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EVALUATION

Performance Evaluation of the USAID/Malawi Feed the Future Mobile Money Project

[August 2016]

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PERFORMANCE EVALUATION OF THE USAID/MALAWI FEED THE FUTURE MOBILE MONEY PROJECT

Final Report

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ACRONYMS

ACE	Agriculture Commodity Exchange
AB	Agency Banking
API	Application Program Interface
BB	Branchless Banking
B2P	Business to Person
BTCA	Better than Cash Alliance
CD	Country Director
CDCS	Country Development Cooperation Strategy
COP	Chief of Party
COP	Community of Practice
DFS	Digital Finance Services
DFSCG	Digital Finance Services Consultative Group
EGRA	Early Grade Reading Activity
E-payment	Electronic Payment
E-wallet	Electronic wallet
ET	Evaluation Team
FGD	Focus Group Discussion
FHI 360	Family Health International 360
FISP	Farm Input Subsidy Program
FSTAP	Financial Sector Technical Assistance Project
FtF	Feed The Future
GoM	Government of Malawi
GSMA	Groupe Special Mobile Association
GUI	Group User Interface Software
IR	Intermediate results
INVC	Integrating Nutrition in Value Chains
KII	Key Informant Interview
KRA	Key Result Activity
MB	Mobile Banking
MFI	Micro Finance Institution
MFS	Mobile Financial Services
MIS	Management Information System
MoF	Ministry of Finance
MoA	Ministry of Agriculture
MoU	Memorandum of Understanding
MPC	Malawi Post Corporation
M-money	Mobile money
MN	Merchant Network
MNO	Mobile Network Operator
MMAP	Mobile Money Accelerator Program
MMCG	Mobile Money Consultative Group
MoEST	Ministry of Education, Science and Technology
MSB	Malawi Savings Bank
MUSCCO	Malawi Union of Savings and Credit Cooperatives
MWK	Malawian Kwacha
NASFAM	National Smallholder Farmers Association of Malawi

NGO	Non-governmental Organization
OBM	Opportunity Bank Malawi
PEB	Procurement Executive Bulletin
PCI	Project Concern International
POS	Point of Sale
Q&A	Questions & Answers
RBM	Reserve Bank of Malawi
SACCO	Savings and Credit Cooperative
SCT	Social Cash Transfer
SIR	Sub-Intermediate Result
SOW	Scope of Work
THP	The Hunger Project
TNM	Telekom Networks Malawi
UNCDF	United Nations Capital Development Fund
USAID	United States Agency for International Development
USSD	Unstructured Supplementary Service Data
USG	United States Government
VA	Village Agents
VAS	Value Added Services
VSLA	Village Savings and Loans Association
WASP	Wireless Application Service Providers

DIGITAL FINANCIAL SERVICES (DFS) DEFINITIONS

The following definitions of DFS terminology are used in this evaluation report.

E-Vouchers utilize a scratch card (confirmed by farmer's ID) that a farmer takes to a participating agrodealer to redeem input supplies. The agrodealer uses a unstructured supplementary service data (USSD) menu to confirm the identity and voucher of the farmer.

E-Wallet is accessed through a digital instrument, most often a mobile handset, though in some countries there are also cards. The wallet can be used to perform transactions such as: payments (to utilities, repayments of loans etc.) purchase of airtime and transfers.

Digital Financial Services describes the provision of financial and or non-financial related services that are delivered and managed using digital technologies.

Digital Financial Plus (DF Plus) is the use of DFS to enable extension of financial services for solar power, water pump and other uses.

Mobile Financial Services (MFS) are a range of financial services provided on mobile devices. This includes mobile phone, tablet and POS as an alternative delivery channels.

Branchless Banking (BB) is where a financial institution extends its banking services, outside of a branch network through using technology and/or third parties to give access to full-fledged banking services. It can include both mobile, agency banking and ATMs.

Mobile Money (MM) is deposited and or withdrawn through cash in / out agents into a wallet. This is not a savings / deposit account that earns interest, though the total amount of funds in the ecosystem is secured in a trust account at a 1:1 ratio.

Mobile Banking (MB) is the use of a mobile handset as a channel to access an account that has been opened at a financial institution. The account is opened through traditional banking channels and account resides at the financial institution's Core Banking System and earns interest.

Agency Banking (AB) a financial institution directly or in collaboration with third party service providers (agents) deliver a range of financial services

Merchant Network (MN) is a network of supermarkets, groceries, shops, etc. that is enabled to accepted digital payment, often cards and or mobile money wallets, in exchange for goods and services. Merchants can be mobile money agents, but not all mobile money agents will be merchants.

Scratch Cards can be used for the purchase of airtime or as an e-voucher to distribute agriculture subsidies or other transfers/subsidies (health, social welfare, etc.). Like a lottery ticket there is a box on the card that the owner scratches off to reveal a numerical code that is then used to purchase airtime or to reveal the identity of the card holder.

Digital payments ecosystem describes any digital transaction which is supported/facilitated at three levels:

1. **Infrastructure (back end)** – national switch, mobile money platforms, core banking systems / MIS, interfacing and interoperability, customer service desks, disaster recovery, credit rating bureau.
2. **Systems (front end)**- Agent network, merchant networks (POS and or mobile money) ATMs, issuing of digital instruments (cards and SIM card).
3. **Consumer level** - Consumer protection, financial education and literacy, public awareness

Financial inclusion – effective access by citizens to a range of quality financial services such as credit, savings, insurance, payments and remittances, provided by diverse financial service providers¹

¹ As per working draft of Ministry of Finance upcoming National Strategy for Financial Inclusion.

EXECUTIVE SUMMARY

EVALUATION PURPOSE AND EVALUATION QUESTIONS

This is a performance evaluation of the Feed the Future Malawi Mobile Money activity, more popularly known as Mobile Money Accelerator Project (MMAP), funded by the United States Agency for International Development (USAID) Mission in Malawi. The project is implemented by Family Health International 360 (FHI360) and started in October 2012. MMAP will close out in November 2016.

According to the Statement of Work (SOW) for this assignment (see Annex 7), the purpose of the evaluation was to “*assess MMAP in the three key intermediate results (IRs): 1) Demand for mobile money increased; 2) Mobile money infrastructure systems strengthened; and 3) Legal and regulatory framework to enable mobile money strengthened.*” The underlying rationale for MMAP is that it should support USAID/Malawi’s Country Development Cooperation Strategy (CDCS) cross-cutting Sub-Intermediate Results (SIRs). These SIRs are: 1) Capacity of institutions strengthened; 2) Use of technology and innovation increased; and 3) Policy and systems strengthened.

The evaluation was conducted by a hybrid team, which consisted of two external experts - Dr. Lee H. Babcock, Team Leader, and Mr. Chris Statham, Digital Finance Services (DFS) expert - to provide objectivity, credibility and an external perspective; and two USAID internal experts - Dr. Andrew Karlyn and Mr. Abel Nyoni - to provide intimate understanding of, and knowledge about, MMAP and its operations. This team was assisted by Nils Junge (Evaluation Expert) and Area 55 Consulting, a local firm that planned, scheduled, logistically arranged, as well as moderated, translated and transcribed all focus group discussions (FGDs).

An integral part of the evaluation mission was to answer a set of pre-determined questions in order for USAID/Malawi to obtain a greater understanding of the impact that MMAP has had on intended beneficiaries. The evaluation questions focused primarily on the MMAP Results Framework (see Figure 2, page 11) and its three Intermediate Results (IRs). In general, these questions are concerned with the extent to which MMAP implemented its program, the impact it had on mobile money (MM) uptake, and whether or not MM uptake would have increased without MMAP’s program scope. There were additional evaluation questions regarding partnership and pilot activities (PPAs) as well as how MMAP fits into the Missions Strategic Focus (MSF). Supporting data and information can be found in the annexes attached to this report. The findings and conclusions reached by the ET can be used by USAID/Malawi to design future interventions in the field of digital payments.

PROJECT BACKGROUND

USAID/Malawi awarded the \$3 million cooperative agreement to implement MMAP on October 2, 2012 to FHI 360 under the FIELD Leader with Associates. USAID/Malawi contributed \$2.2M to the project, and the USAID Global Development Lab contributed \$800,000. MMAP started only eight months after Airtel Money was launched and before TNM Mpamba had started operations. Airtel Money and TNM Mpamba are branded MM products of the two mobile network operators in Malawi, Airtel and TNM.

The purpose of MMAP was to accelerate the development of the MM ecosystem in Malawi in order to deepen financial inclusion. The program sought to harness rising digital economies and new business models for financial services by coordinating a set of public and private initiatives to promote broad adoption and use of MM in Malawi. MMAP’s emphasis was on reaching selected unbanked and underbanked market segments. In order to effectively contribute to the USAID Forward goal to expand access to and the use of digital payments, MMAP’s interventions focused on achieving the three IRs highlighted below:

1. *Demand for MM Increased (IR 1)*: IR 1 focuses on providing technical assistance to various program entities to support the establishment and deployment of an m-money public awareness campaign. This utilizes a wide range of media and outreach approaches, as well as broader financial literacy initiatives.
2. *MM Infrastructure and Systems Strengthened (IR 2)*: IR 2 supports and advances the growth of digital payments in Malawi through coordinated interventions that include strategic pilots as well as targeted technical assistance to key public and private sector stakeholders. MMAP conducts market research and studies on various topical issues related to digital payments; establishes partnerships with public and private sector institutions/organizations to pilot cash transfer payments; coordinates implementation of the Farm Input Subsidy Program (FISP) electronic voucher (e-voucher) payments, and strengthening the capacity of digital payments agents.
3. *The Legal and Regulatory Framework to Enable MM Strengthened (IR 3)*: Under IR 3, MMAP initiates and supports studies to analyze the digital payments regulatory environment, and advocate for policies and legislation that will strengthen the MM legal and regulatory environment. MMAP also provides technical and administrative support to the Mobile Money Coordinating Group (MMCG) for smooth operations and continued productivity.

According to the scope of work, MMAP contributes directly to USAID/Malawi's CDCS cross-cutting SIRs, namely: 1) Capacity of institutions improved; 2) Use of technology and innovation increased; and 3) Policy and systems strengthened. The development hypothesis underpinning the MM activity is that *if the demand for MM is increased, MM infrastructure and systems are strengthened, and the legal and regulatory frameworks governing MM are strengthened, then there will be an increase in access to and usage of MM.*

EVALUATION DESIGN, METHODS AND LIMITATIONS

To assess MMAP, the evaluation team (ET) was tasked to conduct a performance and not an impact evaluation, which would have looked at specific impact and outcomes. The performance evaluation compared the objectives of the project to the accomplishments, performance issues and constraints in the implementation in order to identify results and lessons learned. The methodology that was adopted by the ET relied primarily on a qualitative, rather than quantitative, approach which was considered an effective way for understanding the performance of a complex and multi-component program like MMAP with its broad scope (demand, supply and regulation) and multiple stakeholders. To this end, key informant interviews (KIIs) representing 34 organizations were conducted with 69 individuals. To accommodate the broad spectrum of KIs, the ET designed questionnaires for the five broad categories of KIs: private sector, mobile financial services providers, non-governmental organizations (NGOs), donors and government officials (see Annex 5).

In addition, the ET conducted FGDs with MMAP pilot beneficiaries and participants in order to obtain their insights and perspectives with respect to factors that may be impacting demand for MM as well as MM infrastructure and systems and other related issues. FGDs were conducted with e-voucher farmers and agrodealers, farmers from the National Smallholder Farmers Association of Malawi (NASFAM), Agriculture Commodity Exchange (ACE) traders and farmers, CARE village savings and loan association (VSLA) agents and members, Project Concern International (PCI) employees, farmers and beneficiaries, Save the Children (STC) social cash transfer recipients, Research Triangle Institute (RTI) teachers, savings and credit cooperative (SACCO) and microfinance institution (MFI) members, and the general public.

Given MMAP's broad scope of work, the ET designed FGD guides for four broad categories of participants: individuals, agents, e-voucher farmers, e-voucher agents. To this end, the ET conducted from May 26 to June 13, 25 FGDs that included 259 participants, resulting in an average FGD size of 10

participants. There were 128 female and 131 male participants. Of the 259 participants, 222 (86%) had phones and 187 (84%) of those had a mobile wallet (Airtel Money and/or TNM Mpamba).

Before, during and after the KIs and FGDs, the ET also examined MMAP-related documents and materials, such as annual and quarterly reports, Performance Monitoring and Evaluation Plans (PMEPs), research reports, and other sources of reference that would validate their findings and conclusions.

The ET encountered a few limitations during its fieldwork in Malawi. Some of these included lack of access to the marketing firm that implemented the MMAP public awareness campaign as well as lack of access to MMAP's job descriptions, manpower loading and the GIS mapping exercise. While important, these and other limitations did not prevent the ET from gathering the data and information needed to develop our findings, conclusions and recommendations for USAID's Evaluation Questions (Section 4.0) as well as for the individual components/initiatives (e-vouchers and public awareness) and pilots (Annex 2).

What follows immediately below are six higher level findings that were informed by the specific Evaluation Questions in Section 4 as well as the ET's secondary and primary research.

HIGH LEVEL FINDINGS, CONCLUSIONS, RECOMMENDATIONS

MMAP Overall

MMAP achieved its IR1 objective to stimulate demand but did not achieve its IR2 and IR3 objectives for supply and regulation, respectively. That said MMAP was highly flexible and responsive to current events (input supply and Cashgate scandals), project management challenges [misalignment with Feed the Future (FtF)] as well as technical and other issues related to the extremely nascent MM industry/sector. In spite of these robust challenges, MMAP positioned USAID positively within the government of Malawi as a MM and financial inclusion leader.

- **Finding** – On the demand side (IR1) MMAP stimulated awareness and MM uptake based on the fact that training of MMAP pilot users (farmers, agents, VSLA, social cash transfer recipients, etc.) enabled people to have a much better understanding of the features and benefits of MM. These trainings, convened by USAID/MMAP and perceived as unbiased and trustworthy, overcame the initial distrust of users who only heard about MM from mobile network operators (MNOs). Nevertheless, there was a lack of indicators in the eight pilots as well as any underlying business case analysis to inform investment decisions such as: cost of cash analysis, requisite internal change management needs, revised procurement procedures and more. As part of MMAP's broad scope of programming, they retained a marketing firm to design and implement a year long (May 2014 – Mar 2015) nationwide public awareness campaign, which included radio spots, billboards, newspaper articles, etc. There was no separate evaluation of that public awareness campaign in order to assess if it had contributed to the overall increase of awareness/demand in the market.

On the supply (IR2) and regulatory (IR3) sides MMAP was less conclusive. The usual dynamic for national MM rollouts is urban-first, rural-second. As stated by the Airtel KI, they did not start to think about rural until Q3 2014. Given the requisite need to partner with MNOs, and their supply side infrastructure, this helps explain why MMAP placed heavy focus on awareness raising, education and other demand side activities. On the regulatory/legislative front MMAP was a key informant for the Reserve Bank of Malawi (RBM) but had no impact on the intractable Parliamentary process.

In addition, USAID's Malawi FtF Strategy (May 2011) was not informed by the USAID Financial Sector Knowledge Sharing Mobile Money National Action Plan (November 2011), which explains the absence of MM in the FtF Strategy. As a consequence, MMAP's FtF indicators were not tightly aligned with MMAP's programming. Of particular note is an analysis for USAID/Bangladesh that was

done by FHI360. That analysis comprehensively aligned the programmatic outcomes of FtF (increased productivity, trade, nutrition, employment, etc.) with the MM outputs of financial efficiency (e.g. cost savings), return on investment (e.g. greater outreach) and policy (e.g. advanced metrics). Even though MMAP’s implementer is also FHI360, this analysis was not used to inform MMAP program management.

During the lifespan of MMAP up to March 31, 2016 there has been significant growth of MM in Malawi. The following table portrays this growth and specifically highlights the doubling of quarterly transaction volume in the last six months over the same base number of agents:

Table 1: Growth Timeline

	Dec 2012	Sep 2013	Sep 2014	Sep 2015	Mar 2016
Active Wallets	18,000	103,861	242,000	528,068	688,178
Agents	3,500	10,191	17,703	20,887	21,426
Quarterly Transaction Volume	\$1.5M USD	\$8.6M USD	\$74.3M USD	\$176M USD	\$348.5M USD

The doubling of transaction volume in the last six months, over the same base number of agents, means agent commission earnings are increasing as a financial reward for serving more customers (688,178) that have higher transaction volume/customer. This bodes well for agent network performance in terms of customer service and consumer protection both of which were highlighted throughout the KIs and FGDs as significant issues. While it is not possible to directly attribute how much of the growth was due to MMAP, it is clear that MMAP was one reason for the growth – from the demand perspective - by virtue of its pioneering MM programming and its MMCG that has been widely hailed as the convening catalyst for multi-stakeholder discussions and knowledge sharing. It is less clear from a digital payment ecosystem as a whole – that also entails supply and regulation – because MMAP (as previously mentioned) had less impact on the supply and regulatory sides.

- **Conclusion** – Although MMAP did stimulate awareness and some MM uptake, six out of eight pilots were poorly designed without any business case, thus missing opportunities to maximize sustainable impact. One notable exception was the last pilot, with PCI (started in November 2015), which did a cost of cash analysis that secured strong internal management and staff buy-in leading to an apparently successful and scalable rollout of MM, as of the time of writing. Even though the cost of cash analysis tool existed from the beginning of the MMAP project, this was the first time it was used as part of a pilot design, and was a few months after the NetHope workshop for USAID implementing partners (IPs). The other notable exception was the CARE VSLA pilot (started in September 2015), that leveraged their learnings from other CARE MM programming/tools from their other country operations.
- **Recommendation** - There is need for direct technical assistance to institutionalize sustainable change as compared to how MMAP defined technical assistance. In MMAP performance reports technical assistance was defined as financial literacy trainings, meetings/discussions and dissemination of reports. To be more effective, technical assistance should include preparation of business case/value proposition analysis (i.e. cost of cash/mobile, internal change management, revised procurement policies and procedures, etc.) for implementing partners, MNOs, agribusinesses and other stakeholders. Successful MM implementation must begin internally with management and staff who understand the business case for their organization and adopt m-wallets themselves before they try to convince farmers and other beneficiaries to use the same product/service.

Mobile Money Consultative Group (MMCG)

- **Finding** – MMAP’s MMCG addressed areas across all three IRs and received universal praise from key informants (KIs) for pioneering the first ever forum for competitors, government, banks and other stakeholders to convene and discuss sector issues. These issues included MMAP’s description of, and experience with, the features and benefits of MM on behalf of their pilot beneficiaries. With time, membership satisfaction has declined because MMCG has not delivered on the desire of members for research outputs of interest to the sector (i.e. white papers, studies, sector analyses, etc.)
- **Conclusion** – USAID’s support for MMAP’s MMCG has positioned USAID as a leader in the MM sector in Malawi and, more broadly, as a strong proponent of financial inclusion.
- **Recommendation** - USAID should leverage its leadership position by designing public private partnerships that integrate MM into its future programming. In addition, as stated in Section 5.3: Lessons Learned, there remains a need for a ‘follow-on’ public-private MMCG with the caveat being that it should be resourced to deliver research outputs of interest to the sector. Unfortunately, there are no current MMCG members that have expressed interest in assuming the role and responsibilities of being the MMCG Secretariat. If none steps forward in the near term, USAID might consider continuing its support under a separate mechanism.

Government to Person (G2P) Payments

- **Finding** – The original focus of MMAP, during its first year, was working with government to implement G2P payments. This focus on G2P changed due to Cashgate (a government finance scandal) and its aftermath (change of government and key personnel). Even after Cashgate, MMAP continued to pursue the programming developed pre-Cashgate to disburse G2P payments through the Malawi Savings Bank (MSB). Unfortunately, the MSB was itself in the process of privatization and the potential new owner did not approve the G2P payments for disbursement. Upon this development with MSB, G2P payments were finally set aside by MMAP. At the same time MMAP was pulling back, USAID supported the government through a grant to the United Nations Capital Development Fund (UNCDF) to embed a UNCDF resident advisor inside the Ministry of Finance (MoF); this person was exclusively full-time on G2P. This resident advisor ultimately helped draft the upcoming Digital Payments Roadmap National Strategy.
- **Conclusion** – G2P holds much promise because of its potential to drive extremely high volumes of transactions onto the mobile channel. Nevertheless, it is not a ‘low hanging fruit’ because of the inherent challenges of operationalizing government behaviour and the agent network liquidity constraints at the early stages of a service provider deployment. USAID’s support to UNCDF to embed inside the MoF a person who was committed full time to G2P, as per the government’s commitment to the Better than Cash Alliance (BTCA), was in the words of one KI “very strategic.”
- **Recommendation** – Future G2P programming should continue the exclusively full-time person embedded in the government. This programming should be aligned with separate field programming that contributes to awareness, usage and agent network liquidity management in those rural areas where G2P payments will be received.

Pilots: PCI-Agriculture

Note: Annex 2 provides background and results as well as findings, conclusions and recommendations for each of MMAP’s pilots.

- **Finding** – This was the best designed and implemented pilot because it secured internal management and staff buy-in before being rolled out to beneficiaries. In this way management and staff became ‘champions’ internally, which informed and motivated other staff. This, in turn, made PCI field agents more informed and more motivated champions for change at the beneficiary level. After first contact at the NetHope Implementing Partners Workshop (Nov 2015), MMAP worked

with PCI management and finance team on cost of cash/mobile analysis after which they did field team training and then beneficiary disbursements.

- **Conclusion** – A cost analysis pilot initiation secured internal management buy-in/commitment which motivated field team and other staff for more informed and better executed beneficiary disbursements.
- **Recommendation** – A comprehensive case study of the PCI pilot should be prepared. Informed by the case study, future pilots should follow a similar but improved design and implementation approach.

Pilots: Other agriculture

Note: Annex 2 provides background and results as well as findings, conclusions and recommendations for each of MMAP's pilots.

- **Finding** – Agriculture activities revealed, after sensitization, a groundswell of demand by farmers while at the same time there was limited/no sensitization/planning/protocols with other stakeholders.
- **Conclusion** – Training/engagement with one but not all value chain stakeholders was a design weakness.
- **Recommendation** – Future agriculture activities should deliver subject matter content and design intervention specific to the needs of each stakeholder.

Pilots: RTI/Early Grade Reading Activity (EGRA)

Note: Annex 2 provides background and results as well as findings, conclusions and recommendations for each of MMAP's pilots.

- **Finding** – This was the least well designed and implemented pilot. RTI pursued mobile payments at the behest of RTI-Kenya office so there was no internal management and staff buy-in including any internal staff usage of m-wallets. Lacking any designed internal buy-in and motivation, there were no 'champions' for change for the implementation of mobile disbursements to teachers during teacher trainings.
- **Conclusion** – Without internal management and staff buy-in deployment of MM disbursements will likely fail.
- **Recommendation** – Management and employee buy-in can be achieved by way of cost of cash and other analyzes, internal payments to personnel and training of trainers (TOT).

I.0 EVALUATION PURPOSE & EVALUATION QUESTIONS

I.1 EVALUATION PURPOSE

This is a performance evaluation of the Feed the Future Malawi Mobile Money activity, more commonly known as Mobile Money Accelerator Project (MMAP), funded by the United States Agency for International Development (USAID) Mission in Malawi. The project is implemented by Family Health International 360 (FHI360) and started in October 2012. MMAP will close out in November 2016.

According to the Statement of Work (SOW) for this assignment (see Annex 7), the purpose of the evaluation was to “*assess MMAP in the three key intermediate results (IRs): 1) Demand for mobile money increased; 2) Mobile money infrastructure systems strengthened; and 3) Legal and regulatory framework to enable mobile money strengthened.*” The underlying rationale for MMAP is that it should support USAID/Malawi’s Country Development and Cooperation Strategy (CDCS) cross-cutting Sub-Intermediate Results (SIRs). These SIRs are: 1) Capacity of institutions strengthened; 2) Use of technology and innovation increased; and 3) Policy and systems strengthened.

The Evaluation Team (ET) consisted of two external experts, Dr. Lee H. Babcock, Team Leader, and Mr. Chris Statham, Digital Finance Services (DFS) specialist; and two USAID internal experts, Dr. Andrew Karlyn, and Mr. Abel Nyoni to provide intimate understanding of, and knowledge about, MMAP and its operations. In addition, the ET was assisted by Nils Junge (Evaluation Expert), and by Area 55 Consulting, a local firm who planned, scheduled and logistically arranged for all focus group discussions (FGDs).

I.2 EVALUATION QUESTIONS

The ET addressed the following questions in five broad categories:

a. Demand for Mobile Money (MM) Increased (IR 1):

- 1) Did awareness of MM increase as a result of MMAP?
- 2) Did consumer understanding about the features/benefits of MM increase as a result of MMAP?
- 3) Did MMAP reduce MM barriers to access for consumers?

b. Mobile Money Infrastructure and Systems Strengthened (IR 2):

- 1) To what extent have service providers made or adjusted investments as a result of MMAP?
- 2) To what extent did MMAP research products influence the go-to market strategy(ies) of mobile financial service providers?
- 3) To what extent have MMAP activities influenced the MM community of stakeholders?

c. The Legal and Regulatory Framework to Enable Mobile Money Strengthened (IR 3)

- 1) What has MMAP done to plan for sustainability of MMCG after project close-out?
- 2) Did MMAP influence the internal processes and procedures of the government?
- 3) How have changes in the economic, business and political environment impacted MMAP?

d. Partnerships and Pilot Activities (PPA)

- 1) How have MMAP pilots impacted investment, partnerships, programs?

e. Mission Strategic Focus (MSF)

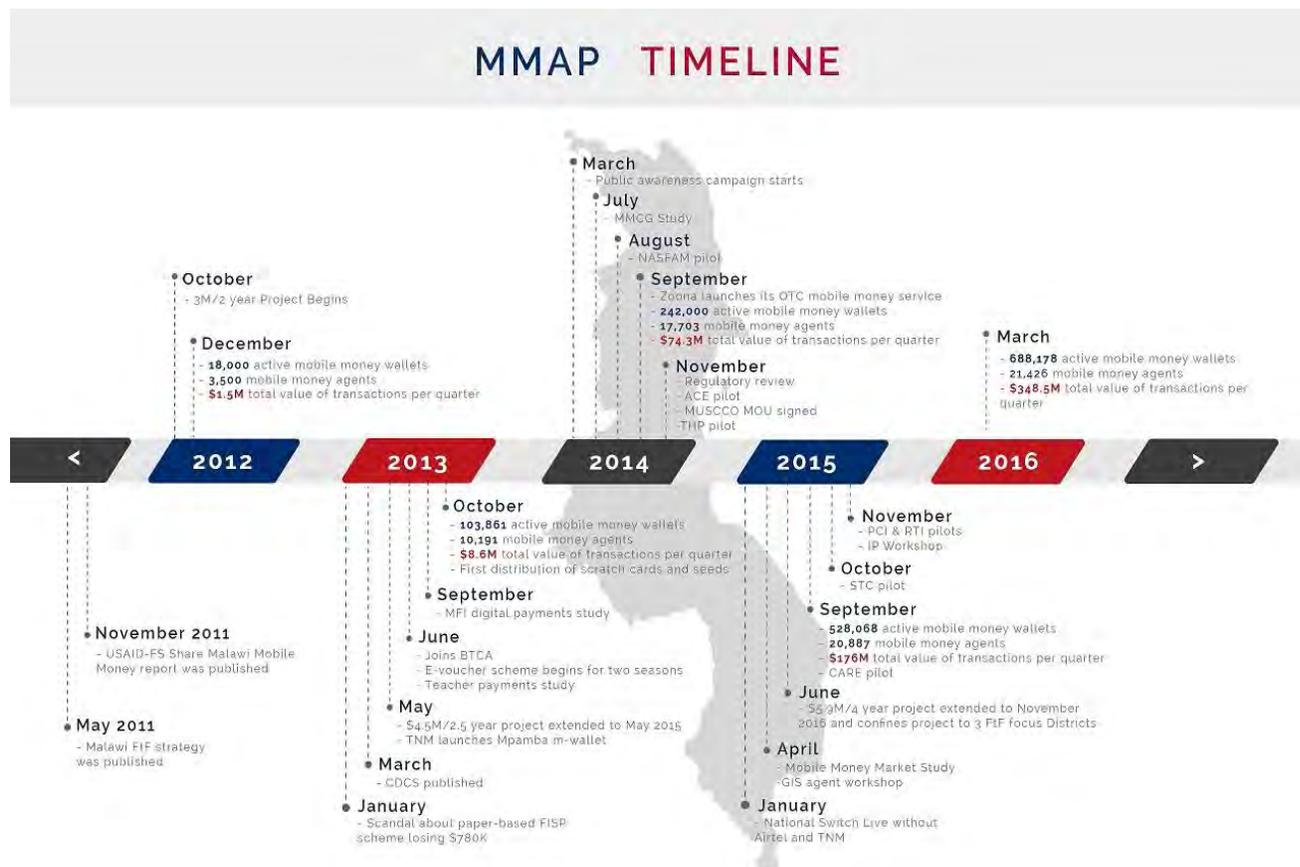
- 1) Has MMAP positioned the Mission positively with the government?

2) For the USAID Mission, what are the strategic and catalytic DFS opportunities that it might pursue to further its development objectives of MM uptake and financial inclusion?

2.0 PROJECT BACKGROUND

MMAP's core components of Mobile Money Consultative Group (MMCG), a specific public awareness campaign, financial literacy, grants and pilots had previously been mapped out in USAID's Financial Sector Knowledge Sharing (FSKS) Mobile Money National Action Plan for Malawi². MMAP was awarded on October 2, 2012 to FHI 360 under the FIELD Leader with Associates Cooperative Agreement. Given the timing, USAID's Malawi Feed the Future (FtF) Strategy (May 2011) was not informed by the FSKS document (November 2011), which explains the absence of MM in the FtF Strategy and its apparent disconnect with MMAP. Nevertheless, the subsequent CDCS (March 2013) explicitly integrates agriculture MM into SIR 2: Use of technology increased, thereby connecting MMAP to USAID Forward.

MMAP was started only eight months after Airtel Money was launched and before TNM Mpamba had started operations. Airtel Money and TNM Mpamba are branded MM products of the two mobile network operators, Airtel and TNM. The purpose of MMAP was to accelerate the development of the digital payments ecosystem in Malawi. The program links a range of public and private initiatives into a coordinated set of activities designed to promote broad adoption and use of MM in Malawi, with an emphasis on reaching selected unbanked and underbanked market segments.



² USAID-FS Share (2011, Nov 30). Scaling Usage of Mobile Money to Boost Financial Inclusion in Malawi: Summary Action Plan.

MMAP led the way as the first initiative in Malawi focused on MM and its potential for promoting financial inclusion. It should be noted that globally MM deployments start in urban centers where there are generally higher population densities, more tech savvy consumers, and a younger, more educated demographic, all of which make it preferable for commercial reasons to launch there rather than in rural areas. Airtel did not shift its focus to rural areas for almost three years after launching its Airtel Money service. Only in Q4 2014 did they have interest in aligning with MMAP, which was two years after MMAP's launch. TNM launched its Mpamba service in May 2013 and, similarly, focused on building out its urban agent network before having interest in rural areas. These key industry dynamics, when layered on top of the MMAP Results Framework, help to put MMAP's performance into perspective.

In brief, MMAP began in October 2012 as a two year, \$3M project with a nationwide footprint. The USAID/Malawi contributed \$2.2M to the project and the USAID Global Development Lab contributed \$800,000. Soon thereafter, a June 2013 modification, in response to a corruption scandal with the Government of Malawi (GOM) paper voucher-based farm input subsidy program (FISP), increased MMAP's lifespan to 2.5 years so as to support the Ministry of Agriculture (MoA) e-voucher initiative. E-vouchers are specific to an identified beneficiary as opposed to paper vouchers that can be stolen or sold by the beneficiary at discount, resulting in subsidies not going to the intended recipients. Therefore, the total cooperative agreement budget (after modification) increased to \$4.49M. The second and last modification was in May 2015, which increased the project's lifespan and total funding to four years and \$5.985M, putting the completion date at November 30, 2016. The second modification was more prescriptive and closely aligned MMAP with FtF, by confining its footprint to FtF's three focus districts: Lilongwe rural, Mchinji and Balaka. It was at this stage that MMAP became known as the Feed the Future Malawi Mobile Money Accelerator Program.

With reference to the MMAP timeline and other analysis, the initial grant and its two modifications constituted three distinct phases of the project. During the first phase that was focused on G2P payments overall, there was a separate scandal with the farm input supply subsidy administered by the MoA. This scandal directly led to the first modification. During the second phase, the October 2013 Cashgate scandal occurred (exactly one year after the launch of MMAP) that resulted in a shift from G2P. The e-voucher scheme was launched and ended after two seasons. The first four pilots were also launched but were unsuccessful. During the third phase, the last four pilots were launched, two of which were successful thereby showing improvement in implementation.

After MMAP's October 2012 launch, the UNCDF Mobile Money for the Poor (MM4P) subsequently entered Malawi by leveraging MMAP's MMCG forum as its market entry point. With subsequent USAID support, the UNCDF-MM4P embedded a person who became the internal champion inside the Ministry of Finance (MoF) for the GOM's Five Year Plan to Digitize Government Payments³. MMAP also helped position Malawi for, but was not the driver of, its formal membership in the USAID-supported Better than Cash Alliance (BTCA).

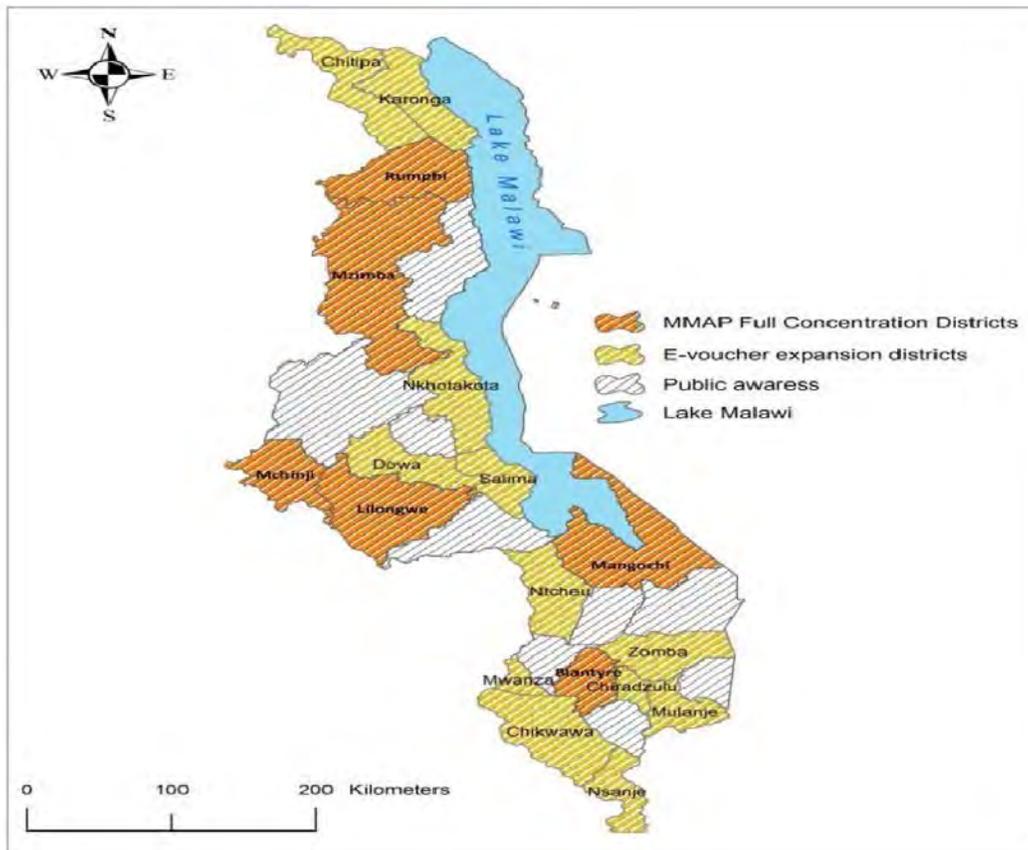
Figure 1, next page, is a geographic portrayal of MMAP's national footprint of activities before the third modification confined those activities to FtF's three districts; Lilongwe rural, Mchinji and Balaka.

MMAP initially hosted, and served as secretariat for, the MMCG. MMCG [recently renamed Digital Financial Services Working Group (DFSWG)] is now hosted at the Reserve Bank of Malawi (RBM). MMAP has also promoted general awareness of MM while providing financial literacy/MM trainings as part of, and beyond, four MMAP grant-supported and four in-kind pilots in agriculture, education, social cash transfers, savings and credit cooperatives (SACCOs), microfinance institutions (MFIs), and village savings and loan associations (VSLAs). MMAP issued solicitations for its grant supported pilots in March 2014. According to the Airtel key informant (KI) they did not begin to shift their focus to rural areas until the third quarter of 2014. This could explain why MMAP waited until March 2014 to issue its grant

³ To be officially launched on July 20, 2016

solicitations in order to align the design of pilot programming with the interest and commitment of the mobile network operators (MNOs). As such, from an administrative point of view grants could have been solicited earlier but as MM was at such a nascent stage – in terms of awareness and education as well as infrastructure - organizations might well have found piloting a MM project as too big a risk and a distraction from their core operations.

Figure 1: National Footprint of Activities

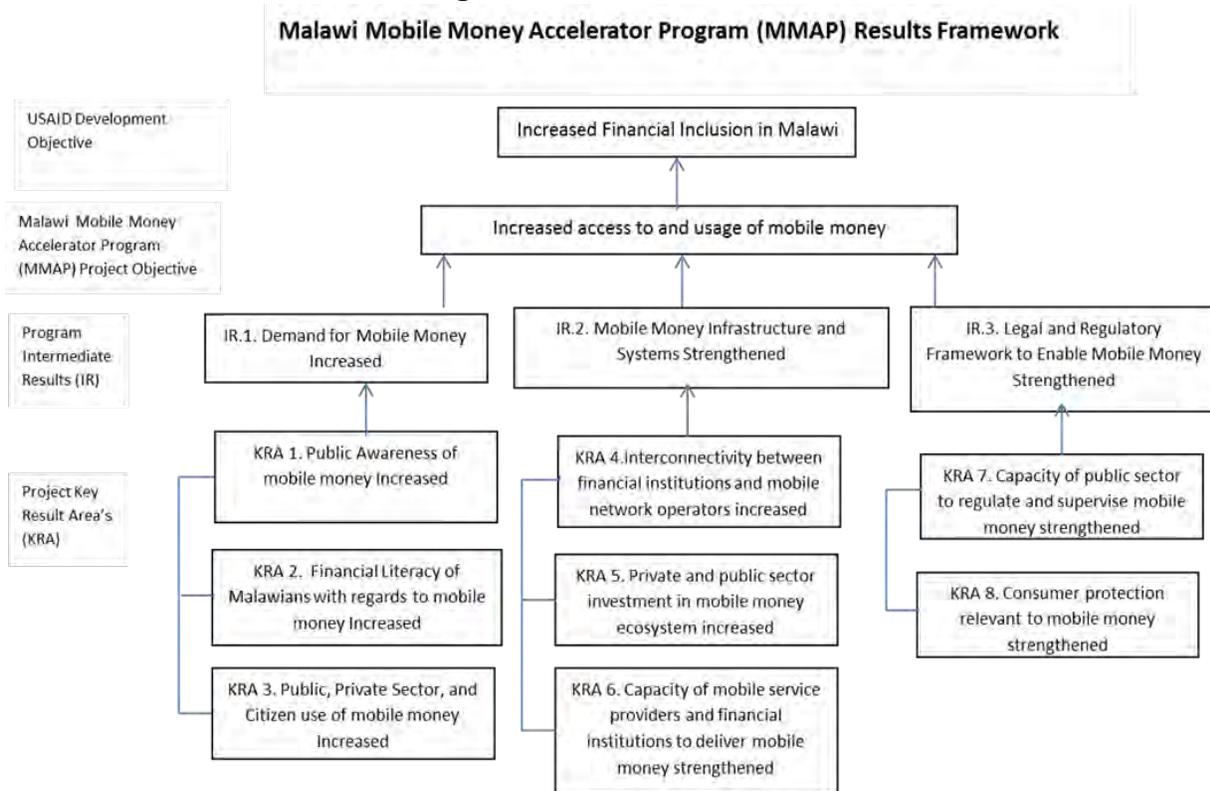


In the August - November 2014 timeframe, pilots began with the National Smallholder Farmers Association of Malawi (NASFAM), the Agriculture Commodity Exchange (ACE), Malawi Union of Savings and Credit Cooperatives (MUSCCO), and The Hunger Project (THP) MFI initiative. In the September – November 2015 timeframe, the in-kind pilots (with no MMAP funding but in-kind contributions of staffing and other resources from MMAP and pilot partners) that now focused on the three FtF districts, began with CARE (VSLAs), Project Concern International (PCI) (agriculture), RTI (education) and Save the Children (STC) (social cash transfers). Specifically, MMAP was tasked with achieving the Intermediate Results (IRs) as portrayed by the Key Results Framework (see Figure 2, next page).

In order to possibly make course corrections before the close-out of MMAP in November 2016, USAID/Malawi decided to conduct a performance evaluation, which is the subject of this report. The findings, conclusions and recommendations for the 12 evaluation questions, and for each of the pilots, are described in detail in the body of the report and in Annex 2, respectively. It should be noted that Key Result Activity (KRA) 4 and KRA 6, in the results framework shown below, while worded differently are duplicative from a technical perspective. The intent of IR2 and these KRAs is that there be joint ventures between MM providers and banks. Nevertheless, the result of the evaluation should

allow USAID/Malawi to identify lessons learned, assess strengths and weaknesses associated with the project, and refer to suggested recommendations for future project planning purposes.

Figure 2: Results Framework



3.0 EVALUATION METHODS AND LIMITATIONS

3.1 EVALUATION METHODOLOGY

The methodology that was adopted by the ET relied primarily on a qualitative, rather than quantitative, approach, which was considered an effective way for understanding the performance of a complex and multi-component program like MMAP with its broad scope (demand, supply and regulation) and multiple stakeholders. To obtain the required information and data that would support its findings, the ET conducted face-to-face interviews with KIs with first-hand knowledge of MMAP. To this end, the ET conducted key informant interviews (KIIs) with 69 individuals representing 34 organizations, and 25 FGDs that included 259 participants. A complete list of KIs and FGDs is found in Annex 5.

FGDs research served two main purposes: assessing MMAP from the end-user perspective, and developing a better understanding of how MM is used, its current challenges, and its advantages and disadvantages. FGDs allowed the evaluators to assess the perceptions and the usefulness of various MMAP programs (pilots in agriculture, education, social cash transfers, SACCOs, MFIs and VSLAs as well as the e-voucher joint initiative with the MoA) and training. Beyond the MMAP, FGDs allowed the

evaluators to probe more general issues related to MM, providing a better understanding of what factors may be contributing to the uptake of MM or, conversely, inhibiting its expansion.

The ET presented its preliminary findings to six USAID personnel on June 23. USAID provided important feedback that was used to revise the findings. These revised findings were subsequently presented at a half-day Stakeholders Workshop on June 27. The workshop was attended by 35 participants with representatives from the mobile financial service providers (MFSPs), RBM, MMAP, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United Nations Capital Development Fund (UNCDF), USAID, USAID implementing partners, agriculture social investors, and more.

Throughout the course of the evaluation, the ET also examined MMAP-related documents and materials, such as annual and quarterly reports, Performance Monitoring and Evaluation Plans (PMEPs), and other sources of reference that would validate their findings and conclusions.

3.1.1 Qualitative Research and Analysis

While there were 12 evaluation questions, not every question was suitable for every KI and thus questions were tailored for the five broad categories of KIs, as follows:

1. **Mobile Financial Service Providers (MFSP)** - Airtel, TNM, Zoono, OBM, Malawi Post, MUSCCO and Fincoop.
2. **NGOs** - RTI, AICC, CARE, Microfinance Network, THP, PCI and STC.
3. **Private sector** - NASFAM and ACE. While NASFAM is an apex organization and ACE is a non-profit, their deployment of MM modeled private sector behavior.
4. **Donors** - USAID, UNCDF, World Bank, GIZ and DFID.
5. **Government** - MoF, MoA, MACRA (the telecom regulator) as well as the Reserve Bank.

The specific questions for each KI are found in Annex 4.

Interviews with the above KIs lasted approximately an hour. The structure of each interview entailed a 30 minute general discussion about the interviewee’s organization, his/her role and responsibilities, and the genesis of the relationship between the interviewee and MMAP. For the second half of the interview the structured questionnaire was used. The Team Leader and Digital Finance Services (DFS) Expert would alternate asking questions, thereby allowing one person to write up notes about the answer while the other person asked the next question.

FGDs were conducted with e-voucher farmers and agro-dealers, NASFAM farmers, ACE traders and farmers, CARE VSLA agents and members, PCI employees, farmers and beneficiaries, STC social cash transfer recipients, RTI teachers, savings and credit cooperative (SACCO), and MFI members and the general public. To this end, the ET conducted, from May 26 to June 13, 25 FGDs that included 259 participants, resulting in an average FGD size of 10 participants. There were 128 female and 131 male participants. Of the 259 participants, 222 (86%) had phones and 187 (84%) of those had a mobile wallet (Airtel and/or TNM).

Table 2: Analysis of FGD Participants

Date	FGDS	# of attendees	# of Males	# of Females	With Phone	Without Phones	Used Mobile Money	Didn't use Mobile Money	Paid on MM directly	Paid on MM indirectly	# Paid Cash
TOTALS	25	259	128	131	222	37	187	72	46	29	184

The tabular analysis of all FGDs is found in Annex 6

Given MMAP's broad scope of work, the ET designed FGD guides for four broad categories of participants: individuals, agents, e-voucher farmers, e-voucher agents. The FGD guides provided core questions and prompt questions. On May 26, the guides were pilot tested with two FGDs, which informed the optimal protocols for conducting the rest of FGDs. Each FGD was allowed to pursue its own path and the guide was used mainly as a checklist against discussion already had and/or to stimulate additional discussion. FGDs were scheduled, logistically planned, and moderated by Area 55 Consulting. The Team Leader and DFS expert facilitated, where/when necessary, through/with Area 55 Consulting translation of key points and/or questions. Area 55 Consulting recorded and took notes and, thereafter, transcribed all recordings. After the two pilot test FGDs, all subsequent FGDs were divided between the Team Leader and DFS expert in order to complete the remaining 23 FGDs during the 2.5 week period between May 26 – June 13.

3.2 EVALUATION LIMITATIONS

The ET encountered a few limitations during its fieldwork in Malawi. Some of the more relevant limitations are listed below:

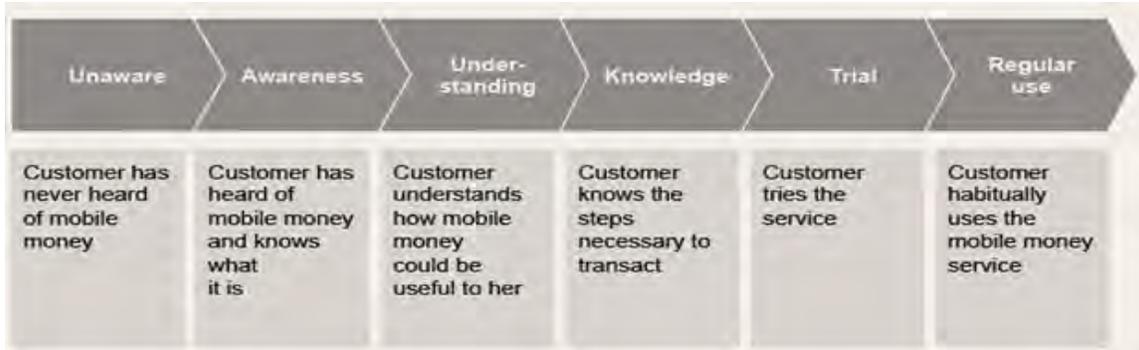
1. The SOW contained 15 questions, which is a large number for an interview. For the inception report the ET requested of USAID, and received approval, to use only 12 out of the 15 questions, eliminating those that were deemed least useful/relevant, and redesigning those that remained.
2. The ET was unable to interview the key person or to review the proposal, RFP and contract for the May 2014-May 2015 public awareness campaign.
3. Though requested a number of times, the ET did not receive MMAP job descriptions, organizational structure, and manpower loading or access to the GIS mapping platform. Access to the administrative information might have helped explain the delay in grants being issued and level of in-house technical knowledge. Access to the GIS mapping platform might have illuminated the knowledge management/communications strategy from a practitioner point of view. For example, certain tools/research such as a GIS agent map would be highly germane to an operations team for which their training of the tool might have been prioritized over dissemination of the tool to more senior management.
4. This was a performance evaluation and not an impact evaluation, and therefore answering questions regarding scale of attribution to MMAP for market growth was not possible.

While important, the above limitations did not prevent the ET from gathering the data and information needed to develop our findings, conclusions and recommendations for USAID's Evaluation Questions (Section 4.0) as well as for the individual components/initiatives (e-vouchers and public awareness) and pilots (Annex 2). In addition, given that MMAP is an ongoing project, the evaluation was confined up to the last reporting period ending March 31, 2016.

4.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.1 EVALUATION QUESTION 1: DID AWARENESS OF MM INCREASE AS A RESULT OF MMAP (KEY RESULT AREA 1)?

As portrayed by the following graphic from Groupe Special Mobile Association (GSMA), before there can be mobile money uptake there must first be awareness of MM.



4.1.1 Findings

MMAP sub-contracted a marketing firm to conduct a specific public awareness campaign targeted at the nationwide population of 16M. This campaign took place from May 2014 to May 2015 and included billboards co-branded with USAID, Airtel Money, TNM Mpamba and FHI360, newspaper articles, radio spots, and events. It should be noted that the public awareness campaign used an undifferentiated, homogeneous market approach as opposed to a targeted approach (i.e. specific to agriculture, health, education). Within the marketing/advertising discipline this is analogous to “a mile wide and an inch deep” that fits best for refreshing memory of concepts/ideas that are already known as opposed to “an inch wide and a mile deep” that fits best for first time introduction of new concepts/ideas. Where it was operationally possible, and while pilots were taking place, MMAP overlaid the awareness campaign with pilot areas and thus beneficiaries in those areas received messaging about the features and benefits of MM through multiple media and voices. Nevertheless, based on the aggregate of our qualitative interviews with KIs and FGD inputs, it appears there was little impact of the specific public awareness campaign sponsored by MMAP because there was no recall of MMAP’s awareness messaging. This extends to potential MM users as well as the demand creation and consumer protection activities of MNOs and RBM. This overall assessment, though, is difficult because the campaign ended more than one year ago and, as well, Airtel and TNM conducted their own messaging on radio, billboards and elsewhere.

The ET conducted FGDs with government and private sector KIs as well as with MFSPs. Asked whether MMAP’s overall programming had raised awareness of MM, the government KIs (MoF, MoA, the Central Bank and the Telecom regulator) and private sector KIs (NASFAM and ACE) responses were positive with ratings of 4 or 5 with only one 3 (on a scale of 1 to 5). The six MFSPs provided either neutral ratings (3) or, in two cases, zero (even though the scale was from 1 to 5). This was because Zoono, a third party provider of over-the-counter (OTC) MM, as well as the national Malawi Post Corporation (MPC) and its “Fast Cash⁴” product had apparently not been recognized by MMAP as a form of digital finance in their PMP. As such, they did not believe that MMAP’s awareness raising directly affected their business. However, Zoono did state that MMAP influenced their decision to launch in Malawi due to their collaboration with MMAP during the e-voucher initiative. Also, Opportunity Bank Malawi (OBM) noted that it had been doing mobile and agency banking long before anybody and they had themselves promoted awareness within their client portfolio.

NGOs and donors were asked about the degree to which MMAP awareness raising had an impact on their beneficiaries. A total of 12 KIs in these categories provided responses (5 donors and 7 NGOs). The ratings were decidedly mixed, ranging from 0 to 4 (again, despite the scale being from 1 to 5), with the average rating at 2.4. The 0 score came from an MMAP NGO partner that had an extremely

⁴ Fast Cash utilizes the nationwide Malawi Post office system whereby a sender deposits money at a branch. Rather than transfer actual value to another branch its digital platform notifies the other branch about the deposit. The other branch then honors that deposit by giving value to the recipient.

negative pilot experience. A score of 1 came from another MMAP NGO partner that had already been doing their own MM awareness raising.

According to FGD participants, promotions and awareness raising was mostly done by Airtel – roadshows, commercials (e.g. Mr. Money), billboards (more rarely). In Malingunde, FGD participants said that Airtel did most of the advertising, and every Tuesday they came to do roadshows. Mchinji farmers learned about MM through Airtel Money representatives and about TNM Mpamba through radio and billboards. According to farmers in Mchinji that participated in the e-voucher program, Airtel would send agents to the village to publicize the benefits of MM and register them with e-wallets using their IDs.

At the time of writing, the GoM was in the process of launching the Malawi Government Digital Payments Road Map: a 5-year plan to digitize government payments in Malawi. The Digital Payments Roadmap was supported by a UNCDF resident advisor funded by USAID for which MMAP was a key informant. There is also the upcoming National Strategy for Financial Inclusion (2015 – 2020) by the MoF, Financial Sector Development Unit, Economic Affairs Division. MMAP was a key stakeholder during the June – December 2015 participatory and consultative process for the design of the Strategy. Finally, the RBM has an upcoming 5-year National Strategy for Financial Literacy. The ET reviewed draft copies of the first two strategies. These reviews, as well as discussion with the RBM KIs about the upcoming National Strategy for Financial Literacy, revealed the inclusion of strategic design elements in all three national strategies, which closely mirror the work that has been done by MMAP. As such, it is clear that MMAP played a significant role in influencing the government’s design of their three national strategies.

4.1.2 Conclusion

As there was no evaluation specific to the public awareness campaign designed and implemented by a marketing firm retained by MMAP, and since this campaign had concluded more than 12 months before the evaluation started, it was difficult to know the impact of the campaign. Nevertheless, active m-wallets increased from \$190K+ at the beginning (May 2014) of the specific public awareness campaign to \$688K by March 2016. How much of this growth was due to the awareness promoted amongst the public at large by the May 2014 – May 2015 awareness campaign as opposed to organic market growth and the awareness / advertising / marketing activities of MNOs themselves is not known and could not be measured by this evaluation. MMAP itself came to realize that public awareness can be broader than just a public awareness campaign to end users “yes – awareness can more broadly include policy and regulation within government and its understanding of what it can mean for them in terms of financial inclusion, mobile money, digital financial services”.

The MMCG, with its government, regulatory, and other membership, was very well regarded within the government and other stakeholders for bringing them together for discussion and debate, as mentioned universally by KIs who were knowledgeable about the MMCG. Prior to MMCG there had been no discourse between MM ecosystem stakeholders so much credit is deserved for both USAID and MMAP. The eight pilots all did financial literacy/MM trainings (KRA2), which also did much to promote awareness of MM not only amongst the MMCG membership but also for those pilot participants themselves. As such, awareness of MM within the MMCG membership and amongst the pilot participants was generally high.

4.1.3 Recommendations

Any future USAID-funded digital payments public awareness initiative should be aligned with the GOM’s Digital Payments Roadmap⁵ and the upcoming National Strategy for Financial Inclusion⁶. This should

⁵ Malawi Government Payments Road Map: A 5 year plan to digitize government payments in Malawi. To be officially launched July 20, 2016.

include ensuring that IPs also align with these strategies so there is no duplication, gaps and/or mixed communication/messaging. The Digital Payments Roadmap schedules full scale roll-out of public awareness in Q2 2017. The National Strategy for Financial Inclusion presents potential for alignment with FtF. This is because expanding the reach of digital payments nationwide is one of the six priority strategies for financial inclusion for which smallholder farmers (2.6 million adults) is the largest targeted segment. In fact, the National Strategy for Financial Inclusion explicitly mentions the insertion of digital payments at point of farmgate transaction and the Evaluation Team Leader has already provided to the Mission a strategic awareness, education and implementation framework for agriculture digital payments. As such, any future FtF public awareness campaign should align with a strategic awareness, education and implementation framework for the usage of agricultural digital payments.

4.2 EVALUATION QUESTION 2: DID CONSUMER UNDERSTANDING ABOUT THE FEATURES/BENEFITS OF MM INCREASE AS A RESULT OF MMAP (KRA2)?

Awareness raising (KRA1) must be followed by education/understanding about the features/benefits of MM (KRA 2). To this end, the activity delivered financial and MM literacy training that promoted education/understanding about the features/benefits of MM. A “Mobile Money and Financial Literacy Manual” was created with key components of high level subject matter content.

4.2.1 Findings

Increased understanding of m-wallet features and benefits was primarily confined to pilot and e-voucher participants but also included numerous information sharing opportunities at tradeshows and other fora, together with Airtel and TNM that provided participatory opportunity to learn about m-wallet features and benefits. The e-voucher program was a joint initiative with the MoA that distributed scratch cards to selected farmers to receive farm input subsidies (seeds and fertilizers). Farmers scratched the box on the card to reveal their beneficiary ID number, which they presented to a participating agro-dealer in order to receive their input supplies. E-vouchers are specific to the intended recipient of the subsidy unlike paper vouchers that can be stolen and/or sold at discount resulting in the subsidy not going to the intended recipient. Please see Annex 2 for a detailed review of the e-voucher scheme.

Generally speaking, while MMAP concentrated on overarching financial literacy, trainings were done together with Airtel and TNM who discussed the specifics of their service. According to MMAP’s PMP indicator table, MMAP trained a total of 9,768 individuals up to March 31, 2016. These joint trainings were appreciated by the service providers, one of whom said “MMAP helped to increase trust through being a neutral intermediary.”

One of the weaknesses of the trainings, according to the majority of KIIs and FGDs, and specifically those who were part of the eight pilots, was that the trainings provided by MMAP were delivered verbally, without benefit of any accompanying local language, pictorial materials, and/or other training aids. The MM and financial literacy training manual prepared by MMAP was generic and was not contextualized with supporting materials and other training aids that accommodated local language(s) and levels of literacy. Many focus group participants highlighted the need for more comprehensive and better training. For example, teachers in Mpingu noted that the training wasn’t enough because some of them still don’t know that they are not supposed to give out their Personal Identification Numbers (PINs) to an agent, or even to let them do the whole transaction for them. Many participants in fact requested that they receive *more* training.

There was also limited use of a Training of Trainers (ToT) approach to achieve scale. In addition, as with the awareness raising activities, the trainings were undifferentiated as opposed to targeted (i.e. specific to agriculture, health, education). For example, if targeted for agriculture crop payments might

⁶ National Strategy for Financial Inclusion (2015 – 2020). Ministry of Finance, Financial Sector Development Unit, Economic Affairs Division.

be quite large and infrequent – depending on crop cycle - necessitating a training focus on storing value with staggered withdrawals to accommodate agent liquidity constraints. If targeted for payment of salaries to teachers that are geographically concentrated (in schools) and numerous, this necessitates a training focus on understanding the agent network capacity/capability in their community on the day of payroll. Nevertheless, training was clearly a key factor in uptake and acceptance of MM. It serves not only to teach users how MM functions, but also about its benefits thereby encouraging its use. NASFAM women farmers in Malingunde felt that through their training they realized that “mobile money was a good development because it would now serve as an easy way of safeguarding their money.”

Meanwhile, MNOs have limited capacity and capability to deliver training and have done so in only a very limited manner. According to one KI who had previously been with an MNO, even though the nationwide food security study revealed potential to make digital payments to 82,000 social cash transfer beneficiaries, there was little/no strategic allocation by the MNO of resources directed towards promoting understanding about m-wallet features and benefits and to otherwise provide financial literacy training to this target market. While serving the training needs of 82,000 beneficiaries might seem a worthy investment for an MNO, it takes years before the MM side of the business becomes profitable. Within this context, the two MNOs, Airtel and TNM, have welcomed collaboration with MMAP for its convening authority, awareness raising as well as its delivery of training.

4.2.2 Conclusions

MMAP pilot and other participants gained increased understanding of MM for two reasons. The first reason is because, in spite of the shortfalls of training that were verbal only without benefit of any accompanying local language and/or pictorial materials and/or other training aids, pilot participants said they had benefited from the MM and financial literacy training they had received. The second reason, as cited by some KIs and FGDs, is the act of actually doing something with an m-wallet, increased understanding of its features and benefits.

Awareness as well as understanding of MM that exists amongst pilot participants can be largely attributed to MMAP because without the MMAP pilots there would have been no introduction of how to use MM to the participants.

4.2.3 Recommendations

Any future USAID-funded digital payments and financial literacy training initiative should be aligned with the RBM’s upcoming 5-year national strategy for financial literacy mentioned under Evaluation Question 1. Future USAID programming should also be aligned with the upcoming National Strategy for Financial Inclusion⁷ that mentions need for a ‘targeted’ approach (i.e. agriculture) and channel (i.e. NGOs). There can also be additional alignment with the GOM’s Digital Payments Roadmap⁸. These alignments are important to avoid duplication of efforts as well as to align messaging.

In addition, any FtF digital payments and financial literacy training should use a ToT approach with partner organizations. These partner organizations can embed MM training as part of the core syllabus for their field agents vis a vis specifically promoting understanding/education about features and benefits of agricultural digital payments. Core training materials, in draft form, should be given to a broad spectrum of experts for critical review so all market-related and regulatory-related technical matters are addressed and the training syllabus/design is optimized.

⁷ National Strategy for Financial Inclusion (2015 – 2020). Ministry of Finance, Financial Sector Development Unit, Economic Affairs Division.

⁸ Malawi Government Payments Road Map: A 5 year plan to digitize government payments in Malawi. Scheduled for official launch July 20, 2016.

4.3 Evaluation Question 3: Did MMAP reduce MM barriers to access for consumers (KRA 3)?

The natural progression after consumers are aware (KRA 1) and understand (KRA 2) is their registration and use of an m-wallet (KRA 3), which is key to their eventual financial inclusion. It should be noted that within the sector, worldwide lack of awareness and education are understood to be the key barriers on the demand-side while most other barriers such as connectivity, agent network, liquidity will be on the supply-side (which maps over to MMAP's Results Framework under IR2). Further, as described below for evaluation questions 4-6 (IR2) and 7-9 (IR3), there was no overarching strategy – other than MMCG – for connecting MMAP's efforts to all three IRs. In the case of IR2: Supply, this lack of an overarching strategy should be noted against the usual urban-first, rural-second dynamic as previously mentioned whereby Airtel didn't begin to think about opportunities in rural areas until Q3 2014. As such, the earliest MNOs would have had any interest in collaborating with MMAP on the supply side was likely not until 2015.

As such, while this evaluation question maps to IR1 many of the findings are germane to IR2. MFSPs and private sector KIs were asked specifically about barriers as they would have more on-the-ground exposure to the consumer experience and the NGO, while government and donor KIs were asked if their beneficiaries had become financially included and if not, why.

4.3.1 Findings

All FGDs and KIs described limited connectivity as the key barrier to MM. Limited connectivity was also cited by all e-voucher participants (farmers and agro-dealers) as the key reason for their almost universal dissatisfaction with the initiative. For areas that had agents, their lack of liquidity management was a constant challenge and in other areas there was little/no agent presence. In addition, some FGD participants felt themselves to be so poor that they see little to no justification to embrace a new way of receiving, sending or storing money. Nevertheless, FGD participants cited increased awareness and education, and the MNO KIs directly correlated new MM registrations and active usage of m-wallets during and after MMAP sponsored pilots and other activities.

According to FGD participants there are clear benefits to using MM. Many reported using it multiple times per day or per week. MM users from Mchinji noted that MM has changed people's lives since "now they can send and receive money anytime, any day unlike in the past." They said that personal wealth has improved because people can now save money. However, MM is not fully displacing cash or checks but rather gives people an alternative way of managing their money.

According to FGD participants, using MM also comes with various drawbacks. The most common appear to be:

- network reliability problems, which means it isn't always possible to access MM to cash in or cash out
- agents sometimes lack cash on hand (float) so that one is unable to cash out
- agents sometimes charge fees higher than the published fee schedule
- general distrust of MM among those who lack sufficient information, perhaps having only heard about it through advertisements, as opposed to via training programs

The benefits of MM are evident from the wide range of purposes it is used for, as related by FGD participants. These included buying airtime, savings, paying electricity and water bills, paying for school fees, sending money to relatives and friends. In Chileka (Blantyre), the school has a mobile account where people can deposit their fees. A Malingunde FGD participant noted that "it's easy to get the money when you are stranded. For example, when you are at the hospital and need to pay bills. You can just go to Airtel agent and cash out money." The accessibility of MM, i.e. that one can cash out anytime

or anywhere, was stressed again and again. Although the convenience must be weighed against the fact that agents often do not have enough money on hand, and that network coverage is sometimes a problem. When users in Mchinji were asked if they would like to receive salaries through MM, they said no. The explanation was that it would be difficult for agents to have sufficient money for them to cash out, for example if three teachers all wanted to claim their salaries at the same time this would create a liquidity problem for the agent.

Users in Mchinji reported that they borrow money from Airtel up to k50,000 and pay back after two weeks with 10% interest. Fincoop FGD participants reported that Airtel introduced Kutchova, a program which they could use to borrow money with. It comes with a seven day pay back period, after which interest is charged. At a Mitundu FGD with ACE farmers, participants reported that they save money using both MM and banks. However, they prefer MM to using banks – it is easier to get money through MM, since “you just go to the agent and cash out”. Women farmers from Malingunde felt that using MM was more efficient than using banks, because they are charged lower fees than they would if they used a bank.

Many people use their mobile wallets for savings, which is seen as a significant benefit. Some people reportedly use their mobile wallets *only* for savings. Thus, NASFAM women farmers, after taking the training felt MM was a good development because it would now “serve as an easy way of safeguarding their money.” An ACE farmer from Mitundu noted that “it’s easy to budget when the money is in the phone, but when you have cash you spend all the money somehow.” Similarly, women farmers from Malingunde said that receiving their payments in cash led to them using the money right away.

RTI teachers in Mpingu felt that by using MM their money would now be safeguarded through the accounts, one of the reasons they signed up. Convenience is also a key factor. The teachers reported that due to the lack of banks in rural areas, a mobile wallet was seen as a benefit. Simply getting to a bank imposes costs because of the distance. Using a mobile wallet is cheap and provides instant access to their money should they be in need of it. FGD participants in Malingunde said that when they keep money in their mobile wallet they can use it anytime and anywhere they need it, in contrast to having to travel a long distance to a bank, wasting money for transport and standing in the queue. The interest banks provide was not even a consideration given the advantages of MM.

CARE program participants said they are happy with the program (and want it to continue) because they can keep or save money and this has encouraged more people to join village savings groups because they know their money is secure. MM is seen as better than cash for security purposes, both for storing and for sending. People noted that keeping money in the house is a risk as it might be stolen. According to Mtira FGD participants, “most people keep their money in the house.” People prefer MM to using buses or bicycles for sending money, as they otherwise would. It is seen as a more safe than sending physical cash.

A group of CARE agents reported that they became agents so that they could safeguard the group’s money. They felt that this way money would be safe from theft or loss due to damages caused by fire. An ACE farmer from Mitundu noted that money is safe even when you lose your phone, “your money is still in the card. After you renew [your phone] the money is still there.” Another ACE farmer from the same FGD argued that “if the farmers are to be paid through MM they can be happy because the money is secure.”

While many FGD participants appear to have a neutral view of agents, some complaints were expressed. The most common issue with agents was the fact that there were not enough. Thus, a commonly reported problem was the lack of enough agents in the area and this made using MM inconvenient. In addition, agents often did not have sufficient float so that users could cash out. An ACE farmer from

Mitundu reported that there were very few agents in the area and those few agents had unreliable network coverage. In some areas they reported that the number of agents is even decreasing.

There are also trust issues with MM, often directed at agents. Some FGD participants reported cases of agents overcharging (charging double fees), or even sending their money to someone else. They also noted that some people gave agents their PIN to help them with the transaction. This would happen especially with elderly or illiterate persons. Some people fail to realize that they should not give out their PIN to agents.

On the other hand, MNO customer service appears to work well and was almost always mentioned positively. Most FGD participants reported that they were able to successfully solve issues by calling customer service. Users have recourse (typically successful) when money is sent to wrong person, or when agents tried to cheat. A Malingunde FGD participant reported that his money was sent to someone else's account, but he was able to trace it back through the customer service center. On the other hand, network reliability problems are a major constraint and irritation, raised by many FGD participants. A FGD participant from Mitundu noted that "It happens that you urgently need money but network is not working so you wait the whole day without cashing out money."

4.3.2 Conclusions

The barriers of limited connectivity and agent network capacity/capability relate to the supply-side of mobile money, which is under the remit of IR2 – strengthened payment systems and infrastructure. MMAP in their KII acknowledged that "everything was geared towards reducing barriers and increasing awareness and usage, but some things are out of scope such as connectivity." However, based on FGDs, MM users clearly see a range of significant benefits, which suggests that, as obstacles to usage are overcome demand should be strong.

MMAP's awareness raising and education/training reduced these demand-side barriers so much so that they more than offset the supply-side constraints, thereby resulting in increased registration and active usage of m-wallets (IR1: KRA 3). Therefore, in the aggregate MMAP reduced mobile money barriers to access. However, many barriers still exist as described by one KI "connectivity is a major issue for which point of sale (POS) technology is good for offline transactions". This KI further elaborated, though, that MMAP confined itself to MM and didn't engage with the potential of digital finance – such as POS technology. Finally, MM infrastructure/protocols rolled out by both MNOs have significant limitations. TNM has no bulk payment functionality. While Airtel customers have access to a bulk payment user interface they leave it to Airtel to make the one-off – rather than staggered - payments thereby exacerbating the liquidity management challenge.

4.3.3 Recommendations

The MMAP IRI- Increased Demand for Mobile Money - is now embraced by the GOM and RBM's upcoming digital payments, financial inclusion and financial literacy national level initiatives. A USAID focus on the supply side vis a vis partnerships and value propositions will align with the increased demand that the government expects to generate with these initiatives.

Finally, as mandated by the RBM, the interest on the MM trust accounts maintained by the two MNOs, Airtel and TNM, must be spent on corporate social responsibility (CSR) initiatives and not on their core business activities. Any future USAID programming might consider structuring jointly financed collaboration with the MNOs for stimulation of MM demand (i.e. financial literacy, training, etc.) if such can be designed in compliance with the RBM mandate.

4.4 EVALUATION QUESTION 4: TO WHAT EXTENT HAVE SERVICE PROVIDERS MADE OR ADJUSTED INVESTMENTS AS A RESULT OF MMAP (IR2)?

Service providers provide the ‘supply’ (IR2 – improved payment systems and infrastructure) of MM. Almost all the findings for this and all remaining questions came from KIs because FGD participants were not in a position to assess these issues.

4.4.1 Findings

Feedback on this question was limited to six mobile financial service providers (one SACCO, both MNOs and a bank, the post office and Zoono (a third party provider of over-the-counter MM) because the other four broad categories of KIs had no perspective on this question. The second SACCO did not work directly with MMAP but only through the first SACCO. In addition, the second SACCO’s indirect engagement with the MMAP pilot had only just begun at the time of the evaluation. As such, the second SACCO did not provide a response to this question.

The feedback of the six MFSPs was mixed. MMAP’s pilot with MUSCCO impacted their IT investment in a virtual private network as well as an SMS / USSD gateway. Zoono was retained by MMAP for the design of the back end functionality for the e-voucher initiative. This work exposed them to the m-money landscape and subsequently led to their start-up and rollout investment of their over-the-counter MM business model in Malawi. Interestingly, Zoono’s rating was only 3.5 because their response was confined to the impact of MMAP *after* they started up and rolled out their Zoono platform. The Malawi Post’s collaboration with MMAP has informed their thinking about a potential future integration of MM into their existing Fast Cash service offering. This would be similar to Zoono’s over-the-counter model, which would contribute to a healthy competitive environment. Airtel and TNM indicated that MMAP had little impact on their investment plans, though they were appreciative of MMAP activities more broadly and all mobile financial service providers stated there had been no business case analysis or value proposition design conducted by MMAP. The KIs said that MMAP did not offer to support them with business case technical assistance. MMAP also did not include in their PMP a service provider investment indicator but this is understandable because of the sensitive and competitive nature of private sector intellectual property and strategic business planning. As stated by one KI “we already had our own strategy for mobile, financial inclusion, agents, etc.” Asked to quantify their responses, two (out of six) MFSP KIs attributed a relatively minimal impact on their investment decisions due to MMAP while two attributed substantial impacts (rating 4 out of 5). The average rating provided by all six institutions was 2.9. None rated the impact as very high (5) or very low (1).

4.4.2 Conclusions

Within the confines of service providers that MMAP had direct contact with, there was investment impact due to MMAP though that investment was modest. More precise estimates of investment were not possible due to the confidential nature of the information. If there had been any business case analysis and design of value proposition, whether with specific service providers or for the sector at large, there might have been greater observable investment on the part of the service providers.

4.4.3 Recommendations

To stimulate increased investment by service providers there must be multi-stakeholder business case analysis and design of value propositions by DFS experts. Service providers require market sizing and financial analysis of target market segmentation, proposed partnerships and other strategies with which they can compute projected return on investment (ROI) to inform their go/no-go decision making. To accommodate precise estimates of investment the role of non-disclosure agreements (NDAs) should be considered.

4.5 EVALUATION QUESTION 5: TO WHAT EXTENT DID MMAP RESEARCH PRODUCTS INFLUENCE THE GO-TO-MARKET STRATEGY(IES) OF MOBILE FINANCIAL SERVICE PROVIDERS?

4.5.1 Findings

Few KIs recalled seeing any MMAP research products, and those that did were not impressed and/or did not find the research useful. According to one service provider KI “ad hoc reports were not that useful. There was no business case given. It would have been useful if MMAP gave a quarterly report with success/ failures/ learnings / plans.” Another said that MMAP “didn’t share much other than the financial literacy manual.” MMAP acknowledged that communication was a challenge; “we sent out reports but maybe they were not disseminated down.”

Both MNOs interviewed thought research had been done but had not been shared. One of the MNO KIs had not seen the GIS mapping exercise of nationwide agent locations. This indicates that within that MNO the agent mapping exercise was not shared. From a knowledge management/communications perspective something like a GIS mapping exercise would be highly germane to an operations team for which their training of such research tool might have been prioritized over dissemination of the research generated tool to more senior management. Similarly, as regards MMCG many KIs cited the lack of any research product outputs (i.e. white papers, studies, reports, research) as the reason for growing dissatisfaction with MMCG over time.

4.5.2 Conclusion

MMAP/MMCG research reports did not influence go-to-market strategies of service providers.

4.5.3 Recommendations

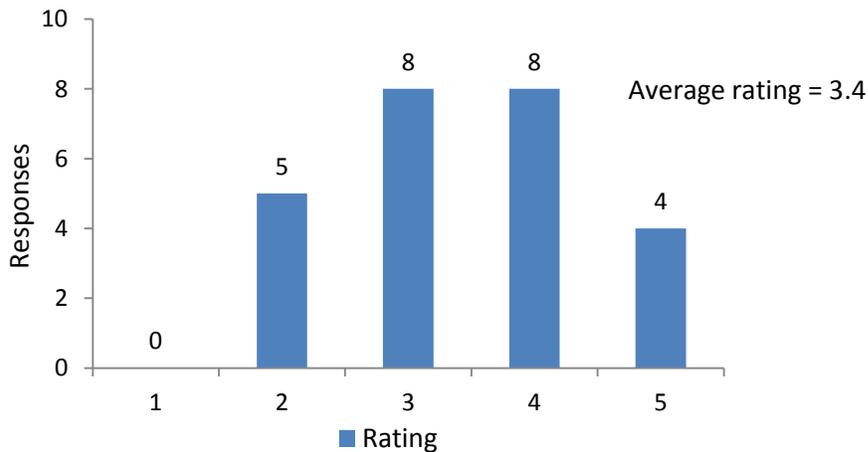
A donor driven initiative is well positioned to be a provider of research outputs that will be perceived as unbiased. As such, future such initiatives should have a robust knowledge management function for the production and dissemination of outputs, as well as key stakeholders being involved at the research design phase so that any research will be considered as relevant and useful. An example would be research on consumer protection issues related to MM agents, given that problems related to agents were mentioned at almost every FGD and many KIs.

4.6 EVALUATION QUESTION 6: TO WHAT EXTENT HAVE MMAP ACTIVITIES INFLUENCED THE MM COMMUNITY OF STAKEHOLDERS (IR2)?

4.6.1 Findings

KIs across all five broad categories generally applauded MMAP/MMCG for creating connections within the community. The average rating given by the 25 KIs who gave a quantitative response to this question was a 3.4 out of 5. One example of the new level of cooperation was, “MMAP has helped to push the sector towards a conducive environment - i.e. one tower for MNOs to share.” This is against the backdrop that previously little had been done by the government and MNOs, and indeed MNOs would barely sit in the same room together. Another KI said “They have filled a gap that MNOs and/or the RBM should /could have done.”

Figure 3 Perceived influence of MMAP on community of stakeholders (N = 25)



Note: One KI provided a rating of 3.5. This was rounded up to 4 in the figure, but is reflected in the average rating.

MMAP (separate from MMCG) was given credit for having an impact but one KI felt the impact could have been much higher if a more focused approach had been taken as opposed to MMAP's broad scope of demand, supply, regulation and e-vouchers as well as pilots for agriculture, education, VSLA's, social cash transfers and SACCO/MFIs.

MMCG was given credit for being proactive with MNOs, banks and the RBM. It helped these and other entities realize what their respective roles and responsibilities were within the new industry. Also, MMCG, by bringing government together with other MM stakeholders, played a role in making government aware of the need for, and potential of, financial inclusion by way of MM. As stated by one KI, "financial inclusion is the new song in Malawi thanks to USAID." Another government KI said "we never had these things before, we never sat with private sector."

Nevertheless, with time, expectations increased for MMCG outputs (white papers, studies, sector reports, etc.) that could serve the needs of MMCG membership. However, in the absence of such outputs, MMCG influence began to decline and participation in MMCG meetings transferred from key decision makers to more junior staff. For this reason a KI felt it had become only a 'talking shop' and was no longer a proper mechanism.

4.6.2 Conclusions

To a great extent the MMAP/MMCG influenced the MM community of stakeholders early on. This is because it brought them together for the first time for discussion and debate. Specific to MMCG, with time this influence declined in the absence of research outputs about the MM sector. The decline from MMAP/MMCG's initially high influence to now is reflected in the average rating of 3.4.

4.6.3 Recommendations

If future programming seeks to have 'thought leadership' influence on the community, then DFS expertise and other resources will be required for the preparation and dissemination of research and analysis reports through a well-resourced knowledge management/communications platform. In addition, now that the market is more mature with a level of infrastructure and systems, future MM programming should be more focused.

4.7 QUESTION 7: DID MMAP INFLUENCE THE INTERNAL PROCESSES AND PROCEDURES OF THE GOVERNMENT (IR3)?

4.7.1 Findings

Government KIs acknowledged that MMAP had an impact on their internal processes and procedures, although some perceived the level of influence to be greater than others. On a related sub-question about MMAP influence on the design of government initiatives, responses from four KIs ranged widely, from 2 to 5 (out of 5). The reason for this variation in replies was summed up by one KI, who noted that “now is a different environment to 2010. Now there are many players and there is more competition. MMAP might have contributed but it’s hard to attribute.” A donor KI said “government pushed back on pilots, such as the farm input supply program (FISP) e-voucher, so MMAP had to adjust away from government programs to other pilots. But with the national switch the terrain has changed. Now teachers, for example, are paid on time. Once MNOs are on the national switch the teachers will be paid onto their phones.” Another government KI agreed that there had been a positive impact: “we have shown willingness through the development of a financial inclusion unit. Government / ministries are pushing regulators to make sure they are on board.”

The KIs who gave higher ratings mentioned the use of bio-metrics (photos and fingerprints) to register beneficiaries in the e-voucher scheme. The MoA is now using bio-metrics for its other activities/initiatives. The low rating (2) was from a regulator who did not consider regulation to be a ‘government initiative’. Otherwise, he acknowledged that MMAP pilots did help to robustly inform the design of regulations. MMAP helped the government/regulator engage with and understand the market as well as proactively suggested that it begin to capture data from market participants. In addition, it elevated the issue of financial inclusion. MMAP also initiated the discussion of G2P digital payments to village, group and district level Chiefs, which has subsequently been integrated into the GOM’s Five Year Digital Payments Roadmap. These sentiments were echoed by donors, who felt that e-vouchers and MM have helped to change the mentality of government and create a strategic focus.

While it is noted that MMAP influenced government on issues around MM and financial inclusion, as one KI said “there is now political will because it addresses low levels of corruption, especially payments from government”. It should also be recognized, however, that there has been limited to no progress on the legal and regulatory framework largely due to Parliament. While MMCG was successful in bringing together government, private sector and donors, it was not a forum for providing input to the legislative process. In addition, MMAP was not resourced to champion legislation and therefore played no role in influencing the design of legislative content or pushing legislation through Parliament. During the lifespan of MMAP, Parliament has not debated or passed any bill (see Table 3, below) nor amended any of the bills that would have the highest impact on mobile and digital finance growth.

Table 3: Legislative Bills and Acts

No	Bill	Status
2	Communication Bill	Submitted to MICE
3	Electronic Bill	Submitted to E-Government
7	Credit Reference Bill	Reported to be tabled before
9	Financial Services Act	Drafting in Progress
15	Bill of Exchange Act	Reported to be tabled before cabinet committee

These bills will play a pivotal role in leapfrogging the mobile and digital finance industry forward and empowering regulators to manage this space efficiently and effectively. Until Parliament passes these bills into legislation, the growth of MM will be constrained. As mentioned by one KI, “the entire digital financial services market is affected. Laws are drafted, but not passed. This uncertainty effects and creates barriers to investment for all stakeholders.” A government KI concurred with this sentiment “the bills not going through has impacted the sector.”

One KI succinctly said: “MMAP has been both positive and negative. It’s been a wake-up call to donors on getting money to end beneficiaries. On legislation, maybe some in government don’t want the gold mine to stop flowing and thus are not pushing bills through.” This comment can be understood in the context of experiences in other countries where G2P payments are migrated from non-transparent cash payments to transparent mobile payments. In these instances ‘ghost’ recipients (soldiers, civil servants, teachers, police, etc. that do not exist) are revealed.

4.7.2 Conclusions

MMAP did influence the internal processes and procedures of government. This is evidenced by the upcoming Five Year Digital Payments National Roadmap that includes G2P payments to Chiefs as well as for teacher and civil servant salaries, social cash transfers and e-voucher farm input subsidies. This is also evidenced by the Five Year National Financial Inclusion Strategy as well as the National Financial Literacy Strategy that both include MM as a key content area. Given MMAP’s pioneering efforts in MM (MMCG, awareness raising, education, e-vouchers and pilots) it is clear that MMAP/MMCG influenced and was a KI but was not involved directly in drafting these three upcoming strategies. As previously mentioned, one KI stated “financial inclusion is the new song in Malawi thanks to USAID.”

4.7.3 Recommendations

For future programming that intends to influence the internal processes and procedures of government, the three aforementioned national strategies should be studied when they are formally launched by the GOM. In this way USAID will complement and align with, and not duplicate, the government’s digital payments, financial inclusion and financial literacy initiatives. On the Parliamentary front USAID might consider a separate initiative that embeds a legislative/policy expert that is committed full-time to championing legislation germane to MM.

4.8 EVALUATION QUESTION 8: WHAT HAS MMAP DONE TO PLAN FOR SUSTAINABILITY OF MMCG AFTER PROJECT CLOSE-OUT (IR3)?

4.8.1 Findings

MMCG received praise for creating the first ever forum for competitors, government, banks and other stakeholders to convene and discuss sector-wide issues. From inception, MMAP structured MMCG such that members paid their own costs (i.e. travel, lodging, per diem) of participating in an attempt to promote a culture of sustainability. In March 2015, MMAP commissioned a MMCG study that considered the sustainability issue but did not reach any conclusion. It was well acknowledged by KIs that the sustainability issue, at its core, requires another entity to step up as the Secretariat when MMAP finishes in November 2016. Furthermore, such an entity would need to be perceived by the other members as being unbiased and without an agenda specific to its own narrow interests. In addition, such candidate will also require budget resources to successfully manage the ‘follow on’ to MMCG [recently renamed the Digital Financial Services Working Group (DFSWG)]. Nevertheless, according to our KIs, MMAP has been proactive in keeping the issue of sustainability in front of the DFWWG membership through their quarterly meetings and one-on-one discussions.

Unfortunately, there are no current DFWWG members willing to take over the role and responsibilities of being the Secretariat. An oft cited concern is the requisite budget commitment to carry out tangible activities, such as research reports and field visits, which would be informative for the membership.

Another limiting constraint is that the Secretariat must be perceived by the membership as unbiased, as mentioned above, which results in a small universe of candidate entities tasked with the Secretariat role of planning and organizing (and funding) regularly scheduled meetings, field visits, agendas and research outputs.

DFSWG is now housed under the National Payments Council hosted at RBM.

A further finding was that government-wide there has been significant growth in the number of working groups, which has diluted the impact of any one working group. “There are many meetings on financial inclusion, MMCG, etc. at which we attend, and we see the same faces, so this limits effective outcomes.”

4.8.2 Conclusions

MMAP staff have done as much as they can within their remit. They commissioned the MMCG study, and have addressed the issue of sustainability in the MMCG meetings and one-on-one discussions. Ultimately, though, the issue of sustainability rests with the members.

4.8.3 Recommendations

To mitigate the budget concerns relating to maintaining a future Secretariat after project close, MMAP should prepare and distribute an analysis of the costs they incurred during their performance as Secretariat of MMCG. This budget analysis should also forecast the requisite financial resources for the preparation and dissemination of research outputs (i.e. white papers, studies, analyzes, reports) of benefit to MMCG membership. A good example at the MMCG level is the Zambia MMCG supported by UNCDF. In addition to the MMCG, a lower level community of practice (COP) can be created, which would be less policy oriented and more focused on practitioners sharing experiences, best practices, additional advocacy, etc. A good example where a COP at practitioner level has been successfully implemented is MHealth in Tanzania. The ideal scenario is having both an MMCG and a COP that can inform each-others’ agendas and help maintain each others relevance.

4.9 EVALUATION QUESTION 9: HOW MUCH HAVE CHANGES IN THE ECONOMIC, BUSINESS AND POLITICAL ENVIRONMENT IMPACTED MMAP (IR3)?

The intent of this question was to assess the negative impact on MMAP due to Cashgate (a government finance corruption scandal in September/October 2013), subsequent change in government, droughts/disasters, foreign currency fluctuations, inflation, etc. Given that KIs did not have enough familiarity with MMAP to make such an assessment, they were asked how the economic, business and political environment impacted growth of MM generally.

4.9.1 Findings

Interestingly, about 30% of the 17 KIs who responded to this question perceived the environment as having a positive impact on MM uptake in terms of when scandal/crisis happens it should boost the uptake of MM due to its greater transparency and efficiency. The other 12 (70%) considered the impact of the environment to be negative on MM because, as summed up by one KI, “when the economy and government doesn’t work then money doesn’t flow.” Another KI said “when the economy is low, there is slow circulation of money.”

Donors reacted very harshly towards the government in response to the September / October 2013 Cashgate scandal. It forced them to rethink their systems and procedures. Meanwhile, government resources became even more stretched without donor support and some government personnel who had been interacting with MMAP were replaced, which negatively impacted G2P pilot programming. Nevertheless, in the aftermath of the Cashgate scandal MMAP continued its G2P programming - in spite of the removal of key government personnel. They continued working with Malawi Savings Bank (MSB) only to have those efforts truncated as well, by FDH Financial Holdings Ltd, the new owners who acquired MSB and had no interest in the G2P pilots. This strategic approach with the government to

pursue G2P was, by prudent design, narrowly focused on MoF and MSB (at that time state-owned) that had the most extensive agent network. In fact, the upcoming Digital Payments Roadmap consolidates all government payments made by multiple ministries into the MoF in order to achieve economies of scale and reduced costs.

One donor said, “for us, there was a big impact because we work directly with government. Cashgate had a big impact and built the case for digital financial services. It also meant government resources were very constrained which impacted their ability to coordinate financial inclusion efforts.”

4.9.2 Conclusions

The impact of the business, economic and political environment appears to have had a negative impact on MM uptake in the immediate short term and a positive impact over the longer term. Over the long term users and other MM stakeholders (government, mobile financial service providers, regulators, etc.) increasingly recognized MM for its beneficial characteristics of transparency, efficiency, safety and security during challenging business, economic and political scenarios as indicated by the upcoming national strategies for Digital Payments, Financial Inclusion and Financial Literacy. This in turn, can be concluded as having had a beneficial impact on MMAP’s pursuit of MM uptake.

4.9.3 Recommendations

To mitigate the impact of unfavorable events the full scope and breadth of the beneficial characteristics of mobile money should be promulgated by way of successful MM initiatives. This can be done by providing technical assistance support to promote internal change management, business cash analysis, design of multi-stakeholder value propositions, and other financial and operational business process reengineering initiatives. The need for this type of technical assistance is a lesson learned from MMAP that had limited success with pilots. More robust technical assistance will lead to more MM initiatives that can be analyzed and further promulgated throughout government and other key stakeholders. This type of technical assistance support might be provided by USAID, UNCDF and/or BTCA.

4.10 EVALUATION QUESTION 10: HOW HAVE MMAP PILOTS IMPACTED INVESTMENT, PARTNERSHIPS, PROGRAMS (PARTNERSHIP AND PILOT ACTIVITIES)?

4.10.1 Findings

Of the 16 KIs who responded to the question “On a scale of 1 – 5, to what extent did MMAP activities - specifically pilots - influence your investment strategy?” most believed the influence was significant or moderately significant. Ten rated the influence a 4 or a 5, and only three rated the influence 2 or below. According to Airtel, MMAP “helped us in demarcating and developing rural markets.” One NGO that had a negative MMAP pilot experience nevertheless rated MMAP’s impact as a 5 because they learned a lot and they know that their headquarters office as well as USAID will continue to require integration of MM into their operations. The three low ratings were due to a MFSP that had already crafted its investment and partnership strategy before MMAP and another MFSP that did not fit within the narrow definition of MM used by MMAP. The third was from a regulator who felt that relative to that regulator’s overall scope MMAP pilots rated only a 2. In spite of his 2 rating, he did acknowledge that MMAP has influenced their design of regulation. The average rating was 3.4.

Positive examples of MMAP’s impact on investment strategies include the bio-metric registration (photos and fingerprints) of farmers for the e-voucher scheme has been utilized by one NGO participant in their cotton portfolio. It has also informed processes and procedures inside the MoA. Government has stated that feedback about pilots informed them how to regulate. Airtel saw a direct correlation between pilots and Airtel Money uptake and active usage vis a vis the triple impact of pilot participant awareness, their word of mouth to others and then their transactions (to others).

Meanwhile, MMAP did not conduct any business case analysis and design of value propositions that would help to make the economic argument for investment and formation of partnerships. Lacking such, the potential to encourage investment and formation of partnerships was limited. In addition, it led to poorly designed pilots resulting in negative experiences for the participants. In spite of the negative experiences of some pilot participants - implementing partners, agro-dealers, farmers, teachers and other beneficiaries – all have stated in KIIs and FGDs that they remain interested and that MM is impacting their current and future investments, partnerships and programs. There were no pilot specific indicators in the PMP. These indicators might have included volume and value of transactions.

One KI clearly highlighted both the advantages of MM but also some of the implementation / change management challenges at the pilot level “transparency reduced fraud, which was very good. Also reduced operational costs. But transparency itself can lead to internal resistance.” Again the context for this response is the experience in other countries that when payments are migrated from non-transparent cash payments to transparent mobile payments that ‘ghost’ recipients (beneficiaries, vendors, salaries, etc. that do not exist) are revealed.

4.10.2 Conclusions

Because there were no multi-stakeholder business cases (for example in agriculture this would mean for the farmer, MNO, large buyer, input supplier, cooperative, processor, exporter, bank, etc.), there was limited investment and therefore limited to no sustainability of the pilots. The core business of MNOs is voice connectivity and, as is the case with MNOs elsewhere in Africa, but not yet in Malawi, MM is only now beginning to emerge as its own profit/cost center. As such, MNOs are increasingly pursuing public private partnerships that provide them with a business case and value proposition in rural areas.

4.10.3 Recommendations

To develop strategic alliances and partnerships/programs based on sound multi-stakeholder business cases requires analysis of short-term transitional costs, long-term cost savings, revenue impact, investment required and return on that investment. DFS expertise and organizational acumen is required to develop financial and organizational analyses for each partner in an alliance. This will entail analysis of MNO investment/sharing of towers to improve connectivity, distributed/staggered payment streams to mitigate liquidity challenges, m-wallet fees (affordability) and agent commission (incentive) constructs and more, alongside the requisite need for organizational change management for each strategic alliance partner.

4.11 EVALUATION QUESTION 11: HAS MMAP POSITIONED THE MISSION POSITIVELY WITH THE GOVERNMENT (MISSION STRATEGIC FOCUS)?

4.11.1 Findings

MM / digital financial services was cited by KIs as being a part of the government’s reform agenda as clearly evidenced by the upcoming digital roadmap, financial literacy and financial inclusion five-year national strategies. As cited by a government KI, when the “government thinks about financial inclusion, they think about USAID.” A donor KI felt that MMAP had positioned USAID “very well within the government, especially for financial inclusion.” Another donor KI said “(USAID’s support for) UNCDF’s insertion of a person into the MoF to champion G2P was very strategic.” According to a government KI, “Now we think of USAID when discussing financial inclusion, likewise UNCDF who are getting support from USAID and who are helping us with the payments roadmap.” Another government KI agreed that MMAP has positioned USAID positively within government primarily “through USAID’s funding of UNCDF.” World Bank FSTAP and USAID MMAP have “complimented each other through infrastructure on the one hand, and ecosystem development on the other.”

This embrace of MMAP and MM in the current government reform agenda was not seen in the previous

government during which the Cashgate scandal occurred.

4.11.2 Conclusions

MMAP has positioned the Mission positively within the government.

4.11.3 Recommendations

To maintain its leadership position USAID should build on its lessons learned and best practices to design future programming related to digital finance. This includes usage of local language training materials, a ToT approach, business case analysis and design of value propositions for formation of partnerships. This was summarized by one KII who said “Support closer partnership with government and with financial technology by way of mutually beneficial business cases.”

4.12 EVALUATION QUESTION 12: FOR THE USAID MISSION, WHAT ARE THE STRATEGIC AND CATALYTIC DFS OPPORTUNITIES THAT IT MIGHT PURSUE TO FURTHER ITS DEVELOPMENT OBJECTIVES OF MM UPTAKE AND FINANCIAL INCLUSION (MSF)?

4.12.1 Findings

MMAP launched in October 2012, when the market was extremely nascent (only 18,000 m-wallets). By March 31, 2016, there were 688,178 m-wallets and so MMAP appears to have had some impact on this m-wallet uptake, though how much is attributable to MMAP is not known. At the end of each KI interview, they were asked, informally, what year they believed the MM sector in Malawi would reach a ‘tipping point’, i.e. take off commercially. The 22 responses received ranged from the year 2018 to 2031. More than two-thirds (15) of responses fell between 2019 and 2021, i.e. the tipping point would be reached within the next three to five years.

In terms of what USAID could do to keep supporting the sector, financial literacy was a prominent topic mentioned by KIs. One KI said, with reference to MMAP trainings, that in the future training materials should be provided in the Chichewa language. Another felt now that the infrastructure has been developed, it is time for a strategic approach. Lack of good network connectivity was also widely acknowledged, as was the potential of making the business case for agribusinesses, the Farm Input Supply Program (FISP), agents, implementing partners, MFIs and teachers in order to help MNO’s expand their service areas.

The perspective of MFSPs was summed up by one KI “to help some MFSPs to purchase technology and use best practices from other countries, especially for rural communities and to further promote interoperability / co-opetition.” Another KI suggested the need for more practitioners to participate in “forums, communities of practice, implementing partner workshops, etc. to spread the message.” One KI took a broader look of the sector saying the “World Bank is working on the national switch and other major infrastructure, which is serving Malawi quite well. So now there is an infrastructure to develop new products and services though it is not yet benefitting the final consumer - turning awareness into usage is needed.” One donor KI mentioned a range of important opportunities “service mix on platforms to build on the channel that has been developed. Moving from cash out to payments. Strategic thinking to create the ecosystem now that the foundation / infrastructure is there or thereabouts. Little has been done around consumer protection yet in terms of regulation, mandates etc. Financial literacy in general.” A government KI said “financial literacy. The Reserve Bank has a financial education and literacy strategy, which needs funding. Improved coordination and funding of the financial inclusion working group perhaps connected with MMCG.”

4.12.2 Conclusions

Four years after the first launch of an m-wallet (Feb 2012 by Airtel) a payments infrastructure⁹ and system¹⁰ has been built but has not been finished. MMAP was broad in scope and did a laudable job with promoting awareness, financial literacy and MM uptake (IR1; KRA 1, KRA 2 and KRA 3). Its direct impact in IR2 and IR3 was much less. It should be noted MMAP could only facilitate discussions for IR2. Further, presuming MNOs would reach enough commercial scale so as to economically justify a bank being interested in joining a joint venture (KRA 4 and KRA 6) with an MNO for the delivery of mobile banking in rural areas within the original two year MMAP timeframe was unrealistic¹¹. It should also be noted that while MMAP performance under IR3: Strengthened Regulatory Systems was constrained due to Parliament not passing relevant legislation, it is clear that three upcoming National Strategies with MM content areas have been influenced by MMAP's overall messaging about mobile money and financial inclusion.

It can be argued that USAID received a return on its beneficiary investment (RBI) because USAID and FHI360 is seen to have helped 'pave the road'. MNOs see the importance of working with trusted intermediaries in rural areas. Meanwhile, the need for more education about features/benefits of mobile money as well as optimal design of business use cases and value propositions remains. MMAP staff recognizes there was still much work to be done "to be more focused on coordinating financial literacy / public awareness / other national strategies so that organizations are not working in silos. Feet on the ground implementation for the Reserve Bank's strategy and mandate." Another KI highlighted there still is much work to be done to develop the ecosystem in terms of emphasizing "that the e-wallet is not just for cashing/out but for payments as well. MMAP now needs a strategy for how to maximize efficiency."

4.12.3 Recommendations

MMAP's broad scope was appropriate at that time and has presented numerous lessons learned. However, 4+ years later the market has moved on and there is need for a different more targeted and strategic yet flexible approach. This was summed up by one KI according to whom "flexibility to change and modify programs to integrate the lessons learned and best practices. Accommodate knowledge transfer – digital financial service is cross cutting. Especially on financial education and literacy." Creation of a COP was input from another KI. A number of others, noting the growth in m-wallets, suggested more consumer protection. The two MNOs, Airtel and TNM, requested they be engaged earlier in the design process for pilots rather than ex post facto. They also mentioned their need for agent training and internal capacity building perhaps including exchange programs to other countries.

To maintain its leadership position, benefit from lessons learned and maximize its RBI, continued commitment can be programmed into USAID's upcoming FtF Agriculture Diversification (AgDiv) project and/or general program support and/or a separate supply side-focus project. The benefit of the AgDiv project is that it is already budgeted and can tightly align FtF's programmatic outcomes with the MM outputs of financial efficiency (cost savings, etc.), return on investment (greater outreach, etc.) and policy (advanced metrics, etc.) as revealed by the USAID/Bangladesh analysis. General program support will build capacity of USAID and provide on-the-ground-support across all IPs. Finally, a separate supply side-focus project will build on the demand created by MMAP and continued demand stimulation of the previously mentioned and upcoming three national strategies. By working with service providers there

⁹ National switch, towers, mobile money platforms, core banking/MIS systems, interoperability, customer service desk, disaster recovery protocols, etc.

¹⁰ Agent networks, merchant networks, mobile money registration protocols, consumer protection, financial literacy, consumer awareness

¹¹ A worthy reference is the first (unsuccessful) joint venture between high-performing M-Pesa in Kenya and Equity Bank happened three years after the launch of M-Pesa. That said, Airtel Money formed joint ventures in 2016 with FDH Bank (Mar) and Standard Bank (May), 4+ years after first launching their service.

can be ecosystem and product development specific to the needs of Malawians across different sectors. Whether one or all three programming approaches are pursued, each approach will require specialist knowledge in project management (change management, business case analysis, etc.), technology (DFS, information collection and dissemination, etc.) and sector (agriculture, finance, etc.).

5.0 LESSONS LEARNED

Below are several lessons learned from MMAP:

5.1 TECHNICAL ASSISTANCE IS MORE THAN FINANCIAL LITERACY AND AWARENESS

Throughout the MMAP lifespan technical assistance was described as:

1. Financial education and literacy materials plus associated trainings
2. Ongoing meeting / discussions
3. Dissemination of reports

However, to achieve the sustainable growth of the sector in rural areas through pilots which become institutionalized, it is important to understand the number and range of challenges specific to implementation change management related to digital finance. Digital finance implementation will affect all departments of an agribusiness, health provider, implementing partner or any other organization; operations, training, client education, accounting, IT, marketing and human resources. There are also external challenges related to digital finance business models vis a vis business case and value proposition analysis for strategic alliances, access to finance, financial literacy and more. Given these internal change management and business model challenges a fuller spectrum of technical assistance would have helped MMAP pilot organizations institutionalize the use of mobile money. This fuller spectrum of technical assistance can include the following three-step methodology:

Table 3: Phases and Rationale of Technical Assistance

Phase	Rationale
1. Feasibility study/research/analysis	For senior management to understand all opportunities and implications of implementation. For the Board of Directors to give senior management remit to implement the strategy. This should include: <ul style="list-style-type: none"> • Development of high level operational models • Development of high level business cases (including cost of cash analysis) • Development of an activity plan • An implementation budget
2. Strategic alliance formation/integration into internal operations	All staff must know the features and benefits of MM. Without this internal knowledge it will not be possible for them to be mobile money ambassadors when training and doing rollout implementation to end users.
3. Integrate digital finance into services / programs	The goal of internal change management and external value proposition design is to move from paper-based processes and cash heavy operations to digital-based processes and digital payments/finance.

5.2 THERE REMAINS A VITAL ROLE FOR USAID IN MALAWI'S MM SECTOR

The core model of USAID is the development and empowerment of trusted intermediaries, whether they be in agriculture, health, education and other sectors. USAID's convening authority and empowerment of trusted intermediaries are strategic tools for the roll out of MM in rural areas. The integration of MM and digital finance into USAID's programming with its implementing partners and trusted intermediaries, in alliance with MNOs and other MFSPs, can provide targeted and high impact of these new technologies on behalf of end beneficiaries.

MMAF helped to pave some of the roads on which MM traffic could travel in urban as well as rural areas. As is the usual dynamic for MM, both MNOs have largely developed their business models in the urban centers and are now seeking to expand into rural areas in pursuit of nationwide penetration, breakeven and return on investment. MNOs have realized the importance of strategic alliances with trusted intermediaries in order to overcome the more significant challenges in rural areas of illiteracy, financial and digital illiteracy as well as lack of trust. Their collaboration with, and the convening authority of, MMAF and USAID has promoted awareness, education and trust amongst rural populations. As described by Airtel, they saw a direct correlation between MMAF pilots and the registration and active usage of Airtel Money wallets vis a vis the 'triple impact' of awareness, word of mouth and transactions.

Specific to agriculture, Malawi's most significant sector, and its integration with MM, the three-step technical assistance methodology (described in Table 3 above) and the strategic awareness, education and implementation framework for agriculture digital payments, previously mentioned as provided by the Team Leader to the Mission, can be referenced. For targeted value chains the design of MM products and services should be informed by cash usage behavioral research with farmers. This research can inform the numbers of cash transactions that can be transitioned to mobile, the numbers of existing cell phones and m-wallets as well as the levels of farmer literacy and trust. Informed by this research strategic alliances can be formed between agribusiness and MNOs that delineate each partner's roles and responsibilities. Finally, farmer education about the features and benefits of MM can be delivered alongside the traditional agriculture knowledge transfer interventions for better production quality/quantity, post-harvest handling, marketing and more.

5.3 THE MOBILE MONEY COMMUNITY NEEDS AND WANTS A FORUM FOR DISCUSSION, KNOWLEDGE SHARING AND NETWORKING

MMAF's DFSCG was widely appreciated for being the first forum for discussion, knowledge sharing and networking. The issue of its sustainability beyond MMAF's lifespan remains unknown. Whether or not a sustainability model for DFSCG is found, the approaching maturity of the sector warrants the creation of a COP. As portrayed in Figure 5 below, the digital finance community levels of engagement begin within the national payments system, to the policy level DFSWG and finally to the COP. A COP will be less policy-oriented and more practitioner-based.

Some of MMAF'S challenges included: dissemination of research, findings, best practices and more to a wide audience as well as communication of key events such as MMAF's re-branding to FTFMMM. If MMAF had structured a COP with a broader base of practitioners these challenges might have been mitigated.

Figure 5: Digital Finance Community Levels of Engagement



A COP can include a large numbers of other stakeholders in Malawi that are interested in the DFS sector. These other stakeholders can include, but not be limited to; USAID implementing partners, donors, government, private sector and consultants. A COP is less formal and can meet more often than the DFSWG. A worthy reference might be the mHealth COP in Tanzania.

5.4 MMAP WAS MORE THAN MOBILE MONEY

In 2012 when MMAP launched, the sector and therefore MMAP, was focused on MM. The sector rapidly evolved and embraced the broader concept of DFS. DFS can include e-vouchers, OTC transfers, branchless banking, international remittances, DFS plus, information services and more. While E-vouchers, Zoono and the Post Office’s Fast Cash are not mobile money per se, they can however be considered in the broader definition of DFS. As such, MMAP should have captured their respective key performance indicators (KPIs) in order to compare to the KPIs for Airtel and TNM and derive a more complete understanding of the market sector dynamics.

The ET learned that the Post Office’s Fast Cash service had significantly declined during MMAP’s lifespan in their value of business. Fast Cash declined from 500 million Kwacha/month to 300 million kwacha/month. As Fast Cash was previously a favoured way to transfer money, especially from urban to rural areas, the decline seems attributable to the launch of Zoono’s similar OTC model as well as uptake of Airtel and TNM wallets.

The usual dynamic for MM in other countries is that the third market entrant serves as a major catalyst for market growth. However, in Malawi there are only two MNOs and thus it would have been interesting to examine, and report on, the impact of Zoono’s market entry on Fast Cash as well as Airtel Money and TNM Mpamba. As Zoono has noted, it took them four years to achieve in Zambia what has taken them 18 months to achieve in Malawi.

ANNEXES

ANNEX I: FOCUS GROUP DISCUSSION INDICATORS AND MAP

USAID MMAP FGD Map

Areas of FGDs

- 📍 Lilongwe
- 📍 Mitundu
- 📍 Malingunde
- 📍 Mchinji
- 📍 Bembeke
- 📍 Balaka
- 📍 Chileka
- 📍 Lirangwe School
- 📍 Liwonde
- 📍 Machinga
- 📍 Namwera
- 📍 Mchinji Road

Map showing areas where Focus Group Discussions were carried out by USAID MMAP evaluators.



**ANNEX 2: PILOT FINDINGS/ CONCLUSIONS/
RECOMMENDATIONS**

Mass Media Public Awareness Campaign

Contract start / finish date:

Contract started	Contract extension	Contract Finished
May 2014		May 2015

Background:

- The public awareness campaign was not a pilot but was subcontracted to Mass Media Centre Limited (MMC). Public awareness was considered a key component of the MMAP design with a need to market mobile money differently for urban and rural populations as they have different needs and respond to different aspects of mobile money. It was acknowledged that raising awareness in itself would not necessarily increase adoption of mobile money, but it was an important component.
- It was understood from the outset that involvement of MNOs in outreach activities was pivotal not least to enable communities to secure on spot registrations, witness live demonstrations of transactions, and seek clarity on issues regarding mobile money.

Public gatherings:

- A total of 24,000 individuals attended the community meetings and roadshows
- A total of 2,500 subscribers opened mobile money accounts as a result of the roadshows that were organized jointly with the Mobile Network Operators
- *Community Meetings* – A total of 20 community meetings (a minimum of 3 meetings per district) were conducted in Mchinji, Lilongwe, Mzimba, Rumphu, Blantyre and Mangochi and specific areas such as Malingunde where the NASFAM pilot was being implemented. Among key groups engaged, the community meetings engaged Village Savings and Loans (VSL) groups from the project implementation sites.
- *Community Dramas / roadshows* – A total of 31 (a minimum of 5 performances per district) participatory community drama performances were conducted.

Media Campaign:

- *Radio and Television* – Radio and television messages were transmitted through three broadcasters: Luntha TV, Malawi Broadcasting Cooperation (MBC) TV, and Radio and Zodiak Broadcasting Station (ZBS). MMC engaged an independent media monitoring firm to verify the media monitoring reports from broadcasters. This helped to provide documented evidence which was used to follow up with broadcasters whenever there were inconsistencies in the reports

Mass Media Product	Airings
Radio Spots	435
Radio Comedies	45

Radio Documentary	43
Television Spots	215
Television Comedy	49

Billboards:

- Eight billboards with the message “**calling for people to use mobile money**” were mounted – three in Blantyre, four in Lilongwe, and one in Mangochi.

Information Education and Communication (IEC) Materials:

- 62,100 Information Education Communication materials, including posters, fliers and stickers, were produced and distributed.

IEC Product	Number	P r o d u c e d
A1 Posters	500	
A2 Posters	10,000	
A3 Posters	500	
Fliers	50,000	
A5 stickers	1,000	
A3 stickers	100	

- Ten comic strips and ten Chichewa Newspaper columns were published in Mkwaso Newspaper Comic Strip, Chichewa Column and Print Media Publication.

Online information:

- A Facebook page <https://www.facebook.com/pages/Mobile-Money-Malawi/727774520649766?ref=hl>
- A website <http://www.mobilemoneymw.com>

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	There was no recall by KIs and FGDs of the specific public awareness campaign	It appears there was no benefit of the public awareness campaign	There should be appropriate methodology for measuring impact of such campaigns
2	There is high public awareness of mobile money	It is not possible to attribute this to the public awareness campaign	Awareness is an essential first step to MM uptake.
3	MMAPs broad programming of pilots/activities promoted public awareness	Awareness is created through a range of activities	A blended approach of mass media, pilots, reports, etc. should be used as appropriate to build public awareness

E- Vouchers (Farm Input Subsidy program)

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
June 2013		Nov 2016 -Originally but stopped after 2 nd season

Pilot contract type / amount if applicable:

- This was not a pilot per se but a joint 'initiative' with the Ministry of Agriculture. It should be noted the participating agrodealers essentially subsidized this initiative because they universally lost money due to their participation. Further, they did not have the option to not participate because voucher subsidies (whether paper or electronic) constitute upwards of 85% of their overall business activity.

Background:

- The Farm Input Subsidy Programme (FISP) is an ongoing government initiative that supports resource poor farmers to access quality farm inputs so as to improve food and nutrition security. Although marred by challenges with counterfeit coupons, theft and recycling of coupons, the program increased yield output in the first nine years.
- The e-voucher pilot project was conceived as an alternative to traditional paper vouchers. It was meant to improve the implementation efficiency of the FISP and specifically the reconciliation of mobile money payments to agro dealers at the point of e-voucher redemption by the farmer.
- It was piloted in the 2013/14 season for the distribution of seeds in six targeted districts with 52,000 farmers. The 2014/15 pilot scaled up for the distribution of seeds and fertilizer in 18 districts to 152,000+ farmers.

Results:

- Trainings were organized by MMAP for the project implementing team which included AICC, the FISP coordination unit and FISP logistics unit. There were 263 MoAIWD frontline staff trained.
- 560 seed retailers and 102 fertilizer agents (ADMARC and SFFRFM) were trained
- Over 90% of beneficiaries were sensitized on e-voucher redemption.
- Through AICC, Zoono International was hired to develop and manage the e-voucher platform and to procure e-voucher scratch cards
- A total of 17 districts were covered with a redemption rate of 92.8% with maize seed at 95%, legume seed at 85%, NPK fertilizer at 90%, and UREA at 90%.

FGD with e-voucher farmers and agrodealers

The e-voucher program received mixed reviews from farmers and agrodealers. While a system of e-vouchers was generally recognized as being more efficient and secure than coupons, network coverage problems caused problems and delays when users were redeeming them. Transactions also took long because of numerous steps involved, such as entering a code number, a serial number, etc. Many FGD

participants in the e-voucher program also expressed a desire for more comprehensive training than what they received. Some disappointment was expressed that the program ended.

Mchinji farmers came to know about the e-voucher program through Agricultural Extension Development Officers who came three times, spreading awareness about the pilot program. After using the e-vouchers they gained confidence that MM is in fact 'real' and can work. They had positive expectations, knowing that they could now "redeem the subsidy freely." Mtira Farmers also learned about e-voucher program from Agricultural Extension Development Officers. They said that e-vouchers are good since "you buy the inputs yourself and it reduces hunger." One farmer noted that compared with coupons e-vouchers are "just the same." But the Mtira farmers also reported that when they first heard about e-voucher they thought it was an "impossible system" but then they realized it was simple and good system. On the other hand, Lilongwe farmers who were interviewed noted that the program stopped before people fully understood it. Another criticism related to unstable network connectivity: if there is no network the subsidy cannot be redeemed. They noted that they would wait for a long time 20 to 30 minutes to redeem the subsidy, while at other times the agro-dealers could send them back due to network problems.

Agrodealers from Blantyre, Lunzu and Mtira reported that the e-voucher system could be cumbersome and slow, with procedures for redemption taking too long. This was often linked to network problems, so that it might take "7 or 9 minutes". Compared with using paper coupons, e-vouchers are secure "because even though someone steals the e-voucher he or she cannot redeem the input."

Training was criticized by Mtira agrodealers, who said that the training (provided by AICC and FHI 360) was insufficient – lasting only 3 hours – and that the trainers were incompetent "because they did not even know the system." They recommended that if the program were to return, training should be more comprehensive and last at least 3 hours a day for an entire week. They said agro-dealers and farmers should be integrated during the training. The Mtira agrodealers said that the program did not build up the infrastructure of the agro-dealers to help the farmers, and this should be taken into account when re-designing the system.

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	Farmers embraced the scratch card e-voucher but lack of connectivity and training led to long wait times for farmers at redemption and frustration and loss of income for agrodealers. Nevertheless, farmers and agrodealers said if the challenges were fixed they would be willing to participate in future e-voucher schemes.	Agriculture stakeholders recognize the value of e-vouchers if they work properly.	Design an e-voucher scheme that addresses the challenges of all stakeholders. Specifically focus on input subsidy for commercial rather than subsistence farmers (as is intended by GoM for 2016/2017 season) as they will be less in number and more financially and technological literate.
2	Activities were located in areas that were known to have limited to no connectivity and/or capacity issues which caused frustration and delays for both farmers and agro dealers	The success of the pilot was compromised from the outset due to poor identification of pilot areas. As a result, agro dealers universally lost money	Before any pilot there must be a supply side market survey which considers connectivity, agents, network capacity etc. The GIS mapping tool can serve as a proxy for connectivity.

3	There was poor training of farmers and very limited to no training of agro dealers.	Lacking the requisite training of the features and benefits of the e-voucher scheme, the initiative was destined to have challenges from the onset. As a result, agro dealers universally lost money	Training and TOT is a vital component of any digital financial services initiative and should be given high priority -in the planning phase
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National Smallholders Farmer's Association of Malawi (NASFAM)

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
09-Aug-14	28-Feb-15	August 2015

Pilot contract type / amount if applicable:

- This was a development grant worth MK 21,781,400

Background and pilot description:

- This pilot worked with the Integrating Nutrition in Value Chains (INVC) project that was funded by USAID under the Feed the Future initiative. It used mobile money as a payment mechanism to farmers and to promote financial inclusion among 2,110 farmers.

Results of pilot:

- A total of 1,945 people were trained. During the training, those who had mobile phones (235 people) opened mobile money accounts (167 Airtel Money; 68 TNM Mpamba).
- In mid-March 2015, MMAP conducted a refresher training for the participants. A total of 1976 farmers (1053 females; 923 males) attended the training.
- At the time the pilot was closing out in August 2015, only 147 people had registered for mobile money. The project made a follow-up to the NASFAM pilot that closed out in August 2015 to assess the extent to which pilot beneficiaries were embracing mobile money. A total of 498 (205 females; 293 males) people had registered for mobile money.
- The NASFAM pilot did not scale because the timing was wrong, there was limited internal change management, and agent liquidity and trust was a challenge.
- As NASFAM is a trusted intermediary for any future MM agricultural work, NASFAM should be considered as a partner especially as NASFAM's change agents / agri workers have the profile which matches the ideal demographic for MM change management at the farmer level

FGD with NASFAM participants

Training among NASFAM farmers appears to have been an important factor in encouraging them to use and trust MM. Some reported that “without NASFAM the people could not know what MM is all about.” They had also heard about MM on the radio. After completing the training participants received free cell phones from NASFAM for easy payment. They feel that mobile money is really helpful and to them it is always available. It is said to make life simpler. Like many others, they no longer have to send money by bus or bicycle. Many requested that FHI 360 should come back to provide additional training. Network reliability problems presented a problem.

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	The payments were not aligned and timed with the Soya harvest season	The lack of alignment with the harvest cycle did not leverage the payment streams thereby limiting the potential for success.	Any execution of an agricultural pilot should be done far enough in advance to align with the harvest cycle.
2	In spite of the pilots poor performance it revealed the pent-up demand by farmers who were happy to receive payments directly to their wallet. The pilot was not continued into the second season.	Mobile payments have not been institutionalized and information was not cascaded. The pilot was not sustainable.	Before any pilot commences, it is vital that management understand the reasoning to do the pilot and how it is aligned with their strategic and business plan, thus making the pilot not only sustainable but the template for rollout.
3	NASFAM would not have done mobile payments if it had not been for the MMAP pilot. NASFAM is very likely to continue such pilots in the future	The pilot helped to increase both awareness and limited usage of mobile money.	Through strategic insertion of pilots into value chains, awareness, goodwill and satisfaction to meet demand can be maximized.

Agricultural Commodity Exchange (ACE)

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
19-Nov-14	30-Apr-15	15-Jun-15

Pilot contract type / amount if applicable:

- This was a development grant worth MK 11,584,600

Background

- ACE provides farmers with a model for their sale of agriculture produce through ACE's Warehouse Receipt System. ACE settles payment to traders / farmers using cash or checks. This is not optimal and is labor and time intensive, and therefore expensive, for both ACE and farmers.
- The pilot's intent was to shift ACE's cash and check payments to mobile payments. As part of the pilot design ACE signed MOUs in February 2015 with Kulima Gold / Rab Processors who are input suppliers and output aggregators.

Results of pilot:

- In February 2015, ACE developed awareness and promotional materials on radio programs and posters about mobile money and how it could be applied in agriculture value chains, specifically how they would make payment for agriculture produce sales.
- In March 2015, MMAP trained 15 ACE Rural Trade Agents and Kulima Gold staff. In turn MMAP staff and ACE Rural Trade Agents jointly conducted 84 similar trainings to target beneficiaries reaching out to 2,047 (1,105 males and 942 female) farmers.
- At the conclusion of the pilot, none of the beneficiaries of the trainings had used mobile money to transact with ACE. During the design phase of this pilot ACE saw the MM training as an opportunity to secure new ACE warehouse receipt customers. Therefore, the farmers selected for training were not only learning for the first time about warehouse receipts but were also learning for the first time about MM. This was a design flaw and prominently highlighted the error of introducing two brand new concepts to farmers at the same time.
- As such, this pilot did not scale.
- However, at the ACE pilot end line assessment there were some positive results notably that those who had received mobile money and financial literacy training, 45% had opened mobile money accounts compared to 13% during the baseline.

FGD with ACE farmers

They got to know about MM through ACE who trained a lot of people but at that time very few people had phones. Nevertheless, the response to the training was positive. MM is more convenient for saving money because there is only one nearby bank. One participant sent 60,000kw to a school by sending it

to child who cashed out at a nearby agent. The child then gave the money to the school because the school didn't have its own mobile money account. ACE conducts MM road shows and meetings. Sometimes agents close because they are attacked by thieves. Some agents don't display the transaction fee schedule so they can charge higher fees. They also experience bad network connectivity that makes it difficult to cashout when they need to.

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	There was no use of mobile money for the disbursement of warehouse receipt financing	The farmers trained were not ACE clients so they were learning about the ACE business model as well as mobile money at the first engagement	Do not combine training of mobile money with another new concept.
2	There was limited/no training of agro dealers who are the output aggregation points	Agro dealers are a vital component of the business model	All stakeholders need appropriate training.
3	There was no TOT of master trainers internal to ACE	Lacking TOT of master trainers internal to ACE there was limited employee motivation and commitment	To integrate TOT of internal master trainers into mobile money pilots

Malawi Union of Savings and Credit Cooperatives (MUSCCO) – mobile money as a mobile banking channel

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
19 th Nov 2014	30 th April 2015	ongoing

The pilot started in November 2014 for initially a six-month pilot, but the contract has gone through some modifications due to the delays that arose from the process of integrating Malawi Union of Savings and Credit Cooperatives (MUSCCO) core banking system to Airtel Money's mobile money system.

Pilot contract type / amount if applicable:

- This was an MMAP development pilot for MK 19,929,800

Background:

- Malawi Union of Savings and Credit Cooperatives (MUSCCO) is the apex-organization in Malawi for Savings and Credit Cooperatives (SACCOs). The pilot's goal was to enable MUSCCO's micro-loan recipients to use mobile money in carrying out their transactions. Specifically, micro-loan recipients under the pilot would be able to use their mobile phone to check an account balance remotely, make deposits/withdrawals, transfer funds, and track loan approvals. The pilot targeted five Savings and Credit Cooperatives (SACCOs)

	SACCO name	Location	Number of micro-loan clients
1	Fincoop	Lilongwe	18,000
2	Mzimba Teachers	Mzimba	5,280
3	SUCOMA Employees SACCO	Nchalo, Chikhwawa	4,349
4	PTC Group Employees	Blantyre	1,650
5	Rumphu Teachers SACCO	Rumphu	850
	TOTAL		30,129

- The 5 SACCOs were chosen based on the following reasons:
- They had a relatively big membership thus the pilot would have wider impact as role models for smaller SACCOs.
- These SACCOs have the necessary capacity in terms of human resources and finances to handle this pilot.

- These SACCOs provide a wide geographical representation in Malawi – in the North, Centre and the Southern region.
- With Fincoop SACCO based in Lilongwe, there is a contribution to the 3Cs approach promoted by USAID/Malawi.

Results of pilot:

- Two of the SACCOs had serious internal financial challenges. Fincoop was going through an organizational restructuring at the time the pilot was being proposed. Bvumbwe SACCO in Blantyre was closed down.
- In October 2015, MUSCCO contracted a Malawian local IT company (IT Centre) to carry on with the integration process for the pilot. Progress began to show with IT Centre on board. By the end of November 2015, IT Centre had managed to achieve the following on the integration process:
 - Configured MUSCCO's server
 - Installed MS-SQL 2012
 - Configured IIS
 - Applied for VPN link between Airtel and MUSCCO
 - Developed a customized user interface to served the needs of SACCOs and MUSCCO
 - Performed BIN definition for the piloting SACCOs
 - Did robot handshaking with Core banking systems
- The integration was done with technical support from IT Centre, a Malawian local IT service provider that was contracted following the failure by Kenyan-based Craft Silicon to provide the service.
- The integration process of MUSCCO'S core banking system to Airtel Money's core banking system was successfully completed in March 2016. The pilot's mobile application is accessed via USSD short code *521# on Airtel's mobile network.
- MUSCCO with technical support from MMAP and Airtel Money staff, conducted a training on March 19, 2016 for Mzimba SACCO beneficiaries on mobile money and how to use the MUSCCO mobile application. The training took place at Mzimba Secondary School and a total of 220 (130 males; 90 females) pilot beneficiaries, most of them teachers, attended the training.
- No transactions have yet been conducted so this pilot has not scaled.

Top 3 pilot findings, conclusions and recommendations:

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	MMAP supported a complex technical project	Due to the complexity it took a long time to become live	Before entering a project, consider the amount of time any intervention will take before there are measurable results.
2	The demand originated from the SACCO's themselves	Internal demand is a pre-requisite for any successful implementation	Model design of any pilot around internal management/employee/member demand to increase likelihood of success.

3	MUSCCO (an Apex body) leveraged its role/responsibility to pull the members together for the pilot	To reach scale leverage existing networks/membership bodies.	Do an assessment of any proposed members as part of project design
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The Hunger Project – Micro loan Disbursement

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
19 Nov 2014		31 July 2015

In the first quarter of year three, implementation of the pilot was put on hold while finalizing a grant agreement for the pilot to proceed; it resumed in March 2015

Pilot contract type / amount if applicable:

- The was a development pilot for MK 445,000

Background and pilot description:

- The Hunger Project works to build sustainable community based programs using the Epicenter Strategy. An epicenter is a dynamic center of community mobilization and actions as well as an actual facility built by community members. Through the Epicentre Strategy 15,000 – 25,000 people are bought together as a cluster of rural villages – giving villages more clout with local government than a single village is likely to have and increasing a community’s ability to collective utilize resources. The epicenter building serves as a focal point where the motivation, energies and leadership of the people converge with the resources of local government and non-government organisations. Over an eight-year period, and an epicenter addresses hunger and poverty and moves along a path toward sustainable self-reliance, at which point it is able to fund its own activities and no longer requires financial investment from The Hunger project.
- The pilot was planned to migrate 200 micro loan recipients of SACCOS to receive loans via mobile money (TNM Mpamba) in Blantrye (Mpingo) and Ntcheu (Champiti) epicentres.

Results of pilot and MMAP indicators:

- Mobile Money and Financial Literacy Trainings were conducted for 85 micro-loan recipients (52 females and 33 males). Out of this, 60 (34 females and 26 males) were from Mpingo Epicentre in Blantrye while 25 (18 females; 7 males) were from Champiti Epicentre in Ntcheu.
- The total number of micro-loan beneficiaries receiving loans via mobile money under the pilot was 48.
- This pilot has not scaled.

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	This was a micro pilot with 48 beneficiaries	Resources invested were disproportionate to any potential impact	Any future pilots should have a minimum threshold of investment/impact.
2	The pilot was not positioned to do disbursals at volume.	Mobile money should be built on the rails of branchless banking and not the other way around	Do not engage MFI until there is branchless banking capacity
3	THP is not an MFI but a capacity building organization that works	DFS impacts the core business operations of the sender/receiver	Pilots should be done with the direct partner, who must

	with VSLAs and SACCOs	of funds	accommodate their core business operations and not with a capacity building organization
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CARE - Village Savings & Loans Associations

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
14-Sep-15	14-Mar-15	14-Mar-16
		30 June 2016

The CARE mobile money pilot launched in September 2015 following protracted contractual discussions dating back to July 2014. This was partly due to in its original design, the pilot was to be implemented in Mchinji district. However, the target district changed to Lilongwe to align with the Feed the Future focus districts.

Pilot contract type / amount if applicable:

- This is a development pilot worth USD \$74,600

Background and pilot description:

- VSLAs have become popular in Malawi and are a key initiative of the Government of Malawi in promoting the improvement of the economic status of poor people. CARE had experience with many mobile money pilots in other countries. CARE Malawi co-chairs the VSLA thematic working group that was set up by the government under the National Social Support Program. As such, the pilot afforded MMAP an opportunity to showcase digital transactions to a wide audience.
- The pilot's aim was to migrate 160 Village Savings and Loan Associations (VSLA) to mobile money transactions to benefit of 3,200 VSLA beneficiaries thus enabling VSLAs to store their savings securely during the off-lending season. VSLAs typically keep large amounts of money stored in a cash box which is at risk of theft. In addition, mobile money enabled VSLAs were linked to formal bank accounts with Opportunity Bank.

Results of pilot and MMAP indicators:

- CARE Malawi uses village agents as key facilitators of the pilot. The pilot has 40 village agents (26 males; 14 females) that were trained in financial literacy and mobile money by CARE Malawi.
- CARE Malawi provided pilot groups and individual participants with basic mobile phone handsets for use in transacting with mobile money. A total of 1,250 mobile phone handsets were distributed – 173 phone handsets were given as group phones for group-based mobile money accounts and 1,077 phones were provided to individual group members for their individual mobile money accounts.
- Between January and February 2016, the village agents rolled out financial literacy training to 120 VSL groups covering a total of 1,824 VSL participants (276 males; 1548 females). Fifty-three VSLA groups are still to be trained.
- 173 VSLA groups and 706 group members opened mobile money accounts through Airtel money.
- This pilot has scaled.

FGDs with CARE participants

Users

CARE beneficiaries in Malingunde had generally positive experience with MM. CARE came to the community together with Airtel staff to promote MM and provided training. The training took place at the beginning and end of a three-month period. They received training on how to register for MM, and on using the interface. As with other users, the CARE beneficiary FGD participants noted that it was a good system. They registered for it and began using MM.

Agents

Training clearly was a key factor in persuading agents that MM was an actual program and could provide benefits to users. People appear to be skeptical of advertising, expressing distrust. New MM agents in Malingunde (under the CARE program) participating in the FGD reported that they were selected by their group members to be agents, at least in part related to the fact that they were literate. At the beginning there was distrust. When they first heard about the program, prior to receiving training, they thought it was some kind of scam from the Airtel team, and thought they would “end up losing their money if they tried it out.” Their interest in getting involved was stimulated by the message from CARE staff that a mobile money account will safeguard their money. Their work is voluntary, although they reported that sometimes the CARE team gives them a small token as thanks to encourage them.

According to the agents, the training covered the concept of MM as well as how to save money. Some noted that the training was insufficient, and as a result they haven’t started working in their groups yet. The inadequacy of training was a common theme among FGD participants.

To fund a float, agents reported that they pool money as a group. When they run out of cash an Airtel distributor helps out when they need to top up. Agents may hold K80,000 or K100,000 or more in cash. As to whether they can continue with MM as a business, they felt that they could, with the caveat that they won’t be able to individually maintain a float of K200,000. Typically, people are told about the advantages of using MM and then are helped with the registration process. Those who are interested then go home to obtain IDs, while those without IDs obtain letters from their village chiefs.

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	The four pin code group wallet financial product was developed.	The technology-enabled financial product closely mirrored the VSLA manual process of four members being present during a cash withdrawal.	As part of developing a business case consider the alignment of technology-enabled processes with the manual processes to be replaced.
2	There was project management alignment between all stakeholders	CAREs previous experience with mobile money was beneficial to the success of project	On complex partnerships it is good to have a trusted and experienced intermediary in the mix
3	There was latent demand for this service	Due to latent demand there was high acceptance	Leverage market demand with supply survey to inform project design.

Save The Children – Social Cash Transfer

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
21 st Oct 2015		Jan 2016

Pilot contract type / amount if applicable:

- This was an Accelerator Fund Matching Grant that leveraged in-kind contribution.

Background and pilot description:

- The goal of Save the Children (STC), with funding from the European Union, is to address the food security of poor and vulnerable populations over three years in Malawi. The program intends to implement a sustainable mobile payment system to improve delivery of social cash transfer payments to beneficiaries while addressing the food security of poor and vulnerable populations by protecting, maintaining, and recovering productive and social assets and strengthening resilience of poverty affected communities.

Results of pilot and MMAP indicators:

- MMAP and STC collaborated in Machinga District between 4th and 12th November 2015. A total of 1,372 beneficiaries (701 females and 671 males) were trained under the Save the Children Social Cash Transfer initiative.
- STC has discontinued the use of mobile money for distribution of social cash transfers.

FGD with Save the Children (STC) social cash transfers recipients

Participants in the Save the Children program in Machinga/Mlomba and Liwonde generally did not report positive experiences with the social cash transfer program, noting many challenges. For example, some reported that agents would steal their money, in cases where they targeted elderly people and obtained their PIN. They noted that most of the time “agents do not have enough money” and they are also charged extra money (fees). Some said they preferred receiving their money in cash to avoid these issues.

Under the Social Cash Transfer program participants received money through MM from the government of Malawi with the help from Airtel. They receive K3,000 but reported that the money is “not enough to meet their needs.” They received training from Airtel, together with Ministry of Gender. However in Liwonda they felt that the training was not enough (just 2 hours). In Mlomba they reported receiving a week of training, on how to check their balance, use the menu, receive their money. They reported that elderly people were not fully trained and this resulted in other people failing to understand the process.

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	Agents were few and had poor liquidity.	This prevented beneficiaries from easily withdrawing their transfer.	Integrate financial institutions and/or super agents into digital payments transfer schemes to mitigate poor agent coverage and liquidity management.

2	<p>Payments were made in bulk by the service provider and not the implementing partner. This caused liquidity challenges for the agent network.</p>	<p>The design of large bulk payments by the service provider, and not the implementing partner, was not optimal for the pilot.</p>	<p>Build capacity of Implementing Partners to execute bulk payments that they can be staggered to mitigate liquidity constraints in the agent network.</p>
3	<p>The scale of social cash transfers was so large that MMAP could not accommodate with the requisite trainings</p>	<p>There should be TOT and training of master trainers to accommodate scale</p>	<p>Design a core set of local language financial literacy materials and TOT financial literacy materials that implementing partners can edit and use as needed.</p>

STI / RTI Egra – teacher allowance payments

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
20 th Nov 2015		31 March 2016

Pilot contract type / amount if applicable:

- This was an Accelerator Fund Matching Grant with in-kind contribution.

Background and pilot description:

- USAID-funded RTI/EGRA (Early Grade Reading Activity) is designed to provide technical assistance to the Ministry of Education Science and Technology (MoEST) to improve the reading and performance of Malawian learners in standards 1 to 3. EGRA conducts teacher in-service trainings during which it distributes cash allowances to teachers. Given the high numbers of teachers trained and the allowance amount per teacher - for the number and length of trainings - cash payments present safety and security issues. MMAP provided technical support to EGRA to shift cash payments to mobile payments during the in-service trainings for teachers.

Results of pilot and MMAP indicators:

- As part of the integration activities with RTI, MMAP conducted a mobile money agent assessment for all 27 sections and zones where EGRA was implementing its activities. The agent capacity assessment focused on agent; availability, liquidity and network coverage. In zones where agents were not available, Airtel Malawi selected, recruited, and trained new agents. The exercise reached out to 1,421 agents who were expected to service 2,287 teachers. The total amount of money that was transferred via mobile money for this activity was MK 7,360,750 (nearly \$11,000).
- This pilot did not scale.
- There were a number of challenges during the pilot
 - Airtel had difficulties producing a consolidated list of all teachers that were trained and registered for mobile money accounts.
 - Cash outs were done once and not staggered throughout the training period.
 - Instead of funds transferred to teachers as was intended they were, instead, transferred to PEAs who cashed out from agents and then paid teachers in cash.
 - Primary Education Advisors (PEAs) were already busy with other teacher training activities so this was not a welcome extra responsibility
 - PEAs are subjected to customer balance and cash out limits which made the methodology difficult for the huge cash outs.
 - There were no merchants recruited to alleviate some of the liquidity challenges
 - There were no proper logistics in place to support big cash outs from PEAs
 - Some teachers boycotted the training due to non-payment of allowances. Other teachers were furious to the extent of detaining some of the PEAs for non-payment of allowances.
 - Despite mobilizing a good number of agents, it was mainly super agents that did cash out for the PEAs.

MMAP learned some valuable lessons from this challenging pilot

- Internal resistance from collaborating partners can affect the adoption of mobile money.

- It is important to involve all stakeholders in the planning phase i.e. PEAs were left out during the initial planning stage and it was hard to later get their buy-in.
- Use of digital registration of teacher training participants is preferred over paper registration that then must be manually uploaded onto bulk payment platform.
- Time / project management is critical – there should be appropriate amount of time for planning such pilots.

FGD with RTI teacher participants

Their training took place in Lilongwe in Dzenza. There were 100 teachers that converged for the training. It happened during their holiday in March. They were promised their travel and allowances on MM but that didn't happen. The agents in Dzenza could not accommodate the liquidity draw of all the teachers. In the end they were paid in cash. They would take part again if it was better organized. MM is much better because banks are not available in the rural areas where they teach. There are not so many MM agents either. The few MM agents don't have enough money.

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	RTI/EGRA-Malawi pursued pilot at the behest of RTI-Kenya	Without internal buy in, innovation will always be constrained	Country level buy in can be achieved through cost of cash analysis and other such activities (community of practice, sharing of case studies, etc.).
2	Speed and efficiency of disbursal was slow as RTI was paying teachers one at a time rather than through bulk payment functionality. Additionally, they made one large payment per teacher at end of total training program rather than staggered payments at completion of training components. This caused extreme liquidity challenges for the agent network.	There needs to be both bulk payment (speed) and digital registration of training participants rather than paper-based registration (speed and efficiency).	Digital payments should be one part of an overall digital strategy aligned with the organizations business plan. This includes working with agents to make mobile money payments operationally optimal.
3	RTI staff allowances were not paid using mobile money	In house capacity was not built in order to secure in house staff awareness and advocacy	It is important to build in house operational capacity before starting programmatic pilots

Project Concern International – Livelihood payments

Pilot start / finish date:

Contract started	Contract extension	Contract Finished
20 th Nov 2015		31 st March 2016

Pilot contract type / amount if applicable:

- This was an Accelerator Fund Matching Grant with in-kind contribution.

Background and pilot description

- USAID-funded PCI/Njira is forging pathways to sustainable food security for the most food insecure households in Balaka and Machinga districts. The program is designed to address the unique livelihood, health, nutrition, and risk mitigation needs of those food insecure households. To achieve this PCI/Njira conducted a series of trainings to build the capacity of beneficiaries to transition from receiving cash subsidy payments to mobile subsidy payments.
- Before making mobile subsidy payments, though, MMAP first helped PCI/Njira to use mobile money when paying allowances to its field staff. MMAP then helped PCI/Njira build capacity of project staff to cascade financial literacy training. Only then did PCI/Njira then use mobile money to disburse subsidy payments to their beneficiaries who procured goats from livestock farmers that PCI/Njira also worked with.

Results of pilot and MMAP indicators:

- As part of helping PCI/Njira make mobile allowance payments to field staff, MMAP started by helping PCI compute a cost of cash analysis by mapping each process step. The analysis proved that the current payment streams used by PCI are more costly than mobile money. This analysis was integral to securing management and employee buy-in which is requisite for successfully advocating and conveying the features and benefits of mobile money to farmers and other beneficiaries!
- This pilot is ongoing.

FGD with Project Concern International (PCI) participants

When it was introduced, Balaka participants in the PCI/Njira program were told that they could “buy their cattle or goats and in return make the payment using Airtel Money.” They were told that a little money (i.e. the transaction fee) would be deducted. The participants reported that they did use MM to send money but felt that PCI did not honor its side of the bargain since they were being overcharged by agents. They expressed a preference for Zoono because they are not charged anything, in contrast with Airtel. Nonetheless, they said that when using Airtel Money the transaction is instant, compared with using the post office, which is not convenient. In the case of the post office they would sometimes be told that the money wasn’t available and had to come back on another day to get it.

MOBILE MONEY BENEFICIARIES Apr-Jun 2016

#	Livestock Fair (TA coverage)	# of Farmers
I	Mbera-Kachenga	71

2	Kalembo-Amidu	131
3	Sawali-Nzengeza	130
4	Kapoloma (Ntaja)	174
5	Ngokwe	74
6	Nyambi	26
	Totals	606

Top 3 pilot findings, conclusions and recommendations

	FINDINGS	CONCLUSIONS	RECOMMENDATIONS
1	Cost of cash analysis was critical to management decision to try the pilot as it highlighted potential financial efficiencies	It is important to provide management with decision making tools to give them confidence to pilot	Cost analysis/business case should be a priority of any mobile money intervention.
2	Sensitization (financial literacy & MM training) generated demand	Sensitization needs to be conducted before any pilot is conducted.	Organizations must be capacitated through TOT so they can consistency and continually reinforce the financial literacy and mobile money messaging.
3	Farmers complained about paying more than the official cash out fee	This is CICO abuse	There needs to be stronger consumer protection at the CICO level

ANNEX 3: RECONCILIATION OF CONTRACT DELIVERABLES WITH MMAP PERFORMANCE

Cooperative Agreement Deliverables	Comments
Phase I	
I. Technical Assistance:	
a. Build capacity of Reserve Bank of Malawi (RBM)	There has been ongoing consultation with RBM and support through the forthcoming interoperability white paper. RBM has also been a stakeholder in the MMCG. However, it is difficult to attribute any increased capacity at RBM to MMAP.
b. Assist mobile network operators (MNOs) with financial literacy trainings of specific marketing segments, particularly agriculture	There has been partnership with both Airtel and TNM. They have been appreciative of the financial literacy and education that have been part of the pilots as well as general public awareness.
c. Address interoperability issues. Align with World Bank Financial Sector Technical Assistance Project (FSTAP) and the national switch initiative	MMAP has been part of these discussions and indeed has given input into the Ministry of Finance's Digital Roadmap. MMAP also commissioned an interoperability white paper. One pilot was with MUSSCO to develop a switch which later will interface with the national switch
2. Facilitate Mobile Money Working Group (MMWG):	
a. Support development of MMWG	MMAP has been the secretariat of the MMCG which has been universally appreciated early in the MMAP lifecycle. As time transpired, though, its effectiveness / mandate / commitment has been questioned. However, there has been a limited number of specific findings / activities / decisions from the group.
3. Manage Grant Mechanism	MMAP made four development grants and four (in kind) accelerator grants. One feedback from USAID has been on the slowness to issue the first RFP and then the length of time taken to award grants
a. Civil Service Salary Payments	These have not been done
b. Cash Transfer Payments	MMAP awarded an accelerator grant to the Save The Children consortium and provided financial education and literacy training
c. Mobile Money for Agriculture	There were agriculture mobile payment pilots with PCI, ACE and NASFAM
To achieve this MMAP had to:	
1. Develop annual work plans in conjunction with the MMWG, USAID/Malawi and USAID/Mobile Solutions (MS)	This was done and submitted to USAID
2. Develop a detailed monitoring plan with indicators and targets that reflect the USAID Forward initiative for mobile money	MMAP has an PMP Indicator table
3. Introduce strategies and develop work plans that ensure gender equity in program implementation.	No gender specific strategies were found, though two pilots CARE / VSLA and Save The Children Cash Transfers were predominantly female orientated. There were no gender specific indicators.

Cooperative Agreement Deliverables	Comments
Contract Modification – Phase II (May 2015 – November 2016)	
1. Provide continuous review and advocacy for draft legislation	There has been consultation regarding the draft legislation, though no new DFS related legislation has been passed by Parliament during the lifespan of MMAP
2. Assess regulatory capacity and provide responsive technical assistance	There has been ongoing consultation with RBM and support through the forthcoming interoperability white paper. RBM has also been a stakeholder in the MMCG. However, it is difficult to attribute any increased capacity at RBM to MMAP
3. Support participation in the Mobile Money and Digital Payment Adria Conference	One representative each from Ministry of Finance, Reserve Bank and MACRA attended the May 2015 Conference
4. Facilitate participation in the leadership program in financial inclusion	We did not see evidence of participation
5. Promote interoperability	MMAP commissioned a white paper on interoperability which was being drafted at the time of the evaluation
6. Transition to less use of cash (Cash Lite)	MMAP did 8 pilots helped organizations transition to cash lite. No G2P payments (other than the cash transfer Save The Children pilot) such as civil servants, teachers and chiefs were made during the contract period, though MMAP has been involved in the discussions
7. Ecosystem development	MMCG, pilots, engaging with MNOs and RBM and other activities such as the GIS mapping exercise have all moved the mobile money sector forward as evidenced by the increase in the market sizing indicators.
8. Support a landscape assessment of the three Country Development Cooperation Strategy (CDCS) districts	A landscape assessment was commissioned
9. Support sustainability of the agent GIS mapping that informed agent capacity building efforts	The GIS mapping exercise was done though had limited disbursement. There seems to be no strategy in place at time of the evaluation to address the ongoing sustainability of the mapping tool
10. Integration	
a. NBS bank branches in Balaka to act as super agents	No pilots have been done with NBS.
a. Opportunity International Bank-Malawi (OIBM) and NBS bank branches to be super agents in Lilongwe Rural and Machinga	OIBM and NBS have not been a Super-Agent in MMAP pilots
b. Intensify effort of public awareness in all three districts	At time of the evaluation a further public awareness campaign was in planning stage.
11. Facilitate the use of mobile money by USAID implementing partners such as National Smallholder Farmer Association Malawi (NASFAM) and Agriculture Commodities Exchange (ACE)	NASFAM, ACE, PCI RTI all had pilots and are USAID implementing partners
12. Monitoring and Evaluation	While MMAP said they disseminated reports via the MMCG and to some relevant stakeholders, there is limited evidence of reports etc. being successfully disseminated to the broader

Cooperative Agreement Deliverables	Comments
	community at large
13. Gender	No gender specific strategies were found, though two pilots CARE / VSLA and Save The Children Cash Transfers were predominantly female orientated. There were no gender specific indicators.
14. Coordination with other implementers and host country counterparts	MMAP will hold an end of project workshop and disseminate learnings and best practices. This is out of scope of this evaluation

**ANNEX 4: MATRIX OF KEY INFORMANT STRUCTURED
QUESTIONNAIRES**

		MFSP	NGO	Private Sector	Donor	Government
1	Did awareness of MM increase as a result of MMAP?	Did MMAP increase awareness of MM within your customer base? Potential customer base? Explain.	Did MMAP increase awareness of MM within your base of beneficiaries? Explain.	Did MMAP increase awareness of MM within your customer base as well as within the wider community? Explain.	Did MMAP increase awareness of MM within your base of beneficiaries? Explain.	Did MMAP increase awareness of MM within Malawi? Explain.
		On a scale of 1-5, to what extent do you think MMAP's public awareness raising will impact our current business? Your future business?	On a scale of 1-5, to what extent did MMAP public awareness campaigns influence your program design of initiatives?	On a scale of 1-5, to what extent did MMAP's public awareness raising impact your current business? Your future business?	On a scale of 1-5, to what extent did MMAP public awareness campaigns influence your program design of initiatives?	
2	Did consumer understanding about the features/benefits of MM increase as a result of MMAP?	Did MMAP increase understanding of the features and benefits of MM within your current customer base? Potential customer base? Explain.	Have MMAP activities generated field agent or other feedback about any changed behavior(s) regarding MM?	Did MMAP increase understanding of the features and benefits of MM within your customer base within the wider community? Explain.	Did MMAP increase the financial inclusion of your beneficiaries?	Have MMAP activities generated citizen, field agent, or other feedback about any changed behavior(s) regarding MM?
3	Did MMAP reduce MM barriers to access for consumers?	Did MMAP activities result in reduction of any barriers that might have restricted uptake of MM? Explain.	Did MMAP increase the financial inclusion of your beneficiaries?	Did MMAP activities result in reduction of any barriers that prevented your customers from accessing MM? Explain.		Did MMAP increase the financial inclusion of your citizens?
4	To what extent have service providers	On a scale of 1-5, to what extent did MMAP activities (separate from any				

		MFSP	NGO	Private Sector	Donor	Government
	made or adjusted investments as a result of MMAP?	pilots) influence your investment strategy? Explain.				
5	To what extent did MMAP research products influence the go-to-market strategy(ies) of mobile financial service providers?	On a scale of 1-5, to what extent did MMAP research reports inform your go-to-market strategies? Explain.				
6	To what extent have MMAP activities influenced the MM community of stakeholders?	On a scale of 1-5, how has MMAP (separate from MMCG) affected the community? Explain.		On a scale of 1-5, to what extent do you think MMAP's activities have brought together the ecosystem of MM stakeholders (Gov., MNOs, Financial Institutions, etc.)?	On a scale of 1-5, how has MMAP (separate from MMCG) affected the community? Explain.	On a scale of 1-5, how much has MMAP (separate from MMCG) affected the community? Explain.
		On a scale of 1-5, how has MMCG (separate from MMAP) affected the community? Explain.			On a scale of 1-5, how has MMCG (separate from MMAP) affected the community? Explain.	On a scale of 1-5, how much has MMCG (separate from MMAP) affected the community? Explain.
7	Did MMAP influence the internal	Did MMAP activities improve the enabling environment?			Did MMAP influence the internal capacity of government to	Did MMAP - separate from pilots - influence the

		MFSP	NGO	Private Sector	Donor	Government
	processes and procedures of the government?	Explain.			pursue financial inclusion? Explain	internal capacity of government to pursue financial inclusion? Explain
8	What has MMAP done to plan for sustainability of MMCG after project close-out?	What has MMAP done to ensure the sustainability of MMCG? Explain			On a scale of 1-5 to what extent has MMAP planned for the on-going sustainability of MMCG after the close-out of MMAP?	On a scale of 1-5 to what extent has MMAP planned for the on-going sustainability of MMCG after the close-out of MMAP?
9	How have changes in the economic, business and political environment impacted MMAP?	On a scale of 1 - 5, how much has the overall business, economic and political environment impacted the performance of MMAP?	On a scale of 1 - 5, how much has the overall business, economic and political environment impacted the performance of MMAP?		On a scale of 1 - 5, how much has the overall business, economic and political environment impacted the performance of MMAP? And your own programming?	On a scale of 1 - 5, how much has the overall business, economic and political environment impacted the performance of MMAP?
			On a scale of 1 - 5, how well has MMAP adjusted its programming to the changing business, economic and political environment?		On a scale of 1 - 5, how well has MMAP adjusted its programming to the changing business, economic and political environment? And or your own programs?	On a scale of 1 - 5, how well has MMAP adjusted its programming to the changing business, economic and political environment?
10	How have MMAP pilots impacted investment,	On a scale of 1 - 5 to what extent did MMAP activities - specifically pilots -	On a scale of 1 to 5, to what extent have MMAP pilots influenced your	On a scale of 1 - 5 to what extent has MMAP - specifically its pilot(s) - influenced any internal		On a scale of 1 to 5, to what extent have MMAP pilots influenced your

		MFSP	NGO	Private Sector	Donor	Government
	partnerships, programs?	influence your investment strategy? Explain	design of future MM programming? Explain	changes in procurement/accounting policies and procedures, marketing, staff recruiting, capacity building and/or other corporate investments related to MM?		design of government initiatives? Explain
11	Has MMAP positioned the Mission positively with the government?				Did MMAP position the USAID Mission positively with GOM, other donors and more broadly within USAID's agenda worldwide to promote financial inclusion?	Did MMAP position the USAID Mission positively with GOM and its pursuit of financial inclusion?
					NOTE: For USAID Only Did MMAP add strategic value to the Mission's overall portfolio? Missions' EG portfolio? USAID worldwide?	
12	For the USAID Mission, what are the strategic and catalytic DFS opportunities that it might pursue to	For the USAID Mission, what are the strategic and catalytic DFS opportunities that it might pursue to further its development objectives of MM	For the USAID Mission, what are the strategic and catalytic DFS opportunities that it might pursue to further its development objectives of MM	For the USAID Mission, what are the strategic and catalytic DFS opportunities that it might pursue to further its development objectives of MM uptake and financial inclusion?	For the USAID Mission, what are the strategic and catalytic DFS opportunities that it might pursue to further its development objectives of MM	For the USAID Mission, what are the strategic and catalytic DFS opportunities that it might pursue on behalf of GOM to further MM uptake and financial

		MFSP	NGO	Private Sector	Donor	Government
	further its development objectives of MM uptake and financial inclusion?	uptake and financial inclusion?	uptake and financial inclusion?		uptake and financial inclusion?	inclusion?

ANNEX 5: List of Key Informants

Key Informant Interviews

Name	Organization	Telephone	Email
Project Manager - Cotton & e-Voucher	African Institute of Corporate Citizenship (AICC)		
Business Associate	AgDevCo		
Senior Program Manager	Agricultural Commodity Exchange (ACE)		
Airtel Money Retail Manager	Airtel		
Airtel Money Retail Officer	Airtel		
	CARE		
Cash Payments Manager	Concern Worldwide (Irish NGO)		
CEO	CUMO Microfinance		
Executive Director	Development Consulting Solutions		
PhD, Deputy Team Leader, Growth and Resilience Team	DFID		
	DFID		
Chief of Party/Country Lead	Feed the Future Malawi Mobile Money		
Deputy Chief of Party	Feed the Future Malawi Mobile Money		
General Manager	Fincoop		

Name	Organization	Telephone	Email
Senior Technical Officer, Social Protection Programme	GIZ		
Assistant Country Director	Goal		
Acting Head of Programs	Goal		
Program Manager (Discover)	Goal		
Chief of Party	GOAL (Irish NGO)		
Economic Officer	MACRA		
Director of Telecommunications	MACRA		
Deputy Director of Legal Services	MACRA		
Economist	MACRA		
Deputy Director General	Malawi Communications Regulatory Authority (MACRA)		
Executive Director	Malawi Microfinance Network (MAMN)		
Regional Manager (Centre)	Malawi Posts Corporation		
Deputy National FISP Coordinator	Ministry of Agriculture, Irrigation and Water Development		
Senior Economist	Ministry of Finance		
IT Manager	MUSCCO		

Name	Organization	Telephone	Email
	NASFAM		
	NASFAM		
Agriculture Extension Officer - Malingunde	NASFAM		
Program Manager	NetHope		
Project Coordinator	Opportunity Bank Malawi		
Cellphone Banking Supervisor	Opportunity Bank Malawi		
Agency Banking Supervisor	Opportunity Bank Malawi		
Acting Chief Transformation Officer/Social Performance Manager	Opportunity Bank Malawi		
Agri/Livestock Facilitator	PCI		
Gender Coordinator	PCI		
Agribusiness Facilitator	PCI		
Agriculture/Livestock Coordinator	PCI		
Assistant Finance Director	PCI		
M&E ICT Coordinator	Project Concern International (PCI)		
Director of National Payment Systems	Reserve Bank of Malawi (RBM)		

Name	Organization	Telephone	Email
Deputy Chief of Party, Early Grade Reading Activity (EGRA)	RTI	0996 755 080	
Chief of Party	RTI		
Finance & Admin Manager, Early Grade Reading Activity (EGRA)	RTI		
	Save the Children		
MEAL Coordinator, Social Cash Transfer Secretariat	Save the Children		
Program Manager	SunSeed		
Head of Mobile Money	Telekom Networks Malawi (TNM)		
Microfinance Program Officer	The Hunger Project		
Business Development	TNM		
National Country Advisor	UNCDF		
Digital Finance Services Expert	UNCDF		
	UNCDF		
SEG office Director	USAID		
Policy and Partnerships Specialist/AOR-MMAP	USAID		
Contracts Officer	USAID		

Name	Organization	Telephone	Email
Education Officer	USAID/Malawi		
Senior Private Sector Development Specialist	World Bank		
Customer Experience and Training	Zoono		

ANNEX 6: FOCUS GROUP DISCUSSION ANALYSIS OF PARTICIPANTS

Date	FGD Name	# of part.	# of Males	# of Females	With Phone	Without Phone	With Mobile Money	Without Mobile Money	Paid on MM direct	Paid on MM indirect	# Paid Cash	District
26 May 2016	Mitundu e-voucher farmer	21	12	9	9	12	9	12	0	0	21	Lilongwe
26 May 2016	Mitundu agro dealer	11	9	2	11	0	11	0	0	0	11	Lilongwe
31 May 2016	Malingunde NASFAM women	13	0	13	13	0	13	0	0	0	13	Lilongwe
31 May 2016	Malingunde NASFAM men	8	8	0	8	0	8	0	0	0	8	Lilongwe
01 June 2016	Man on street, Town	7	4	3	7	0	5	0	0	0	7	Lilongwe
01 June 2016	Agents, Town	12	5	7	11	0	13	0	0	0	12	Lilongwe
01 June 2016	Mitundu ACE farmer	10	7	3	10	0	6	5	0	0	10	Lilongwe
02 June 2016	Mlonyeni e-voucher farmer	10	7	3	6	4	1	9	0	0	10	Mchinji
02 June 2016	Mlonyeni e-voucher agrodealer	8	5	3	8	0	8	0	0	0	8	Mchinji
02 June 2016	Kamwendo Man on street	11	6	5	11	0	9	4	0	0	11	Mchinji
06 June 2016	Maliri, CARE agents	10	4	6	10	0	10	0	9	1	0	Lilongwe
06 June 2016	Maliri, CARE beneficiaries	10	4	6	10	0	10	0	9	1	0	Lilongwe
06 June 2016	Bembeke, ACE farmers	9	6	3	8	1	1	8	1	0	8	Dedza
07 June 2016	Balaka, PCI employees	6	3	3	6	0	6	0	6	0	0	Balaka
07 June 2016	Balaka, PCI beneficiaries	9	3	6	8	1	6	0	0	0	9	Balaka
07 June 2016	Chileka, Man on street	15	8	7	15	0	5	10	1	0	13	Blantyre
09 June 2016	Lilangwe, e-voucher farmer	10	4	6	8	2	3	7	1	0	9	Blantyre

Date	FGD Name	# of part.	# of Males	# of Females	With Phone	Without Phone	With Mobile Money	Without Mobile Money	Paid on MM direct	Paid on MM indirect	# Paid Cash	District
09 June 2016	Lilangwe, agro dealer	7	3	4	7	0	8	0	1	7	0	Blantyre
09 June 2016	Liwonde STC beneficiaries	13	1	12	5	8	13	0	2	11	0	Machinga
09 June 2016	Mromba STC beneficiaries	10	1	9	6	4	10	0	1	9	0	Machinga
10 June 2016	Mtira, E-voucher farmer	11	5	6	7	4	3	8	2	0	9	Mangochi
10 June 2016	Mtira, agro dealer	9	5	4	9	0	5	4	5	0	4	Mangochi
13 June 2016	RTI teachers	9	2	7	9	0	9	0	4	0	5	Lilongwe
13 June 2016	FINCOOP beneficiaries	11	8	3	11	0	11	0	4	0	7	Lilongwe
	TOTALS	259	128	131	222	37	187	72	46	29	184	

ANNEX 7: STATEMENT OF WORK

SECTION C DESCRIPTION/SPECIFICATION/STATEMENT OF WORK

Performance Evaluation of USAID/Malawi's Mobile Money Accelerator Program (MMAP)

C.1. Introduction and Background

USAID/Malawi awarded the Mobile Money Accelerator Program (MMAP) on October 2, 2012 to Family Health International 360 (FHI 360) under the FIELD Leader with Associates cooperative agreement¹². The purpose of MMAP is to accelerate the development of the digital payments ecosystem in Malawi. The program links a range of public and private initiatives into a coordinated set of activities designed to promote broad adoption and use of mobile money in Malawi, with an emphasis on reaching selected unbanked and underbanked market segments. In order to effectively contribute to the USAID Forward goal to expand access to and the use of digital payments, MMAP's interventions mainly focus on three Intermediate Results (IRs) highlighted below:

1. *Demand for Mobile Money Increased (IR 1):*

IR 1 focuses on providing technical assistance to various program entities to support the establishment and deployment of an m-money public awareness campaign. This utilizes a wide range of media and outreach approaches, as well as broader financial literacy initiatives.

2. *Mobile Money Infrastructure and Systems Strengthened (IR 2):*

IR 2 supports and advances the growth of digital payments in Malawi through coordinated interventions that include strategic pilots as well as targeted technical assistance to key public and private sector stakeholders. MMAP conducts market research and studies on various topical issues related to digital payments; establishes partnerships with public and private sector institutions/organizations to pilot cash transfer payments; coordinates implementation of the Farm Input Subsidy Program (FISP) electronic voucher (e-voucher) payments, and strengthening the capacity of digital payments agents.

3. *The Legal and Regulatory Framework to Enable Mobile Money Strengthened (IR 3):*

Under IR 3, MMAP initiates and supports studies to analyze the digital payments regulatory environment, and advocate for policies and legislation that will strengthen the mobile money legal and regulatory environment. MMAP also provides technical and administrative support to the Mobile Money Coordinating Group (MMCG) for smooth operations and continued productivity.

MMAP contributes directly to USAID/Malawi's Country Development and Cooperation Strategy (CDCS) cross-cutting Sub-Intermediate Results (SIRs), namely: 1. Capacity of institutions improved; 2. Use of technology and innovation increased; and 3. Policy and systems strengthened. The development hypothesis underpinning the mobile money activity is that *if the demand for mobile money is increased; mobile money infrastructure and systems are strengthened; and the legal and regulatory frameworks governing mobile money are strengthened, then there will be an increase in access to and usage of mobile money.*

MMAP Implementing Partners

MMAP is implemented by FHI 360 and OpenRevolution (technical partner). FHI 360 is the prime and implementer for the project. OpenRevolution is a technical partner providing technical leadership in digital payments solutions programming. MMAP also works with a number of local stakeholders

¹² MMAP was awarded on October 2, 2012 and was initially expected to end on May 31, 2015, but has been extended through November 30, 2016.

under the umbrella of the Mobile Money Coordinating Group (MMCG) which includes the Reserve Bank of Malawi (RBM), Mobile Network Operators (MNOs), Commercial Banks, the Ministry of Finance and other stakeholders.

C.2. Purpose of the Performance Evaluation

The purpose of this evaluation is to assess the performance of USAID/Malawi's Mobile Money Accelerator Program (MMAP) in the three key intermediate results (IRs): *1. demand for mobile money increased; 2. mobile money infrastructure systems strengthened; and 3. legal and regulatory framework to enable mobile money strengthened.*

The performance evaluation would conform to USAID's guidance on evaluation methodology - see <http://goo.gl/CCSEr8> and the template here: <http://goo.gl/5rwss4>. USAID's evaluation policy defines performance evaluations as:

evaluations that focus on descriptive and normative questions: what a particular project or program has achieved (either at an intermediate point in execution or at the conclusion of an implementation period); how it is being implemented; how it is perceived and valued; whether expected results are occurring; and other questions that are pertinent to program design, management and operational decision making. Performance evaluations often incorporate before-after comparisons, but generally lack a rigorously defined counterfactual.

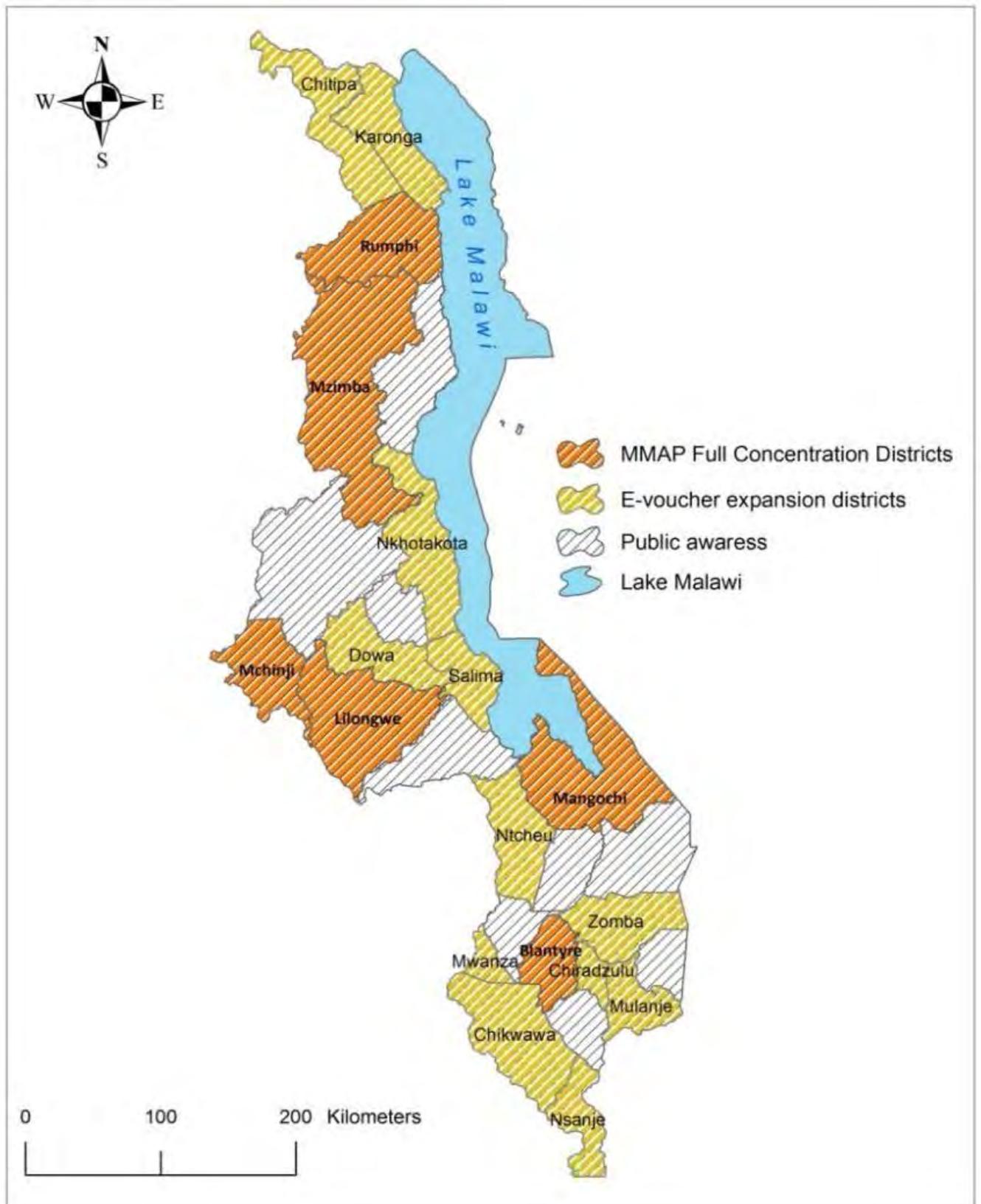
The methodology would be tailored to the capability of the team composition, including USAID staff from the Global Development Lab who would support the contextualization of the information collected, and access individuals and materials outside the reach of the typical contracted evaluation.

C.2.1. Target Areas and Groups

As per *Figure 1*, MMAP has full concentration of its activities in six districts (Rumphi, Mzimba, Mchinji, Lilongwe, Mangochi and Blantyre) where most of its key interventions are concentrated. In the 2014/15 agricultural season, the project expanded its support to the Farm Input Subsidy Program (FISP) electronic voucher (e-voucher) payments to 12 additional districts¹³ across the country. MMAP also conducts nationwide public awareness campaigns sensitizing the masses on the digital payments services. MMAP targets a wide range of stakeholders with different interventions ranging from individual beneficiaries to institutions.

¹³ The districts include: Chitipa, Karonga, Nkhonkhotakota, Dowa, Salima, Ntcheu, Zomba, Mwanza, Mulanje, Chiradzulu, Chikwawa and Nsanje

Figure 1: MMAP Geographical Coverage



C.3. Objectives of the MMAP Performance Evaluation

The main objectives of this evaluation include: 1). Determine the degree to which this activity has contributed to the CDCS goal - “*Malawians quality of life improved*” and Development Objective 2 - “*Sustainable Livelihoods increased.*”; 2). Ascertain the extent to which MMAP’s interventions have contributed to the achievement of USAID’s objective of accelerating the development of the digital payments ecosystem in Malawi. To achieve this objective, the Contractor must focus on the following:

- i. Reflect on the appropriateness of such an activity in the Malawi context and within the existing Mission portfolio.
- ii. Determine the extent to which the activity’s interventions were able to contribute to USAID Forward’s goal of expanding access to and the use of digital payments?
- iii. Document key lessons learned, best practices, and successes across the three intermediate results of the activity.
- iv. Propose any recommendations based on the findings that would help inform future designs of digital payment activities.

C.3.1. Evaluation Questions

The Contractor must, at a minimum, address the following questions in four broad categories:

a. Demand for Mobile Money Increased (IR 1):

1. Have awareness of mobile money and understanding of its uses increased as a result of MMAP activities among consumers, merchants/agents, and institutional clients (e.g. GoM, NGOs, MFIs, FMCGs)?
2. Have consumer perceptions of the benefits and utility offered by mobile money increased as a result of MMAP activities?
3. Have the barriers to access and use of mobile money among consumers changed as a result of MMAP activities?

b. Mobile Money Infrastructure and Systems Strengthened (IR 2):

1. To what extent have service providers made or adjusted investments as a result of MMAP activities?
2. Are there observable changes in (a) the level of investment by service providers (and other financial institutions) in mobile money-related services, technology platforms, integrations, and commercial teams; (b) the design and go-to-market approach for mobile money-related services due to MMAP research on consumer needs/preferences; (c) the number or types of commercial partnerships formed among private sector actors to deliver new or better mobile money-related services; (d) digital payment technology and business process technical integrations including improvements in time-to-integration between service providers and institutional clients; (e) the emergence of value-added service (VAS) and wireless application service providers (WASP) playing a facilitation role in service integration, aggregation, and settlement?

c. The Legal and Regulatory Framework to Enable Mobile Money Strengthened (IR 3)

1. How have MMAP activities, particularly related to the Mobile Money Coordinating Group, affected the tenor of dialogue and collaboration among ecosystem stakeholders (i.e., gov’t and service providers, MNOs and financial institutions)?
2. Have MMAP activities led to observable changes in how the gov’t regulates, supervises, or fosters the growth of services that have implications for financial inclusion, including changes in (a) evident capacity of staff to regulate/supervise; (b) level of financial resources

made available to staff; (c) strategic attention applied to financial inclusion/digital finance by the government; or (d) pursuit of new/revised laws, regulations, or guidelines?

3. What steps has MMAP taken to ensure the sustainability of the MMCG, and what is the viability of these efforts after the conclusion of the MMAP project?
4. How has the broader legal, regulatory, political, and economic environment affected the success of the project over the course of the intervention? For instance, the 'Cashgate' scandal occurred during the project tenure. What was the impact of this event and subsequent reforms on the project?

d. Partnerships and Pilot Activities

1. How have MMAP activities, particularly related to pilots with particular service providers, affected the level and types of investment made in mobile money-related services?
2. Have the pilot or demonstration projects led to: (a) changes in the design of mobile money-related services across the sector; (b) increased investment in such services by the partner service provider; (c) adoption or adaptation of such services by the pilot partner or service providers in Malawi; and (d) expanded use of the services, such as in new geographies or by new demographics?
3. Has the mix of mobile money-related services expanded/evolved as a result of MMAP activities? Have the pilots directly influenced the design or deployment of expanded services by MNOs or financial service providers?

e. Mission Strategic Focus

1. Has this activity and its programmatic approach added any strategic value to the Mission's portfolio, provided specific catalytic engagement within the Mission's Sustainable Economic Growth portfolio, and broader engagement across other Mission Development Objectives and the Agency as a whole?
2. Has MMAP positioned the Mission's overall portfolio positively with Government of Malawi counterparts, other donor agencies and development partners, and more broadly within the Agency's agenda to reduce absolute poverty and promote financial inclusion?
3. What are the emerging strategic and catalytic opportunities and programmatic approaches for digital financial services to further drive Mission engagement toward the overall development objectives of integration, reduction of absolute poverty, and financial inclusion?

C.3.2. Tasks

The Contractor must perform the following tasks as part of this scope of work:

1. Develop a proposal/methodology and submit an Inception Report.
2. Prepare background documentation - Literature review and identification of documentation gaps.
3. Develop rapid data collection methodology.
4. Field a market survey instrument.
5. Support field note-taking consisting of summarizing, synthesizing, and finalizing documentation of team members.
6. Prepare dissemination materials - reports, annexes, infographics/summary publications.
7. Conduct oral debrief meetings with USAID on the preliminary findings of the evaluation.
8. Host a stakeholder's workshop to present the draft evaluation findings for their validation and inputs.
9. Draft and submit Final Evaluation Report.

C.4. Results: Deliverables and Outputs

The Contractor must furnish the following deliverables and reports:

1. Inception Report

The inception report must describe the conceptual framework the evaluator will use to undertake the evaluation and the justification for selecting this approach. It must detail the evaluation methodology (i.e. how each question will be answered by way of data collection methods, data sources, and sampling). The report must also contain a work plan, which indicates the phases in the evaluation with key deliverables and milestones. USAID/Malawi will review this report and the Contractor must receive COR's approval of the report before it begins implementing the evaluation plan.

The Inception Report must at least contain the following:

- A work plan which outlines the timeline for the different phases in the evaluation with key deliverables and milestones, and key personnel responsibilities.
- Complete set of evaluation questions, elaborated on as necessary. Any questions added during the contract negotiations must be clearly indicated, and any deleted questions must be mentioned with the reason as to their exclusion.
- Discussion of the overall approach of the evaluation, highlighting the conceptual model(s) adopted. This must incorporate an analysis of the intervention logic of the program.
- Discussion of risks and limitations that may undermine the reliability and validity of the evaluation results.
- Specification of indicators or indices that must be used as a guide in answering each evaluation question.
- Discussion of the data collection and data analysis methods that will be used for each question. This discussion must state the limitations for each method. Standard data collection methods for USAID evaluations are: surveys, questionnaires, interviews, focus groups, document review, and observations.
- Detail key data sources that will be selected to answer each evaluation question.
- Explanation of how existing data will be incorporated and used to answer the evaluation questions.
- If applicable, discussion of the sampling methods and details. Include area and population to be represented, rationale for selection, mechanics of selection, sample size (for each unit of analysis), sample precision, and confidence and limitations.
- Summarized evaluation methodology in an evaluation planning matrix that must contain the following column headings: evaluation question, measure(s) or indicator(s), data collection method(s), data source, design strategy/framework for each question, sampling methodology, data collection instrument(s) for each question and data analysis methodology on each evaluation question.
- Discussion of logistics of carrying out the evaluation. Include specific assistance that will be required from USAID, such as providing arrangements for key contacts within the Mission or Government of Malawi.
- Appended draft instruments for data collection specific to questions and indicators in the evaluation.

2. Evaluation Methodology

The performance evaluation will be more qualitative in nature however the Contractor must propose a mixed methods evaluation design employing both quantitative and qualitative methods to strengthen the validity of the findings and provide room for data triangulation. The quantitative component will mostly utilize the already available data maintained by the project or deploy previously designed survey questions (e.g. NetHope transition to e-payment tool). The methodological approach proposed by the Contractor must follow USAID evaluation best

practices per the above referenced guidelines and template. The model must include an evaluation framework and assessment tools for each evaluation question and highlight the conceptual model(s); specify the measurement criteria to be used to respond to each question. It must discuss any risks and limitations that may undermine the reliability and validity of the evaluation results.

In order to ensure the maximum value for learning and use, a description of the proposed evaluation methodology must include the following, at a minimum:

- **Methods of data collection:** The Contractor must clearly highlight the different methods and tools that will be utilized to collect qualitative data, such as in-depth interviews and focus group discussions with beneficiaries; key informant interviews with USAID, implementing partners, mobile network providers, government staff, community leaders, and other stakeholders.
- **Sampling (if applicable):** The Contractor must propose how sampling will be done and propose the appropriate sample sizes required to ensure scientific rigor.
- **Data analysis:** The Contractor must provide the plan for analysis of all qualitative data collected and a clear plan on how the existing secondary data/outputs from the performance monitoring system will be utilized to answer the evaluation questions.

Data collection and analysis

USAID requests that the evaluator complete the following table as part of its detailed design and evaluation plan.¹⁴

#	Evaluation question	Data source	Data collection method (including sampling methodology, where applicable)	Data analysis method
1	Has awareness of mobile money and understanding of its uses increased as a result of MMAP activities among consumers, merchants/agents, and institutional clients (e.g. GoM, NGOs, MFIs, FMCGs)?			
2	Have consumer perceptions of the benefits and utility offered by mobile money increased as a result of MMAP activities?			
3	Have the barriers to access and use of mobile money among consumers changed as a result of MMAP activities?			
4	To what extent have service providers made or adjusted investments as a result of MMAP activities?			
5	Are there observable changes in (a) the level of investment by service providers (and other financial institutions) in mobile money-related services, technology platforms, integrations, and commercial teams; (b) the design and go-to-market approach for mobile money-related services due to MMAP research on consumer needs/preferences; (c) the number or types of commercial partnerships formed among private sector actors to deliver new or better mobile money-related services; (d) digital payment technology and business process technical integrations including improvements in time-to-integration between service providers and institutional clients; (e) the emergence of value-added service (VAS) and wireless application service providers (WASP) playing a facilitation role in service integration, aggregation, and settlement?			
6	How have MMAP activities, particularly related to the Mobile Money Coordinating Group, affected the tenor of dialogue and collaboration among ecosystem stakeholders (i.e., gov't and service providers, MNOs and financial institutions)?			
7	Have MMAP activities led to observable changes in how the gov't regulates, supervises, or fosters the growth of services that have implications for financial inclusion, including changes in (a) evident capacity of staff to regulate/supervise; (b) level of financial resources made available to staff; (c) strategic attention applied to financial inclusion/digital finance by the government; or (d) pursuit of new/revised laws, regulations, or			

¹⁴ Another format may be used if the table is not preferred, but any chosen format must contain all the information specified for each question.

	guidelines.			
8	What steps has MMAP taken to ensure the sustainability of the MMCG and what is the viability of these efforts after the conclusion of the MMAP project?			
9	How has the broader legal, regulatory, political and economic environment affected the success of the project over the course of the intervention? For instance, the Cashgate scandal occurred during the project tenure. What was the impact of this event and subsequent reforms on the project?			
10	How have MMAP activities, particularly related to pilots with particular service providers, affected the level and types of investment made in mobile money-related services?			
11	Have the pilot or demonstration projects led to: (a) changes in the design of mobile money-related services across the sector; (b) increased investment in such services by the partner service provider; (c) adoption or adaptation of such services by the pilot partner or service providers in Malawi; and (d) expanded use of the services, such as in new geographies or by new demographics?			
12	Has the mix of mobile money-related services expanded/evolved as a result of MMAP activities? Have the pilots directly influenced the design or deployment of expanded services by mobile network operators or financial service providers?			
14	Has this activity and its programmatic approach added any strategic value to the Mission's portfolio, provided specific catalytic engagement within the Mission's Sustainable Economic Growth portfolio, and broader engagement across other Mission Development Objectives, and the Agency as a whole?			
15	Has the mobile money activity positioned the Mission's overall portfolio positively with Government of Malawi counterparts, other donor agencies and development partners, and more broadly within the Agency's agenda to reduce absolute poverty and promote financial inclusion?			
16	What are the emerging strategic and catalytic opportunities and programmatic approaches for digital financial services to further drive Mission engagement toward the overall development objectives of integration, reduction of absolute poverty, and financial inclusion?			

Constraints to Data Collection and Analysis

A number of factors could limit the ability to collect and analyze data, two of which are listed below:

- *Road Network:* As shown by the map above, MMAP's activities are distributed across all the three administrative regions of the country and to some extent this will require considerable travel by the evaluation team to all the three regions to reach the activity beneficiaries. Some of the beneficiaries might be in areas that are difficult to reach due to poor road networks, especially during the rainy season.
- *Language:* Most MMAP beneficiaries and community leaders will not be comfortable to communicate in English, hence the Contractor must include translators (individuals fluent in Chichewa or other local languages relevant to the sampled areas) in the evaluation team to assist with translations during focus group discussions and key informant interviews. The Contractor must not use project staff as translators.

3. Debriefing Meeting

The Contractor must debrief USAID on the preliminary findings of the evaluation in Lilongwe following completion of the fieldwork and preliminary analysis. This meeting must provide a summary of analytical results, and discuss challenges, successes, and the way forward. The Contractor must deliver an oral presentation of the evaluation findings, conclusions, and recommendations for each question to USAID, prior to finalizing the draft evaluation report. The evaluation Team Leader will be required to routinely update the evaluation point of contact at USAID/Malawi on the progress of the evaluation.

4. Stakeholders/Dissemination Workshop

The Contractor must present the key findings, conclusions and recommendations at a half-day stakeholder's workshop in Lilongwe. The Contractor shall be responsible for costs, logistics, and managing invitations to this workshop. The Contractor must produce a summary/brief (max. 3 pages) of key findings, conclusions, and recommendations to be distributed to stakeholders during the meeting.

5. Final Evaluation Report

The Contractor must submit a final evaluation report that is based on analyzed facts and evidence and fully addresses all of the evaluation questions. The report must be no more than 40-50 pages in length (excluding annexes) and comply with the Checklist for Assessing USAID Evaluation Reports (see annexes). After taking into account all the new information and feedback provided on the final oral briefings and draft evaluation report, the Contractor must submit 15 hard-bound copies and an electronic version of the report to USAID/Malawi. The Contractor must also submit an electronic version in an appropriate media including all instruments and products of the evaluation.

The Contractor must ensure that Appendix I of the USAID Evaluation Policy – Criteria to ensure the Quality of the Evaluation Report – is followed. This includes:

- The evaluation report must represent a thoughtful, well-researched and well organized effort to objectively evaluate what worked in the project, what did not and why;
- Evaluation reports must address all evaluation questions included in the scope of work;
- The evaluation report must include the scope of work as an annex. All modifications to the scope of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology or timeline need to be agreed upon in writing by the technical officer;
- Evaluation methodology must be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides will be included in an Annex in the final report;
- Evaluation findings will assess outcomes and impact on males and females;

- Limitations to the evaluation must be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.);
- Evaluation findings must be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings must be specific, concise and supported by strong quantitative or qualitative evidence;
- Sources of information must be properly identified and listed in an annex;
- Recommendations must be supported by a specific set of findings; and must be action-oriented, practical and specific, with defined responsibility for the action.

At a minimum, the final evaluation report must include the following sections:

- Executive Summary: This section shall be 3-5 pages in length and must summarize the purpose, project background, evaluation design and methodologies including main evaluation questions, key findings, conclusions, recommendations, and lessons learned from the evaluation.
- Background: This section must provide a brief description of the project that highlights the scope of the project, project development hypothesis, activities undertaken in the project, key impact indicators of the project and impact areas of the project. Other activities that complemented MMAP activities directly or indirectly in the intervention districts must also be highlighted.
- Methodology: This section must detail the methodology and related research protocols undertaken in conducting the evaluation, data collection, analysis, selection criteria/sampling, and related constraints or limitations encountered during the evaluation.
- Findings: Empirical facts collected during the evaluation: This section must present findings from the evaluation. The evaluation findings must be presented as analyzed facts, evidence, and data, and not based on anecdotes, hearsay or the compilation of people's opinions. The evaluation findings must assess key outcomes and impacts as structured around the organizational framework of the evaluation questions. The findings must be specific, concise, and supported by strong quantitative and qualitative evidence analyzed through scientifically plausible methodologies. Sources of information used in arriving at the findings must be properly acknowledged and listed in an annex.
- Conclusions (Interpretations and judgments based on the findings): Evaluation conclusions must be presented for each key finding. The Conclusions must logically follow from the gathered data and findings. These must be explicitly justified. If and when necessary, the evaluator must state his/her assumptions, judgments, and value premises so that readers can better understand and assess them.
- Recommendations (Proposed actions for management): This section must precisely and clearly present recommendations that must be drawn from specific findings. The recommendations must be stated in an action-oriented fashion, must be practical, specific, and with defined responsibility for the requisite action. The recommendations presented in this section must follow the evaluation questions as the organizational framework.
- References: This section must include all documents reviewed, including background documentation and records of technical data application and decision-making.
- Annexes: These may include, but not be limited to, statement of work, tools used in conducting the evaluation such as questionnaires, checklists, discussion guides, sources of information, list of people interviewed, etc.

C.5. Team Composition

A hybrid approach will be utilized for this evaluation in which a mixed evaluation team will be assembled comprising two external experts and two to three USAID staff, including one from USAID/Malawi and one from USAID/Washington's Global Development Lab. The external

members will include an international expert with extensive knowledge of government and commercial sector digital payment systems, banking or microfinance; and a management consultant with experience in business systems, organizational development, and change management. The offeror may propose contracting translators and a local logistical support agent to facilitate the planning and execution of the evaluation.

Below is a description of the proposed key personnel for the evaluation team and their roles and responsibilities.

I. Team Lead:

Key duties:

- Oversee all the evaluation activities and provide overall oversight and management of the evaluation team.
- Ensure quality of evaluation outputs and timely submission of each deliverable.
- Plan and coordinate stakeholder meetings and field visits, and be responsible for payments of local logistical needs and local staff working with the team.
- Lead the preparation of the evaluation report and presentation of the key evaluation findings and recommendations to the USAID/Malawi team and other key stakeholders.

Qualifications and experience:

- Must have a Bachelor's degree in business administration or finance from an accredited four-year university, or relevant social sciences degree such as development studies, economics, demography, geography or social psychology, and preferably a Master's degree in Business Administration, Social Sciences or related field.
- Must have at least 10 years of experience across a wide range of public and private management sectors including organizational development, change management, public administration, business systems, digital payment systems, banking or microfinance, and substantial experience in development programming.
- Demonstrated knowledge of the evolution and function of mobile payment systems globally, with direct experience managing and evaluation DFS deployments in sub-Saharan Africa, and preferably the East and Southern Africa sub-regions.
- Experience evaluating digital payments projects in Africa or similar interventions.
- In-depth knowledge of USAID evaluation requirements.
- Strong management and administrative skills, with experience managing the evaluation of integrated programs.
- Excellent communication and writing skills, analytical skills, interpersonal skills, team management, and leadership skills.
- Demonstrated ability to meet deadlines.

2. External Local/International Digital Finance Expert (Team Member & Local Expert):

- Must have a Bachelor's degree in business administration or finance from an accredited four-year university, or relevant social sciences degree such as development studies, economics, demography, geography or social psychology, and preferably a Master's degree in Business Administration, Social Sciences or related field.
- Minimum of five years of experience working with digital payment systems, banking, microfinance or related environments in the Southern or East Africa region, with significant experience in the Malawi market.
- Experience in conducting market analysis, systems and operations analysis, and evaluations or research on digital payments in sub-Saharan Africa.
- Experience designing, managing or conducting technical implementation of digital payment deployments in the Southern or East Africa region, with significant experience in the Malawi

market with telecommunications and mobile network operators, banking and financial institutions, governments, NGOs or private sector.

- Good analytical, writing, and presentation skills.
- Demonstrated ability to meet deadlines.

3. USAID Internal Staff

USAID staff will include - one Global Development Lab representative, one USAID/Malawi staff and/or possibly one representative from other USAID missions implementing similar activities within the region. The blending of external and internal expertise is key in capturing the information that will be useful in understanding the broader picture of digital payments in Malawi apart from providing an opportunity for building USAID internal evaluation capacity.

4. Support Team

Where necessary, the Contractor will need to include a local logistical support agent to help facilitate the planning and execution of the evaluation including scheduling all the meetings. The local logistical support agent could be an individual or firm with extensive experience and proven track record in providing logistical support services. The Contractor will also need to hire one to two qualified and experienced translators to support the field data collection.

C.6. Place of Performance

The extent of travel within Malawi will be determined by the evaluation design and data needs, as well as coverage as agreed upon between the evaluation team and USAID/Malawi. The Sustainable Economic Growth (SEG) Office M&E Specialist will serve as the primary Point of Contact for the evaluation. The performance evaluation is expected to begin in April 2016.

C.7. Logistics

The Contractor will be responsible for all logistics, including coordinating all travel to the selected districts, lodging, printing, office space, equipment and car rentals, financing from the contract award, and managing dissemination of results. USAID/Malawi's SEG Office will provide support to set up initial meetings with implementing partners and other key stakeholders. Thereafter, the evaluation team will be required to contact MMAP and its stakeholders directly to request information and to set up meetings.

C.8. Existing Sources of Information

USAID/Malawi will share the following documents with the evaluation team to facilitate the desk review:

1. MMAP Project Design Documents (original and expanded)
2. MMAP Annual and Semi-Annual Progress Reports (FY2013 – FY2015)
3. Demand for Mobile Money Services in Malawi: Survey Results And Report (November 2011)
4. MMAP Performance Monitoring and Evaluation Plan (PMEP)
5. MMAP Annual work plans (FY2013 – FY2015)
6. Checklist for Assessing USAID Evaluation Reports
7. USAID Evaluation Policy and Evaluation Report Template

[END OF SECTION C]

