

David Morrison
Executive Secretary

New York, 29 June 2009

Re : UNCDF SmartAid for Microfinance Index 2009 report

Dear Alexia:

On behalf of UNCDF, I would like to thank you, CGAP and the Review Board for continuing to offer the Smart Aid Index as a service to CGAP members. UNCDF appreciates the thought and care placed in the further development of the index and indicators, in the analysis of UNCDF's strengths and weaknesses, and suggestions for how we could improve. In the spirit of transparency, we would be grateful if you could post our review on the CGAP Donor Effectiveness website with those of our peers who participated in the 2009 round. We understand that since this constitutes the baseline for future benchmarking, it would be necessary to update the CGAP website accordingly.

As you know from our discussions about how change takes place within an organization, I am a great believer in external peer reviews and stress testing systems. UNCDF has found it extremely valuable to have the neutral, technically-based opinion from CGAP and suggestions for ways we could improve our assistance to build inclusive financial sectors. Further, the process of participating in the Smart Aid Index continues to provide a significant learning opportunity for the entire organization, from senior management to regional advisors and country-based staff. The process of preparing our submission is a great opportunity to review progress against the action plan we prepared to respond to the recommendations made in the previous round. UNCDF will similarly prepare an action plan to follow-up on the recommendations CGAP has provided.


Alexia, we would especially like to note our appreciation for the time and energy you have dedicated to continuing the momentum for Better Aid for Access to Finance. In particular, UNCDF very much appreciates the time you made available to talk through the findings with the UNCDF microfinance technical staff during our recent global retreat to deepen our understanding of the analysis and assist us in thinking through our options for improving performance. This has helped us speed up the process of adopting recommendations.

We look forward to participating in the next round of the Smart Aid Index to continue to benchmark our performance and see if our efforts to improve our effectiveness are succeeding.

Your consideration is appreciated in advance.

Best regards,

David Morrison



cc: Ms. Elizabeth Littlefield, CGAP
Ms. Heather Clark, SmartAid Review Board
Ms. Ruth Goodwin-Groen, SmartAid Review Board
Mr. Richard Rosenberg, SmartAid Review Board, CGAP
Ms. Mayada El-Zoghbi, CGAP
Ms. Barbara Gahwiler, CGAP