RSEs)	Central Bank of Jordan, IRDA India, Consumer Financial	<p><i>Most influenced by:</i> peers, SSBs, political leaders</p>	<p><i>Most influenced by:</i> capacity building support, technical guidance, case studies, reform recommendations</p>	<p><i>Most influenced by:</i> direct consultations, learning partnerships, advisory and working groups, technical trainings</p>

Stakeholder type	Example organizations	Influencers	Content and messages	Channels
	Protection Bureau	<i>CGAP's reach:</i> CGAP is influential with RSEs and SSBs. It does not target political leaders	<i>CGAP's reach:</i> CGAP creates all four types of influential content, with technical guidance being especially strong	<i>CGAP's reach:</i> CGAP is strong on technical trainings, but other channels are not commonly used
Standard-Setting Bodies (SSBs)	Bank for International Settlements, FinCoNet	<p><i>Most influenced by:</i> peers, RSEs, multilateral organizations</p> <p><i>CGAP's reach:</i> CGAP is influential with SSBs, RSEs, and multilateral organizations</p>	<p><i>Most influenced by:</i> technical guidance, reform recommendations, case studies, impact assessments</p> <p><i>CGAP's reach:</i> CGAP's technical guidance is especially influential. Reform recommendations and case studies are also strong and well received by SSBs.</p>	<p><i>Most influenced by:</i> direct consultations, advisory groups, multi-stakeholder consultations</p> <p><i>CGAP's reach:</i> CGAP is strong at setting up multi-stakeholder consultations to reach many SSBs. Direct consultations are rare.</p>
DFS Providers	Tyme, IIFL, PayFlex, Flutterwave, OPay, GrabPay, Zoono	<p><i>Most influenced by:</i> peers, commercial investors, RSEs, consumers, and consumer groups</p> <p><i>CGAP's reach:</i> CGAP directly reaches many DFS providers. RSEs are also an effectively-reached influencer.</p>	<p><i>Most influenced by:</i> case studies, reform recommendations, impact assessments, emerging trends, technical guidance and capacity building support</p> <p><i>CGAP's reach:</i> CGAP case studies are influential with DFS providers. Technical guidance and capacity building support are also effective.</p>	<p><i>Most influenced by:</i> learning partnerships, advisory and working groups, direct consultation, multi-stakeholder consultations, written publications</p> <p><i>CGAP's reach:</i> CGAP is strong at setting up learning partnerships and direct consultations.</p>

CGAP’s approach to partnerships has been inconsistent and at times narrow. There is scope to further amplify CGAP’s influence by better leveraging relationships with existing and new partners.

CGAP’s partnerships—across diverse counterparties including regulators, funders, DFS providers, and capacity-building organizations—are viewed positively. For example, regulators and training institutions that partnered with CGAP for the DFSRS project believed that the engagement was mutually rewarding. But such partnerships are often limited to achieving narrow, project-specific objectives. Partner organizations do not serve as evergreen, active nodes that CGAP can leverage to influence target stakeholders. Once projects have ended, the connection that binds partners with CGAP tends to weaken. In the same DFSRS example, partners felt that they did not have channels to share their own insights from the field with CGAP after the project had ended.

CGAP members, who often have the ear of financial inclusion decision makers, can also play an important role as influence intermediaries. Multiple members mentioned that they would like to be more involved with CGAP’s dissemination activities but do not know how. Especially of note, at-large members of the ExCom, who are high-profile financial inclusion leaders in emerging economies, felt there was a significant opportunity for CGAP to better leverage their in-country networks when looking to influence decision makers. This is especially important to keep in mind as financial inclusion in emerging economies will be increasingly affected by local and regional investors, large corporations, government bodies, and other actors that CGAP does not currently influence.

4.6 Impact

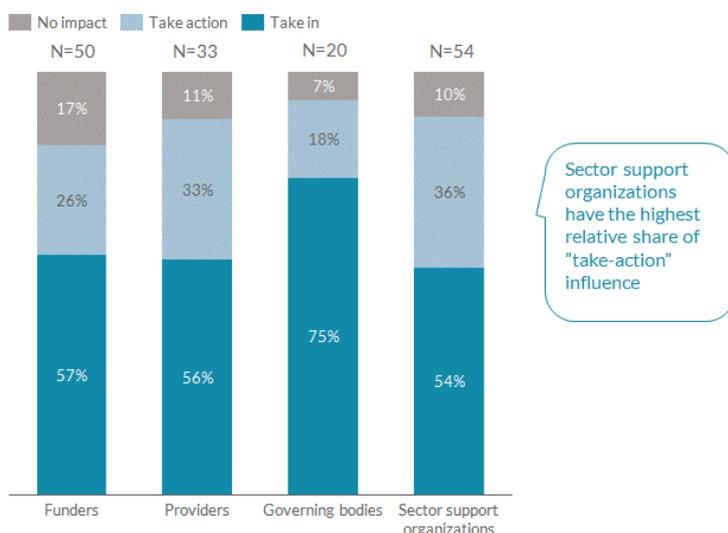
CGAP’s work as a think-do tank has generated actionable insights that have influenced decisions made by key financial inclusion actors.

CGAP’s approach of in-country learning and testing with partners allows it to offer practical, relevant guidance for its stakeholders (funders, providers, regulators, and sector support organizations) across geographies. In our stakeholder survey, key target audiences validated the relevance of CGAP’s insights as a “take-in” influence, i.e., one that improves their understanding of specific topics or increases their intention to change practices, policies, and regulations. In addition, a third of providers, a quarter of funders, and 18% of respondents from governing bodies mentioned that CGAP had influenced their policies, practices, or regulations (these are collectively referred to as “take-action” impact).

Figure 11: CGAP’s perceived impact on stakeholders in the past two years

Survey question: Please select the type of impact CGAP’s work on the topics you selected has had on you or your organization in the past two years (multiple choice, coded to below options)

CGAP’s impact on stakeholders in the past two years
 Number of times a specific type of impact was reported for respondents’ 3 priority topics, allowing for multiple responses; N=186¹



A leading example of the impact generated by CGAP’s think-do tank approach comes from the Digital Rails project. CGAP successfully accelerated the uptake of open APIs among its partner MNOs thanks in large part to its “learning by doing approach”—i.e., supporting private-sector partners closely and generating wider lessons for the sector from this experience. CGAP used this approach across both the open APIs and interoperability work streams. In the case of open APIs, CGAP sought to gain strategic and practical guidance on focus areas and to elevate the credibility of its work by organizing industry gatherings and convening a high-level project advisory committee made up of diverse private sector players and industry experts. Similarly, CGAP directly engaged support organizations (e.g., AFI, FSD Kenya), funders (e.g., BMGF, USAID, SECO)⁴¹, and regulators to get feedback on its global interoperability guide. It also relied on these organizations to share this work, which helped ensure that its key messages were received well by the industry. This, in turn, led to a wider audience for the Digital Rails work—for example, third-party developers reported using CGAP case studies to inform their own open API model. Similarly, stakeholders noted the DFSRS knowledge products were targeted at the right stakeholders, contained effective messaging and relevant content, and were delivered through the correct channels. Policymakers recognized that highly visible publications on next-generation topics like regulatory sandboxes and open banking were important inputs into policy design, as were CGAP’s market surveys.

To be intentional about defining projects problem statements and scope in a way that is likely to create impact, CGAP uses a results framework that maps project outcomes to industry outcomes. Project teams are engaged in a robust process to think through impact objectives and how these will be tracked and measured over time. This starts with each project team working with CGAP’s results measurement specialist to develop a project results chain. Key indicators are tracked through semi-annual reporting on progress made. The results chains outline how project deliverables will lead to higher level outcomes, and how pillars fit into CGAP’s overall theory of change. Linking project deliverables to outcomes through this process has helped push CGAP teams to clearly define how their work aligns with the CGAP theory of change. This has in turn helped create and convey greater strategic consistency throughout the organization, and addressed a key gap identified by evaluators of CGAP’s previous five-year strategy. These results chains and semi-annual project reports combine to create a planning and review structure that enables deeper internal strategic discussions and facilitates independent evaluations of CGAP’s impact.

The results framework does not, however, serve as a management and decision-making tool. Indicators are often derived from publications that are released at long intervals, or measure progress that can only realistically take place after projects end. As such, the CGAP leadership team does not have real time visibility into progress toward project or industry outcomes and impact objectives stated in the theory of change. Despite this, CGAP project teams have, for the most part, successfully adapted their approach and methodology to optimize impact by closely managing partner relationships and getting ongoing feedback on their work from the ground. These signals are captured qualitatively through accompanying narratives provided in semi-annual progress reports. Result chains and their indicators sit at a higher level and lack the granularity to capture how and why project teams are changing their approach. These narratives vary in style, depth, and content across projects and are therefore often underutilized as a management tool. These reports could benefit from greater use of data through the development of medium and short-term results indicators that inform tactical project decisions and better enable the leadership team to keep a pulse on progress.

4.7 Sustainability

Note: Sustainability in the OECD DAC criteria refers to “the extent to which the net benefits of the intervention continue or are likely to continue.”⁴² In the context of CGAP, we have interpreted the “net

⁴¹ Bill & Melinda Gates Foundation, United States Agency for International Development, Swiss Secretariat for Economic Affairs

⁴² <https://www.oecd-ilibrary.org/sites/543e84ed-en/1/3/4/index.html?itemId=/content/publication/543e84ed-en&csp=535d2f2a848b7727d35502d7f36e4885&itemIGO=oecd&itemContentType=book#section-d1e4964>

benefits” of the organization’s work to refer to better informed decisions that FI stakeholders (funders, providers, regulators, etc.) are making.

CGAP’s impact—the improved understanding and decision making that CGAP’s work enables for financial inclusion stakeholders—is likely to sustain beyond any specific activities. This is especially the case when CGAP enables partners to continue building on CGAP’s work. CGAP views its work as a public good, and as such it openly shares its research. While knowledge products like reports or blog posts are directly published on CGAP’s website, other content like webinars are often recorded and shared widely. Once an organization has used CGAP’s work to better understand a topic or to inform a strategic decision, it is unlikely that that impact will be undone. As a result, CGAP’s impact is likely to endure well beyond its initial effects. Examples from CGAP initiatives and projects provide evidence for the sustainability of CGAP’s impact. FinEquity is now a thriving community of practice and would likely continue to impact the FI field (albeit potentially with reduced short-term effectiveness) even if CGAP were to reduce its engagement. The Digital Rails project helped change the mindsets of FSP partners who adopted open API approaches. And, finally, DFSRS’ scaling partners are continuing to leverage CGAP’s work on basic enablers and next-generation regulation to design new policy guides.

5. RECOMMENDATIONS

The recommendations in this section relate and map to the main achievements and challenges explored in the preceding section, drawing on individual project evaluations, influence maps, and the strategic relevance and scalability assessment. Instead of an exhaustive list of recommendations, we have focused on articulating what we feel will be of greatest value to CGAP as it moves into CGAP VII and beyond.

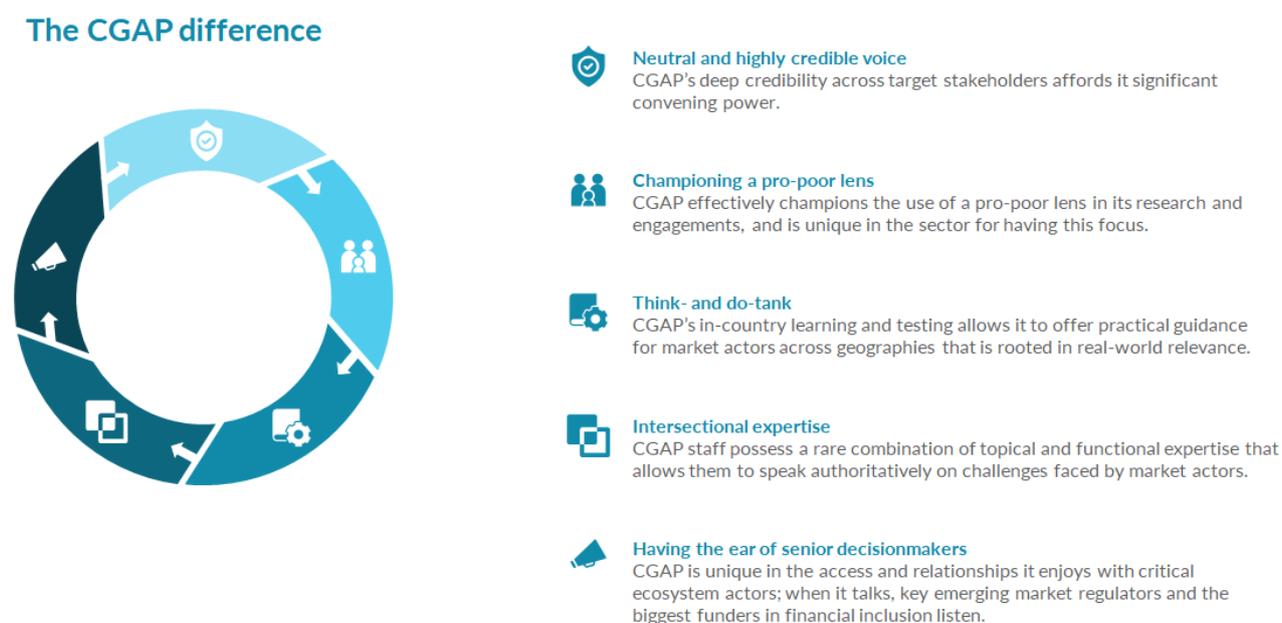
Much of the discussion in this section derives from the reflections and ideas of CGAP staff and leaders, whose open introspection and honest self-critique has been invaluable to the evaluation team. In addition, several recommendations in this report (as well as ones identified in the project evaluations) have already been set in motion by respective teams and the leadership over the course of the past 2.5 years, demonstrating CGAP's openness and responsiveness to feedback.

Before sharing our recommendations, we first revisit elements of CGAP's work that are functioning well, and should be retained and expanded. We then identify three main forward-looking areas of improvement mapped to the main organizational challenges noted above, each with specific (sometimes tactical) recommendations for consideration. These recommendations are not meant to be end-to-end, prescriptive solutions for CGAP, but rather substantive thought starters and inputs for discussion, debate, and decision making as the organization defines its next five-year vision and plan (CGAP VII).

Looking backward: There is a lot that CGAP is doing well and should continue.

Building from the discussion in Section 4, we have identified five main, interconnected attributes that highlight the "CGAP difference." CGAP enjoys entrenched and cross-cutting credibility among all stakeholder groups in the FI ecosystem, a position that is rare. It derives this credibility by consistently taking strong, independent positions that champion a pro-poor and women-centric agenda that is strongly aligned to its mission. Its credibility is also enhanced by its "think-and-do" approach of in-country learning and on-the-ground of insights and solutions. This approach has, over time, led CGAP to develop a deep and unique base of intersectional, topical (e.g., agricultural economics or gender) and technical (e.g., fintech product development) expertise that market actors value and senior decisionmakers trust.

Figure 12: The CGAP difference



1. *Neutral and credible voice* – CGAP’s governance, organizational structure, and track record lend it a neutral, apolitical, and non-partisan reputation that distinguishes it from its peers. Stakeholders view CGAP as independent and free from the influence of other organizations or advocacy bodies.
2. *Pro-poor lens* – Stakeholders consistently view CGAP as an organization that looks out for the interests of marginalized, low-income populations, especially women. Stakeholder engagement with CGAP is highest in topics that directly focus on the needs of and solutions for these segments, e.g., improving livelihoods through financial inclusion, improving women’s financial inclusion (relative to other more general topics such as improving digital payments systems or general consumer protection). The consistent application of this lens over 25 years contributes immensely to CGAP’s credibility and influence. For example, in the aftermath of COVID-19, CGAP steered the sector to focus attention and funding on two primary and direct channels of reaching poor populations—G2P payments and the microfinance sector—in order to combat any immediate negative impacts and to build long-term resilience. Stakeholders did not second-guess CGAP’s intentions and mobilized quickly in response.
3. *Think-and-do tank* – Stakeholders value CGAP’s willingness and ability to immerse itself within a specific context and then draw from that research more widely relevant lessons. For example, financial supervisors in contexts as different as Myanmar, Pakistan, El Salvador, and Jordan noted that CGAP’s case studies and on-the-ground findings from other countries were especially helpful in designing and implementing their own solutions.
4. *Intersectional expertise*: CGAP’s team has a unique blend of intersectional expertise across subject matter. The stakeholder survey revealed that CGAP scored highly on the relevance and technical quality of content across a diverse set of FI-related topics, including customer segments, business models, and FI regulations.
5. *Ear of senior decision makers*: Nearly half of respondents to the evaluation’s stakeholder survey were principles or senior executives. Within this group, the average rating (out of 10) on how likely they were to recommend CGAP to a peer to improve their strategy or operations was an impressive 8.3.

Taken together, these attributes go a long way in explaining CGAP’s continued impact and should be retained as key ingredients of its future competitive advantage.

In addition, CGAP’s culture provides a unique platform for entrepreneurial, risk-taking thought leaders and practitioners who are committed to quality and improvement. CGAP ranks highly in the financial inclusion ecosystem for the sheer number of thought leaders it has been able to attract, develop, and retain. As noted, staff are uniformly respected and valued for their authoritative and independent voice by target audiences. At the same time, partners have noted their openness to co-create, test new solutions and ideas, and, if needed, learn from failure. In addition, staff have demonstrated their commitment to tracking and measuring the quality and impact of their work and openness to feedback on priorities and processes. Examples of internal growth include the progress CGAP has made on its internal gender mainstreaming efforts since the December 2020 evaluation, the development of a holistic theory of change that formed the basis of an integrated results framework in CGAP VI, and the implementation of a new management information system (MIS) to capture and measure results.

The specific aspects of CGAP’s organizational structure and culture that attract and develop such talent must be protected. One such feature is the richness, expertise, and agility of its project teams: few other institutions in the sector offer the opportunity to work with a former supervisor, microfinance expert, digital banking veteran, and multilateral finance specialist all as part of the same research effort. Others include its relatively flat organizational structure that encourages healthy and constructive debate, as well as the ability to pursue research questions mostly unencumbered by fundraising concerns and the limitations characteristic of formal academia.

Looking forward: While CGAP is generating much value for FI stakeholders, some value is being left on the table. The thrust of our forward-looking recommendations therefore is to help CGAP capture this latent value to (i) become a more effective agenda setter in a dynamic FI ecosystem, (ii) increase

the adoption and implementation of its insights among a diverse set of on-the-ground actors, and (iii) improve its internal knowledge machine to support teams to share and leverage each other's insights.

To become a more effective agenda setter, CGAP should consider:

1) Develop and articulate a clear, simple, brief impact narrative on CGAP's priorities and interventions for external audiences, which is consistent with its TOC. As noted above, CGAP's strategic priorities and impact narrative have evolved multiple times in recent years. A crisp, one-page, narrative that builds off CGAP's TOC, which serves as a communication tool for external audiences and a prioritization tool for staff is an important step to clear confusion and anchor ecosystem stakeholders. This impact narrative should focus equally on what CGAP intends to do and the broader industry outcomes that it aspires to achieve—the current TOC and external-facing narrative devotes more attention to industry outcomes.

As CGAP refreshes and refines its TOC and impact narrative, it should consider identifying and focusing on 2–3 cross-cutting programs / themes that map to common priority areas and top-of-mind topics for funders, providers, and policy makers, which would constitute the bulk of CGAP's work for CGAP VII. These could include, for example, climate, gender, health, and employment and livelihoods, among others. The focus areas could still be analyzed using CGAP's multi-dimensional lenses of customers, business models, infrastructure, and policy. Alternatively, CGAP could choose to have a dedicated theme on policy or infrastructure that would cut across different topics (e.g., climate, health, gender, etc.). This would help define focus areas and/or projects (e.g., basic enablers for women's financial inclusion) and areas / projects to de-prioritize (e.g., general basic enablers work, which could potentially be "transferred" to partner organizations that work directly with emerging market regulators and standard-setting bodies [SSBs]).

CGAP's foundational and 'definitional' research on new topics in digital finance (e.g., blockchain, AI, and their potential financial inclusion implications) remains core to its value proposition to many actors in the sector and must remain a component of any work program for CGAP VII. However, there is a need for CGAP to (1) demonstrate greater selectivity in identifying the right topics and/or 'white spaces' for such R&D work (especially if they do not immediately fall under any of the 2-3 program areas), (2) clearly communicate to relevant audiences and funders that such foundational work is not expected to yield ground results and/or impact, especially in the short term, and (3) develop an exit plan for these R&D topics, e.g.: (i) expand or grow into a full-fledged project, (ii) transfer to another organization that is better suited to cover / work on the topic, or (iii) simply exit and wind down work.

It should be noted that CGAP's leadership has already recognized this recommendation as a priority. Current efforts are underway as part of the CGAP VII strategy process to develop a new TOC and a clear external-facing narrative.

2) Developing and deepening relationships and partnerships in emerging countries in the Global South to remain both relevant and influential in the sector. CGAP continues to be perceived by most in the sector as a Global North-centric organization. There is good reason for this: CGAP's offices are in Washington, D.C. (its headquarters) and Paris, staff and leadership predominantly hail from OECD countries, and nearly all funder members in the Council of Governors (CG) are based in developed countries of Europe and North America. Simultaneously, CGAP's current staff representation, reach and networks, and member base are shallow in important emerging and middle-income countries—such as China, India, Bangladesh, Nigeria, Pakistan, Indonesia, Colombia, and Ethiopia—where the largest share of the un- and under-banked reside and where major financial innovations are expected to unfold. Other factors for selecting where CGAP should establish presence and members include countries where large foundations and bilateral funders exist, country income levels, etc.

To develop new relationships in these and other relevant geographies, CGAP could consider mapping and then engaging key local stakeholders, including providers, funders, and regulators. CGAP can do this most efficiently by leverage existing networks and partnerships, e.g., through CG members that may have a strong local presence. In parallel, CGAP could identify and execute low-touch partnership models to kick-start its engagement in these countries. This could include, for example, deeper and more formal alumni engagement and initiating fellowship / affiliate programs that allow CGAP to build

local knowledge and capacities over time without investing in full-time resources or consultants (who may not have the reach and depth of influence in these markets). As a longer-term option, CGAP could explore expanding its membership to include local funding institutions, including middle-income country bilateral aid agencies, corporate foundations active in the DFS space (e.g., Reliance Foundation, Nilekani Foundation, Tata Trusts, Ayala Foundation, etc.) to help accelerate its ability to influence key in-country decision makers.

CGAP could consider the following steps:

- *Conduct market assessments in a few high-priority countries* in order to (i) understand opportunities, trends, and challenges for inclusive digital financial services; (ii) map the landscape of providers, funders (especially private sector foundations, which are becoming increasingly influential and active in the broader payments, e-commerce, and DFS sector), and regulators; and (iii) identify CGAP's in-country assets, i.e., alumni, networks and resources of existing members and partners.
- *Convene relevant stakeholders to identify and coalesce around important gaps in the FI landscape* that CGAP could help address with research and innovative partnerships.
- *In parallel, identify and execute low-touch / low-resource partnership models to kick-start CGAP's engagement in these countries.* This could include deeper and more formal alumni engagement, such as initiating fellowship / affiliates programs that allow CGAP to start slow and build local knowledge and capacities over time without investing in expensive, full-time resources or consultants.
- *Over the longer term, explore expanding CGAP's membership by bringing in local funding institutions,* including corporate foundations active in the DFS space (e.g., Reliance Foundation, Nilekani Foundation, Tata Trusts, Ayala Foundation, etc.), in order to help accelerate CGAP's ability to influence key in-country decision makers.

To increase the adoption and implementation of its insights more widely, especially among market and non-market actors in developing countries, CGAP should consider:

3) Developing high-level, long-term partnerships and relationships (that last beyond projects) with select organizations that have reach and influence with actors in multiple developing countries—and helping these organizations pass on CGAP's insights and lessons to those actors. As the FI sector has evolved, the number and variety of organizations that provide support to country level market and non-market actors (e.g., UNSGSA, Toronto Centre, GSMA, AFI, etc.) has increased. At the same time, regulators, and funders (e.g., the World Bank) have become more multidimensional and sophisticated.

Figure 13: Organizations actively supporting financial inclusion activities in countries



“ We could become the intelligence network for CGAP but **CGAP is not using us or arming us to do this well** [...] CGAP doesn't have to do ground-level learning, and can **team up with us who are working with fintechs** to do it. ”

-- Sector support organization

“ If [CGAP] can, with its partners, align on what we want to work on, the aspects of the system that we want to change, what we're going to focus on, and how we're going to measure, then you build together a far larger evidence base. **You would really further increase the scope and the potential of creating change in the system.** ”

-- Sector support organization

As such, these organizations could be further leveraged by CGAP to link and connect to on-the-ground actors who can put CGAP's insights into play. These organizations also agree (in interviews) that CGAP can add significant value to them. These organizations must be selected carefully based on a range of factors that could include their (i) presence and activity in multiple thematic contexts and priority geographies for financial inclusion; (ii) reach and influence among multiple key target audiences, such as regulators, funders, and FSPs; and (iii) long-term track record of partnership and execution success.

CGAP could consider instituting norms such that non-R&D project teams would be linked from the outset to at least one such partner that could link them directly or indirectly to on-the-ground actors in multiple countries. These partners should be onboarded as early as the project planning or inception stage, and should be engaged deeply as thought partners and co-creators. While final decision making will obviously rest with CGAP, these partnerships will be most valuable and effective when partners feel they can meaningfully co-create and shape CGAP's knowledge products (less in terms of the content than the messaging and dissemination channels). In addition, CGAP could explore including the uptake and incorporation of CGAP's insights and solutions into the agendas and operations of these partner organizations as explicit goals both at the project and the overall CGAP levels, and as part of CGAP's formal results framework.

4. Sharpening and refining how CGAP exerts influence. CGAP has taken large strides in improving and increasing the effectiveness of its approach to exerting influence. The past two years have seen several cross-cutting CGAP-wide efforts to sharpen perspectives on how best to reach high-priority target audiences. Chiefly, these include the development of project influence strategies (wherein project teams, in conjunction with the communications team, developed a set of priority audience archetypes and created customized tactics and messaging to target them), new initiatives by the communications team (e.g., doubling down on podcasts and multimedia knowledge products, which have been shown to be effective), and an increasing focus on publishing a whole-of-CGAP perspective that synthesizes viewpoints on key financial inclusion topics and debates from various projects.

Building from these efforts, CGAP could consider the following steps to effectively exert influence:

- *Prioritize research and knowledge-building activities over direct technical support to country-level market / non-market actors.* CGAP's deep expertise and comprehensive, technical, pragmatic, and forward-looking knowledge resources are invaluable products for the sector and its actors. The development and dissemination of these knowledge products and activities should be prioritized over others like providing direct technical assistance. Direct partnership channels, especially at the overall CGAP level, should be focused on organizations that work directly with in-country stakeholders to build their capacity and ability to implement CGAP's insights and solutions (as noted in the recommendation above).
- *Devote sufficient time and resources, especially early in the project lifecycle, to identifying target stakeholders and sub-audiences, as well as their needs and knowledge gaps.* This requires using early landscape assessments and stakeholder consultations to (i) define specific sub-audiences (e.g., impact investors within the broader category of funders) that are likely to be most influential as target audiences for the project, (ii) understand their specific preferences and needs, and (iii) ensure that knowledge products are intentionally targeted to fill key operational or strategic gaps through actionable guidance. In addition, CGAP could explore the establishment of expert advisory or working groups that could provide inputs and suggestions on dissemination channels and messaging. To do so, CGAP could consider leveraging its technical networks (including alumni, sector experts, etc.) to ensure that insights and knowledge products are relevant and up-to-date.
- *Ensure that frequent touch points and sufficient resources are set aside for exerting ongoing influence, instead of waiting to make these connections and expend these resources solely at the very end of projects.* Currently, dissemination activities are often under-resourced and left for last. This impedes the development of tailored messages and content. It also prevents staff from spending adequate time on socializing and embedding the insights from final project outputs (typically created in the last year of a three-year project). These conditions make it difficult for staff to become widely recognized as experts on specific topic areas, which would enable them to leverage alternative and complementary channels of influence. Outside of recording them in its internal MIS, CGAP does not systematically use influence channels that sit outside of project activities (e.g., staff participation in advisory committees and boards, supporting industry events like annual World Bank meetings). Efforts to make such channels of influence visible to CGAP leadership—for

example, through quarterly reports, as the Communications team has begun to do—can improve CGAP’s ability to target and influence stakeholders.

In addition, CGAP should ensure that project plans incorporate a regular cadence of knowledge products throughout the research process, ranging from blogs summarizing early landscape assessments to webinars with participants of in-country pilots to op-eds in popular media that accompany the project’s final technical notes. Process and cultural changes may also be required to encourage staff to share actively across the project lifecycle. Additional role-modeling efforts can involve asking staff with significant public outreach experience to provide guidance to others internally on how to build an online presence or write for lay audiences through op-eds. It is equally critical that the publication timeline not develop additional chokepoints in the form of rigorous peer review that delays publication further and reduces the timeliness of CGAP’s insights.

- *Push for progress on mainstreaming gender within CGAP and define a scaling strategy that builds on the FinEquity platform.* In terms of influence activities, a key recommendation from the Gender Mainstreaming project evaluation was the development of a coherent narrative to define CGAP’s unique role in the women’s financial inclusion (WFI) space. Closely tied to the development of such a narrative is the need to define the strategic direction of the FinEquity platform. While several stakeholders describe deriving deep value from the network and knowledge it offers, they note that it can be more ambitious than simply a knowledge repository or convening platform.
- *Include influence outcomes in the simplified TOC and more explicitly incorporate clear influence metrics into the project results chains.* These metrics (e.g., adoption of CGAP-developed framework into the training content and materials of capacity building partners like UNCDF, etc.) are essential to understand and effectively articulate CGAP’s organizational influence on the most important target audiences and sub-audiences (standard-setting bodies, regulators, different types of funders, scaling organizations, providers, etc.).

Finally, to maintain its positioning and quality as a global knowledge organization, it is critical for CGAP to strengthen and improve its internal learning machine.

5. Improve knowledge management. CGAP’s internal learning machine is critical to its success as a knowledge organization. Effective knowledge sharing across teams helps ensure that CGAP is delivering synthesized, coherent, and consistent messages to its audiences. Informal and formal knowledge sharing has been affected by the COVID-19 pandemic, as it has depended on personal interactions and has not been institutionalized. Informal channels, which were the cornerstone of CGAP’s internal knowledge sharing, have obviously been hit the hardest. Formal knowledge-sharing processes are infrequent and perceived by many within CGAP as a check-the-box exercise, rather than as something that truly adds value. In addition, project teams express some frustration that “every project starts from scratch,” highlighting that accessing and building on past CGAP work remains a challenge. CGAP should consider the following recommendations to improve and strengthen internal knowledge sharing:

- *Model effective practices and ensure that CGAP leadership their importance.* CGAP leadership needs to build a collaborative culture of sharing insights by role modeling effective practices. Organizations where internal learning flourishes often focus on fostering a culture of collaboration, and cues from leadership are highly effective in shifting staff attitudes in this direction. CGAP leadership can celebrate or highlight successful collaborations (or lessons drawn from less successful efforts), call out staff that take advantage of opportunities to share knowledge, and propose new ideas. Doing so will help set expectations around knowledge sharing and collaboration throughout the organization, and will encourage junior colleagues and new arrivals to take up these practices—over time, embedding such practices as part of the organizational culture.
- *Improve and strengthen opportunities for CGAP staff and consultants to take advantage of its considerable brains trust across topic and themes.* First, increase the frequency and consistency with

which project teams brainstorm and share lessons (both on technical content, e.g., financial inclusion business models for women's livelihoods, and on process, e.g., how to apply a topic prioritization or gender lens prioritization framework). Specific tactics could include re-orientating existing structures like the Annual Blocked Week (CGAP's annual team retreat) and internal staff meetings more toward brainstorming and jointly debating and investigating issues than toward progress updates, and instituting pull-based measures like brown-bag lunches, internal challenges, and competitions. Second, from a systems perspective, CGAP should explore investing in a well-cataloged and easily searchable internal online knowledge platform or library of CGAP-authored content (including content that CGAP staff and consultants publish on non-CGAP platforms).

CGAP remains a powerful and critical voice in financial inclusion. As it defines its next 5-year strategy in the months ahead, we hope the findings and recommendations from this evaluation serve as a useful input into CG and leadership team discussions.

CGAP Management Response to the Final Synthesis Evaluation Reports (CGAP VI)

June 2022

The Strategic Evaluation (the “SE”), conducted by Dalberg Advisors, was commissioned by CGAP’s Executive Committee (ExCom) and guided by a Steering Committee comprised of four representatives from the ExCom.¹ The SE has been a multi-year effort conducted from February 2020 to June 2022 and is comprised of a series of assessments, including seven project deep dives, seven influence maps, a strategic relevance and scalability assessment, and a final synthesis report. This document presents CGAP’s management response to the final synthesis evaluation report, which will be presented and discussed at the CG annual meeting in Paris in June 2022.

CGAP would like to thank and acknowledge Dalberg Advisors for their thorough work in preparing all deliverables of the SE. We appreciate that this evaluation required not only deep knowledge of evaluation methods and of the financial sector, but also an understanding of CGAP’s place within the broader ecosystem, its unique membership structure, and its position being housed as a trust fund under the World Bank.

Overall, we welcome the findings of the evaluation, and agree with the recommendations. We are pleased to receive the positive findings and will continue to leverage them going into CGAP VII. We are equally thankful to the Dalberg evaluation team for identifying strategic areas that we can leverage to improve CGAP’s overall influence and impact in the sector going forward.

Specifically, CGAP values the overall evaluation findings, which highlight “the CGAP Difference,” i.e., that: “CGAP enjoys entrenched and cross-cutting credibility among all stakeholder groups in the FI ecosystem, a position that is rare. It derives this credibility by consistently taking strong, independent positions that champion a pro-poor and women-centric agenda that is strongly aligned to its mission. Its credibility is also enhanced by its “think-and-do” approach of in-country learning and on-the-ground of insights and solutions. This approach has, over time, led CGAP to develop a deep and unique base of intersectional, topical (e.g., agricultural economics or gender) and technical (e.g., fintech product development) expertise that market actors value and senior decisionmakers trust.”

The SE provides useful recommendations for CGAP’s future work and how CGAP can 1) become a more effective agenda setter, 2) increase the adoption and implementation of its insights more widely, especially among market and non-market actors in developing countries, and 3) maintain its positioning and quality as a global knowledge organization by strengthening and improving its internal learning machine. In the matrix table below, we summarize the SE recommendations and offer our responses (page 2 onwards).

Given the duration of the SE, CGAP’s management provided a separate management response to each of the seven deep-dive project assessments throughout the course of the evaluation (see separate annex for further details). As the project deep-dive evaluations evolved over the past two years, many of the management response’s action items have been addressed, while some have been incorporated in this overarching management response.

¹ Jason Lamb (BMGF), Fernando Maldonado (USAID), Maha Bahou (At-large ExCom member), and Bindu Ananth (At-large ExCom member)

Strategic Evaluation CGAP VI - Management Response Matrix to Final Synthesis Evaluation Report

1. To become a more effective agenda setter, CGAP should consider:

Recommendation 1: Develop and articulate a clear, simple, brief impact narrative on CGAP’s priorities and interventions for external audiences, which is consistent with its TOC.

Management Response: Agree. We take note of the confusion created by the recent changes in direction, and we commit to communicate clearly and consistently a clear narrative that sets a clear agenda for the sector. We agree that a crisp, one-page narrative that builds off CGAP’s TOC, and which serves as a communication tool for external audiences and a prioritization tool for staff is an important step to clear confusion and anchor ecosystem stakeholders. It could be through a summary version of our TOC, or through a crisp narrative about what we hope to achieve and how. As noted in the evaluation report, we have already started this work as part of the development of the CGAP VII strategy. In addition, to increase our ability to be an agenda setter for the sector we also commit to strengthening our ability to identify emerging trends relevant for financial inclusion. We will seek to do so through investing in a strategic R&D program, and a market intelligence function to continuously scrutinize market developments.

Key Action	Timeframe	Responsible unit(s)
Develop and communicate, clearly and consistently, a narrative setting goals and a clear vision for CGAP and for the sector	By June 2023	CGAP Leadership Team (LT), Front Office
Maintain a strategic R&D program to remain visionary and an agenda setter, combined with an explicit risk-taking approach acknowledging that R&D activities cannot all lead to impactful developments	As part of CGAP VII. FY24 (ongoing)	CGAP LT
Create a light-touch market intelligence function to continuously scrutinize market developments, including by leveraging CGAP staff, its funders and consider a new affiliate network (see below), and define a maturity model to exit topics that have been mainstreamed by others or are no longer relevant for CGAP	As part of CGAP VII. FY24 (ongoing)	CGAP LT

Recommendation 2: Developing and deepening relationships and partnerships in emerging countries in the Global South to remain both relevant and influential in the sector.

Management Response: Agree. To remain on top of relevant priorities and development for the sector and, by doing so, remain a credible relevant agenda setter for the sector, we will expand our partnerships and presence in the global south (incl. new funders, an affiliate network, and further decentralization of our staff).

Key Action	Timeframe	Responsible unit(s)
Expand our partnerships and our presence in the Global South (incl. consideration of new funders, an affiliate network, and further decentralization of our staff)	As part of CGAP VII. FY24 (ongoing, pending sufficient budget)	CGAP LT

2. To increase the adoption and implementation of its insights more widely, especially among market and non-market actors in developing countries, CGAP should consider:

Recommendation 3: Developing high-level, long-term partnerships and relationships (that last beyond projects) with select organizations that have reach and influence with actors in multiple developing countries—and helping these organizations pass on CGAP’s insights and lessons to those actors.

Management Response: Agree. We recognize that the financial inclusion sector has evolved, and that the number and variety of organizations that provide support to country level market and non-market actors has increased significantly in the last decade. At the same time, regulators, and funders have become more multidimensional and sophisticated. We appreciate the evaluation finding that CGAP has continued to hold its own as the industry’s go-to knowledge hub in this evolving industry landscape, and that it is seen in a positive light by funders, regulators, FSPs, and support organizations alike. We recognize that key elements of CGAP’s value add is, on the one hand, to be an agenda setter, and on the other hand, to leverage members and strategic partners to scale up insights and solutions through them. Therefore, we will strengthen strategic high-level, long-term partnerships and relationships with members and wholesaler/implementation organizations.

Key Action	Timeframe	Responsible unit(s)
Convene relevant financial inclusion stakeholders to identify and coalesce around important strategic agendas, priorities for the sector, and important messages that we can reinforce together by establishing regular coordination points and sharing views on sectoral priorities and areas for joint advocacy or work	As part of CGAP VII. FY24 (ongoing)	CGAP LT
Strengthen our relationship and coordination with the WBG, our other members, and other large wholesaler/implementation agencies to maximize the extent to which our insights and lessons are scaled up in the sector through our partners and beyond (e.g., by regularly organizing targeted dissemination events on relevant CGAP findings)	Ongoing	CGAP Operational Team

Recommendation 4: Sharpening and refining how CGAP exerts influence.

Management Response: Agree. We appreciate the evaluation team’s recognition of CGAP’s increasing effectiveness of its approach to exerting influence. These efforts have included 1) the development of project influence strategies, 2) new initiatives by the communications team (e.g., doubling down on podcasts and multimedia knowledge products, which have shown to be effective), and 3) an increasing focus on publishing a whole-of-CGAP perspective that synthesizes viewpoints on key financial inclusion topics and debates from various projects. Building on these efforts, CGAP will continue to strengthen its influence by 1) strengthening the results orientation of our Theory of Change, and 2) developing Influence and Results strategies for all new projects, aligned with the CGAP VII Theory of Change. This will help ensure that influence and results are carefully considered from the start of a project and is used regularly by project team as a results compass.

Key Action	Timeframe	Responsible unit(s)
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Strengthening the results orientation of our Theory of Change, including identifying the various audiences CGAP needs to influence and the behavior changes CGAP needs to foster in order to achieve its expected outcomes	By July 2022	CGAP Front Office
Develop new and enhanced Influence and Results Strategies for all new projects (incl. the new Inclusive Finance in Fragile Countries (IFFC) Project, and Climate Resilience and Adaptation through Financial Services Project projects), aligned with our Theory of Change, and use them as a compass throughout the life of our projects	Piloting new approach as part of IFFC and the Climate Change projects to be mainstreamed as part of CGAP VII.	CGAP Front Office, CGAP Comms, and project leads

3. To maintain its positioning and quality as a global knowledge organization, it is critical for CGAP to strengthen and improve its internal learning machine.

Recommendation 5: Improve knowledge management.

Management Response: Agree. We recognize that both informal and formal knowledge sharing has been affected by the COVID-19 pandemic, as it has depended on personal interactions and has not been satisfactorily institutionalized. To improve, we will transform the Communications team into a “Communications and Knowledge Management (KM) team”. They will take on a new responsibility to coordinate CGAP’s KM function. While the team will use FY23 to define how this function will be implemented, progress has already been made. We have started to institutionalize learning series through Brown-Bag Lunches, and external speaker events to get CGAP staff more exposed to external developments. In addition, we will re-instate an in-person forward-looking blocked week (CGAP’s annual team retreat). Continue to use our staff meeting for staff to share findings with each other and explore additional mechanisms for internal communication and knowledge exchange. Establish an internal repository of knowledge (e.g., by enhancing the current MIS for this purpose). We will also develop an active staff training program, including identifying needed skills, relevant training opportunities, and actively managing our internal training budget and staff’s competencies development.

Key Action	Timeframe	Responsible unit(s)
The organization of internal brainstorming sessions on new/complex financial inclusion thematic areas where the brainpower of CGAP staff together can add value, where different perspectives are needed, where new knowledge is needed, or where silos need to be broken	Ongoing	CGAP Comms, Project Leads
The organization of learning series through Brown-Bag Lunches, speaker events (as we have started) to get CGAP staff more exposed to external developments. Ensuring the new market intelligence function is actively sharing content across pillars and with relevant staff.	Ongoing	CGAP Corporate, CGAP Comms
Develop an active staff training program, including identifying needed skills, relevant training opportunities, and actively managing our internal training budget and staff’s competencies development	July 2022	CGAP Corporate, CGAP Comms