

# Developing Inclusive Financial Systems



The CGAP Course for Funders of Microfinance

## DEVELOPING INCLUSIVE FINANCIAL SYSTEMS

- How does microfinance help to reduce poverty?
- Should your agency support microfinance?
- How do you select a good microfinance institution (MFI) to invest in?
- What indicators do you track to measure MFIs' performance?
- What will it take for your agency to support microfinance effectively?

**“This was the best training I have ever participated in. Good quality of content, challenges and yet very good environment for asking questions at all levels of knowledge.”**

(Training Participant, Jordan, June 2009)

## How Can Funders Support Microfinance Effectively?

This is the only microfinance course in the market tailored for donors and investors. This course will give you the knowledge, tools, and network to make the right decisions. The course covers the history, trends, and the fundamentals of how donors and investors can effectively fund microfinance.

It also features field visits to MFIs, where you will meet with clients, management, and staff, while also getting an understanding of the broader policy and market infrastructure opportunities and challenges facing the institutions.

Join the ranks of the 600 people who have already participated in this training. Past participants have included staff from all major donor and investor agencies, such as AFD, AfDB, ADB, CIDA, DFID, EBRD, FMO, IFAD, IFC, KfW, Oikocredit, Sida, UNDP, World Bank, and staff from nongovernmental organizations.

### OUR APPROACH...

Instructors use case studies to simulate a typical microfinance project management cycle: from an initial market assessment to monitoring and performance reporting. Using the latest interactive adult learning techniques, the course offers an engaging and lively environment in which to learn the basic tools of the trade.

You can choose to attend the three-day short course or the five-day full course. Those attending the full course benefit from carefully sequenced sessions that lead to the practical application of good practice principles. Those attending the short course receive a thorough overview of the fundamentals of microfinance.



## MORE ABOUT THE COURSE...

### AGENDA

Day 1	
Introduction	Get to know the trainers and the other participants
Clients at the center	Using a case study, analyze the financial needs of poor clients
Financial systems approach	Review the history of microfinance and discuss the levels of the financial system
Understanding the market—assessments	Review the type of information needed to understand the overall financial system and what it takes to conduct a good assessment
Day 2	
Understanding the market—retail financial service providers	Analyze a case study to review the types of actors that serve the poor and low-income market and identify gaps at the retail level
Understanding the market—market infrastructure and policy issues	Analyze a case study to review the actors and systems that support retail providers and identify gaps at the meso and macro levels
Elements of funder effectiveness	Discuss the main components of being an effective funder
Day 3	
Site visits to MFIs	Make a field visit to a local MFI; meet staff and clients; simulate a mock appraisal
Resources and hot topics in microfinance	Review the main microfinance resources available on the Web; discuss some of the latest developments in microfinance, such as consumer protection and technology
Day 4	
Micro-level projects	Using a case study, analyze the financial statements and ratios of an MFI seeking funding
Meso-level projects	Analyze and make funding decisions on projects that support market infrastructure
Day 5	
Macro-level projects	Analyze projects that address policy and regulatory issues
Monitoring and reporting	Review the main indicators and systems needed for monitoring
Decision	Analyze agencies' comparative advantage and structure; make a funding decision for a set of project proposals
Q&A and action plans	Finalize an action plan and answer any remaining questions

### THE SHORT COURSE

The short course (the first three days of the course) features a broad overview of microfinance:

- What is a financial systems approach?
- Clients at the center—why is access to financial services important?
- Understanding the financial market at the micro, meso, and macro levels
- Financial system gap analysis framework
- What constitutes appropriate roles of funders and factors for effective involvement?
- Site visits to MFIs

### THE FULL COURSE

Two additional days focus on applying skills and knowledge learned to assess a funding request. Specific topics covered include:

- Micro, meso, and macro level project assessment
- Comparative advantage, instruments, collaboration
- How to structure monitoring and reporting

**“Excellent in terms of content, structure, and quality of discussion. Great reinforcement through games and quizzes.”**

(Training Participant, Jordan, June 2009)

## TRAINERS

### Eric Duflos

Eric is a senior microfinance specialist at CGAP working on donor/investor and policy issues. Prior to his work with CGAP, Eric worked on access to finance with UNDP and the World Bank in South East Asia for seven years. He regularly provides training on microfinance at Sciences-Po (Paris) and at the Boulder summer training in Turin.

### Mayada El-Zoghbi

Mayada is a senior microfinance specialist at CGAP working on donor and investor issues. Prior to joining CGAP, she managed a private consulting firm in New York that worked with a variety of funders in microfinance. She also founded and directly managed several MFIs.

### Natasa Goronja

Natasa is currently MICRA Indonesia's Executive Director. Prior to her work with MICRA, Natasa worked at CGAP with a focus on capacity building and donor aid effectiveness. Natasa has worked as a loan officer in an MFI, with an apex facility and the European Commission in Bosnia, and with the Microfinance Center.

### Alexia Latortue

Alexia is a senior microfinance specialist at CGAP. She has led the development of a number of CGAP services for donors and investors. Previously she worked with Development Alternatives, Inc., to build retail capacity and market infrastructure in Haiti.

### Djibril Maguette Mbengue

Djibril is a microfinance specialist with CGAP's Africa Team. Before joining CGAP, Djibril was a portfolio manager at UNCDF. Previously, he worked as an associate director of operations at REMIX, a consulting firm specializing in microfinance. He also was responsible for internal control at Crédit Mutuel du Sénégal, a savings and credit cooperative.

### Alice Nègre

Alice works with CGAP as a consultant on various projects (e.g., the annual funder survey). Previously, Alice worked as managing director of PlaNet Rating and as a consultant for IFC, accompanying MFI transformations and greenfield projects.

**“The training exceeded my expectations.**

**I learned so much more about MFIs in one week than I did in many months before.”**

(Training Participant, Croatia, September 2008)



### About CGAP

CGAP is an independent policy and research center dedicated to advancing financial access for poor people. It is supported by over 30 development agencies and foundations who share a common mission to alleviate poverty.

**For more information** about CGAP and our work with funders, contact us at [cgapbetteraid@worldbank.org](mailto:cgapbetteraid@worldbank.org)