



**Documentation and evaluation of results for the  
Pilot exercise "Cashless Municipality" in Concepción -  
Antioquia. Final report - Evaluation of the results of the  
pilot**

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# Documentation and evaluation of results for the Pilot exercise “Cashless Municipality” in Concepción - Antioquia

Final report - Evaluation of the results of the pilot

January 27, 2016



# This document explains and presents the conceptual framework, documentation and evaluation results of the pilot of " cashless Municipality"

- The work done by C230 Consultants under the cashless Municipality has two specific objectives:
  1. Project documentation of "Cashless Municipality".<sup>1</sup>
  2. The evaluation results of the project "Cashless Municipality".
- This document contains both specific objectives and presents part of the documentation and evaluation of project results.

## Document Structure

### Conceptual framework

- Mobile money services.
- Cashless municipality under financial inclusion.

### Documentation

- Methodology of documentation.
- Timeline cashless Municipality

### Theory of change

- Theory of the change.
- Project Assumptions cashless Municipality from the Theory of change.

### Analysis of results

- Summary of Results.
- Design evaluation and assessment of results.
- General results.

### conclusions

- General conclusions.
- Lessons learned and recommendations .

<sup>1</sup>The documentation was carried out with the support of the Opportunity Bank during the months of May and June 2015.

1. Conceptual
  - a) Mobile money services
  - b) cashless Municipality
  
2. Documentation cashless municipality
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  - b) Timeline cashless municipality project
  
3. Theory of change cashless municipality project
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# In recent years, mobile money services have become one of the most popular mechanisms for generating financial inclusion.

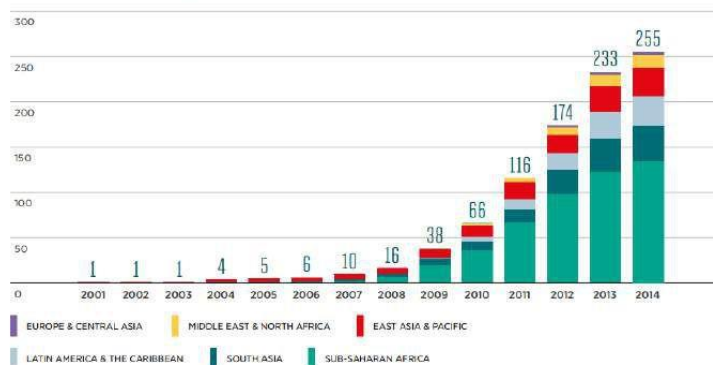
## Mobile Money services: any financial services involving a mobile phone.

Mobile money services

cashless  
Municipali

- In an effort to separate mobile money services from savings accounts, many countries have regulated services such as mobile money transfer or payment services; This has waived interest payments and deposit insurance<sup>1</sup>.
- Currently there are 255 mobile money services in 89 countries (covering 60% of developing countries). There are 300 million accounts registered for mobile money services in the world, of which one third are active. Services have reached 21 million users.
- The strongest growth during 2014 was in disbursements, payments and payment services to businesses, showing greater use by institutional partners<sup>2</sup>.
- In the last ten years, there has been tremendous growth of mobile money in the world. The regions with the largest number of such services are Sub-Saharan Africa, South Asia and the region of Latin America and the Caribbean.

NUMBER OF LIVE MOBILE MONEY SERVICES BY REGION  
(2001-2014; YEAR-END)



### Notes:

<sup>1</sup> World Bank (2014)

<sup>2</sup> GSMA (2014)

Source: GSMA (2014).. State of the industry. Mobile financial services for the Unbanked

Success in the adoption and use of mobile money services is associated with these services being focused on addressing specific user needs and are supported by a system of consumer protection.

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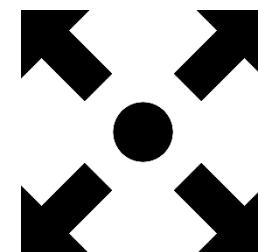
Theory of change

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## Lessons about Mobile Money Services:

- **Technology is a means, not an end:** Although technology is the basis of mobile money services, the great challenge is to design a comprehensive service (that meets the needs of the user). Mobile financial opportunity is based on ubiquitous technology, but it is held by end users, local agents of trust and a consistent user experience<sup>1</sup>.
- **A network of correspondents is a requirement to achieve scale:** In addition to serving as an entry point to the system they help builds confidence<sup>2</sup>.
- **A well prepared system for the adoption of mobile money is not reduced to the widespread adoption of these services.** The successful adoption of these services should not be reduced to the ability to link these have but to look that the system has in turn with strong consumer protection mechanisms, a good regulatory framework and a competitive environment<sup>3</sup>.



- **User-centered design:** It is important to build on informal services, leveraging existing social connections and meet the daily needs of people<sup>4</sup>.
- **Strategic alliances:** In Bangladesh (bKash) and Kenya (Mshuari) have established partnerships with banks to expand the range of services loans and insurance<sup>5</sup>.
- **The role of regulation:** A legal framework with public policies that promote financial inclusion can promote the use of mobile money services. On the other hand, the limitation of the operation of mobile money banks can slow the growth in these countries. In India, only 4% of adults report having used a mobile phone in the last 12 months to send or receive money (No strong evidence of causality)<sup>6</sup>.

Notes:

<sup>1</sup>.World Economic Forum (2011)

<sup>2</sup>.Ibid.

<sup>3</sup>.Ibid.

<sup>4</sup> Lee Ainslie & Fathallah, S. (2012)

<sup>5</sup>. CGAP (2015)

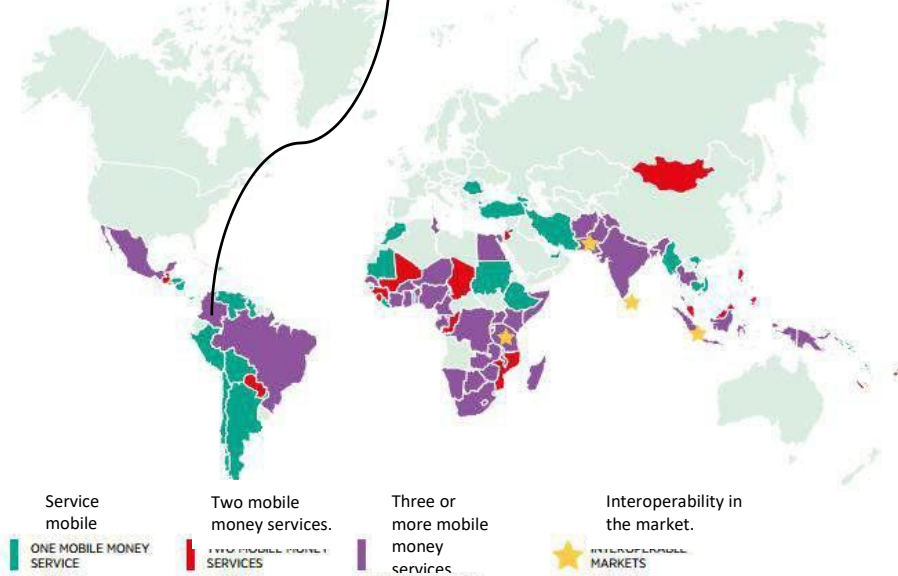
<sup>6</sup> World Bank (2011)

# In Colombia, mobile money services have grown rapidly. The Government is developing regulations to allow proper operation of these tools in the country.

## Mobile money services in Colombia

### Number of mobile money services by country

Colombia has more than three mobile money services



Source: GSMA (2014).. State of the industry. Mobile financial services for the Unbanked

- Colombia is among the countries with the most mobile money services in the region and the world.
- Colombia began to define the guidelines regulations for mobile money services since 2008.
- **From the beginning, it came to mobile money services as collectors and not transfers operators; therefore, only financial institutions could provide such services (And should have deposit insurance).**
- In 2014 through the issuance of the law of financial inclusion opens the possibility for companies to provide this service through the creation of companies specializing in Deposits and Electronic Payments (SED PES) that can raise funds through electronic deposit, make payments and transfers and send and receive orders.
- In its report on the state of the industry, the GSMA recognizes only two providers of mobile money services: Davivienda and Bancolombia, however the partners are increasing rapidly; AV Villas, Banco de Bogota and others now offer such services.

# Mobile money services can overcome barriers such as distance, cost and documentation

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Mobile Money  
Services

Cashless  
Municipality

## Mobile money services and benefits

- Currently, mobile phone companies have high rates of population coverage (116.1% penetration in the case colombia<sup>1</sup>). Therefore, mobile money services have become one of the principal means by which people who were not included financially have accessed the financial system.
- Mobile phones operate as a low-cost alternative to transmit financial information. Additionally, they allow you to send money safely and less expensively.

## Obstacles of financial inclusion overtaken by mobile money services

- The implementation of these tools helps overcome the following obstacles to financial inclusion:

Distance



Since there is no need for direct contact with a financial point of access, use of the product does not involve travel.

Costs



Mobile money services tend to have low or no cost of opening and operating for the user.

Financial  
education



As a tool entry into the financial system mobile money services become a tool for people to learn about the financial world and new technologies.

Documentation



The simplified nature of these products means less need for documentation to access them (many are linked solely to the identification of the citizen and his cell number). In particular, since the transacted money is limited, so are the requirements of the user's knowledge.

### notes:

<sup>1</sup> MinTIC, 2014

*This report is drawn from the work done by the company C230 Consultants hired by Bank of Opportunities for documentation. It has been adjusted to take into account the recommendations of Davivienda.*



# The mobile money service DaviPlata is one of the tools to generate Banco Davivienda financial inclusion. In the past four years it has linked nearly two million users.

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## DaviPlata, the first electronic deposit Colombia



Mobile Money Services

Cashless Municipality

- Born in 2011 as the tool of financial inclusion of Banco Davivienda.
- Currently, this electronic deposit allows to: transfer money, make payments, withdraw money, recharge the cellphone and receive national and international wire transfers.
- It is used to provide subsidies through government programs such as More Families in Action (MFA), Youth in Action and Humanitarian aid victims unit.
- For 2015, 2,690,000 users manage their money through DaviPlata and has a presence through this product in more than 800 municipalities.

**2009:** financial inclusion objective of Davivienda.

**April 2011:** DaviPlata release.

**December 2011:** Creating electronic deposits in the Colombian regulatory framework.  
**(434,000 users end of 2011)**

**August 2012:** New services free spins and international remittances. Payment to military forces begin.

**October 2012:** Payment of More Families in Action.  
**(810,000 users end of 2012)**

**December 2014:** Payment to victims.  
**(1,899,000 users end of 2013)**

Service offered to Davivienda customers only.

It offers to any person and not a client of Davivienda.

# Through the project "cashless Municipality" Davivienda seeks to reduce the use of cash in Concepción- Antioquia. DaviPlata is the main tool for achieving this goal.

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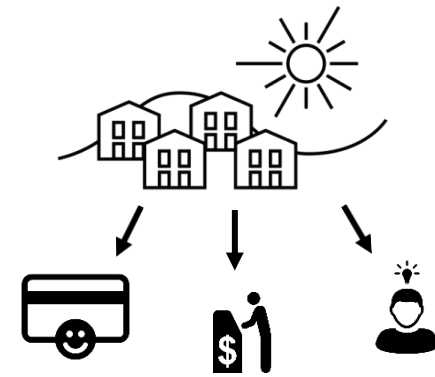
Mobile Money Services

Cashless Municipality

## The "Cashless Municipality" as a tool to generate financial inclusion

- As part of a financial inclusion strategy, a pilot of a "cashless municipality" whose purpose was to get the people of Concepción- Antioquia to make use of electronic means in their daily lives, creating an ecosystem where the use of cash was reduced.
- After the review of the activities, proposed three types of efforts to be carried out for a group of people to replace the use of cash by means of electronic transactions were defined:
  1. Getting people to access these media transactions: the banking population of the municipality.
  2. Develop the financial system so that it allows people to make all transactions they used to make in cash before by other means: the development of financial infrastructure in the municipality.
  3. Create incentives and give people a reason or motive for the movement of cash into other channels: the creation of value for users.
- Davivienda worked in this pilot from the month of November 2014 and until the month of July 2015.
- The main element that Davivienda used in the framework of this project is its product DaviPlata, an electronic purse is the main tool of financial inclusion of the bank.

### Conception



# The cashless municipality looking to make the inhabitants of Concepción reduce the use of cash from conducting transactions through electronic means.

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## Motivation "Cashless Municipality"

Mobile Money Services

Cashless Municipality

### Objective "Cashless municipality"

Getting the inhabitants of this municipality to make use of electronic means, for a day, to pay for their living expenses, creating an ecosystem in which the use of cash is reduced.

- Through the project "Cashless municipality" Davivienda seeks to experiment with the creation of a cashless society. Specifically, the project is to bring a municipality to stop using cash. The project goal is to understand what efforts work best in the pilot later if necessary, to support larger scale initiatives involving government entities and this enhanced by public policies aimed at strengthening such projects.
- Based on discussions, trips and presentations related to the topic of cashless societies and financial inclusion, the idea of leveraging DaviPlata to create a "Cashless municipality" in Colombia comes from the executive vice president of Davivienda.
- The "Cashless municipality" stems from the need to think about how to make electronic payment tools have a larger scale. To that extent, it is understood that if there is not an ecosystem that favors the use of these products is not going to give massive use thereof; the "Cashless municipality" is the pilot for the creation of the ecosystem.
- This paper aims to evaluate and document of the pilot project "Cashless municipality" in the general context of financial inclusion.

Concepcion was selected to be the cashless municipality, because it has a small population, a high number of participants More Families in Action program (MFA) and had the willingness and support of the mayor.

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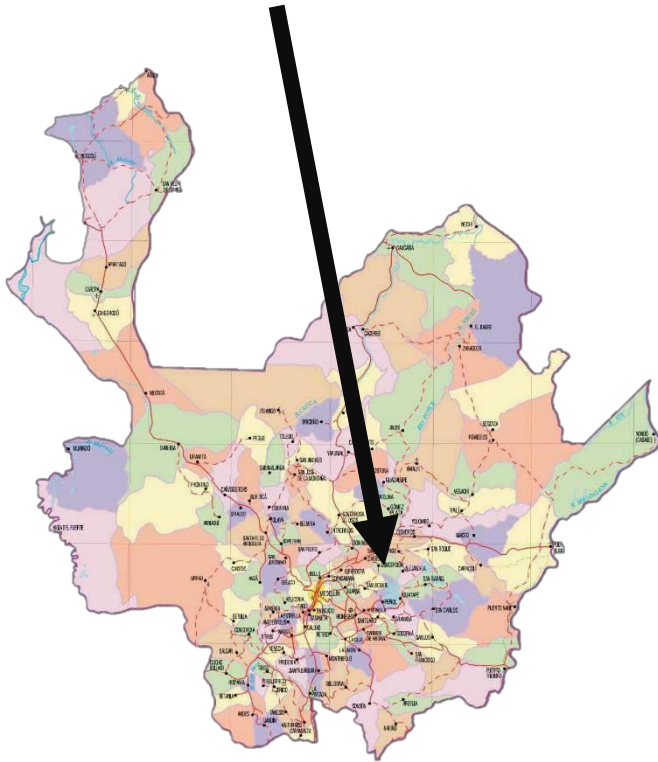
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## Characterization of Concepción, Antioquia

### Concepción, Antioquia



### General Characteristics of the Municipality

<b>Total population</b>	4,509 inhabitants. 32.73% live in urban areas and 67.26% in rural areas.
<b>Population by sex</b>	48.82% women. 51.17% men.
<b>Total area</b>	167 km <sup>2</sup> (4 km <sup>2</sup> urban area and 163 km <sup>2</sup> rural area).
<b>Division of the municipality</b>	Municipal and 24 rural villages.
<b>Main economic activities</b>	Livestock and selling animals (chickens and pigs), agriculture (tomatoes) and exploitation of fique.
<b>Mayor (2012- 2015)</b>	Gustavo Lopez Obregon

Source: Based on data from the City Hall and the website of the Municipality of Concepcion, Antioquia.

# three groups of stakeholders were identified in Concepción: population of Concepción, the Local and national government and partners in the financial system.

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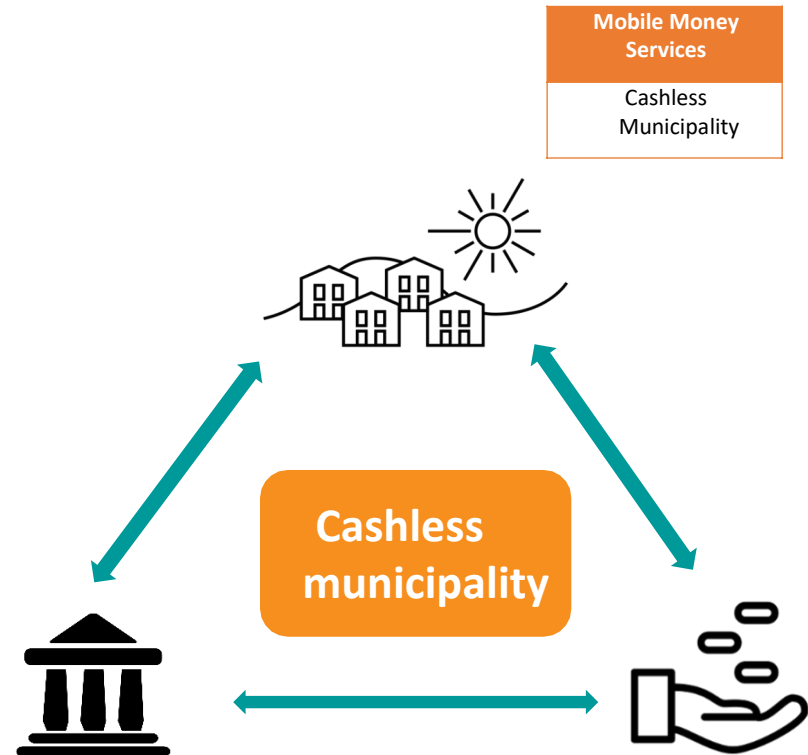
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## Characterization of Concepción - Antioquia:

- **The population of Concepción** creating companies, in politics, trade, participates in government programs and partners. Generally, this group, relationships and transactions that exist within, are the engine for the flow of money either in cash or electronically.
- **Government**, represented by their local and national institutions. The partners who compose are defined by the way they seek to serve citizens and to be generators of public policies; (Some of them - like the mayor - should also be considered as individuals, members of the public and political interests).
- **Financial partners and companies of money orders present in Concepción** They are the ones who provide the basic (physical, institutional and technological) infrastructure that allows or facilitates some financial transactions. This group is not only to banks, other financial institutions and money orders operators, but also of all the partners who are behind these, such as mobile operators, integrators, call centers, etc.



# The cashless municipality has two main elements: the expansion and use of mobile money services and reducing cash transactions and savings.

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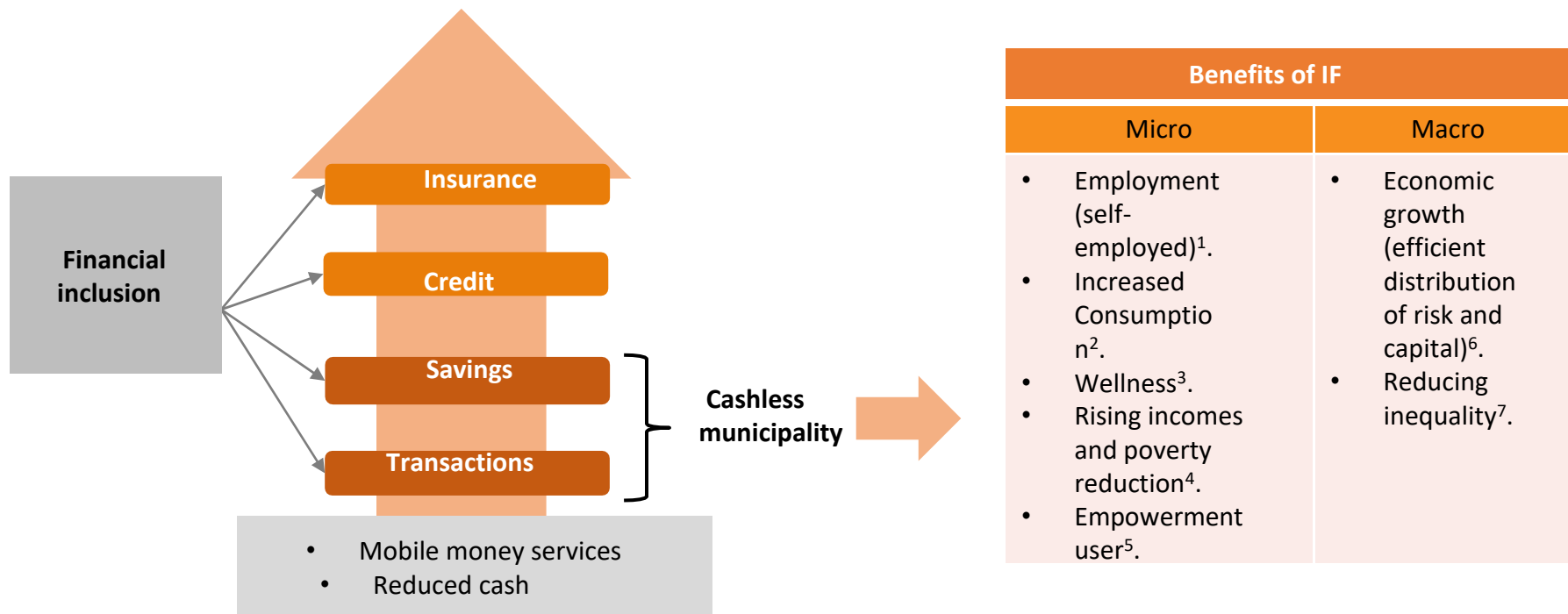
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## The "Cashless municipality" as a tool to generate financial inclusion:

Mobile Money Services
Cashless Municipality

- Effective reduction and promotion of mobile money services: Based on the project documentation two main elements of the cashless municipality that are contributing to increasing financial inclusion were identified. These elements succeed in increasing access to and use of products and savings services and transactions while generating an increase in the welfare of the population.
- In the specific context of the cashless municipality, efforts have focused on increasing access and use of products and transactional services and savings. The project focuses on these products because they have a lower degree of complexity and are an easier credit service or secure access. The promotion of these products generates social benefits for itself, but also access and use these products and services will eventually lead to an increase in access to and use of products and credit services and insurance.



Source: Made by myself

# The cashless municipality has two main elements: the expansion and use of mobile money

<sup>1</sup> Bauchet, et. Al (2011) <sup>2</sup> *ibid* <sup>3</sup> *ibid* <sup>4</sup> Bruhn & Love (2013) <sup>5</sup> Bruhn & Love (2013) <sup>6</sup> LeVinde (2005) and Pasali (2013) <sup>7</sup> Clarke, Xu & Zhou (2006)

# Mobile money services and reducing cash generated greater access and use of products and transactional and savings services.

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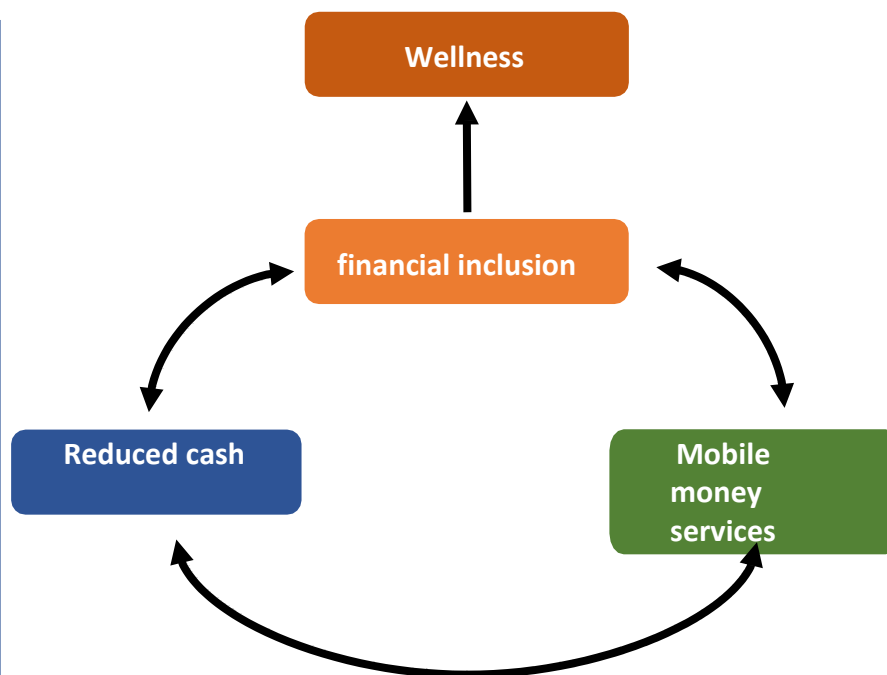
## Cashless municipality and financial inclusion:

- Effective reduction and promotion of mobile money services called "elements" and not "tools" for its contribution to financial inclusion is not simple; for example, it cannot claim that the reduction in the effective cause an increase in financial inclusion directly. These elements have dependence on each other and the direction of causality is not linear.
- In particular, reducing the cash could be understood as a cause but also as a result of financial inclusion. Our purpose is to model the way in which each of the elements (mobile money services and reduced cash) contributes to increase financial inclusion, without stopping on its other aspects and features.

Mobile Money Services

Cashless Municipality

- It contributes to financial inclusion through displacement of different types of digital media transactions, which in turn increases familiarizing users with the financial system, produces information about them, reduces transaction costs and facilitates regulation.
- Result of increased access to financial products and services.
- The reduction of cash transactions can shift to mobile money services.



- Any financial service involving a mobile phone.
- Directly contribute to financial inclusion in both increase and facilitating access to basic financial products and services.
- With the increase of people who access and use financial products and services, increased use of mobile money services.
- **Mechanism to enhance the reduction of cash.**

Source: Made by myself

*This report is drawn from the work done by the company C230 Consultants hired by Bank of Opportunities for documentation. It has been adjusted to account for the Davivienda recommendations.*



# One of the many benefits of reduced cash is financial inclusion, which is achieved by inducing the access and use of different methods of payment other than cash.

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Cashless Municipality

## Reduction of cash and cash benefits:

- Cash reduction is motivated by the pursuit of the elimination of social costs that the management of it has (security, supply difficulties, possible money laundering etc.) 1.
- Effective reduction brings multiple benefits, as part of the documentation of the cashless municipality mainly financial inclusion interests us.

benefited

General benefits of reduced cash

Private sector



individuals



government



- Speed.
- **Financial inclusion.**
- Economic growth (indirect).
- Lower costs / cost efficiency for the government and people.
- Transparency.
- Security.
- Privacy.
- Better financial management.
- Convenience.

Source: Prepared with information Better than cash Alliance (2014) Journey Toward cash lite

## Obstacles overcome financial inclusion by reducing cash

Lack of information



By inducing the use of alternative payment methods, reducing cash benefits creating financial history by users. This facilitates subsequent access to other financial products.

Distrust in the financial sys.



By inducing the use of alternative transactional methods, reducing cash promotes familiarizing people with the financial system.

notes:

<sup>1</sup> Better than cash Alliance (2014) Journey Toward cash lite

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To achieve the objective of the cashless municipality necessary banking services to the population, develop the physical and technological infrastructure to enable transactions and provide services that are useful to the user.

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## Analysis of the project categories cashless municipality

- In order to classify the efforts of Davivienda and understand the actions that have been taken within the cashless municipality systematically C230 proposes the following four categories that reflect the processes performed to make cashless Concepción work.

Categories of analysis of the processes developed by Davivienda for the cashless municipality

processes	Banking	Infrastructure development	Creating user value	Internal management
<b>Description</b>	To be able to carry out electronic transactions, people must have some type of financial product, so many of the efforts are aimed at providing banking services to people.	For transactions that may occur is necessary to have physical, technological, and institutional infrastructure. Some of the efforts are aimed at developing the infrastructure.	Even if there is infrastructure and users are banked, the use of the product or service depends on the value for the user. Part of the efforts have been directed to identify and solve real user problems	Actions, decisions and processes that have occurred within Davivienda related to the implementation of the project "Cashless municipality".
<b>threads</b>	<ul style="list-style-type: none"> <li><b>Enlistment and use:</b> Register citizens in financial products or services.</li> <li><b>Financial education:</b> Campaigns, lectures and events that seek to promote greater financial knowledge.</li> <li><b>Publicity and marketing:</b> Creation of promotional material advertising the cashless municipality and implementation of activities to promote the daily use of financial products.</li> </ul>	<ul style="list-style-type: none"> <li><b>Contact points:</b> Increase the points of contact of the population with the financial system (including ATM and correspondents).</li> <li><b>Interoperability:</b> Enabling financial transactions between different platforms.</li> <li><b>Technological development:</b> Develop technology that is the basis of financial products and services.</li> </ul>	<p>User segments for which it is sought to create value are as follows.</p> <ul style="list-style-type: none"> <li><b>large organizations<sup>1</sup></b></li> <li><b>shopkeepers</b></li> <li><b>citizens</b></li> </ul> <p>Everyone has needs, problems, and specific projects to be taken into account in the design of financial products and services.</p>	

**Note:**

<sup>1</sup> Large organizations are those entities private or public who have five or more employees. Within this group are: companies such as Bavaria and Avinal, which are suppliers of various commercial establishments in the municipality; the Winner corporation, conveyors and tomato plants, which are companies employing several of the inhabitants of Concepción and public entities such as hospital and school.

# The activities carried out under the cashless municipality categorized into four types (marketing, enrollment, research and trust building) according to their goals.

Conceptual Framework

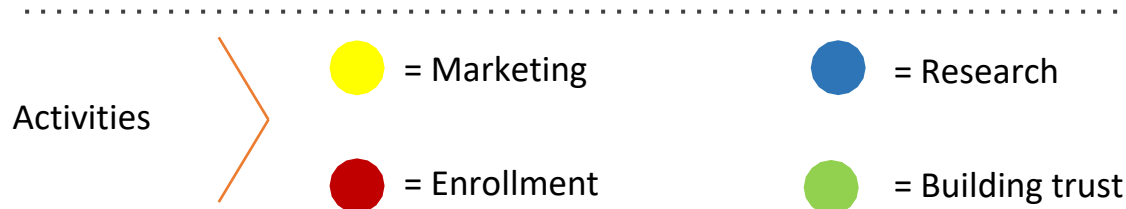
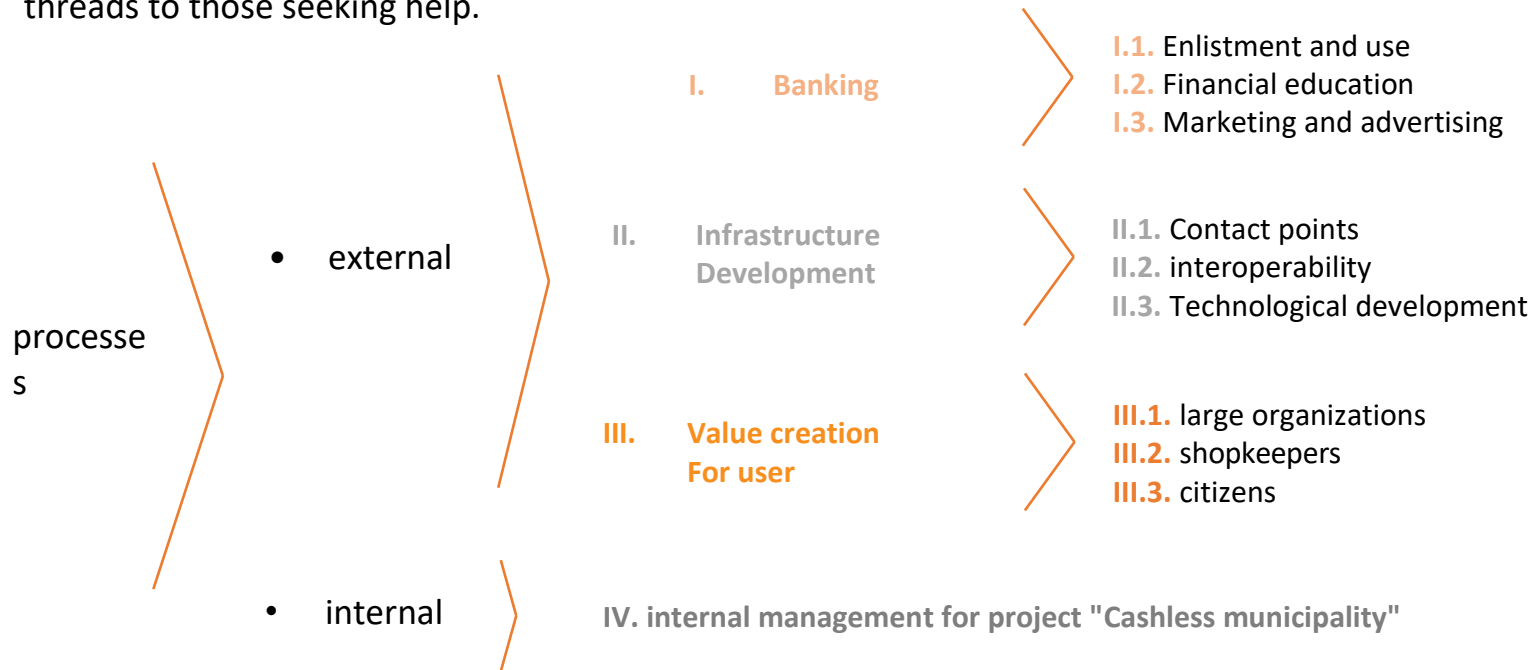
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The different actions taken under the "Cashless municipality" can be categorized according to the process and threads to those seeking help.



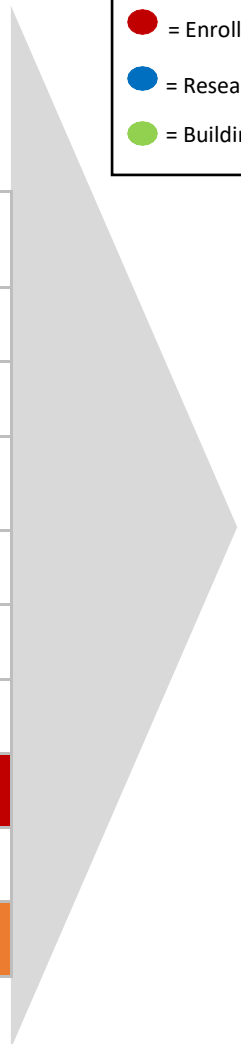
- In the following slides timeline of processes, threads, and activities that Davivienda has developed around

the cashless municipality presented.

# The timeline of the project cashless Municipality has the following structure:

Conceptual framework		Documentation	Theory of change	Results	Conclusions	
<b>Procesos</b>	<b>Project stages</b>		Stage # 1	Stage # 2	Stage # 3	
	<b>Sub process</b>		(Each stage is categorized by process and type of activity)			
	internal management of the municipality					
	Banking	Enlistment				
		Financial education		Short description Stage 2		
		Marketing and advertising				
	Infrastructure development	Contact points	Short description Stage 1			
		Interoperability				
		Technological development				
	Creation of user value	Large organizations			Short description Stage 3	
		Shopkeepers				
		Citizens			Short description Stage 3	
	<b>Month</b>		Date stage # 1	Date stage #2	Date Stage # 3	

- = Marketing
- = Enrollment
- = Research
- = Building trust



# The first months of the cashless municipality were devoted to the election of the municipality and then the recognition of its key features.

Framework conceptual

Documentation

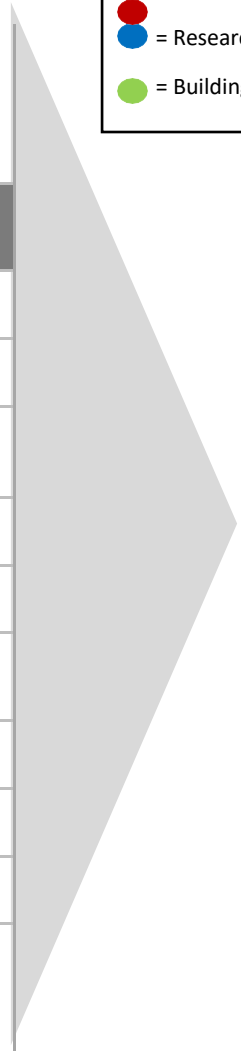
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- = Marketing
- = Enrollment
- = Research
- = Building trust

Project stages		Birth of the idea	Visits to pre-selected municipalities	Selecting the municipality for the pilot
internal management of the cashless municipality		Presentation meetings and project planning.	Recognition of the municipality and meeting with local government.	Meeting weighting variables and voting. Choice of Concepción, Antioquia.
Banking	Enlistment			
	Financial education			
	Marketing and advertising			
Infrastructure development	Access points			
	Interoperability			
	Technological development			
Creation of user value	Large organizations			
	Shopkeepers			
	Citizens			
<b>September / October 2014</b>		Start of September	September 30 to October 6	

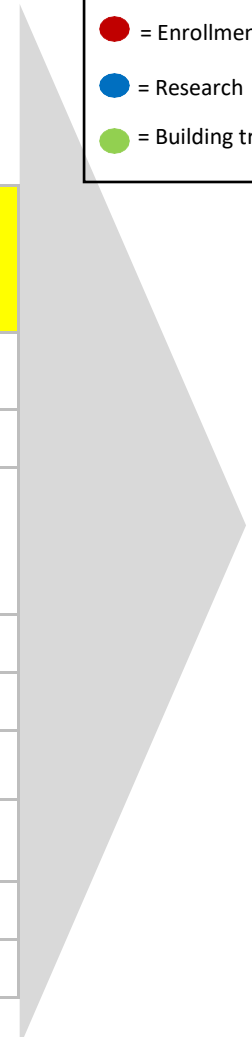


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During the months of October to December tasks of marketing research were carried out, and marketing to publicize the project with the inhabitants of Concepción. Yet no action went ahead in the forefront of infrastructure development.

Conceptual framework		Documentation	Theory of change	Results	Conclusions	
<b>Project stages</b>		Innovation session	Participation in community meeting	Businesses and large organizations Census	Audiovisual material production	Event "Better than cash Alliance"
internal management of the cashless municipality		Brainstorming session on possible actions in the cashless municipality.		Creating promotional video with the mayor of Concepción.	Public statement of cashless municipality project to potential allies.	
Banking	enlistment					
	Financial education					
	Marketing and advertising		DaviPlata participates in the meeting with mothers leaders of More Families in Action in Concepcion.			
Infrastructure development	Access points					
	interoperability					
	Technological					
Creation of value to the user	large organizations					
	shopkeepers					
	citizens					
<b>October 2014 - January 2015</b>		October 9th	October 12th	November 14th December 11th Decembe	22 of January	January 27th

- = Marketing
- = Enrollment
- = Research
- = Building trust

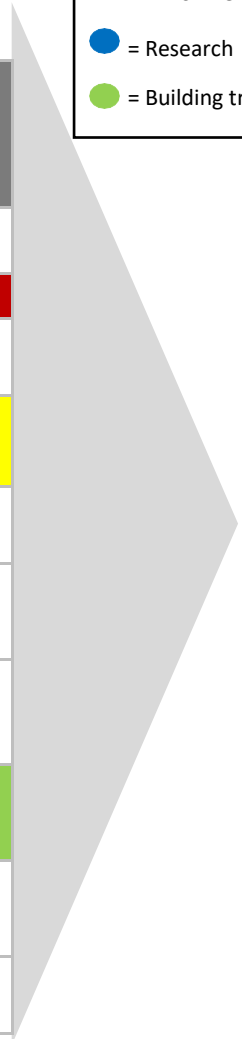




# Starting February continuous visits to the municipality in order to socialize the project and enlist Community initiate. In addition some meetings with potential allies are made.

Conceptual framework		Documentation	Theory of change	Results	Conclusions	
		Start				
Project stages		Of banking Xperience				
		Fifth Project visit	Conexred	Bancamia Meeting	Sixth visit to project	Seventh visit project
internal management of the cashless municipality		Initial contact with local liaison appointed by the mayor to support cashless municipality.		-	Linking the MSE of the branch of Davivienda in Antioquia.	Change in working scheme for managers to accelerate banking
Banking	Enlistment	DaviPlata training for managers.			Linking city hall members.	
	Financial education	Banking of Concepción by shopkeepers by Xperience managers.				
	Marketing and advertising				Radio mentions of the project start	
Infrastructure development	Contact points					
	Interoperability			Disbursing microloans through DaviPlata.		
	Technological development					
Creation of value to the user	Large organizations		Evaluation of possibilities for cooperation in search of a model for addressing large and small businesses.		Socialization with the mayor of Concepción.	Meeting with the school and the church to present the project.
	Shopkeepers	First contacts with local businesses.				
	Citizens					
February 2015		February 4 to 7	February 10 to 11		February 18 to 21	

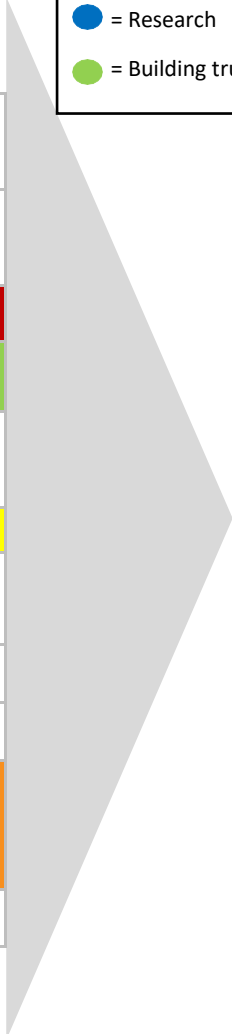
- = Marketing
- = Enrollment
- = Research
- = Building trust



# On February 27, the day of exploring the town of Concepcion was held where they were held activities such as the installation of ATM and financial education session.

Conceptual framework		Documentation		Theory of change	Results	Conclusions
Project stages		Eighth visit to project	Scanning day	Financial education Strategy start	Tenth project visit	Meeting with Bavaria and Alpina
internal management of cashless municipality		logistical preparation day of exploration.	Documentation work starts for C230 Consultants.			
Banking	Enlistment				Meeting with school and treasurer to offer Davivienda products	
		Banking process with Xperience.		Banking process Rionegro office.		
	Financial education		financial Edu session.			Global Money Week activities
	Marketing and advertising		Deployment of audiovisual material.		Socialization of the project with the city council.	
radio mentions promoting the project within Concepción - Advertising voice to voice						
Infrastructure development	Contact points	creation of two new Davivienda correspondents.	Davivienda recycler ATM installation.			
	Interoperability					
	Technological					
Creation of value to the	Large organizations					Meetings to reach potential agreements to coordinate efforts for the project.
	Shopkeepers					
	Citizens					
February / March 2015		February 25 to 26	February 27	March 3	March 11 to 12	

- = Marketing
- = Enrollment
- = Research
- = Building trust



# During the month of March an active alliance management work starts by continuous meetings with potential allies.

Conceptual framework

Documentation

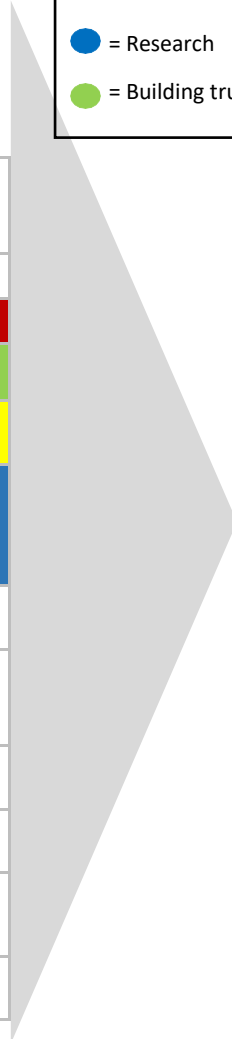
Theory of change

Results

Conclusions

Project Stages		Meeting with Redeban	Meeting with Banco Agrario	Meeting with CREDIBANCO	Carvajal Banking	Field study
Banking	internal management of the cashless municipality					
	Enlistment	Banking by the office of Rionegro.				
	Financial education	virtual campaign for families, chairs of financial education for fifth and eleventh grades.				
	Marketing and advertising	Radio mentions for advertisement for the cashless municipality project of Concepción – word of mouth publicity			banking massive event (merchandising and concert).	Research on incentives for participation.
Infrastructure development	Contact points					
	Interoperability		Meeting to define Banagrario's role in the project.			
	Technological					
Creation of value to the user	Large organizations	Meeting to define possibilities of partnership in creating a model of IF for trade.		Meeting to define CREDIBANCO's role in the project.		
	Shopkeepers					
	Citizens					
<b>March 2015</b>		<b>March 12 to 27</b>			<b>March 28 to 29</b>	

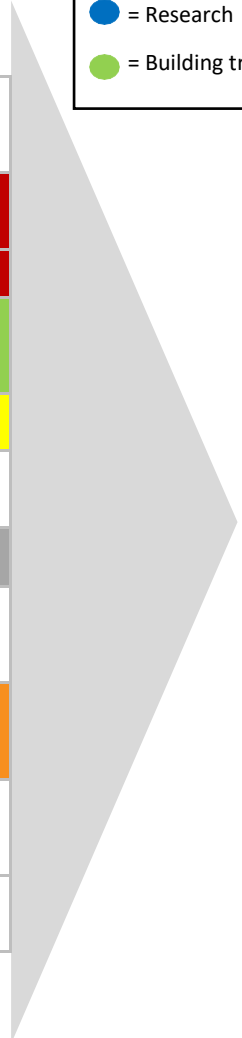
- = Marketing
- = Enrollment
- = Research
- = Building trust



# Due to a delay in planning and availability of senior managers Davivienda decided to postpone the launch day of the cashless municipality from May to July.

Conceptual framework		Documentation	Theory of change	Results	Conclusions
<b>Project stages</b> □		Launch of pilot Innovation session	Launch businesses Campaign	Visit to the town of Concepcion	
internal management of the cashless municipality		Planning activities for launch day			
Banking	enlistment			Enlistment of shops and training of Carvajal management	
	Financial education	virtual campaign for families, chairs of financial education for fifth and eleventh grades.	Financial education chairs for fifth and eleventh grades.		
	Marketing and	radio mentions promoting the project within Concepción - Advertising word of mouth			
Infrastructure development	Contact points				
	interoperability			Meeting with office manager of Banco Agrario in Concepcion.	
	Technological development				
Creation of value to the user	Large organizations			Meeting with the mayor to coordinate logistics of the project and launch day.	
	Shopkeepers		Seeks to encourage transactions through DaviPlata in stores.		
	Citizens				
<b>April / May 2015</b>		April 29	May 11	May 12	

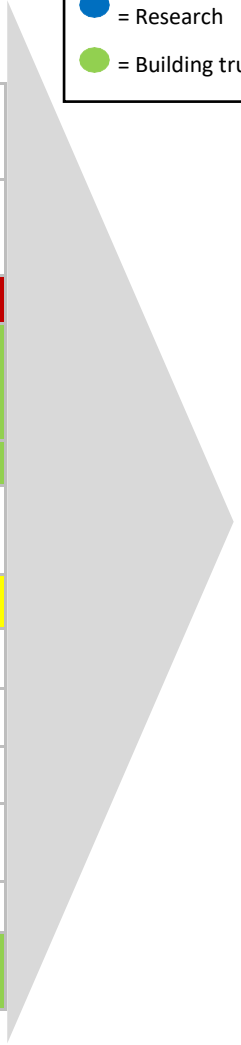
- = Marketing
- = Enrollment
- = Research
- = Building trust



In May on July 9 is set as the date for the launch of the cashless municipality. Activities are focused on banking and on planning for day zero or launch day.

Conceptual framework		Documentation	Theory of change	Results	Conclusions
<b>Project stages</b> □		Principals and teachers	Meeting with community leaders of Concepcion	Launch of leading mothers and "Activate and Win" campaigns	Agricultural Food fair
internal management of the municipality without					
Banking	Enlistment			Leading mothers as promoters of DaviPlata.	
	Banking process by the office of Rionegro.				
	Financial education	Financial education training to provide continuity to programs in school.			Family Adventures campaign awards and interviews on the programs implemented.
	Chairs of financial education for fifth and eleventh grades.				
Marketing and advertising			Presentation of the project and activities to carry out its relevance.		
	Radio mentions for promotion of MSE project within Concepción - Advertising word of mouth				
Infrastructure development	Contact points				
	Interoperability				
	Technological				
Creation of value to the	Large organizations				
	Shopkeepers				
	Citizens				Meeting presentation of the project to Asocamercio
<b>May 2015</b>		may 14	May 15	May 22	May 29 and 30

- = Marketing
- = Enrollment
- = Research
- = Building trust



During the last weeks before the launch of the cashless municipality the president and vice president of Davivienda are involved in determining the message to convey to the public on launch day.

Conceptual framework

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Theory of change

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Conclusions

Project stages □

Project Monitoring Meeting

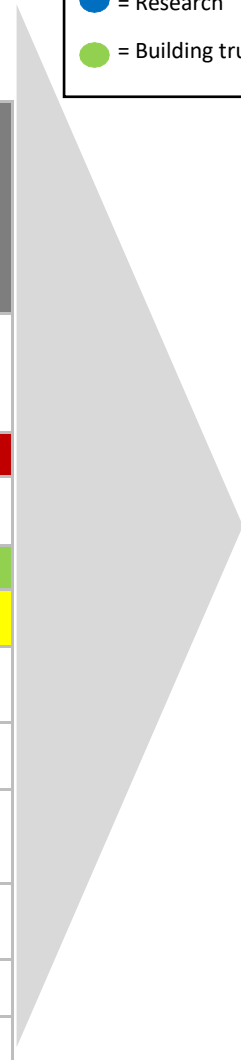
Soccer tournament

Project Monitoring Meeting

Define launch day activities

- = Marketing
- = Enrollment
- = Research
- = Building trust

internal management of the cashless municipality		Presentation of leader of the day for the project launch. Defining presentation and messages to be transmitted on launch day. Exhibition of new transactions enabled in DaviPlata.		Meeting with Efrain Forero about the main message of the project Emphasis on the importance of creating an ecosystem. Banca de las Oportunidades, ANDI and Asobancaria as Allies.	Defining the campaign's expectation for launch day and the "minute by minute" of the planned activities
Banking	enlistment		Enabling young participants in DaviPlata and training in the handling of the product.		
	Banking process by the office of Rionegro.				
	Financial education	Installation of WiFi in ATM to allow the download of the financial education application during day zero.			
		Chairs of financial education for fifth and eleventh grade.			
Marketing and		Radio mentions for promotion of MSE project within Concepción - Advertising word of mouth			
Infrastructure development	Contact points				
	interoperability				
	Technological development	Development of new transactions: Possibility of doing money orders to DaviPlata through the recycling cashier			
Creation of value to the user	large organizations				
	shopkeepers				
	citizens				



**June 2015**

June 4

June 6

6 to 10 of June

35

# During the month of June advertising of the event and banking activities were intensified; this in order to achieve the expected results on launch day.

Conceptual framework		Documentation	Theory of change	Results	Conclusions
<b>Project stages</b> □		Electronic payment to distributors pilot	support event Department for Social Prosperity (DPS)	Meeting with Coogranada meeting with COREDI <sup>1</sup> Mother's Day	Guava parties in Concepción
internal management of the cashless municipality		Advances in logistic coordination of activities to develop on launch day and call for guests.			
Banking	Enlistment			Banking attendees of Mother's Day and presentation of the project.	Installing focus of Sistemcobro for activation solution concerns DaviPlata or users.
	Financial education	Chairs of financial education for fifth and eleventh grades.			
	Marketing and	Radio mentions for promotion of MSE project within Concepción - Advertising word of mouth			
Infrastructure development	Contact points				
	Interoperability				
	Technological				
Creation of value to the user	Large organizations	Starts Pilot payments to distributors (Bavaria and Avinal) electronic test.		Definition of possibilities for cooperation in the project to promote the use of products and / or financial services offered by DaviVienda and the cooperative.	
	Shopkeepers				
	Citizens			Socialization and project presentation. Invitation to the farmer's market.	pilot test of transactions to be used on launch day and support the use of DaviPlata during the farmer's market.
<b>June 2015</b>		June 11	June 12	June 19 to 24	June 26 to 30

- = Marketing
- = Enrollment
- = Research
- = Building trust

notes:  
<sup>1</sup> educational corporation for integral development



# At the launch of the project "Cashless municipality" wanted to show the progress that has been achieved in Concepción.

Conceptual framework		Documentation	Theory of change	Results	Conclusions
<b>Project Stages</b>		<b>Planning for Launch day of cashless municipality project</b>			<b>Project launch day cashless municipality</b>
internal management of the cashless municipality		Training Antioquia branch employees who would participate in the launch.			
		Advances in logistic coordination of activities to develop on day zero and call for guests.			
Banking	Enlistment	DaviPlata use strategy.			
	Financial education				Demonstration of download of app "Do the math" through WiFi installed on the ATM.
					Bazaar for financial education with financial support of the Superintendencia, FINAGRO and Carvajal.
	Marketing and advertising	Recording video testimonials of recharges, international remittances and micro insurance.			Press conference with Davivienda, Asobancaria, Banca de las Oportunidades, Ministry of Information Technology and Telecommunications and the National Planning Department.
radio and loudspeakers promotion of project within Concepción - Advertising word of mouth					
Infrastructure development	Contact points	Installing new correspondent banking point.			
	interoperability				
	Technological development				
Creation of value to the user	Large organizations				Demonstration of payment to distributors (Bavaria) through DaviPlata.
	Shopkeepers	Boosting trade campaign in order to increase active participation in the launch.			Tablet demonstration to Conexred Shopkeepers that allows stores to manage inventory and keep track of business.
					Conexred demonstration of Celucompra process.
Citizens					farmer's market.
<b>July 2015</b>		<b>July 1 to 8</b>		<b>July 9th</b>	

- = Marketing
- = Enrollment
- ● = Research
- = Building trust

# As part of the closure of the launch event it was held the award ceremony of the various campaigns and a closing meeting with some participants of the project in Concepción.

Conceptual framework

Documentation

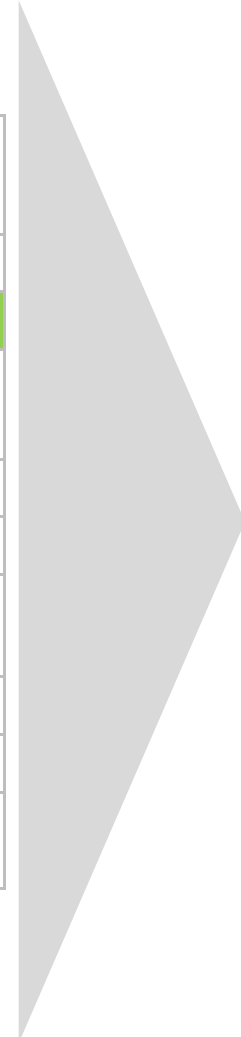
Theory of change

Results

Conclusions

Project stages		Closing Date	Next Steps
internal management of the cashless municipality			
Banking	Enlistment		
	Financial education	Chairs of financial education for fifth and eleventh grades.	
	Marketing and advertising	Awards to campaigns promoting the use and enlistment to DaviPlata.	
Infrastructure development	Contact points		
	Interoperability		
	Technological development		
Creation of value to the user	Large organizations		
	Shopkee		
	Citizens	Closing activity with some guests of the municipality.	
July 2015		July 10th	

- = Marketing
- = Enrollment
- = Research
- = Generation confidence



*This report is drawn from the work done by the company C230 Consultants hired by Bank of Opportunities for documentation. It has been adjusted to account for the Davivienda recommendations.*

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The Theory of change is the logical model that explains how it is expected that the actions carried out by Davivienda achieve the expected results. It is the basis of the assessment of project design.

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## Construction of the Theory of change:

- The **specific objective of the project cashless municipality is decreasing the use of cash in Concepción.**
- The project analysis considers this goal a milestone in the pursuit of a larger goal: increasing welfare through increased access and use of financial tools to transactional and savings. The Theory of change identifies the assumptions and logical reasoning that supports the actions taken by Davivienda to achieve or contribute to these objectives.



- Based on interviews with officials from various areas of Davivienda involved in the project, the various outputs (products) and outcomes (expected results) that were expected to achieve through the various activities carried out by Davivienda and its relation to the objectives identified cash reduction, promotion of savings and financial inclusion in general.
- The next slide presents a simplified version of the Theory of change that was developed based on the activities of Davivienda in search of the expected results. That is, Davivienda supposes that performing this series of activities will lead to the expected results are achieved.

Through banking activities, infrastructure development and value creation for users is to impact the financial habits of people, generating greater financial inclusion and wellbeing.

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### Simplified model of the Theory of change:

Category	Activities	Immediate Outcome	short term outcome	outcome medium term	Impact		
Banking	Financial enlistment of citizens, businesses and local government institutions.	Citizens, businesses and institutions acquire DaviPlata or other financial products.	Increased savings and reduced use of cash.	Access to and use of the financial system; specifically transactional products and savings.	Employment (self-employment).		
	Financial education	Potential users with basic financial capabilities.			increased Consumption		
	Publicity and marketing.	Inhabitants of Concepcion know and they understand the project cashless municipality.			Wellness.		
Infraestructure Development	Creating new correspondent banking Davivienda points.	Users use services offered by banking correspondents.			Increased savings and reduced use of cash.	Access to and use of the financial system; specifically transactional products and savings.	Poverty reduction.
	Installing recycling ATM.	Users use the services offered by the recycling ATM. The cashier is little used to withdraw money.					Increased income.
	Creating model B2B transactions (business to business) electronically.	Reducing the use of cash in B2B transactions.					User Empowerment.
Creating value for users	Creating a model of financial inclusion that meets the needs of citizens.	Orientation activities so as to enhance the perceived value of using financial products among the citizens of Concepción.	Increased savings and reduced use of cash.	Access to and use of the financial system; specifically transactional products and savings.			economic growth (efficient assignment of risk and capital).
	Creating a model of financial inclusion for businesses.	Shops offer financial products and services that meet their needs.					Reducing inequality.

Source: Made by myself



The reasoning connecting the activities to the expected results, are based on a number of implicit assumptions. To evaluate the cashless municipality project is important to identify these assumptions.

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### Project assumptions cashless municipality from the Theory of change:

- For evaluation of the project and in particular for the identification of success factors and opportunities for improvement, it is important to identify the specific assumptions (implicit) that must be met for said activities to generate the expected results. In particular, this exercise will then differentiate errors in the execution of design errors. Whether these assumptions are fulfilled or not, does not depend on Davivienda.
- This is useful for other efforts aimed at reducing cash and financial inclusion, it reiterates the importance of making explicit the assumptions during the planning stage of a project or program. In addition, the valuation of the assumptions made can serve as a basis for designing a project or program.
- 22 assumptions that must be met for the project to work as expected were identified.
- The categories according to which assumptions are identified qualify are:

1. Was accomplished



2. Was not accomplished



3. Was not verified



# The existence of will and interest in participating in the project by citizens, institutions local and potential allies is one of the main assumptions of banking activities.

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## Assumptions from the cashless municipality project from the Theory of change:

- As for the banking penetration process 11 cases were found regarding the activities of enlistment and use, financial education and marketing and advertising.

Banking		
Activities	Assumptions Davivienda	Qualification
Banking developed by other financial institutions.	1. Interest of other financial institutions for mass banking activities under the dynamic proposed by Davivienda to consolidate a cashless ecosystem in the municipality of Concepción <sup>1</sup> .	✘
First day of banking.	2. The banking model used with members of grant programs Department for Social Prosperity (DPS) in several Colombian municipalities also work in Concepcion.	✘
Second day of banking.	3. It is necessary to support activation and product use of DaviPlata. 4. Will of people to become active in DaviPlata.	✓ ✓
Offering traditional financial products to potential users.	5. Will of people to purchase financial Davivienda products different to DaviPlata.	✓
Banking by team managers and Davivienda	6. It is necessary to build relationships of trust with the population of the municipality in order to have them participate in the project and decide to purchase financial products.	✓

**notes:**

<sup>1</sup> It was only possible to identify the interest of the credit union and the Bank's presence in the municipality of concepcion, in the later stages of the project.



Only six of the 11 assumptions identified were verified for compliance. In particular The assumption of will to participate by allies was not met.

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## MSE project assumptions from the Theory of change

Banking		
Activities	Assumptions	Qualification
Financial education.	7. The awards in campaigns generate interest from citizens.	✓
	8. Tools (chairs and campaigns) are suitable for training in financial education.	✓
	9. The lack of financial literacy is one of the reasons why the municipality population does not access the financial system.	?
	10. There is a transmission mechanism through which financial education of students takes adults to integrate the financial system and reduce the use of cash.	?
Meetings with Local Government to promote the use of financial products to make payments.	11. Will of all public institutions of Concepcion to acquire financial products in Davivienda <sup>1</sup> .	?

➔ Could only verify compliance with six of the eleven cases identified. Two of the cases related to banking penetration process were not met. For others there is no clear evidence.

**notes:**

<sup>1</sup> The approach to the municipal government was successful as this entity decided to manage their payroll with Davivienda. However, the school and the hospital did not acquire products with Davivienda; therefore it is not possible to test this assumption.

# As for infrastructure, Davivienda assumes that there is a need for new points of contact and that people indeed will use those points. This does not seem to be the case for banking correspondents.

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## Project assumptions of cashless municipality from the Theory of change:

- The process of infrastructure development had four assumptions associated with the installation and use of access points and Interoperability.

Infrastructure Development		
Activities	Assumptions	Qualification
Correspondent banking model.	1. The population of Concepción will use the correspondent banking points.	✘
Installing recycling ATM.	2. The population of Concepción will use the recycling ATM.	✔
Meetings or interoperability agreements between banks and other partners in the financial system.	3. In meetings key partners participated in the efforts seeking to consolidate a system of financial interoperability <sup>1</sup> . 4. There is a need for transactions between electronic purses.	? ✔

➔ One of the assumptions relative to the creation process of infrastructure building was not met and one could not be verified.

### notes:

<sup>1</sup>This assumption is difficult to prove because despite holding meetings with banks and other stakeholders to achieve interoperability it is a long-term project that exceeds the time and scope of project documentation and evaluation of cashless municipality.

# Regarding the activities of creating value for users, Davivienda assumed that the information collected is adequate to generate activities and valuable products for them.

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## Project assumptions of cashless municipality from the Theory of change:

- Finally, the success of the activities for the creation of value to users is based on the compliance of seven assumptions.

Creating value for users		
Activities	Assumptions Davivienda	Qualification
Creating transaction model B2B (business to business) by electronic means and meetings with business partners.	1. Producers and shop owners are interested in making transactions by means other than cash.	✓
	2. B2B transactions through financial products generate greater safety and comfort.	✓
	3. Producers and distributors are key partners in the generation of B2B transactional alternative mechanisms.	✓
Interviews with various shops to understand the behavior of sales and business transactions.	4. Traders are willing to provide financial information about their business.	✓
Market research: interviews with users, potential users and potential motivators of DaviPlata.	5. Data collected in the study market are sufficient and necessary input to design an appropriate strategy for product promotion of Davivienda.	✓

Most of these assumptions are met, but in some cases a deeper understanding of potential users for the successful design of activities that persuades the value of effective knowledge reduction seems necessary.

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## MSE project assumptions from the Theory of change

Creating value for users		
Activities	assumptions Davivienda	Value
Interviews and field work seeking to understand the tendencies followed of different segments of the population.	6. The information collected allows the definition of segments of the population to engage and design activities for each of them.	✓
Meetings seeking to create a model of financial inclusion for businesses.	7. Participants of these meetings have the ability to create a model of financial inclusion for businesses.	⊕

➔ Most (six of seven) of the assumptions about the process of creating value for users are met. The assumption regarding the participants in the meetings aimed at creating a model for retail financial inclusion requires further evidence.

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The project showed positive results as the massive enlistment in DaviPlata and installation of new access points. However there was insufficient progress on issues such as interoperability and creating value for citizens.

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## Summary of immediate results:

### Banking



A massive enlistment of citizens in DaviPlata occurred, however it is not clear that this has resulted in a massive and continuous use of financial products.



Participants of financial education classes demonstrated the acquisition of knowledge about the financial system; these efforts focused on children and young minors.

### Infrastructure development



New access points were installed. Banking correspondents are little used by citizens. The ATM is mostly used to make withdrawals.



Identified areas of opportunity to work on the functioning of DaviPlata (for example, tool speed).



New features were developed in the DaviPlata tool.

### Creating value for users



Suppliers benefit from the use of electronic means of payment.



The project creates value for businesses that are able to buy their inputs electronically and for citizens who travel or who need to make turns frequently.

# The launch day of cashless municipality achieved a reduction in the use of cash by the different partners in the municipality.

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## Results of "cashless Day" - July 9, 2015:

➔ **Significant reduction of using cash** on everyday purchases (purchases in stores, cellphone credit, tax demonstration) and payment to suppliers (Avinal and Bavaria).

➔ Demonstration and use of the different functionalities of ATM; conducting domestic money orders without having account Davivienda, DaviPlata access to accounts from the use of bar code reader of the identity card, ATM use of Wi-Fi for installation of financial education app "Do the math".

➔ **The four co-responsible activated banks by Davivienda were used** for different transactions.

➔ Financial education bazaar was done with various activities to teach students at the college of Concepción ways to interact with the financial system. This was carried out with support from several partners and characterized by dynamic forms of showing interest to minors in the financial world.

➔ The tablet that allows stores to manage inventory and keep track of sales and revenue was shown to shopkeepers.

➔ Various establishments in the municipality offered demonstrations of the cellular online processes and purchase through QR code in different establishments in the municipality.

➔ Carrying out the farmer's market where different traders in rural areas of the municipality sold their products and received payment through DaviPlata.



The activities conducted by Davivienda were evaluated according to their importance and relevance in the context of the cashless municipality. Concepción was visited after the launch and 40 interviews were conducted to understand how the project was received.

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## Presentation of results - evaluation of design and results:

- Because of the scope of this project it is not possible to measure the impact this could have on the welfare of the population of Concepción; however it was identified that there are signs of improvement in the welfare of the citizens of the municipality.
- The results found during the documentation process and evaluation are presented. These results are organized according to processes (banking, infrastructure development and value creation) and the threads of the project identified above.
- The results presented come from two types of assessments:

### Evaluation Design



Results of a preliminary analysis, during which the shares of Davivienda were evaluated according to their relevance and their potential to lead to the expected results expected by the Bank. These activities are categorized into:



1. Properly oriented actions.

draft.

2. Actions with results that are not directly aligned with the objectives of



3. Actions that were not performed under the project and that may have contributed to achieving the expected results.

### Assessment results



Results of fieldwork (interviews and survey to population of the municipality) describing the reception of the project by the inhabitants of Concepción.



# Evaluations for design and results are presented in the following format:

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## Process

### Sub-process

#### Evaluation Design

##### Activities

##### conclusion

- Activity # 1 of sub-process

Conclusion activity #1



- Activity # 2 of sub-process

conclusion activity #2



- Activity # 3 of sub-process

Conclusion Activity # 3



#### Evaluation of results

1. Results found from interviews with various stakeholders in Concepción (students, citizens, merchants, banking correspondents and cabinet mayor), the survey of 40 citizens of the municipality<sup>1</sup> and data provided by the bank Davivienda.

#### Notes:

<sup>1</sup> It is noted that 40 interviews were conducted to inhabitants of Concepcion after the launch, which is why their opinions do not necessarily represent the views of all inhabitants of the municipality.

## Banking - Embarking and use



**Interviewer:** "Do you think that since you have DaviPlata you are able to better manage your money?"

**Dealer:** "Yes, of course. You can get organized easier... You ask yourself what to do with this? Where do I spend it? How can I...? to organize myself. It is less complicated to pay bills. And security. "

*Merchant from  
municipality*

**Citizen:** "I joined in without funds. It seems useful, a good benefit to the community "**Interviewer:** "And have you used DaviPlata?" Citizen: "No, only DaviPlata people have paid me. Because here nobody has that ... there are many who interested but it is still not used here. "

*Citizen of the municipality*



Source: Interviews with citizens and merchants of Concepcion made on 8 July 2015.

The number of users of DaviPlata in Concepcion increased 119% and amounts traded through the tool increased by more than double. However, not all users use it continuously.

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## Banking

### Enlistment and use

#### Evaluation Design

##### Activities

##### conclusion

- Activities that seek to involve other financial partners in search of the banking of the largest possible number of citizens.



- Shares of banking strategies through collective call or differentiated by segment and product where supply meets the financial needs of the potential user.



- Generating spaces to offer services and financial products to local government institutions.



#### Evaluation of results

1. massive enlistment of citizens in DaviPlata (total users of DaviPlata in Concepcion increased from 473 in October 2014 to 1038 in June 2015).
2. The target of DaviPlata were not the only activated in the product. People who already had purchased financial products also joined DaviPlata.
3. Since the beginning of the project has increased the use of DaviPlata (average traded per user was 21 pesos a month in the first half of 2014 and 58,000 pesos in the first half of 2015).
4. There is a segment of the population that does not use DaviPlata despite being activated in the product.

## Banking - Financial Education



**Interviewer:** "Do you think that classes were useful for you to know more about financial products?" **Student:** "I think more than useful, essential. And not *just for me*,... *it was a great way to land several people that handle more money and makes them think about how to handle money... We talked about saving and how to manage income and expenses. We also emphasized a lot about bank security. They also advised us on financial institutions in the world of money"*

*Eleventh grade student*



# Despite the implementation of multiple banking activities, they focused on the marketing of products.

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## Banking

### financial education

#### Evaluation of Design

##### Activities

##### conclusion

- Financial education activities have a target population (school children) which is not necessarily the focus of the project Davivienda (bankable population of the municipality of Concepción).



- The connection between financial education activities (aimed at school children) with short-term results of the project is not very clear



#### Evaluation of results

- 300 students participated in the activities of the Global Money Week.
- 100% of students in the fifth and eleventh grade participated in the chairs of financial education.
- 33 families (approximately 99 people) participated in the campaign Family Adventures<sup>1</sup>. This participation represents less than 3% of the target population (33 families a total of 1,292).
- The chairs seems to be effective to familiarize students with the financial system and money management tools.

**Note:**

<sup>1</sup>The financial education campaign Family Adventures was aimed at families in the municipality of Concepción with children between 5 and 13 years. Through the virtual platform "my finances at home," the families do things online that allowed them to accumulate points. The 30 families with higher scores received various awards from Davivienda.

# Efforts in terms of advertising and marketing of project managed to raise awareness to the cashless municipality in Concepcion.

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## Banking

## Publicity and marketing

### Evaluation Design

#### Activities

- Continuous marketing strategy and advertising that seeks to reach all citizens of the municipality and is driven via different media (radio, flyers, banners, etc.)

#### conclusion



### Evaluation of results

1. Advertising effectively diffuses the project from Davivienda. All respondents knew the project since at least two months before the launch day.
2. Some citizens internalize the discourse of the project but struggle to explain the benefits of using DaviPlata in their daily lives.
3. One of the main benefits perceived by the population following the implementation of the project is the visibility that this gives the municipality.
4. DaviPlata is perceived as a tool that can facilitate access to credit.

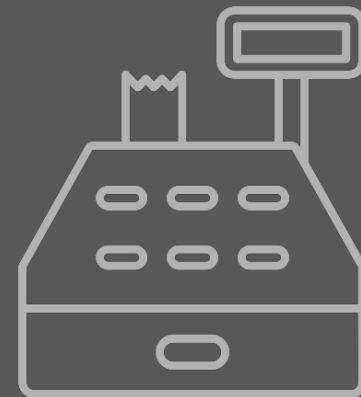
## Infrastructure development - Access Points



**Interviewer:** "and what do you think about the installation of the ATM?"

**Merchant:** *"Excellent. That was innovative, besides being the only one is very innovative. It is a different tool. "*

*Merchant from the municipality*



an ATM was installed and the number of banking correspondents in the city increased, however this increase in correspondents doesn't seem to generate additional advantages for citizens.

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### Infrastructure development

### Contact points

#### Evaluation of Design

##### Activities

##### conclusion

- The installation of financial access points that allow cash in and cash out in the municipality of Concepción helps eliminate distance barriers associated with the supply of such services.
- The installation of a recycling ATM without the constant accompaniment to the population and education regarding the use of it makes it difficult for the population to use it continuously.



#### Evaluation of results

1. ATM installation and the creation of new banking correspondents generated an increase from 3 to 7 access points. This leads Concepcion to have 41.91 access points per 1000 km<sup>2</sup>.
2. Multiservice ATM installation is an innovative factor; This allows orders, consignments, withdrawals, loan payments, among others.



## Infrastructure development - Technological development



**pollster:** What do you like the least about DaviPlata? Dealer: "The transaction takes a little longer and it stresses you out, because you look at the people around you waiting and it stresses you out."

*Merchant of the  
municipality*

*"So people are also very uncomfortable with that ...  
They have no cash, all they have is their phones, so  
when you're going to pay, there is no signal, but you  
already ate, you already did everything."*

*Citizen of the municipality*



# DaviPlata's technological development is a long-term activity; however, the lack of visible progress on this front seems to affect trust in the tool due to features such as speed and signal problems.

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## Infrastructure development

## Interoperability and technological development

### Evaluation of Design

#### Activities

#### conclusion

- Key partners such as telecommunication companies (TELCO), were absent in creating an interoperable system.
- Temporality problem: achieving interoperability is a long-term goal.
- Preliminary activities that allow the verification of the mobile phone network operation of the and therefore of DaviPlata in the municipality.
- Activities aimed at improving the proper functioning of DaviPlata, especially its speed characteristics (the speed issue depends largely on cellular operator specifically).



### Evaluation of results

1. interoperability efforts (being a longer-term objective) is not concluded.
2. Some of the rural DaviPlata users overcame the problem of poor signal identifying places with signal and making transactions from there. However, this issue continues to generate mistrust and deterring some citizens to use the tool.

## Creating user value - Large organizations, businesses and citizens



**Interviewer:** "Have you used the payment mechanism of DaviPlata with suppliers? How did it go?"

**Merchant:** *"It went well, because I obviously didn't have to go get the money, I reused it on a transaction instead and is much safer for both (the Merchant and provider)."*

*Merchant of the  
municipality*



*- "It seems very good to me (DaviPlata) because now I can recharge or send money orders to my family without leaving my house."*

*Citizen of the municipality*

# Getting a product, in this case Daviplata, to meet the needs of different segments of the population requires the involvement of potential users.

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## Creating value for users

### Large organizations, businesses and citizens

#### Evaluation of Design

##### Activities

##### conclusion

- Activities seeking large payers (government and large companies in the municipality) to pay through financial products.
- Search by creating a model of transactional b2b from the alliance with major suppliers.
- Attempt to create a model for financial inclusion to Shopkeepers without including them in the design of it.
- Using commercial information, fieldwork and market research for profiling of commerce design activities.
- Seeking to create a model of transactional B2B through dialogue only with distributors; there is no certainty of added value for businesses of this model.
- Activities designed to include potential users (citizens and businesses) in the creation of products and services would have been a nice addition to the activities aimed to show the value that the products and services currently have.



#### Evaluation of results

1. For suppliers the project promotes safety in B2B transactions.
2. The project creates value for businesses that are able to buy their inputs electronically.
3. The project creates value for citizens traveling or that need to make money orders frequently.
4. Some businesses and citizens have decided to use DaviPlata as a tool to save.
5. However, for a certain group of citizens DaviPlata doesn't seem like a supply specific for their needs.
6. a space for creating new business opportunities associated with remote payments (eg homes) was generated.

# Activities creating value for large organizations and businesses, enlistment and use, and advertising and marketing were the most favored project of the cashless municipality.

Conceptual framework

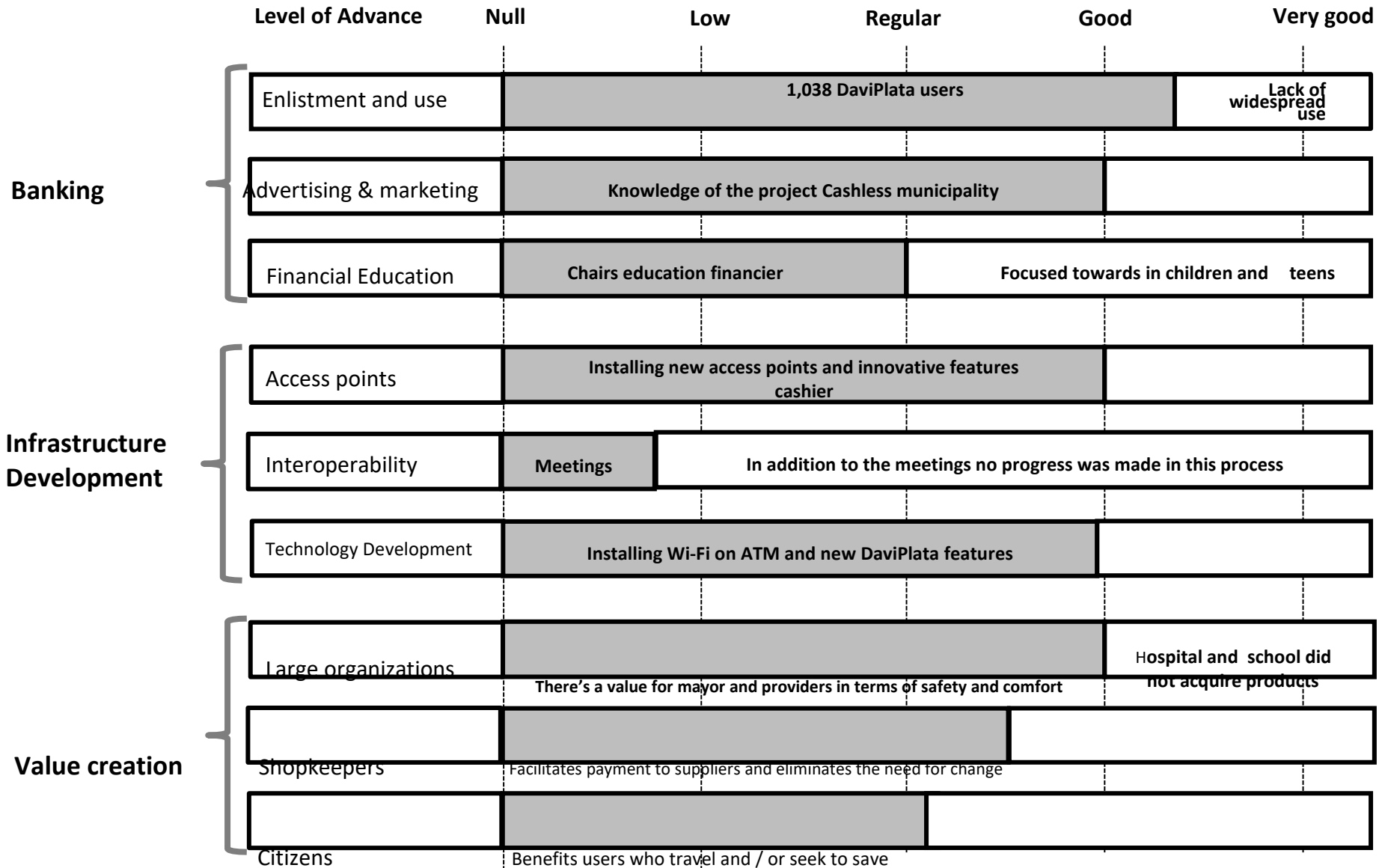
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## Overall results:



Activities creating value for large organizations and businesses, enlistment and use, and



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# While in Concepcion, before the pilot, different financial actors were present, this did not mean the inhabitants of the municipality could and knew how to access these services.

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## Financial inclusion in Concepción

Mobile money services

Cashless municipality

### Before the cashless municipality

- Because of its population, Concepcion is in the range of colombian municipalities that would benefit from approximately 13.27 offices and bank correspondents for every 1,000 km<sup>2</sup>.
- The presence of partners in the financial system in the municipality was limited, which leads to a lower level of competition. The municipality had two bank correspondents (CB) from a bank entity, one credit union and an office from the public Bank.
- The nearest ATM was in Rionegro, Antioquia (50 km away).
- Only two businesses in the municipality received electronic payments<sup>1</sup>.
- Only 5% of businesses in Concepcion made payment to its employees through account deposits<sup>2</sup>.
- 381 of the 4,509 inhabitants of Concepcion were part of the program More Families in Action and were part of the group receiving the transfer through DaviPlata<sup>3</sup>.
- 40% of adults had at least one financial product to June 2014<sup>5</sup>.



### After the cashless municipality

- After the launch of the project, Concepcion had 41.91 Access Points for every 1,000 km<sup>2</sup>. This is more than what other municipalities in Colombia between 50,000 and 100,000 inhabitants have on average.
- The municipality has seven banking correspondents, one credit union and an office from the public Bank.
- Davivienda installed a recycling ATM.
- 67% of businesses in Concepcion have DaviPlata and 88% receive electronic payments.
- Between the end of 2014 to June 2015 the average amount traded per user through DaviPlata increased by \$ 37.000.00 COP, going from 21 pesos to 58 pesos per user.
- As of June 2015, there were 1,038 DaviPlata users in Concepcion.
- 70.2% of adults had at least one financial product to June 2015<sup>6</sup>.

#### notes:

<sup>1</sup> Davivienda. (2014). Census to businesses in the municipality of Concepción.

<sup>2</sup> *ibid.*

<sup>3</sup> *ibid.*

<sup>4</sup> google maps

<sup>5</sup> Datacrédito, 2015.

<sup>6</sup> *ibid.*



# Based on the documentation, design evaluation and result evaluation there are 7 large conclusions on the cashless municipality.

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## General conclusions

conclusions

Learned lessons

1

In the municipality of Concepción there are different segments of citizens with different motives and degrees of interest when using DaviPlata.

2

DaviPlata was acquired not only by the inhabitants of the town who had no financial products but also by those who already had financial products from Davivienda or other financial institutions.

3

The cashless municipality mayor was involved in planning the project.

4

The cashless municipality project had a strong focus towards the demonstration of the launch day, giving lower priority to effort sustainability.

5

The financial education program was done inside classrooms and students learned about **money management and the financial system.**

6

**Although many advances were achieved in the consolidation of an ecosystem that operates without cash this was not achieved in its entirety** : This is a long term process that requires the participation of other financial institutions, related service providers and the government.

7

Establishing relationships of trust with the project's target population is critical to success. The continued presence of Davivienda managed to generate this trust.

# Each of the segments of the population have different needs that must be considered when designing a service or product to promote financial inclusion.

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1

**In the municipality of Concepción there are different segments of citizens with different motives and degrees of interest in using DaviPlata.**

Conclusions

Learned lessons

1

Citizens who trade frequently and see a clear value in using DaviPlata.



These are mainly businesses that receive payments and pay their suppliers through DaviPlata, but also citizens who send money regularly to other parts of the country.

2

Citizens using DaviPlata as a saving tool.



This includes a large number of citizens and some shops (especially when they have the ability to pay its suppliers through DaviPlata).

3

Citizens who see no real benefit in using DaviPlata.



Some of these do not use DaviPlata. Others support it, but do not use or do DaviPlata marginally. Some of these are still waiting to see the value that the tool is going to bring.

DaviPlata and other financial products are not suitable for everyone. Not understanding the value that the tool generates for different segments can affect the success of the project. For example, the third group would eventually get tired of waiting to see the value of the tool and forget about the project.

# Most new DaviPlata users already had some financial product.

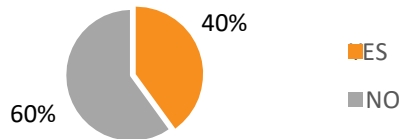
2

**DaviPlata was acquired not only by the inhabitants of the town who had no financial products but also for those who already had Davivienda financial products or other financial institutions.**

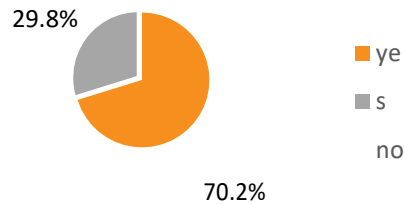
Conclusions

Learned lessons

Percentage of adults with at least one financial product in June 2014



Percentage of adults with at least one financial product in June 2015



Source: Datacrédito

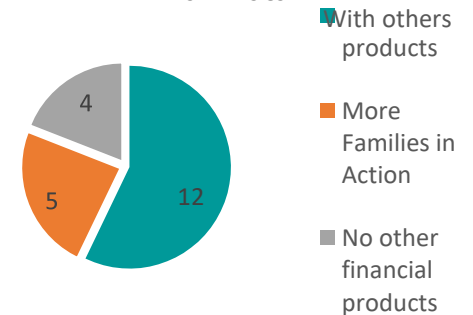
Do you have DaviPlata?



- Of the 40 surveyed citizens, 21 have DaviPlata.
- Of these 21, 12 (57%) have other financial products; 5 (24%) are beneficiaries of More Families in Action and 4 (19%) have no other financial products.



Characterization of citizens with DaviPlata



Source: Survey made up of 40 citizens of Concepción. It is clarified that this sample is not representative of the total population of the municipality that is

a little more than 4,500 inhabitants.

It is important to integrate the project's beneficiaries in its design in order to achieve a greater impact on them.

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3

The cashless municipality mayor was involved in planning the project. For future efforts working together with the population in the project design is recommended.

Conclusions

Learned lessons

Davivienda tended to assume that financial products have an intrinsic value for all citizens and that value makes them attractive for themselves, focusing the project on bringing these products to potential users. This was reflected in a high rate of activation but not in widespread use of the product.



The mayor of the municipality and members of programs like Families in Action were included in the planning of the project's activities and socializations of the project were carried out with different actors in the municipality. For future efforts it is recommended to work more closely with citizens in project design as one of the main problems in scaling innovative financial products is the lack of consideration for the user in the design phase<sup>1</sup>.



From fieldwork it was identified that some people do not recognize the specific benefits of the pilot. Some interviewees state that the continued presence of Davivienda's team for the success of the project is needed. Thus, continued dependence on promotion could indicate problems among the population to recognize the concrete benefits of the financial products.

**Note:**

<sup>1</sup> IDEAS 42 (2014). Driving positive and innovations to scale in the financial services sector.

During the six months of the project, many of the efforts of the cashless municipality were aimed at generating results on July 9, 2015, launch day.

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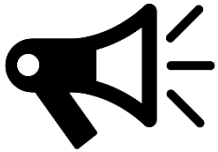
Conclusions

4

The Cashless municipality project had a strong focus on showing performance during the launch day.

Conclusions

Learned lessons



Efforts for six months by promoting the project of the Cashless municipality gave special importance to the day of the launch of the project. This generated great expectations in the municipality's citizens.



- Additionally, during the event initiatives were shown that could be of great value to the community but not be maintained over time and that are not part of the everyday life of Concepcion. For example, the "Tablet for storekeepers" (tool by which the shopkeepers can manage their inventory, keep accounts, etc.) that was presented that day but is not yet operating in the municipality.

# Financial education had important effects on students who participated in the chairs. But there wasn't a educational approach aimed at adults.

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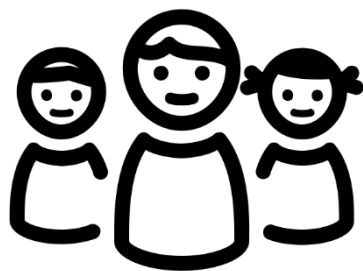
Conclusions

5

The financial education program ran into educational classrooms and students of the chairs learned about money management and financial system.

Conclusions

Learned lessons



Participants in the Family Adventures Campaign (3% of the families of Concepción) acquired some financial literacy and improved in the use of technological tools.



College students who participated in the chairs demonstrate financial education and have acquired knowledge on topics such as:

1

Money management and importance of saving.

2

Finance system.

# The efforts of the cashless municipality have set precedents for a cashless ecosystem. However, we still need to strengthen the ecosystem on several fronts.

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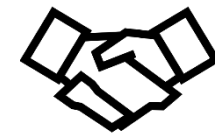
**This is a long-term process that requires the participation of other financial institutions, service providers and government: Although there were many advances in the consolidation of a functioning cashless ecosystem these was not fully achieved.**

Conclusions

Learned lessons

From the beginning Davivienda sought to create an ecosystem that would favor reducing the use of cash by seeking allies. This effort would have been benefited the active involvement of the government. However, some factors that were difficult are:

1. The call made by Davivienda looking to find allies in other financial institutions for the project was not as successful as expected. Other entities made little effort to achieve greater access to products which reduced the supply of alternatives to replace cash in the municipality.
2. Efforts to achieve interoperability between products from different banks were unsuccessful; it was difficult to carry out transactions between users of different financial institutions and hinders the flow of money by means other than cash.
3. The quest to achieve that the large payers of the municipality made disbursements by alternative means to cash is essential to generate a continuous flow of money. In the case of Concepcion, the payroll payment of the Mayor and the participation of suppliers were key factors in the effort to create an ecosystem that works without cash.
4. It is necessary that all goods and services can be acquired by means of payment other than cash. Services such as transportation out of Concepcion can be paid only with cash and break the cycle of digital transactions.





# The setting of trust networks was crucial to the project. Davivienda should seek mechanisms to prevent deterioration of good relationships.

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**Establishing relationships of trust with the project's target population is critical to success. The continued presence of Davivienda managed to generate this confidence.**

Conclusions

Learned lessons



- Davivienda was able to establish relationships of trust and closeness with much of the community of Concepción. This point was crucial, as expressed by several citizens.
- However, it would have been positive to do this from the start of the project by using existing networks of trust in the municipality. For example support at the end of the project from financial institutions such as the cooperative savings and credit section, which already had a presence in the municipality, was very useful to support the people of Concepción in using DaviPlata.
- Problems in the mobile telephone signal affected trust in the project by some of the inhabitants of the municipality.



# Documentation and evaluation of the cashless municipality leaves lessons about the role of the strategy, internal management and conditions for cashless ecosystem.

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## Lessons learned and recommendations

Conclusions

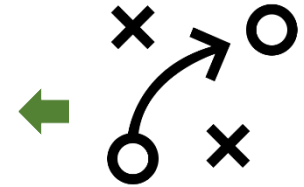
Learned lessons


Documentation and evaluation of the cashless municipality leaves a number of lessons for future initiatives that seek to promote financial inclusion through the reduction of cash and the promotion of mobile money services. These lessons are presented as recommendations so that they can be taken into account in the future. The lessons are divided into four categories:



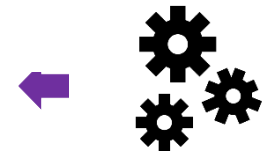
**User Role:** Both in the private market of goods and services and in the provision of public services there is a growing recognition of the importance of involving partners or end customers in the design of the product or service offered. The recommendations in this category is to seek giving a central role to the user in the project design.

**Strategy:** The recommendations in this category seek to align the actions, partners and timing of the project with its objectives.



**Internal management:** The entity to lead a project of financial inclusion through effective reduction  must be well organized internally. The recommendations in this category suggest guidelines to optimize the leadership and coordination of the project.

**Conditions for cashless ecosystem:** There are many preconditions that must be met so that an ecosystem has the potential to run out of cash. This category includes the recommendations aimed at generating these minimum conditions.



Among the four proposed categories, the user's role stands out, because this is who in last instance makes the decision to use or not cash.

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## Summary of lessons learned:

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### User Role

1. Start by understanding the different types of users of the project and their current problems.
2. Involve users in the design of the project.
3. Generate value for different users, solving specific problems.
4. Build trust. Relying on existing networks.
5. Seek understanding of the project by the population.
6. Manage expectations.
7. Pay special attention to users who have difficulty in handling technology.

### Strategy

1. Having a financial education strategy aimed at the project's target population.
2. Align actors, activities and time horizons, with the objective of the project.
3. Ensure long-term sustainability.
4. Make "big payers" use alternative means for their payments.

### Internal management

1. Establish a plan and anticipate possible risks.
2. effective coordination: decision makers - implementers.
3. Assignment of adequate resources to the project reach.
4. Define responsibilities and clear incentives for allies.
5. Leverage existing organizational structure.

### Conditions for a cashless ecosystem

1. Keep in mind that building an ecosystem is a long-term process.
2. Ensure the existence of an infrastructure that allows the proper functioning of technological tools.
3. Addressing the different transactional fronts.
4. Consolidate appropriate partnerships.
5. Develop mechanisms for interoperability between products from different financial institutions.

**Users have to be the center of the project and should be included in the project design, winning their trust and ensure understanding of the project and its objectives.**

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## User Role

- The role of the user must be central and active in any project of financial inclusion through the reduction of cash, because ultimately success depends entirely on the user making the decision to replace cash transaction by alternative means.

The project must



1. Start by understanding the different types of users and their current problems.
2. Involve different types of users in the project design.
3. Ensure that financial products or other project components deliver a clear benefit to the user.
4. Build trust with users. It is not always necessary to build this trust from scratch, it can be quite effective to rely on existing networks.
5. Transcending the advertising and promotion of the project and its components and seek understanding of these among users.
6. Properly manage users' expectations. Communication should be consistent with the project objectives and activities undertaken. This in order to avoid further disappointments from citizens that could translate into a loss of confidence in the project.
7. Pay special attention to users who have difficulty in using technology; in particular elderly users.

The project has to be sustainable, include a component of financial education and pay special attention to the "big payers". Your strategy should align activities, partners and time horizons with their target.

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## Strategy

- Although multiple strategies to achieve a cashless system work, there are certain points that have to be taken into account. In particular, it is very important that the actors and the timing of the activities are aligned with the project objective.

The project must



1. Have financial education strategies. This is essential to promote inclusion. Financial education efforts should be aimed at different segments of the target population.
2. Ensure that activities have adequate time horizons. Many activities related to financial infrastructure are long term. This should be taken into account when designing the project.
3. The project must be sustainable in the long term and not just during implementation. This requires the project to be profitable or have few sources of long term financing. This is not only important to ensure the continuity of the project, but to win the trust of people who are actively participating in it.
4. Making the "big payers" -the companies and the government- pay by means of digital payment. This is critical to begin the cycle of digital transactions.

# The company that leads the project is to establish a clear plan and make use of all its resources to lead effectively, both inward and outward.

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## Internal management

- A project that seeks to reduce the cash to generate financial inclusion requires a booster entity at the lead. It is important that this entity is well organized internally.

It is recommended



1. To establish a clear plan from the birth of the project idea and be prepared for potential risks and problems.
2. Ensure effective coordination and communication between decision makers and those who implement the project. This is critical so that the project's objectives are clear and that activities are designed to adequately respond to these objectives.
3. Invest enough resources, particularly human resources, to the project. If there are not enough resources, it is important to take this into account and adjust the project scope accordingly. In particular it is recommended that there is a team dedicated exclusively to the project. This is especially important if you consider that building trusting relationships with the community favors its subsequent access to the financial system.
4. Define responsibilities and clear incentives for each of the partners and stakeholders. This in order to prevent the absence of leadership which translates into lack of action by the allies.
5. Leverage the existing structure within the leading organization of the project. In particular, if it is a financial institution, involving areas such as risk, legal and technology since the birth of the project idea.

The project must have infrastructure, technology and sufficient partners for the creation of a true ecosystem. If not, you should take measures to counter possible negative consequences.

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## Conditions for a cashless ecosystem

- Before starting to promote the reduction of cash, it is necessary to make sure an ecosystem that provides sufficient and appropriate alternatives to cash is created. This requires infrastructure, technology and alliances between different partners. It is important to have these conditions, or to have a strategy to deal with the lack of them, before you start promoting effective reduction among users.

A project that seeks to reduce the cash must



1. Take into account that the construction of an ecosystem is a long term process.
2. Ensure the existence of an infrastructure that allows the proper functioning of technological tools. Otherwise, you must have a contingency plan. This is important because it can affect project development and the trust of users.
3. Addressing the different transactional fronts that exist in the ecosystem: business-person, person-person, person-business, government-business, government-person.
4. Establish and strengthen partnerships with financial institutions and other partners. The importance of this is essential in this type of project, because without the participation of other partners it is not possible to consolidate an ecosystem.
5. Develop mechanisms for interoperability between products from different banks. Make an identification of key partners to consolidate these efforts and define the specific roles of each of them.

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## Glossary


- **Banking:** Linking new customers to the financial system through the provision of any financial product.
- **Recycling ATM:** cashier in addition to cash, receive payments and cash deposits.
- **Conexred:** developer of product distribution networks and services through electronic means sales manager of PuntoRed distribution network through which the correspondent banking model Davivienda is handled.
- **Correspondent Banking:** natural or legal persons hired to provide various financial services on behalf of credit institutions. Correspondent banking contracts must be approved by the Financial Superintendence of Colombia.
- **Electronic savings account (CAE), savings account simplified procedure (CATS), Electronic Deposit (DE):** financial products designed to generate greater financial inclusion in the country. These products are characterized by having a simplified and limits on amounts and value of transactions processed monthly.
- **Financial inclusion:** the series of processes that seek to ensure the supply, access and use the formal financial system to all members of the economy.
- **Incocrédito:** association specializing in the security of the means of payment industry in Colombia that offers products related to the integral cycle of prevention and control of fraud.
- **More Families in Action (MFA):** conditional transfer program run by the Colombian National Government, through the Department for Social Prosperity (DPS), which provides nutrition and school grants to families with children up to 17 years old and who are in poverty.

## Glossary

- **Cashless municipality:** Davivienda led project that seeks to eliminate the use of cash in a municipality for a day. It is part of the strategy for financial inclusion of Banco Davivienda.
- **outputs:** the product resulting after performing a process or activity. Achieving output mainly depends on who performs the activity or process.
- **Outcomes:** the result or consequence of the development of an activity or process. It does not depend solely on who develops the activity, but also of other partners and conditions. In an evaluation it is treated as a subsequent stage / result of the outputs.
- **Access points:** channels through which people can access different financial products and services. In particular offices, correspondent banking, automated teller machines (ATM) and credit card terminal (POS).
- **labor minimum monthly wage (SMMLV):** Minimum wage in the country, set annually with the participation of employers, unions and the government. By 2015, the level of minimum monthly wage is up to \$ 644,350 per month, a level that does not include the transportation allowance to which the worker is entitled.
- **Mobile money services (SDM):** any financial services involving a mobile phone.

## Annexed II. Characterization of mobile money services and reduced cash.

### Characterization of mobile money services and reducing cash

Elements of the strategy	Characterization
<p><b>Reduction of cash:</b> Transition to Alternative payment means other than cash.</p>	<p>Considered as a goal in itself, reducing the cash can be understood as the result <b>of increased access to financial products and services</b>. Mobile money services can be <b>considered as a tool to reduce cash</b>.</p> <p>However, the necessary consequence of activities that result in effective reduction is displacement of different types of transactions to alternative means. This helps familiarize citizens with the financial system, generates information about them that can be used to facilitate access to various financial products and services and reduces transaction costs. All this makes reducing the cash be considered a mechanism for increasing financial inclusion.</p>
<p><b>Mobile Money (SDM):</b> any service financier involving a mobile phone.</p> 	<p>Mobile money services directly contribute to financial inclusion because the increase and provide access to products and / or basic financial services. Also they function as a first step <b>for the subsequent acquisition of more complex financial products</b>. Additionally, Mobile money services can be seen as a mechanism to enhance the effective reduction and facilitating electronic transactions. Finally, it also increases with reduced cash.</p> <p>Some mobile money services are electronic wallets (can be interoperable or not) and savings accounts and simplified electronic procedure that can serve as a first point of contact between the financial system and citizens.</p>

Source:.. Prepared with information collected from Better than cash alliance (201) .Journey Toward cash lite and World Bank (2014) .Global financial development report: -Financial Inclusion 2014.

### Tools evaluating the results of the project "Cashless municipality"

1. Requests for information about users and products Davivienda and other banks with a presence in Concepción.

- request to Davivienda
- Request to Bancolombia
- Request to Banagrario
- Request to Coogranada



2. Interviews with key stakeholders regarding their financial habits and their perception of the actions taken by Davivienda.

- Interview guide to students about financial education: semi-structured interview.
- Interview Guide to citizens of Concepción: semi-structured interview.
- Interview guide to shops in Concepcion: semi-structured interview.
- Interview Guide to banking correspondents in Concepcion: semi-structured interview
- Interview with officials from the Municipality of Concepcion.

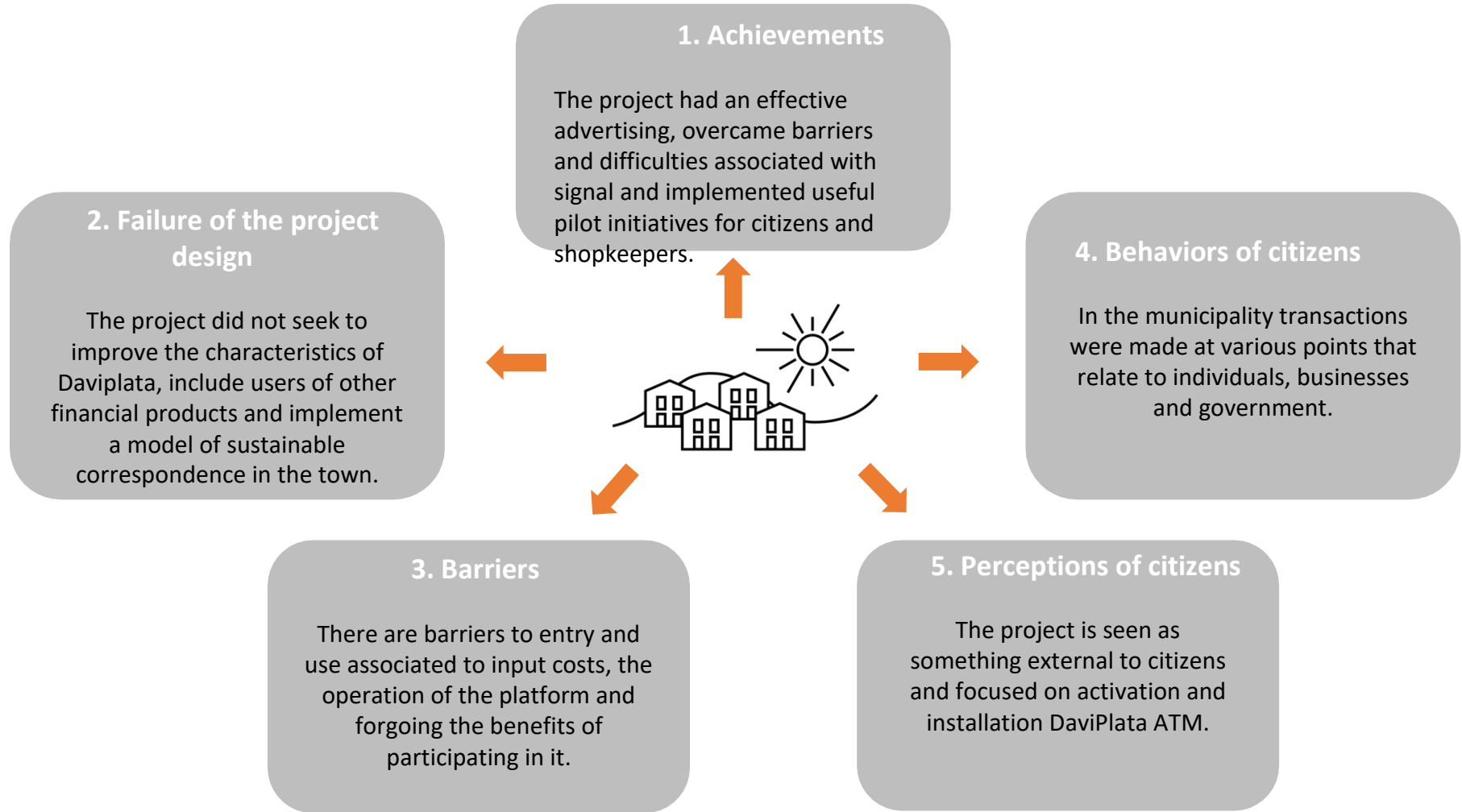
3. Survey to 40 citizens of the municipality of Concepcion.

## simplified presentation of defined variables and observations

Categories		Activities	Observations
immediate results	Banking	Financial enlistment of citizens, businesses and local government institutions.	<ul style="list-style-type: none"> <li>• Number of users of traditional financial products and simplified character.</li> <li>• Amounts traded via such products.</li> <li>• Government institutions that use DaviPlata.</li> <li>• Local Government institutions using financial products and services.</li> </ul>
		Financial education.	<ul style="list-style-type: none"> <li>• Participants in each of the activities (students in general and families from the campaign "Family Adventures").</li> <li>• Perception of participants on each of the activities.</li> </ul>
	Infrastructure Development	New access points: creation of new banking correspondence points and Installation of recycling ATM.	<ul style="list-style-type: none"> <li>• Number of access points in the town and number of users thereof.</li> <li>• Number and type of operations performed in the access points.</li> <li>• Perceived usefulness of access points in the city of Concepcion.</li> </ul>
	Creating value for users	Creating transactions model B2B (business to business) electronically.	<ul style="list-style-type: none"> <li>• Use of mechanisms other than cash to make payments to suppliers.</li> </ul>
		Recognizing users / potential users and their perceptions about the project.	<ul style="list-style-type: none"> <li>• Perceived usefulness of the activities of Davivienda to enroll in financial products and show the benefit of its use and reduce the cash.</li> <li>• Perception of the usefulness of reducing the cash and use financial products and services.</li> </ul>
		Creating a model of financial inclusion for businesses.	<ul style="list-style-type: none"> <li>• Perceived usefulness of financial products and services aimed at tradesmen.</li> </ul>
DaviPlata Creating intrinsic value. (This refers to the value that the product has for its users.)		<ul style="list-style-type: none"> <li>• Perceived usefulness of DaviPlata.</li> <li>• Reason to use of DaviPlata.</li> <li>• Generating capacity access to other financial services through the use of DaviPlata.</li> <li>• Perceived easiness when using DaviPlata.</li> <li>• Perceptions change financial habits from the use of DaviPlata.</li> </ul>	

## Annex IV. General findings of the field survey.

The results presented are the result of analysis of the information collected through interview guides to key stakeholders (citizens, businesses, participating students of financial education programs), a survey of 40 citizens of Concepción and information provided by banks.



## Annex IV. General findings of the field survey.

### 1. Project achievements

Do	Find	Implication	Evidence <sup>1</sup>
1	The unreliability of the signal does not appear to be a problem for the operation of the project.	Despite considering this as a factor of potential project failure, users of DaviPlata don't consider this as a problem project.	Several respondents (inhabitants of the municipal and rural) said that the signal was not a problem.
2	The people considered the project beneficial, as this has given visibility and "advance" to the municipality.	There is a risk of unsustainability of the project much of the enrollment has been thanks to the constant presence of team of Davivienda and not to the recognition of the benefits of using financial products.	All respondents state that this is a beneficial project for the town because it allows Concepcion to be "at the forefront of new technologies."
3	The project has increased the curiosity of people about financial products.	The activities undertaken by Davivienda have generated interest in the public about products and the financial system.	Some employees of the Cooperative operating in the municipality said that since the project's inception more people have come to their office to find out about the project and financial products and services.
4	The people of Concepción have internalized the discourse of the project.	Advertising has been effective.	Several respondents state that the project will be very useful "when everyone starts to use this (DaviPlata)" but recognize that people are not making active use of the tool.
5	The installation of Wi-Fi at the ATM is a good mechanism to bring financial education tools to the adult population.	More people are able to access the municipality financial education applications.	Davivienda C230 observation and documentation.

<sup>1</sup>The evidence presented was collected through interviews with the people of Concepción and informal conversations in the municipality.

## Annex IV. General findings of the field survey.

### 1. Project achievements

Do	Find	Implication	Evidence
6	Installing Tablet for storekeepers.	Businesses have a better mechanism to control their sales and inventories and improve management of their establishments. However this is still a pilot.	observation C230
7	Students of the chairs of financial education have expertise in money management and financial system.	The chairs of financial education are an effective mechanism for teaching children and youth about responsible money management and operation of the financial system.	Students in fifth and eleventh grade proved to have knowledge on issues such as money management and savings (investment opportunities, access to student loans, etc.) and financial system (banking security, knowledge of existing entities)



## Annex IV. General findings of the field survey.

### 2. Barriers of the project

Do	Find	Implication	Evidence
1	Many people feel that they need financial products because they have no money.	There is a segment of the population that is not likely to be included financially and maintain a fixed level of cash flow in the ecosystem to be constructed.	Both in interviews and informal conversations citizens reported not having or know people who do not use cell phones in the municipality.
2	Many people don't have cellphones.	There is a first access barrier associated with having a cellphone. In such case the acquisition of a cell phone can be seen as a cost of entry.	Several respondents stated that not having a cellphone is a barrier for many people in the municipality. This is also evident in informal conversations with residents of the municipality.
3	Potential signal failure damages the trust of some people in DaviPlata.	<b>Lack of trust</b> being able to use the money when needed functions as a barrier to access.	"So people are also very uncomfortable with that ... They have no cash, they have the cellphone, and when you're going to pay turns out there is no signal, but you already ate, and everything."
4	Some people feel that a financial product is enough.	Several of the citizens who were already financially included see no benefit in DaviPlata activation.	"One does not have much capacity to continue to drive revenue, then with little in the Bank have been driving ... but now I think we have a trail (of entities and financial products) terrible."

## Annex IV. General findings of the field survey.

### 2. Barriers of the project

Do	Find	Implication	Evidence
5	Technology is a barrier.	The use of mobile phones is a barrier to access DaviPlata for people who are unfamiliar with these types of tools.	<p>One trader said he did not use DaviPlata since their low skills to use technology made it easy to be confused when used and would "end swindled".</p> <p>Union employees state that on several occasions people have come to seek help from the office because they have "locked" DaviPlata or at the time of receiving government subsidies they seek help from the employees of the Cooperative.</p>
6	Citizens do not understand the benefits of reducing the cash and financial inclusion.	The lack of knowledge of the background reasons of the project leads to the citizens not understanding about the background benefits.	<p>They talk about "Opening Doors" and "forward" when they don't know how to explain benefits.</p> <p><i>"- That helps to open doors... um maybe with someone else"</i></p> <p><i>- What do you mean?</i></p> <p><i>- What are you asking?"</i></p>

## Annex IV. General findings of the field survey.

### 3. Behavior of citizens throughout the project

Do	Find	Implication	Evidence
1	It does not seem very common to cash-in.	This avoids a considerable amount of money being in DaviPlata, besides the money the state disburses.	Of those interviewed only two have used the option to cash in and have done so only once.
3	Transactions that at various points relate individuals, businesses and government were made.	Davivienda somehow managed to address all stakeholders within the municipality.	observation C230
4	In some users, there doesn't seem to be a continuous and widespread increase in the use of the financial system products.	The activities carried out so far can only be generating replication speech but not a change of habits.	Several of the interviews and respondents reported having DaviPlata but have not used or rarely use it so far.

## Annex IV. General findings of the field survey.

### 4. Perceptions of the citizens (interviewed) regarding the project

No.	Finding	Implication	Evidence
1	Trust and relationships are fundamental	The search to build trust relationships and by having a fieldwork team constantly in the municipality favors the perception people have regarding the product. To build trust relationships, it would have also been good to use other entities that were already in the municipality	Many citizens have manifested that for them it is important to be able to trust whoever is running their money. Some commented that people who did not participate in the project was because they didn't trust it.
2	Even if Some saving accounts Were opened, the project focused on enlisting the inhabitants of Concepción to DaviPlata.	Citizens don't perceive that an alternative <b>Mean to cash is being consolidated</b> while there hasn't been any progress on fronts different from Davivienda. It is creating an ecosystem around this product and not around other products and / or services of the Financial system	<ol style="list-style-type: none"> <li>1. When investigating the interviews and in an Informal way, people remember few Additional activities to the days of banking / personal banking.</li> <li>2. Most activities designed had as an objective To activate the community on DaviPlata.</li> </ol>

1. 40 people were interviewed, ie is not a representative sample of the population of the municipality.

### 4. Perceptions of citizens about the project

Do	Finding	Implication	Evidence
3	Some citizens perceive a lack of planning.	Lack of coordination can generate confusion and uncertainty and hinder the transmission of a clear message to the people.	<i>"It all has been very sudden, DaviPlata came and wanted to do something fast with very little preparation."</i> Most respondents reported not having clarity about the objective of the project in its early stages.
4	The ATM is what gives more visibility to the project.	The ATM is what gives more visibility to the project. Many people believe / believed that to be the essence of the project.	Several respondents mentioned that the ATM is the biggest benefit of the project, they considered it really needed in the village.  Many people believe / believed that to be the essence of the project.
5	In some users there is an expectation that DaviPlata facilitates access to credit.	One of the main attractions of financial products is the further possibility of access to new products. Once you enter the financial system there is an expectation of acquiring more complex products.	Various of respondents they stated that having DaviPlata them could open the door to new products in the financial system. Several of them have said they hoped to obtain credit facilities in the future.

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