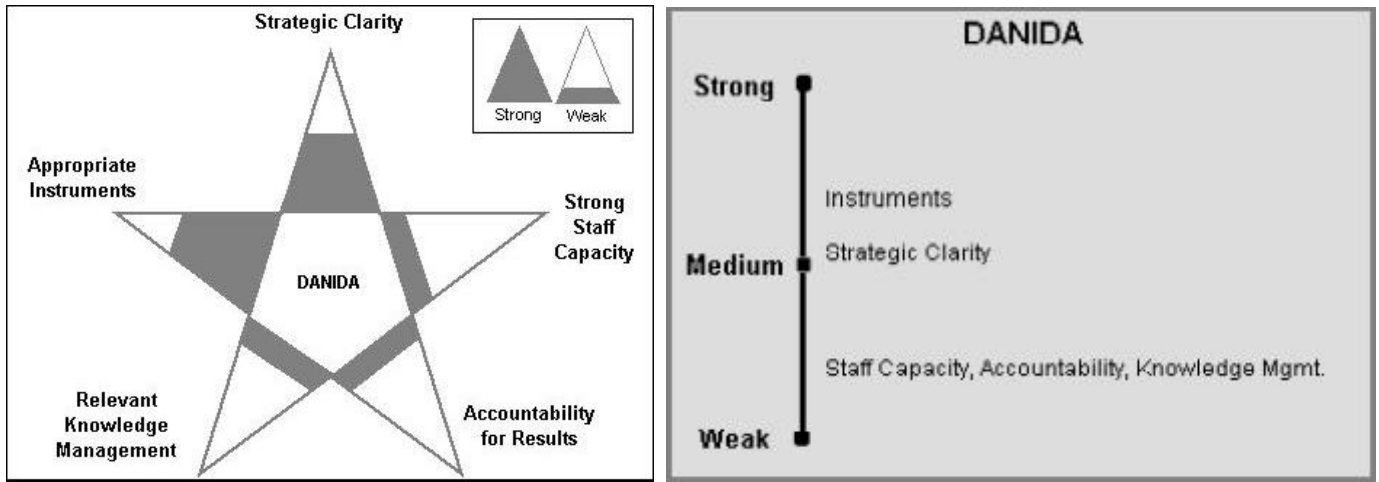


DONOR ASSESSMENTS AND POSITIONING: DANIDA



Assessment Description

The “star” graphic and line graph contain the same information for DANIDA in two formats. They are based on peer assessments (2 donor reviewers and CGAP staff) on the five core elements of effectiveness that emerged from the 17 Microfinance Donor Peer Reviews. They represent a static depiction of the situation at the time of DANIDA’s Peer Review in April and May 2003.

Definitions

These five elements, while not exhaustive, are key to improving aid effectiveness at the individual agency level. These same elements also help determine an agency’s comparative advantage in microfinance vis -à-vis other donors when supporting financial services for the poor.

- *Strategic Clarity*: The extent to which an agency-wide vision of microfinance exists and whether this vision and agency policies are in line with accepted good practice.
- *Strong Staff Capacity*: Whether the microfinance focal unit has sufficient capacity and resources to provide skilled technical support to operational colleagues. Also, whether the overall level of technical capacity is adequate to ensure quality operations.
- *Accountability for Results*: The level of knowledge of the microfinance portfolio (e.g., whether it is “visible” to the agency) and transparency on portfolio performance.
- *Relevant Knowledge Management*: How well the agency learns from its own and others’ experience through the creation, dissemination and use of practical, user-friendly knowledge.
- *Appropriate Instruments*: Whether an agency has instruments that allow it to work directly with the private sector – a critical pre-condition for effectiveness in microfinance. The quality, range and flexibility of instruments are also crucial.