



Advancing Financial Access for the World's Poor

Annual Report
2009



2009 PUBLICATIONS

Briefs

Appraising Microfinance Institutions
Are Deposits a Stable Source of Funding for MFIs?
Are Microcredit Interest Rates Excessive?
Efficiency Drivers of MFIs
The Impact of the Financial Crisis on MFIs and Their Clients
Microfinance Funds Continue to Grow Despite the Crisis
NGO MFI Transformations
The Role of Mobile Operators in Expanding Access to Finance
Variations in Microcredit Interest Rates

Focus Notes

Asset and Liability Management for Deposit-Taking MFIs
Islamic Microfinance
The Global Financial Crisis and Its Impact on Microfinance
Going Cashless at the Point of Sale
Microfinance and Climate Change
Microfinance Managers Consider Online Funding
Realizing the Potential of Branchless Banking

Occasional Papers

The New Moneylenders
Shedding Light on Microfinance Equity Valuation

Technical Guides

Country-Level Savings Assessment Guide
Measuring Results of MFIs
Multi-Country Data Sources for Access to Finance
SmartAid for Microfinance Index 2009 Submissions Guide
Stability of Small Balance Deposits

Other

Microfinance Banana Skins



The logo for OCGAP, featuring a stylized 'O' symbol followed by the letters 'CGAP' in a serif font.

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DEAR FRIENDS AND COLLEAGUES

As we stand back and reflect upon the past year since the first shock wave hit the financial markets, we are proud to be part of an industry that has been agile and resilient while being steadfast and true to its mission. While the damaging effects of the economic and food crises continue to ricochet across the globe, leaving people around the world less secure and more vulnerable, many in the microfinance field have stepped up efforts to ensure clients are protected and actually benefitting from using financial services. At the same time, some recent developments have served to underline the importance of building solid foundations so that microfinance institutions grow responsibly and provide long-term benefits for millions of people worldwide.

As microfinance has grown and matured over the past few decades, it has been increasingly exposed to the glare of public attention with all the opportunities and challenges that affords. Enthusiasm for microfinance has never been greater. Some have used that to draw new sources of funding to the sector. But the dangers for a young, emerging industry of overblown expectations and the understandable, but unrealistic, desire to use financial inclusion as a means to solve a whole set of social ills are also very real.

All in all, microfinance has borne up well in the face of these challenges. And progress in recent years has been striking. As the microfinance industry has become increasingly professional in terms of skills and standards, it has also become part of mainstream finance, tapping into new socially motivated funding and new expertise and making huge strides in terms of transparency. New players have emerged, particularly through new technologies, like mobile telephone applications. The business model has become increasingly disaggregated: New partnerships are emerging every day, between banks and telecommunication companies, postal banks, and microfinance institutions, each playing a discrete role in financial service delivery, opening up the possibility of continued exponential growth.

Most recently, on the standards front, microfinance institutions and investors have rallied around an important set of principles for the treatment of poor clients. The Client Protection Principles have been endorsed by more than 800 practitioners, donors, investors, and other industry stakeholders. A broad group of actors under the umbrella of the Social Performance Task Force have also agreed on a common set of social performance indicators.

On the challenges side of the balance sheet, the maturing microfinance industry has faced a more complex and demanding operating environment.



Calling oneself a microfinance institution is no longer enough. What matters is how institutions operate and interact, and how they meet the needs of low-income clients.



Just over one year after the collapse of Lehman Brothers, we are cautiously optimistic about the impact of the financial crisis on the microfinance industry. But structural issues and operational weaknesses in some institutions and in some markets have been exposed. In some of the fastest moving markets around the world, unrestrained growth (often fuelled by cross-border funding) has led to credit problems, rising portfolio at risk, and cases of over-indebtedness. Political interventions in some places have also caused set-backs.

Yet globally MFIs are continuing to expand and deepen their client reach. And liquidity—particularly that of tier I microfinance institutions—has been less of an issue than we had anticipated.

Throughout this, those institutions that remained focused on the basics have weathered the storm better than the rest: good credit underwriting methodologies, continuous investment in their staff, a focus on deposits and other domestic funding sources, and dedicated engagement with their clients.

Microfinance and how it is faring is only part of the picture. Despite gains in the last few decades, poverty globally is deepening. With ongoing dislocations in prices and markets, there are dangers that progress in the fight against poverty will recede, and it is the poorest countries that will suffer most. Climate change will hit the poorest first, and its effects will be most damaging for those living in poverty.

All of this serves as a clear call to redouble our efforts. Our values remain steady, but calling oneself a microfinance institution is no longer enough. What matters is how institutions operate and interact, and how they meet the needs of low-income clients. We are re-energized in our commitment to improving the lives of poor and low-income people. We should feel proud to have helped build the firm foundations of an industry that meets a demand expressed by poor people around the world. We are grateful for the support of dedicated and professional colleagues throughout this industry, who share in this endeavor. And the anticipation of work to be done fills us with resolve to work ever harder, and do ever better for the clients who inspire us every day.

Sincerely,

Elizabeth L. Littlefield
CEO



Nearly 3 billion poor people in developing countries lack access to the basic financial services needed to help them manage their precarious lives.

ACCESS TO FINANCE

Nearly 3 billion poor people in developing countries lack access to the basic financial services needed to help them manage their precarious lives.

Access to financial services—whether in the form of savings, credit, money transfers, or insurance—is a fundamental tool for improving a family’s well-being and productive capacity. It empowers the poor by reducing their vulnerability, and offering them opportunities to improve their lives.

When poor people have access to financial services, they invest in assets such as sending their children to school, buying medicines and more nutritious food, fixing a leaky roof, or building income-earning potential by investing in their own enterprises.

CGAP: WHO WE ARE

CGAP is an independent research and policy organization dedicated to expanding access to finance for poor people around the world. We are housed in the World Bank and supported by over 30 development agencies

and private foundations that share our mission of alleviating poverty by advancing access to financial services.

We work with the financial industry, governments, donors, investors, and a network of worldwide partners to help microfinance more effectively serve the needs of poor people.

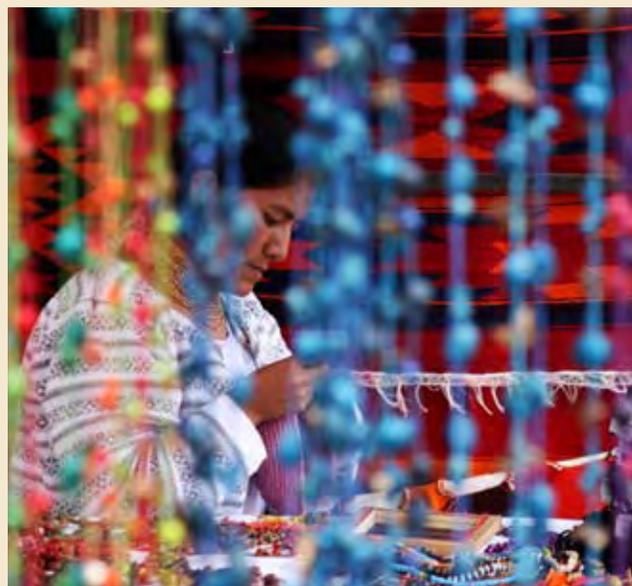
We offer a range of research and advisory services to spur the growth and development of microfinance.

OUR VISION

CGAP works toward a world in which poor people are considered valued clients of their country’s financial system. We aim to help build efficient and equitable local financial markets that serve all poor people with diverse, convenient, high-quality, and affordable financial services.

CGAP 2009 HIGHLIGHTS

- How are microfinance clients coping with the global financial crisis and economic downturn? Are microfinance institutions (MFIs) proving resilient, as they did during previous financial crises? **CGAP has developed a series of responses to the financial crisis.** These responses include a **virtual conference** to collect and exchange information from the field, a **survey of 400 MFIs** across the world, and an analytical paper, “The Global Financial Crisis and Its Impact of Microfinance.”
- **Three new projects were approved as part of CGAP’s Technology Program, co-funded by the Bill & Melinda Gates Foundation:** an initiative with Orange, the largest mobile network operator in West Africa, to roll out a mobile money financial product in Mali; a branchless banking service in Brazil with Banco Santander, focused on low-income clients; and a project with Eko, an agent company in India, to create an agent network to deliver savings and remittance services to new customers of State Bank of India in Bihar and Uttar Pradesh.
- The CGAP–Ford Foundation Graduation Program, which aims to create **a pathway out of poverty for the poorest of the poor, now counts nine pilots** (in Ethiopia, Haiti, Honduras, India, Pakistan, Peru, and Yemen) that carefully sequence grants, assets transfers, livelihood training, and financial services. In Haiti, nearly 150 destitute women graduated from **Chemen Lavi Miyo**, the first households to have completed the 18 month program and moved from extreme poverty into sustainable livelihoods.
- **More than 1,400 MFIs reported to the Microfinance Information Exchange (MIX), up from 1,250 MFIs in 2008.** MIX is the leading provider of **business information and data services for the microfinance industry.** Created by CGAP and spun off in 2002, MIX is now co-funded by CGAP, the Bill & Melinda Gates Foundation, Citigroup Foundation, Deutsche Bank Americas Foundation, MasterCard Foundation, Open Society Institute, and Rockdale Foundation.
- CGAP, the Ford Foundation, and the Michael & Susan Dell Foundation launched the **Social Performance Transparency Awards.** Thanks to this initiative, more than 150 MFIs have reported on their social performance to MIX, using a common set of social performance indicators developed by the Social Performance Task Force.



- The **Information Systems Program**, a joint partnership between CGAP and the European Union, helped finance 39 MFIs to conduct assessments of their information systems and conducted consumer reviews of 15 microfinance MIS software programs.
- CGAP provided **advice on laws or policy reforms affecting microfinance** in 17 countries: Algeria, Bangladesh, Burundi, Egypt, India, Iraq, Kosovo, Liberia, Malawi, Nepal, Nigeria, Palestinian Territory, Russia, Rwanda, Sierra Leone, Sri Lanka, and Turkmenistan.
- CGAP conducted 22 **country-specific and region-specific policy consultations and awareness-building events** in 18 countries: Algeria, Azerbaijan, Bangladesh, Colombia, Haiti, Democratic Republic of Congo, Egypt, Guinea, India, Indonesia, Malaysia, the Maldives, Nicaragua, Nigeria, Russia, Rwanda, Sri Lanka, and Vietnam.
- CGAP completed the first-ever **Global Microfinance Funder Survey** of cross-border funding in microfinance. The 54 funders participating in the survey had a total of \$11.7 billion committed to microfinance as of December 2007. The six largest funders, accounting for more than half of all the funding combined, were the Asian Development Bank, KfW, the World Bank, IFAD, IFC, and EBRD.
- CGAP's 2009 **Survey of Microfinance Investment Vehicles (MIVs)** provided an overview of the specialized private equity funds that have emerged over the past few years and are attracting a broad range of socially oriented investors. Fifty-eight MIVs, representing 86 percent of assets under management, participated in the survey. In collaboration with a working group of investors and microfinance networks, CGAP developed environmental, social, and governance indicators that MIVs will report on next year.
- Eleven funders (AECID, AFD, AfDB, EC, GTZ, IFAD, IFC, ILO, MIF, SDC, and UNCDF) participated in the second round of the **SmartAid for Microfinance Index**, a tool that measures how well funders are set up to support microfinance. Participating agencies receive a report with a score, an analysis of its strengths and weaknesses, and recommendations for improvements.
- CGAP provided **tailored advisory services to 12 funding agencies**, ranging from advising on microfinance strategies, reviewing new projects or initiatives, and facilitating the development of core performance indicators for microfinance projects. We also offered five week-long training courses for the staff of funding agencies.





CGAP STRATEGY

CGAP's objective is to help build financial systems that work for the poor by developing local, deposit-driven financial markets. We aim to ensure that finance for the poor is fully integrated into mainstream markets, and that markets are **equitable**—that they benefit poor people at all levels of poverty—and **efficient**, so that poor people do not pay for inefficiency in systems or institutions.

In June 2007, CGAP's members endorsed the strategy for the next five years of CGAP (2008–2013).

Over the coming years, CGAP's work will focus on three roles that emerge from our comparative advantage as identified by our stakeholders, and shaped by extensive industry-wide consultations:

- Develop standards and provide advocacy and advisory services around those standards.
- Provide objective, high-quality market intelligence complemented by sector data and analytics.
- Support experimental new approaches, delivery channels, and product designs.

We aim to be an informed, intelligent, credible, and objective industry organization that advocates for poor people. We are prepared to take on controversial issues and, when necessary, take unpopular positions. Building on our role as a convening platform for the microfinance industry, we seek to stimulate and facilitate industry debate.

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ABOUT THIS REPORT

This Annual Report presents CGAP's work in fiscal year 2009 (July 1, 2008, through June 30, 2009). This work is described according to the key strategic areas set forth by CGAP's members for 2003–2013.

Financial Market Infrastructure—Helping to develop efficient financial delivery mechanisms that are able to process small transactions at low cost and provide reliable information on the performance of microfinance providers.

Government and Policy—Promoting supportive policy environments for microfinance by advising policy makers and regulators on issues that affect poor people's access to finance, developing diagnostics on policy issues, and disseminating research and guidelines on appropriate microfinance regulations.

Donors and Investors—Helping donors and investors use their resources more effectively by increasing transparency on funding, developing standards and guidelines and building consensus around them, training and advising funders on how to improve their funding, and developing research and publications.

Data, Analytics, and Research—Providing data, research, and analysis on access to finance and key issues in the microfinance sector.

Communications and publications are a cornerstone of CGAP's role as a knowledge center and convening platform for the microfinance industry. Our communications and publications help to maximize the uptake and impact of CGAP's work.

Monitoring and evaluation is used to track the performance of internally managed projects and financial commitments to external institutions.





Building Financial Market Infrastructure

One of the key challenges facing microfinance today is how to reduce the costs of making financial services available to poor people, so that it is affordable and sustainable for both clients and providers. For microfinance to scale up, it needs delivery models that can reach poor people more efficiently—particularly in rural and hard-to-reach areas—and provide access to a broad range of financial services. Building a sustainable microfinance industry also requires reliable and standardized information on the performance of microfinance providers to help inform decision making.

CGAP has invested in understanding cost-reducing models and improving the market infrastructure for microfinance. Our work in this area includes exploring innovative delivery approaches that are more efficient and are able to reach the poorest, promoting new services and products that meet the financial needs of poor people, and building transparency on the financial and social performance of microfinance providers.

Improving Delivery Models and Financial Services for the Poor

New Delivery Technologies

The goal of CGAP's Technology Program, co-funded by the Bill & Melinda Gates Foundation, is to demonstrate new technology-based financial service delivery mechanisms models that can dramatically expand poor people's access to financial services.

Modern technologies, such as cell phones and smartcards, are rapidly transforming the way people use and access financial services. Consider this: More than a billion people in the world do not have a basic bank account but do own a cell phone. This number is expected to increase to 1.7 billion in 2012. This provides a dramatic opportunity to expand access to finance to poor people and achieve financial inclusion.

Mobile phone banking and other technologies are already dramatically reducing the costs that banks and MFIs incur in providing financial services to low-income populations. With much lower costs and more convenient services, we would expect formal financial services to become more attractive to poor people than the

informal, more costly—and often less secure—options they have today.

To successfully apply technology solutions to improve financial access on a large scale, a number of things need to happen: there must be multiple physical retail access points, low-cost and tailored services, simple and clear product disclosures, and sound providers. All of this can emerge only with changes in institutional cultures, consumer behaviors, and a common set of regulatory approaches. Solving these problems requires having a deep understanding of poor customers' options and preferences, providing risk-taking incentives for commercial players, sensitizing central bank authorities to new regulatory approaches, and finding creative ways for everyone in the system to benefit from these services.

CGAP's objective is to massively increase access to finance for poor people by demonstrating viable technology approaches that overcome constraints to poor

people's access to payments services and, ultimately, to loan and savings services and advocating for regulatory frameworks that balance opportunities for expanded access with adequate protection for consumers and the financial system.

To this end, CGAP offers grant funding for demonstration projects that have the near-term potential to rapidly scale up access to finance; conducts market research on poor people's use of technology for financial services; and advises financial institutions, governments, funders, and technology companies on the interface among access to finance, technology, and regulation.

Branchless Banking Demonstration Projects

To date, CGAP, with funding from the Bill & Melinda Gates Foundation, has financed and helped shape 17 technology-based demonstration projects targeting millions of unbanked people in 12 countries (Brazil, Colombia, Ecuador, India, Kenya, the Maldives, Mali, Mexico, Mongolia, Pakistan, the Philippines, and South Africa). These include five new projects approved in FY2009.

Highlights of CGAP's technology pilots:

- In the Philippines, GXI, the mobile commerce unit of Globe Telecom, has partnered with CGAP to bring its **mobile banking services to remote areas of the Philippines**. To date, the pilot project has signed up more than 100,000 low-income customers.
- In the Indian state of Andhra Pradesh, the Society for the Elimination of Rural Poverty (a government agency) is implementing—with the support of CGAP and the World Bank—a pilot project to **reduce the costs of banking for 800,000 informal savings and credit groups by using computerized accounting systems**. This first-of-its-kind initiative has enabled community bookkeepers to conduct
- their accounting in real time. As a result, the self-help groups' 9 million members—mostly women—will have access to a centralized information system that will create individual credit profiles for each member, improve the quality of information for decision making, and enable the groups to access loans at lower cost from commercial banks.
- WIZZIT, a virtual bank in South Africa, teamed up with CGAP to **pilot mobile banking services in the largely rural province** of Limpopo, using a mix of radio programming and an intensive marketing campaign aimed at reaching the unbanked.
- With the support of the World Bank and CGAP, the Monetary Authority of the Maldives is implementing a **mobile banking project that would provide a branchless solution to banking in a country scattered over 250 islands**. The project involves building the country's payments infrastructure from scratch, leapfrogging traditional development patterns.



Branchless banking is the delivery of financial services outside conventional bank branches, using information and communications technologies and nonbank retail agents, such as card-based networks or mobile phones.

In FY2009, CGAP published four new research papers on branchless banking:

- **“Realizing the Potential of Branchless Banking: Challenges Ahead”** explores the main challenges for the mass deployment of branchless banking channels: understanding what drives customers, making the economics work for cash agents, providing transactional accounts for all, and identifying shared industry models and business cases.
- **“Banking for Mobiles: Why, How, and for Whom?”** examines how banks and smaller MFIs can translate the potential of mobile phones into greater financial access for poor people. With effective partnerships and good technical decisions, there is a strong opportunity for banks to reach unbanked customers with a broad range of financial services.
- **“Going Cashless at the Point of Sale: Hits and Misses in Developed Countries”** looks at the experience of six e-money schemes in developed countries and identifies lessons learned that can be used to inform e-money experiments in developing countries.
- **“The Role of Mobile Network Operators in Access to Finance”** analyzes the comparative advantages of mobile operators in offering mobile payment services. These core strengths include a network of physical retail outlets, secure electronic transactions, a simple transaction processing platform, and a mass marketing capacity that has reached lower income people in ways that banks often have not.

Through these pilots, new technologies are being tested, ranging from mobile payments, deposits, transfers, and credits; to point-of-sale agent services at retail outlets; to backend integration; to credit and debit cards and other technologies. These new business models are explored in partnerships with a wide range of stakeholders, from grassroots organizations to local businesses, to telecommunications companies, and to governments.

Through these projects and our own research, CGAP has gained valuable insights and helped advance knowledge on **branchless banking** as a low-cost channel to deliver financial services to poor people in rural and remote areas.

Branchless banking is a relatively new phenomenon. Further research and experimentation are needed around issues such as customer adoption, financial products, the regulatory framework, and other factors that will determine how these services can become fully profitable and scaled up.

The Policy Challenge

In countries where branchless banking has taken hold, financial regulators share a common challenge: how to formulate a regulatory approach that provides space for innovation but also protects clients and allows branchless banking to scale up in a sound way. Despite regulatory challenges, policy makers continue to be interested in mobile banking as a means of providing financial access to the unbanked. CGAP works with policy makers across the converging domains of finance, payments, and telecommunications to build coherent policy and regulatory frameworks that balance customer needs with concern for security and prudential regulation.

In FY2009, responding to policy makers’ growing demand for guidance on regulating branchless banking, CGAP undertook comprehensive diagnostics of the branchless banking environment in three countries (Jordan, Indonesia, and Nigeria), adding to the 11 diagnostics completed in 2007–2008. For the second year in a row, CGAP, DFID, and the Alliance for Financial Inclusion organized a global seminar in Windsor, United



The CGAP and Ford Foundation Graduation Program: Creating a Pathway to Help the Poorest Move Themselves out of Extreme Poverty

Microcredit can be a critical tool for helping poor people increase income, build assets, and become less vulnerable. However, with a few exceptions, microcredit rarely reaches those living in extreme poverty. For chronically destitute people who are without regular income, other forms of assistance might be needed—such as access to food, clean water, basic infrastructure, housing, and income-generating opportunities—before they can make effective use of microcredit.

Launched in 2006 by CGAP and the Ford Foundation, the Graduation Program is an effort to “graduate” the poorest out of extreme poverty by carefully sequencing safety nets, asset transfers, livelihood training, and financial services over an 18- to 24-month period. The program is based on a methodology developed by the Bangladesh Rural Advancement Committee’s Targeting the Ultra Poor Program. The graduation model incorporates the targeting and transfer elements of social safety net programs and introduces entrepreneurial activity through training, an asset grant, savings services, and eventually access to credit.

Since 2007, nine graduation pilots have been launched in seven countries to test the feasibility of the graduation model in diverse economic settings. These included four new projects in FY2009—in Ethiopia, Honduras, Peru, and Yemen—adding to the five projects already underway in India, Pakistan, and Haiti. FY2009 yielded the very first “graduates” from the initial pilot in Haiti and India. Mid-term evaluations

were conducted of the earlier pilots. In addition, the Graduation Program has developed and is implementing a set of simple indicators to monitor changes in participants’ social and economic conditions.

First Results. Chemen Lavi Miyo, the pilot implemented by Fonkoze, the largest MFI in Haiti, reached “graduation” in early 2009. The 150 program participants were drawn from the poorest, most food-insecure, and most vulnerable households in Haiti in terms of kinship support. To graduate from the program, participants had to meet the following criteria: a secure supply of food at least once a day, a solid roof over their head, at least two income-generating activities, assets worth at least \$150, and a plan for the future. Of the 150 participants, 95 met these criteria and graduated from the program. Of these, 75 percent immediately went on to borrow their first small loan, starting at \$25, from Fonkoze’s Ti Kredi program, a stepping stone to eventual access to Fonkoze’s standard loan products. Perhaps just as important as the financial access they gained, 95 percent of participants reported they had the confidence to provide for their families. Based on these positive results, Fonkoze plans to scale up the pilot in other regions and to reach 5,000 of Haiti’s poorest households by 2015.



Savings

Research has repeatedly demonstrated that saving is central to poor people's economic management strategies. Poor people worldwide want safe, convenient savings services that they can access easily. Deposits are also an important source of funding for MFIs. A CGAP survey of MFIs at the height of the financial crisis showed that most deposit-taking MFIs, including many savings-led institutions in Africa, fared better compared to MFIs that relied solely on cross-border funding.

CGAP seeks to advance the knowledge and practice of small-balance savings mobilization among financial institutions, policy makers, and funders, and to promote deposit mobilization as a critical source of local funding for MFIs. We do this through research and advocacy with a wide range of stakeholders.

In FY2009, new CGAP publications further contributed to knowledge about the role of savings for MFIs:

- **"Asset and Liability Management for Deposit-Taking Microfinance Institutions"** examines the policies and procedures that are important to help deposit-taking MFIs manage financial risk.
- **"Are Deposits a Stable Source of Funding for Microfinance Institutions?"** finds that aggregate balances for low-income accounts are usually more stable than for high-balance accounts.
- Initial findings for an upcoming paper, **"The Business Case for Small-Balance Savings,"** suggest that small savers can generate a substantial share of profits for some microfinance providers, when one looks at total client profitability and takes into account revenue from clients' use of other services.

Kingdom, for high-level policy makers and regulators from 17 countries where branchless banking is taking hold. The seminar has quickly gained recognition, and discussions are underway to replicate it at the regional level. The Windsor seminar is co-funded by the Bill & Melinda Gates Foundation.

Information Systems Program

Inadequate internal information systems are consistently cited as one of the greatest challenges faced by MFIs around the world. It is widely recognized that technology can help MFIs improve efficiency, reduce costs, and increase outreach. However, many MFIs lack sufficient funds or technical expertise to invest in suitable backend technologies such as management information systems. In a 2009 CGAP survey, many MFIs cited inadequacies in their information systems as an obstacle to effective social performance management and reporting. The survey also showed that 20 percent of MFIs are still using manual systems or spreadsheets to manage their loan portfolio, a decrease from nearly 50 percent since the 2004 survey, indicating a significant shift toward computerization.

Created by CGAP in partnership with the European Union's Africa, Caribbean and Pacific Programme, the Information Systems Program provides co-funding to MFIs for advisory services by independent consultants on a range of technology issues, independent reviews of commercial off-the-shelf software for microfinance, and diagnostic tools that MFIs can use to self-assess their technology preparedness. In FY2009, CGAP helped finance 39 information systems assessments for MFIs (41 percent in ACP countries) and conducted consumer reviews of 15 microfinance management information system software programs.

Building Financial and Social Transparency in Microfinance

High-quality reporting on the social and financial performance of MFIs is a precondition to scaling up. Reliable and comparable data allow investors, managers, and clients to make informed decisions.

Improving performance information throughout the microfinance industry is a core CGAP function. CGAP promotes financial and social transparency in microfinance through standardized reporting formats, data collection, research, and award programs.

Microfinance Information Exchange

Created by CGAP and spun off in 2002, MIX is the leading source of data on MFIs. It offers reliable, comparable, and publicly available information on the performance of MFIs and the organizations that fund them, through MIX Market (www.mixmarket.org) and *Micro-Banking Bulletin*. As of June 30, 2009, more than 1,400 MFIs reported to MIX. MIX Market users can run comparative and trend analysis and access MFIs' annual reports as well as audit and rating reports. MIX operates as a nonprofit private company funded by CGAP, the Bill & Melinda Gates Foundation, Citigroup Foundation, Deutsche Bank Americas Foundation, MasterCard Foundation, Open Society Institute, and Rockdale Foundation. CGAP has two board seats, provides active oversight, and partners with MIX on research projects.

Social Performance Reporting

Microfinance practitioners and the investors that fund them want to know whether microfinance is achieving its social goals—improved living standards of microfinance clients and their families. Formed in 2005 by the Ford Foundation, the Argidius Foundation, and CGAP, the Social Performance Task Force (SPTF) is a group of about 300 microfinance practitioners, donors, researchers, and others that has taken on the challenge of developing consensus on standardized measures of social performance in microfinance. In 2009, SPTF agreed on 21 standardized indicators, including clients and geographical outreach, range of products and services, and client protection practices. SPTF plays a key role in building consensus on key social performance indicators at the level of microfinance providers and in supporting the development of social performance tools, such as social audits, social ratings, and poverty measurement tools for MFI clients.

In 2009, to encourage MFIs to improve their social performance reporting, CGAP, the Ford Foundation, and the Michael & Susan Dell Foundation joined efforts to launch the Social Performance Transparency Reporting Awards. Modeled on CGAP's Financial Transparency Awards and deployed through MIX Market, the awards recognize microfinance providers that report on the common set of social performance indicators. Thanks to this initiative, over 170 MFIs have reported on social performance to MIX in 2009.



CGAP promotes financial and social transparency in microfinance through standardized reporting formats, data collection, research, and award programs.

FOSTERING SUPPORTIVE POLICY ENVIRONMENTS

Many developing country governments are turning to microfinance as an important tool for improving the lives of their poor citizens. CGAP works with governments to foster policy and regulatory environments that are helpful to increasing access to finance, enhancing financial stability, and protecting poor clients.

Despite initial concerns that the search for appropriate regulatory responses in the wake of the financial crisis might result in policies that hinder access to finance, there have been no significant regulatory setbacks in emerging markets resulting directly from the crisis. In fact, recent developments point to a strengthened commitment to financial inclusion: the Basel Committee's expansion to include emerging market countries with strong commitments to access to finance and the Financial Action Task Force's recognition of how increased financial inclusion helps anti-money laundering and combating the financing of terrorism (AML/CFT) efforts. Even the G20, as early as its second post-crisis summit, cited the importance of financial inclusion and the promise of new tools, such as branchless banking, to reach the world's poor. This is not to say that the danger of policy reversals is behind us. CGAP will continue to be attentive to policy developments, particularly in highly competitive markets where policy makers and politicians may perceive microfinance to have strayed away from its core principles.

Our goals in the policy area are to establish supportive legal and regulatory frameworks that safeguard poor people's money, promote competition, and help build the technical expertise of government supervisory and regulatory authorities. Typically, CGAP policy advisory work includes country-level policy consultations; diagnostics of the policy environment for microfinance and specific subissues; reviews of draft policy, laws, and regulations affecting microfinance; training of regulatory staff; policy seminars and

workshops; and research.

CGAP's policy advisory services continued to grow in FY2009, driven by continued government interest in microfinance. Key areas were policy and regulation for branchless banking, new frontiers in regulation and supervision of microfinance, consumer protection, and the role of government in providing financial services to poor people.

International and Country-Level Policy Consultations

Upon request, CGAP engages in country-level consultations with government agencies that wish to improve the policy environment for access to finance in their country.

In FY2009, CGAP did the following:

- Conducted 22 country- and region-specific policy consultations and awareness-building events in 18 countries (Algeria, Azerbaijan, Bangladesh, Colombia, Haiti, DRC, Egypt, Guinea, India, Indonesia, Malaysia, the Maldives, Nicaragua, Nigeria, Russia, Rwanda, Sri Lanka, and Vietnam) and hosted a range of events targeting audiences from Sub-Saharan Africa, Eastern and Central Europe, East Asia/Pacific, and South Asia.
- Conducted diagnostic policy analyses in 14 countries (Azerbaijan, Argentina, Egypt, El Salvador, India, Indonesia, Jordan, Kenya, Malaysia, Mozambique, Nigeria, Russia, Sri Lanka, and Vietnam).
- Provided comments on microfinance-related laws or policy reforms in 17 countries (Algeria, Bangladesh, Burundi, Egypt, India, Iraq, Kosovo, Liberia, Malawi, Nepal, Nigeria, Palestinian Territory, Russia, Rwanda, Sierra Leone, Sri Lanka, and Turkmenistan).

As the delivery of financial services via electronic channels takes hold in many countries, guidance on regulatory approaches to branchless banking continues to be in demand from policy makers. High-level



policy makers from 18 countries participated in the second CGAP Global Leadership Seminar on Branchless Banking to discuss common challenges in regulating branchless banking.

With the topic of “responsible finance” very much a concern in the wake of the global financial crisis, greater attention is being paid to financial consumer protection around the world, particularly for low-income customers. In addition to mobilizing funder support for the Campaign for Client Protection in Microfinance, a collaborative endorsed and led by a broad coalition of MFIs, networks, funders, and practitioners, CGAP has been exploring how government regulation to support consumer protection—typically through market conduct rules—can create a foundation for healthy financial inclusion in the long term. Diagnostic work in countries such as South Africa, Cambodia, Malaysia, Kenya, Peru, and Brazil is laying the base for a forthcoming suite of research papers and technical guides on how to strike this balance with basic regulation in the areas of transparency and disclosure, fair practices, and recourse mechanisms. One area of specific focus is adapting these basic tools of consumer protection to branchless banking, where

the use of nonbank agents and technologies to deliver financial services are raising new issues.

Regulation Resource Center

The Regulation Resource Center is an online global database that provides detailed country-level information on microfinance-related regulation and supervision in over 50 countries, as well as country-specific recommended reading and links to related resources. This unique product is popular with policy makers, regulators, and microfinance practitioners alike as understanding how best to create an enabling regulatory environment becomes a higher level priority for CGAP stakeholder groups. In FY2009, the Regulation Resource Center began implementing a strategy to significantly broaden its coverage to include topics beyond core microfinance regulation and supervision, such as consumer protection and branchless banking regulation, to pair regulatory information with country-level data and analytics on microfinance, and to restructure the Regulation Resource Center to enable regular information updates.

REGIONAL INITIATIVES

CGAP's regional initiatives in Africa, Eastern Europe and Central Asia, the Middle East and North Africa, and South Asia support CGAP's policy dialogue with governments, efforts to improve the effectiveness of funding, and communications with a wide range of stakeholders operating at the field level. CGAP's presence on the ground is multiplied by our partnerships throughout the world, including valued relationships with national and regional networks of microfinance practitioners and field staff of CGAP member organizations.

Africa

CGAP continued its deep and longstanding involvement in Africa in 2009, with special attention to providing advisory services to governments and central banks, promoting transparency on MFIs' performance, and advising donors and investors in the region. In FY2009 CGAP recruited two regional representatives for the Africa region: one based in Abidjan, Côte d'Ivoire, for Francophone Africa, and one based in Nairobi, Kenya, in partnership with DFID, for East and South Africa.

2009 Highlights

- After nine successful years, **CAPAF, CGAP's Capacity Building Program for Francophone Africa**, closed in FY2009. An external evaluation found that CAPAF is widely recognized for having contributed to a paradigm shift in the region by introducing a more market-led approach to microfinance and building the competencies of local players. Through partnership with 19 regional and national training institutes, CAPAF partners trained more than 8,000 people from 16 countries in Francophone Africa.

- At the request of governments, CGAP conducted **diagnostics of the policy framework for microfinance and comment on draft policy reforms and national microfinance strategies** in Liberia, Nigeria, Democratic Republic of Congo, Rwanda, Malawi, Sierra Leone, Mozambique, Burundi, and Guinea.
- More than 60 regional leaders from 19 Central and West African countries gathered at the **2nd Africa Policy Forum in Kigali, Rwanda**. Issues at the top of the agenda were regulation and supervision of MFIs, regulation of branchless banking and credit reporting agencies, and client protection. The forum was organized by CGAP in partnership with the Central Bank of Rwanda and co-funded by the Alliance for Financial Inclusion, the Making Finance Work for Africa partnership, and IFC.
- With increasing interest in branchless banking in Africa, CGAP **facilitated three branchless banking seminars for policy makers in Rwanda, Democratic Republic of Congo, and Nigeria**. Participants addressed key issues such as the logic behind branchless banking, the use of agents, consumer protection, and the implications for AML/CFT.
- CGAP continued its close engagement with BCEAO on strengthening microfinance supervision capacity through a regional project co-funded by CGAP, SIDA, and UNCDF. A mid-term evaluation in 2009 found that the project has had a positive impact on the regional regulatory framework for access to finance and recommended that it be extended until 2011.
- Several of CGAP's innovative projects are in Africa. In collaboration with the Ethiopian Government, USAID, and Italy, CGAP **launched a new graduation pilot in Ethiopia** targeting beneficiaries of the government's food-for-work program. On the technology side, CGAP partnered with Orange, the leading telecommunications provider in West Africa, to **develop Orange Money, its new mobile phone money transfer services**, to improve access to financial services in Mali, Senegal, and the Ivory Coast.



Eastern Europe and Central Asia

CGAP's activities in Eastern Europe and Central Asia are primarily focused on deepening strong relationships with regulatory authorities and policy makers in the region, as well as providing advisory services to leading donors and public investors. In this work, CGAP is supported by longstanding partnerships with two key regional microfinance associations and resource centers: the Microfinance Center for Central and Eastern Europe and the Newly Independent States (MFC) in Poland and the Russian Microfinance Center (RMC) in Russia.

2009 Highlights

- CGAP and RMC have been working on **advancing the financial inclusion agenda in Russia** and the broader NIS region. In 2009, with technical input from CGAP and RMC, the new framework legislation on financial cooperatives in Russia was adopted and progress was made on regulations for branchless banking models.
- CGAP continued its collaboration with MIX in mapping the regional microfinance landscape. A key output was the annual analytical report on the state of microfinance in Eastern Europe and Central Asia, including funders' activities and latest policy developments.
- CGAP has been closely working with key regional funders, particularly with EBRD, UNDP, and KfW, by providing both rapid response advice and in-depth analysis on issues such as country policy diagnostics, microfinance legislation, MFI transformation, and inputs in project design in Azerbaijan, Kosovo, Kyrgyzstan, Russia, Turkmenistan, and Uzbekistan.
- Together with RMC, CGAP translated key policy publications into Russian that were widely disseminated among policy makers and other stakeholders in Eastern Europe and Central Asia.



Middle East and North Africa

CGAP's work in the Middle East and North Africa continued to focus on stimulating improvements in the policy and regulatory frameworks, improving aid effectiveness, funding innovations, and building awareness of microfinance good practices.

2009 Highlights

- In collaboration with the Sanabel Microfinance Network, CGAP sponsored the first **Microfinance Policy Forum for the Arab World** in Beirut, Lebanon. The forum provided a platform for central bankers and policy makers from 11 Arab countries to discuss strategies for expanding financial access in a region where only 15 percent of the demand for microfinance is being met. Common policy challenges include the need for credit bureaus, the transformation of NGO MFIs into licensed commercial institutions, and the need to meet the demand for microfinance products that are compliant with Islamic finance principles.
- With its potential to significantly expand access to finance in the Muslim world, **Islamic microfinance** was the topic of a CGAP publication based on information collected from 125 institutions in 19 Muslim countries.
- At the country level, CGAP conducted **assessments of the policy framework for microfinance and branchless banking** in Jordan and Egypt, at the request of the government.
- CGAP and Ford Foundation launched a **graduation project in southern Yemen**, in partnership with the Social Fund for Development, an autonomous government agency for economic and social welfare projects, and the Social Welfare Fund, Yemen's primary social assistance project.
- As a **resource for field-based donors**, CGAP provided advisory services to IFC, KfW, and IFAD on their microfinance programs in the region.
- More than **300 documents** have been translated into Arabic. They are available online at the Arabic Microfinance Gateway Web site. An average of 32 news articles is posted to the homepage each month.





CGAP helps donors and investors improve the effectiveness of their funding by providing information on funding to the microfinance sector globally.



IMPROVING THE EFFECTIVENESS OF MICROFINANCE FUNDING

As microfinance has transformed over the past decade, so too has its range of funders. Today, public donors are joined by social and commercial investors, private equity, and a range of private foundations.

While the credit crunch that began in the United States has affected the funding flows for both developed and emerging markets, the effect has not been as pronounced for microfinance. In fact, the annual CGAP Funder Survey conducted in 2009 reveals that microfinance flows have largely been maintained at constant levels during 2008.

Donors and public investors have been the main cross-border funders of microfinance in the past, and they remain a significant source of funding. Today, they are joined by over 100 MIVs that channel funding to MFIs from institutional and retail investors; and local funding sources, including government-funded institutions, deposits, local investors, banks, and capital markets. Customer deposits are the largest and most important source of funds.

When done well, cross-border funding can help leverage sustainable local sources of funding, like deposits or local bank lending, rather than compete with them or crowd them out. Effectively leveraging and supporting the development of local financial markets remain a challenge in many regions.

CGAP helps donors and investors improve the effectiveness of their funding by providing information on funding to the microfinance sector globally. We also provide more targeted and selective support to a range of development institutions to help improve the quality of funding by promoting good practice standards and offering strategic advisory services.

Improving Transparency on Funding

2008 Microfinance Funder Survey

CGAP's annual survey of cross-border funding for microfinance helps the industry better understand where money for microfinance comes from, where it goes, and how it is used. The 54 funders participating in the 2009 survey had \$11.7 billion committed to microfinance as of December 2007; \$2.5 billion of that amount was disbursed in 2007. The six largest microfinance funders were the Asian Development Bank, KfW, the World Bank, IFAD, IFC, and EBRD, which together contributed more than half of overall funding. Eastern and Central Europe and South Asia received close to half of total funding. In South Asia, multilateral donors provided most of the funding, while 85 percent of the funding in Eastern and Central Europe came from investors. Debt was the most widely used instrument (63 percent), followed by grants (19 percent). The results of the survey were disseminated through easy-to-read global and regional snapshots and 23 individual benchmarking reports. The information also was distributed and discussed at numerous events. Data from the survey were mentioned in the media, including coverage in *The Economist*, and cited in many funders' strategy papers.

2008 MIV Survey and environmental, social, and governance indicators

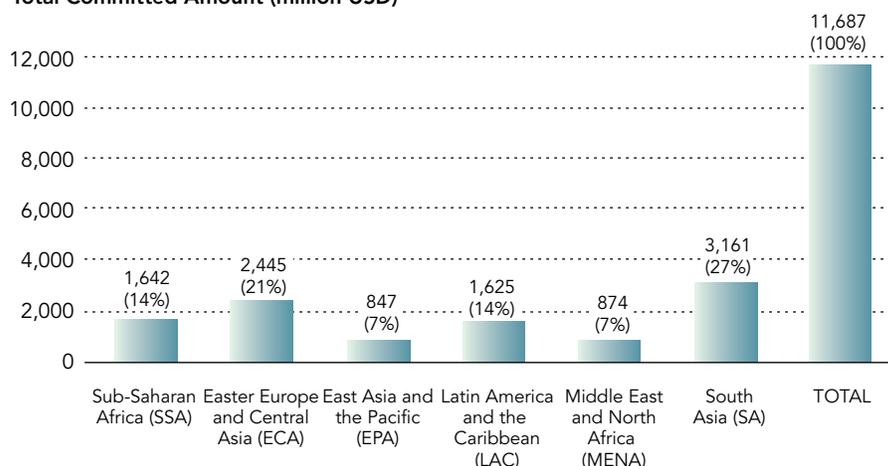
MIVs are private investment funds that play an increasingly important financial intermediation role between foreign investors and MFIs. This new and fast-growing investment opportunity is attracting a broad range of investors, many of whom are socially oriented. Fifty-eight MIVs, representing 86 percent of assets under management as of December 2007, participated in this year's survey. The report provides an overview of the MIV landscape and offers insights on the financial performance of the funds. In collaboration with a working group of investors and microfinance networks, CGAP developed environmental, social, and governance indicators that MIVs will report on next year.

Global Scan of Local Wholesale Facilities (Apexes)

In 2009, CGAP conducted a global scan of local wholesale facilities. Also known as apexes, local wholesale facilities are entities that channel wholesale funding to MFIs, mostly in the form of debt. They are typically funded by governments and donors, with KfW, the World Bank, IADB, IFAD, and EC being the most active donors. The survey identified 79 such facilities in 46

countries with over \$2 billion on-lent to MFIs in 2007. Disbursement volumes are highest in South Asia and Latin America. The findings of the survey were published on microfinancegateway.org.

Total Committed Amount (million USD)



Promoting Good Practice Standards

SmartAid for Microfinance Index

The SmartAid for Microfinance Index is the first effort of its kind to measure and rate development institutions' management of microfinance funding. The index is designed to help funders understand how their internal management systems, policies, procedures, and incentives affect their microfinance operations. It was developed by CGAP in partnership with its members and with advice from experts from the Center for Global Development, OECD, and the United Nations Institute for Development Economics Research (WIDER) University. The index uses nine indicators and is described in detail in the Technical Guide *SmartAid for Microfinance Index 2009 Submission Guide*. Participating funders receive a report with a score, analysis of strengths and weaknesses, good practice highlights, and recommendations for improvement.

Following the 2007 pilot round, SmartAid 2009 is the baseline year of the index. Eleven funders participated in this round: the Spanish Agency for International Cooperation and Development (AECID), the French Agency for Development (AFD), the African Development Bank (AfDB), the European Commission (EC), the German Agency for Technical Cooperation (GTZ), the International Fund for Agricultural Development (IFAD), the International Finance Corporation (IFC), the International Labour Organisation (ILO), the Multilateral Investment Fund (MIF), the Swiss Agency for Development and Cooperation (SDC), and the United Nations Capital Development Fund (UNCDF). Lessons from the SmartAid Index show that most funding agencies have microfinance strategies and policies that reflect good practices and standards and use appropriate instruments to achieve their strategies. However, translating strategies and using instruments well in everyday operations remains a challenge. CGAP is organizing bilateral consultations with SmartAid participants and has also published feature stories that track the impact of SmartAid on participating institutions.

Client Protection Principles

The Client Protection Principles are part of a microfinance industry-wide initiative to ensure that providers take steps to protect low-income clients from potentially harmful financial practices. Building on work by microfinance providers, international networks, and national microfinance associations to develop pro-consumer codes of conduct and practices, CGAP participated in a broad consultative process with ACCION International's Center for Financial Inclusion and other organizations to develop six Client Protection Principles. The Principles describe the minimum that microfinance clients should be able to expect from financial service providers, such as avoidance of

CLIENT PROTECTION PRINCIPLES

1. Avoidance of over-indebtedness
2. Transparent pricing
3. Appropriate collection practices
4. Ethical staff behavior
5. Mechanisms for redress of grievances
6. Privacy of client data

over-indebtedness, transparent pricing, and appropriate collection practices.

In 2009, CGAP mobilized the support of microfinance donors and investors for the Global Campaign for Client Protection to endorse the Principles. More than 85 funders have endorsed the Client Protection Principles, including 19 CGAP members. By endorsing the Principles, donors and investors commit to incorporate client protection into their investment and funding policies and operations, investment contracts, and monitoring systems. CGAP is working with investors to help them incorporate the Principles into their investment processes.

Guide to Core Performance Indicators

Funding agencies' microfinance programs and investments produce better results when design, reporting, and monitoring systems focus explicitly on key performance measures that are tracked and reported regularly. In 2009, CGAP published the Technical Guide *Measuring Results of Microfinance Institutions: Minimum Indicators that Donors and Investors Should Track* specifically for funding agency staff who design or monitor projects that fund MFIs or community-managed loan funds.

Strategic Advisory Services and Learning Events

On request, CGAP provides strategic advisory services to help funders improve their microfinance operations. We prioritize advisory work in five areas: strategy and management systems, accountability mechanisms, staff development, project reviews, and brokering relationships. We work with donors and investors at both headquarter and field levels, with priority given to funders that have significant leverage to influence the microfinance market.

Highlights

- **Funders' roundtable on the impact of the financial crisis on microfinance.** In collaboration with EBRD, DFID, and Citi Foundation, CGAP convened 12 of its members in December 2008 to share observations on the impact of the financial crisis on microfinance and to review individual and joint crisis responses. One output of this work was the Brief "Microfinance Funds Continue to Grow Despite the Crisis," which found that MIVs, unlike most asset classes, have been relatively unscathed by the financial crisis. Indeed, the assets of the top 10 MIVs grew by 32 percent in 2008.
- **Second investor roundtable on responsible finance.** Leading microfinance asset management companies, development finance institutions, rating agencies, and support organizations met to discuss the latest trends in the socially responsible investment market. Concrete measures were adopted to promote transparency on client protection, core social performance indicators, and economic, social, and governance disclosures for microfinance investment funds.
- **EU/ACP Microfinance Programme.** CGAP has seconded a full-time staff member to Brussels to manage the European Commission's €15 million flagship microfinance program for Africa, the Caribbean, and Pacific (ACP). An external mid-term review found that "the Programme has successfully achieved its objective of improving the overall effectiveness of microfinance operations in ACP countries through institutional strengthening, microfinance rating and increased efficiency and transparency."
- **Training courses for funder staff in Croatia, Jordan, and Rwanda.** CGAP's week-long microfinance course for nonspecialists was offered in three locations and attended by 76 people from 29 countries, including staff from development finance institutions, social investment funds, commercial banks, local wholesale facilities (apexes), central banks, and government ministries. The course was significantly updated in 2009 to reflect evolutions in the microfinance sector. CGAP also provided tailored courses for the staff of the EC and the World Bank.

In addition, CGAP staff and regional representatives provided tailored advisory services to numerous funders. These services ranged from advising funders on their microfinance strategies and policies, reviewing new projects and initiatives, and facilitating the development of core performance indicators for microfinance projects. Key engagements in 2009 included support to the Australian Agency for International Development in reviewing and developing its microfinance strategy and to the World Bank in developing core performance indicators for microfinance operations.



CGAP prioritizes advisory work in five areas: strategy and management systems, accountability mechanisms, staff development, project reviews, and brokering relationships.



RESEARCH, DATA, AND ANALYTICS

In the past year, CGAP has made considerable efforts to build its capacity to gather, analyze, and disseminate key global data on access to finance. Our work to date has centered on monitoring current industry data and trends and analyzing their implications for the microfinance industry.

Impact of the Crisis on Microfinance

In FY2009 a significant part of our work focused on monitoring the impact of the financial crisis on microfinance clients and service providers and developing appropriate responses to the crisis. Leveraging CGAP's role as a convening platform for the industry, we quickly gathered and analyzed key data as global events unfolded, using this information to engage with policy makers and funders on appropriate responses to the evolving situation.

Highlights

- **Virtual conference on the impact of the crisis.** In November 2008 CGAP organized a three-day virtual conference to gather information on the impact of the crisis that drew more than 600 participants. A call for a “back-to-basics” approach of focusing on managed growth, good risk management, and adherence to sound credit procedures emerged from the discussion.
- **Survey of MFIs on the impact of crisis.** In March 2009 CGAP surveyed more than 400 MFIs around the world to assess the impact of the global financial crisis on MFIs and their clients. The survey found that sustained high food prices, severe economic contraction, and massive job losses have affected microfinance clients, with many MFIs reporting that their clients are cutting back on nonfood expenses and, in some cases, struggling with loan repayments. Many institutions reported difficulty in accessing funding and liquidity constraints but were optimistic about the medium term.
- **Focus Note on the global financial crisis.** CGAP published a Focus Note on the impact of the crisis at three different levels: clients, MFIs, and donors and investors. While the financial market turmoil and global recession were affecting microfinance in a way that previous crises did not, we found that, overall, the mi-

crofinance sector is fundamentally robust and may emerge even stronger. With cross-border financing most severely affected, the crisis has highlighted the importance of local sources of funding, in particular local deposits.

2009 Financial Access Survey

CGAP's Financial Access Survey measures access to financial services and tracks the progress of financial inclusion in countries around the world. The survey collects information from financial regulation in 139 countries and compares indicators of access to savings, credit, and payment services in banks and nonbank regulated financial institutions. Financial access indicators include the number of deposit accounts and loans, the number of deposit clients and borrowers, and the number of financial access points, such as bank branches, agents, and automatic teller machines. The survey found that lower income people are served mainly by nonbank financial institutions, including cooperatives, specialized state financial institutions, and deposit-taking MFIs, where average deposits are smaller. An analysis of survey results is published in *Financial Access 2009*—the first in a series of annual reports documenting the status of access to financial services around the world.

Microfinance Banana Skins Report

Microfinance Banana Skins 2009 illustrates a sharp shift in risk perceptions in the microfinance sector. The report ranks the main risks to the microfinance sector, as seen from the perspective of 400 microfinance practitioners, investors, regulators, and analysts in 82 countries. According to the 2009 survey findings, the largest risks stem from the financial crisis: surge in bad loans, shortage of liquidity and funding, and declining profitability. Other top concerns are the ability of MFIs to manage their way through the crisis due to weaknesses in management and corporate governance. *Microfinance Banana Skins 2009* is published by the Center for the Study for Financial Innovation and is sponsored by Citi Foundation and CGAP.

MONITORING AND EVALUATION

In 2009, CGAP committed \$2.1 million in new grants and initiatives. This included projects approved by the Investment Committee (IC) in March 2009 (\$1.75 million for Phase III of MIX, \$300,000 for Social Performance Transparency, and \$70,000 for the Microfinance Banana Skins report). This represented a significant decrease in new commitments from FY2008 (\$8.6 million) as several large multi-year grants and initiatives were approved in 2008 and are currently underway.

To monitor and evaluate these projects, CGAP uses a combination of review mechanisms that include reviews by the management team and the IC, internal monitoring reports, annual work plan reports, and work plan updates to the Council of Governors (CG) and the Executive Committee (Excom).

Internal Monitoring

Performance threshold targets and monitoring indicators are established at the outset of all CGAP projects as part of the proposal process. Proposals are reviewed and approved by management and then by the IC, which comprises of senior World Bank Group technical staff and representatives from the Excom and CG. Monitoring reports are completed for all projects semi-annually. At the end of each project, a final report highlights key accomplishments, failures, and lessons learned. These reports are reviewed by management and available to CGAP members and other interested partners.

External Evaluations

In addition to internal monitoring reports of individual projects, CGAP commissions independent external

evaluations of major initiatives to measure outcomes against the objectives of specific projects. Like many development organizations, CGAP is continuously re-assessing its monitoring and evaluation system with a view toward strengthening the way it monitors its activities.

Over the next five years, we expect to be able to demonstrate impact on CGAP strategic priority areas: (i) building a more efficient financial market infrastructure for microfinance (new delivery models for financial services and greater transparency on financial and social performance), (ii) fostering more supportive policy environments that balance increased access, financial stability, and the protection of poor people, and (iii) improving the effectiveness of funding for access to finance. We have developed a results management system that spans priority areas of work as a means of systematically monitoring and measuring performance.

Within each of these priority areas of work, independent external evaluations or reviews will be commissioned as a means of benchmarking success to date or flagging the need to change course.

The results management system includes the following:

- A results framework that articulates broad industry goals for access to finance and details CGAP's expected outputs and outcomes.
- A more robust internal monitoring and evaluation system with regular portfolio reviews, continual independent evaluations, and reviews to benchmark successes and identify areas for improvement.

After four years of activity under the current strategy (2008–2013), CGAP's members will initiate an external process to evaluate CGAP's efficiency, efficacy, and relevance, as well as its performance against agreed-upon five-year performance targets.



COMMUNICATIONS AND PUBLICATIONS

CGAP's communications strategy focuses on increasing the impact of our work through engagement, advocacy, and outreach. At the heart of our communications strategy is a commitment to provide high-quality and timely information on microfinance that is easily accessible through multiple entry points, whether in print, online, or through press and other industry channels.

In FY2009, our communications efforts focused on telling the microfinance story and conveying CGAP's messages more effectively through improved data and analysis, targeted outreach, and awareness building via multimedia communications tools.

Building on CGAP's reputation as a thought leader for the microfinance industry, in FY2009 we used our convening platform to advocate for industry standards, mobilizing the support of donors and investors to sign on microfinance industry-wide Client Protection Principles and promoting core performance indicators that funding agency staff should track when designing or monitoring microfinance projects. We were among the first to provide early data and analysis on the impact of the global financial crisis on microfinance through a series of events and original research, including a virtual conference to collect information on the effects of the crisis at the field level, a funders' roundtable to assess early responses, an opinion survey of more than 400 MFIs across the globe, and a sector-wide analysis. We continued to promote dialogue among policy makers, funders, and industry leaders on key issues affecting access to finance, such as branchless banking, consumer protection, and risk management.

In FY2009, CGAP published 35 new research papers, ranging from short pieces signaling early trends, to comprehensive analyses of specific topics, to technical guides for microfinance practitioners, funders, and policy makers. Our publications reached approximately 100,000 people through print and Web downloads. An average of 16,000 print pieces per month were distributed through direct mail and at conferences, totaling 200,000 individual print pieces and 5,000 CDs offering all of CGAP's key publications. CGAP publications are translated into French and Spanish for regional distribution in Francophone Africa and Latin America and disseminated widely through partnerships with national and regional microfinance networks. More than 100 CGAP publications were translated into French, Spanish, Portuguese, Arabic, Russian, Chinese, and Bahasa; they are available on cgap.org.

CGAP staff spoke at more than 100 public events. In addition to providing microfinance background information to the press, CGAP was cited more than 600 times in mainstream, regional, and trade press as an authority on microfinance and a credible source of data for the industry.

CGAP made increasing use of multimedia communications to stimulate dialogue and information exchange on key issues affecting the microfinance industry. We held a virtual conference that convened over 600 microfinance practitioners, central bankers, donors, investors, and other stakeholders from 34 countries, to collect information on the impact of the global financial crisis at the field level. We ran an average of two blog posts a week on our Microfinance Blog and Technology Blog, and we piloted a series of webinars on branchless banking that reached hundreds of people virtually.

The Microfinance Gateway (www.microfinance-gateway.org) continues to be the most comprehensive online resource for the global microfinance community. The Web site encourages knowledge exchange by providing access to the latest research and publications, feature articles on industry trends and developments, organizations and consultants' profiles, job postings, and current news and events in the field. With 4 million page views and nearly 1 million visits over the year, the Gateway consistently ranks at the top in the Google search for microfinance. About 54,000 individual users visited the site each month on average in FY2009, representing a growth of 6 percent from the previous year.

A highlight of the year was the relaunch in May 2009 of the Microfinance Gateway onto a new platform with an updated look, interactive features, and additional resources. Comments, ratings, and reviews are now available on articles and library documents, features that have proven very popular with Gateway users. Also in response to user demand, a training section and hot topic pages on investment, microinsurance, policy, rural and agricultural finance, savings, social performance, and technology were added.

The Microfinance Gateway published 11 original feature articles in partnership with industry players on hot issues in microfinance, such as how the global financial and food price crises impacted MFIs and clients, the return of the glass ceiling and the importance of women's leadership for the industry, and the environmental bottom line. The Microfinance Gateway continued to expand global outreach through affiliate language sites in French (www.french.microfinancegateway.org) and Arabic (www.arabic.microfinancegateway.org) in cooperation with partner organizations GRET and ADA in France and Sanabel in Egypt. A Spanish-language site, in partnership with INCAE Business School in Costa Rica, was launched in August 2009.





GOVERNANCE STRUCTURE

CGAP has an autonomous governance structure that consists of the Council of Governors (CG) of member donors, the Executive Committee (Excom), and the Investment Committee (IC). Housed at the World Bank, the Operational Team implements CGAP's activities.

The CG is CGAP's highest governing body and operates as a general assembly. It is responsible for setting CGAP's broad policies and strategic direction, providing inputs to the annual work plan and budget, adopting and implementing CGAP's consensus documents and guidelines, and determining the extension or disbandment of CGAP. The CG currently has 34 members: these include bilateral and multilateral development agencies, regional development banks, development finance institutions, and private foundations.

The Excom functions as CGAP's board and executive governing body. It has oversight of CGAP's activities and is responsible for providing strategic guidance to the Operational Team and approving the work plan and budget on behalf of the CG. The Excom is composed of representatives of the CG and leading microfinance industry experts.

The IC provides fiduciary oversight of CGAP. The IC makes decisions on key CGAP investment allocations and allocations for projects with budgets of more than US\$100,000. It meets several times a year and consists of senior-level World Bank Group managers.

The Operational Team, overseen by CGAP's Operational Management Team, is responsible for implementing CGAP's activities and programs. A representative office in Paris provides outreach and advisory services to funders.

MEMBER DONORS 2009

Multilateral Member Donors

AFRICAN DEVELOPMENT BANK (AfDB)

Representative: Leila Farah Mokadem
BP. 323 1002
Tunis Belvédère
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www.afdb.org

ASIAN DEVELOPMENT BANK (AsDB)

Representatives: Noritaka Akamatsu and Betty Wilkinson
6 ADB Ave., Mandaluyong City 1550
Metro Manila
The Philippines
www.adb.org

EUROPEAN COMMISSION (EC)

EuropeAid

Representatives: David Domes, Mariusz Tamborski, and Stefania Zaninello
Rue de la Loi 41, 9/9
1040 Brussels
Belgium
www.europe.eu.int

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

Representatives: Chikako Kuno and Alfonso Vega
One Exchange Square
London EC2A 2JN
United Kingdom
www.ebrd.org

EUROPEAN INVESTMENT BANK (EIB)

Representatives: Cyrille Arnould and Edvardas Bumsteinas
100 Boulevard Konrad Adenauer
2950 Luxembourg
Luxembourg
www.eib.org

INTER-AMERICAN DEVELOPMENT BANK (IDB)/MULTILATERAL INVESTMENT FUND (MIF)

Representatives: Sandra H. Darville, Julie Katzman, Tomas Miller, and Dieter Wittkowski
1300 New York Ave., N.W.
Washington, DC 20577
United States
www.iadb.org

INTERNATIONAL FINANCE CORPORATION (IFC)

Representative: Martin Holtmann
2121 Pennsylvania Ave., N.W.
Washington, DC 20433
United States
www.ifc.org

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

Representatives: Michael Hamp, Francesco Rispoli, and Jamie Anderson
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00142 Rome
Italy
www.ifad.org

INTERNATIONAL LABOUR ORGANIZATION (ILO)

Representatives: Bernd Balkenhol and Craig Churchill
4, route des Morillons
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www.ilo.org

UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)/UNDP

Representatives: Henri Dommel and John Tucker
2 UN Plaza, 26th Floor
New York, NY 10017
United States
www.undp.org

WORLD BANK

Representatives: Renate Kloepfinger Todd and Simon Bell
1818 H St., N.W.
Washington, DC 20433
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Bilateral Member Donors

AUSTRALIA

Australian Agency for International Development (AusAID)

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Representative: Jonathan Rothschild
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Ministry for Foreign Affairs of Finland

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FRANCE

Agence Française de Développement (AFD)

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Rabobank Foundation

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Netherlands Development Finance Company (FMO)

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www.fmo.nl

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Norwegian Agency for Development Cooperation (NORAD)

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Ministry of Foreign Affairs of Norway

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CGAP FINANCIAL STATEMENTS

Projections for year ending June 30, 2009

CGAP is a trust-funded consortium of 33 members with a mandate of advancing access to financial services to the world's poor. It is housed in the World Bank, which, on behalf of other member donors, has legal, financial, and administrative oversight of CGAP. CGAP's grants, projects, and most of its initiatives span more than one fiscal year. CGAP follows the World Bank's fiscal year, which ends on June 30.

These financial statements include a Statement of Revenues and Expenses, a Balance Sheet, a Statement of Cash Flows, and accompanying notes. They are unaudited. Internal audits are performed by the World Bank.

Key Highlights

- **Donor Contributions.** Total donor contributions in 2009 was \$16 million. Contributions to CGAP's core budget this year reached a three-year high at \$12 million. As this was the first year in the launch of a new five-year strategy, this represents a significant commitment by CGAP members. Also, more CGAP members are contributing than ever before with only five members not contributing. Total contributions (including designated funds) were significantly higher in 2008 (\$24.8 million) due to a funding advance related to the CGAP/Gates Technology Initiative.
- **Grant Commitments.** In 2009, CGAP committed \$2.1 million in new grants and initiatives. This included projects approved by the Investment Committee in March 2009 (\$1.75 million for Phase III of Microfinance Information Exchange, \$300,000 for Social Performance Transparency, and \$70,000 for the Microfinance Banana Skins report). This represented a significant decrease in new commitments from FY2008 (\$8.6 million) as several large multi-year grants and initiatives were approved in 2008 that are currently underway.
- **Operating Expenses.** Operating expenses increased to \$10.8 million (\$9.6 million in 2008). This was due primarily to costs associated with new hires. CGAP has ramped up its staff complement in Washington, D.C., and Paris in response to demand and to the mandate to perform more staff-intensive advisory and standards work and less external grants. The array of regional representative models (fully staffed World Bank offices, regional hubs through partnerships/joint ventures, etc.) has been closed and replaced with a lighter, more consistent model of five consultants. The prior model for regional representatives cost approximately \$700,000 in FY2008 for three regional hubs. In FY2009, the approximate cost for four regional consultants (with one starting late in the fiscal year) was lower at \$505,000.
- **Communications Costs.** CGAP's communications costs include publications, mailings, translations, Microfinance Gateway, and dissemination by regional and national networks. Commitments for communications activities was down to \$1.8 million in 2009 when compared to \$2.4 million in 2008. Our publications output increased in 2009 to 18 publications (72 including translations) from 13 publications (52 including translations) in 2008.
- **IT Activities.** This year represented the second consecutive year of significant investment in CGAP's IT infrastructure. Our internal and external Web presence has become far more complex and dynamic. Commitments for IT activities decreased in 2009 (\$0.9 million) compared to 2008 (\$1.2 million). We have experienced significant challenges with IT software configuration and vendor management issues over the last two years. Transitioning to a single platform for all CGAP Web and data services has been costly and problematic. With appropriate staffing and deliverables-based vendor contracts, we expect that many of these challenges will be resolved in the near future.

- **Financial Position.** CGAP's financial position is sound. At the end of 2009, reserves stood at \$9.1 million (compared to \$6.7 million in 2008). These reserves are meant to smooth the planning and execution of ongoing CGAP activities and cushion the effect of delays in donor contributions. In 2009, reserves represented roughly 10 months of "business as usual" operations and 12.5 months of "bare minimum" operations.

1. Basis of Accounting

CGAP changed its financial reporting to accrual based in 2003. This gives the reader a fuller understanding of CGAP's financial position by showing funds approved for commitments separately from funds available for ongoing operations and future commitments. Resources are expensed when committed to projects.

Revenue from donor pledges is recognized when written notification of a donor's intent to process the grant is received. In most cases, pledges are fulfilled during the fiscal year they were made but often they are received in the following year(s).

These (unaudited) financial statements are prepared on a historical cost convention and are denominated in United States dollars.

2. Contributions from Donors— Core & Designated

Donor contributions (including pledges that have not yet been received but are being processed by the donor), interest income, and foreign exchange gains compose CGAP's revenues. Donor contributions can be unrestricted (core), or in exceptional cases once a donor has made a core contribution, limited to a specific purpose (designated). Amounts of donor contributions to CGAP's core funds can also be found in the table on page xx, CGAP Member Donor Contributions and Pledges, Fiscal Years 2008–2010.

The Statement of Revenues and Expenses shows donor contributions allocated for fiscal years 2008 and 2009. The Statement of Cash Flows/Inflows, on the other hand, shows all donor contributions received during the fiscal year regardless of the fiscal year to which they relate.

3. Interest Income and Foreign Exchange Gains

Interest Income is the interest received during the fiscal year on cash balances held. Foreign exchange gains are the difference between the estimated U.S. dollar equivalent of donor contributions appearing in previous years' financial statements and the actual U.S. dollar value of the contribution when it was finally converted to U.S. dollars. Interest income in 2009 was \$1.6 million.

4. Grants and Initiatives

This expense category relates to CGAP's work program via grants to microfinance institutions and networks, as well as initiatives focused on policy issues, financial and social transparency, accountability, technology development, transfers/remittances, and other multi-component projects managed by CGAP staff. Project-related commitments for consultants and travel come out of this category. Approved commitments that are not fully disbursed when they are closed are returned to the original trust fund where the commitments were derived. Commitment amounts are therefore reported net of returns.

5. Operating Expenses

Operating expenses comprise the following:

- Staff Salaries and Benefits include salaries and benefits of direct-hire CGAP staff.
- Office and Occupancy Costs include space, equipment, communications, supplies, and other overhead expenses.
- Monitoring and Evaluation include costs of consultants, travel, meetings related to the external evaluation of CGAP initiatives.
- Project Preparation and Rapid Response include consultant and travel costs for one-off, quick response activities incurred before the activity is approved by CGAP's Investment Committee and for other expenses approved by the CEO but that do not fall within any of the IC-approved projects.
- Field Consultants include fees, basic office and communication expenses, and travel of regional representative consultants, and costs of CGAP-sponsored regional events.

- CGAP Internships include the costs of associate microfinance analysts and the Summer Fellows program.
- CGAP Representation, Member Services and Training include costs that are not related to grants and initiatives (airfare, subsistence, and hotel costs to give presentations, participate in others' events, fund presenters, trainers of CGAP staff, CGAP hosted meetings, and brown bags).
- Communications Activities include publishing, printing, editing, and all Web sites, including Microfinance Gateway and CGAP.org costs, etc.
- Information Technology Activities include Web site development and maintenance, CGAP's intranet services, and back end database support for project data, monitoring and evaluation, and market intelligence.
- CG and Excom Meetings include travel, facilities, food services, and other expenses connected with the CG and Excom meetings.
- Foreign Exchange Loss is the difference between the estimated U.S. dollar equivalent of donor contributions appearing in previous years' financial statements and the actual U.S. dollar value of the contribution when it was finally converted to U.S. dollars.
- Cancelled Pledge is donor contributions included in the previous year's financial statements but cancelled.
- Administration Fees are levied by the World Bank for costs related to trust fund administration (currently at 5% of contribution).

6. Operating Reserves

Reserves are funds available for ongoing operations and future commitments. Given that CGAP is not a self-standing, permanent entity, an operating reserve is maintained to cushion the effects of delays in donor contributions and to allow an orderly wind down of CGAP activities if and when member donors decide to discontinue CGAP's operations in its present form.

7. Bank Balances

Bank balances on hand represent CGAP's available cash balances. In FY 2009, this amount was \$10.2 million.

Bank balances representing approved commitments that are in the process of being disbursed and hence not available for new commitments is \$22.5 million.

8. Donor Contributions Receivable

| | FY08 | FY09 |
|---------------------|------------------|------------------|
| European Commission | 1,608,094 | 622,475 |
| France (AFD) | 210,000 | 543,036 |
| Germany | 369,650 | 311,238 |
| Japan | 300,000 | 300,000 |
| Luxembourg | | 435,732 |
| Norway | 547,146 | 560,770 |
| Omidyar | | 300,000 |
| United Kingdom | | 145,118 |
| TOTAL | 3,034,891 | 3,218,369 |

9. Liabilities

The undisbursed portion of Grants, Initiatives, and Communications Activities represents funding commitments approved not yet disbursed.

10. Contributions Received in Advance

| | FY08 | FY09 |
|------------------|----------------|------------------|
| Australia | 279,565 | 814,600 |
| IFAD | | 300,000 |
| Italy | | 203,829 |
| Gates Foundation | | 3,064,940 |
| TOTAL | 279,565 | 4,383,368 |

CGAP FINANCIAL STATEMENTS

Fiscal Years Ending June 30, 2009 and June 30, 2008

| | Notes | Actual July 2008– June 2009 | Actual July 2007– June 2008 |
|--|----------|--------------------------------|--------------------------------|
| Statement of Revenues and Expenses | | | |
| REVENUES | | | |
| Contributions from Donors—Core & Designated | 2 | 16,027,632 | 24,855,134 |
| Interest Income | 3 | 1,619,301 | 2,679,369 |
| Foreign exchange gains | 3 | | 630,366 |
| Total Revenues (A) | | 17,646,933 | 28,164,869 |
| EXPENSES | | | |
| Grants/Initiatives Committed | 4 | 2,120,000 | 8,555,723 |
| CGAP/Gates Technology Initiative | 4 | 2,500,000 | 12,316,910 |
| Staff Salaries and Benefits | 5 | 3,787,564 | 2,852,841 |
| Office and Occupancy Costs | 5 | 1,289,924 | 1,274,140 |
| Monitoring and Evaluation | 5 | 2,797 | 20,939 |
| Project Preparation and Rapid Response | 5 | 81,687 | 313,207 |
| CGAP Field Consultants | 5 | 505,010 | |
| CGAP Internships | 5 | 254,328 | 360,145 |
| CGAP Staff Travel/Representation and Service Providers | 5 | 895,848 | 755,330 |
| Communications Activities | 5 | 1,778,049 | 2,418,421 |
| IT Activities | 5 | 921,951 | 1,194,448 |
| CG and ExCom Meetings | 5 | 253,746 | 263,116 |
| Foreign Exchange Losses | 5 | 338,010 | |
| Cancelled Pledges | 5 | | 400,000 |
| Administration Fee | 5 | 513,020 | 703,213 |
| Total Expenses (B) | | 15,241,934 | 31,428,433 |
| Excess of Revenues over Expenses for the year (A)-(B) | | 2,404,999 | (3,263,564) |
| Operating Reserves at beginning of the fiscal year | | 6,676,214 | 9,939,778 |
| Operating Reserves at the end of the fiscal year | 6 | 9,081,212 | 6,676,214 |
| Balance Sheet | | | |
| ASSETS | | | |
| Bank Balances on hand | 7 | 10,246,211 | 3,920,888 |
| Bank Balances relating to Undisbursed Grants/ Initiatives and Communications Activities | 7 | 22,477,178 | 33,124,701 |
| Donor Contributions Receivable | 8 | 3,218,369 | 3,034,891 |
| Total Assets | | 35,941,758 | 40,080,480 |
| LIABILITIES | | | |
| Bank Balances relating to Undisbursed Grants/ Initiatives and Communications Activities | 9 | 22,477,178 | 33,124,701 |
| Contributions Received in Advance | 10 | 4,383,368 | 279,565 |
| Total Liabilities | | 26,860,546 | 33,404,266 |
| Operating Reserves/(Net Assets) | 6 | 9,081,212 | 6,676,214 |
| Total Liabilities and Net Assets | | 35,941,758 | 40,080,480 |

| | Notes | Actual July 2008– June 2009 | Actual July 2007– June 2008 |
|--|----------|--------------------------------|--------------------------------|
| Statement of Cash Flows | | | |
| INFLOWS | | | |
| Donor Contributions Received | 2 | 18,209,361 | 22,400,913 |
| Interest Income | 3 | 1,619,301 | 2,679,369 |
| Foreign Exchange Gains | 3 | | 630,366 |
| Total Inflows | | 19,828,662 | 25,710,648 |
| OUTFLOWS | | | |
| Cash spent against previous commitments | | 7,135,829 | 8,624,662 |
| Grant disbursements | 4 | 2,254,210 | 5,134,439 |
| Disbursements related to initiatives | 4 | 4,881,619 | 3,490,223 |
| Cash spent against current year commitments | | 1,242,609 | 715,163 |
| Grant disbursements | 4 | 650,000 | - |
| Disbursements related to initiatives | 4 | 5,912 | 401,956 |
| Project preparation and rapid response | 5 | 81,687 | 313,207 |
| CGAP field consultants | 5 | 505,010 | |
| CGAP/Gates Technology Initiative | 4 | 4,928,050 | 2,687,206 |
| Grant disbursements | | 2,351,538 | 687,989 |
| Disbursements related to initiatives | | 2,576,512 | 1,999,217 |
| Operating expenses | 5 | 10,844,374 | 9,571,294 |
| Staff salaries and benefits | | 3,787,564 | 2,852,841 |
| Office and occupancy costs | | 1,289,924 | 1,274,140 |
| Monitoring and evaluation | | 2,797 | 20,939 |
| CGAP internships | | 254,328 | 360,145 |
| CGAP staff travel/representation and service providers | | 895,848 | 755,330 |
| Communications activities | | 2,587,186 | 2,256,452 |
| IT activities | | 921,951 | 685,118 |
| CG and ExCom meetings | | 253,746 | 263,116 |
| Foreign exchange loss | | 338,010 | - |
| Cancelled pledge | | | 400,000 |
| Administration fee | | 513,020 | 703,213 |
| Net increase/(decrease) in undisbursed grants/ initiatives, and communications activities | | (10,647,523) | 9,750,045 |
| Total Outflows | | 13,503,339 | 31,348,370 |
| NET INCREASE (DECREASE) IN CASH | | 6,325,323 | (5,637,722) |
| Bank balances on hand at beginning of the fiscal year | | 3,920,888 | 9,558,610 |
| Bank balances on hand at end of the fiscal year | 7 | 10,246,211 | 3,920,888 |

CGAP Member Donor Contributions and Pledges, Fiscal Years 2008–2010 (in US\$)

| Core | FY2008 | FY2009 | FY2010 |
|--------------------------|--------------------------------|-------------------------------|-------------------------------|
| World Bank | 2,650,000 ^{/2} | 4,325,000 | 3,900,000 |
| Australia | 279,565 | 279,565 | 407,300 |
| Canada | 473,037 | | |
| Citi Foundation | | 100,000 | 100,000 |
| Dell Foundation | 100,000 | 200,000 | |
| Denmark | 586,052 | 572,023 | 656,246 |
| European Commission | 904,242 | 622,475 | |
| European Investment Bank | 290,343 | 257,060 | 290,343 |
| Finland | | 357,136 | 361,634 |
| France (MAE) | 168,975 | | |
| AFD | 210,000 | 361,036 | 361,036 |
| Gates Foundation | | | 400,000 |
| Germany | 320,800 | 311,238 | 311,238 |
| IADB | 50,000 | 50,000 | |
| IFAD | 120,000 | 300,000 | 300,000 |
| IFC | 300,000 | 300,000 | |
| Italy | 315,305 | 203,828 | 203,828 |
| Japan | 300,000 | 300,000 | |
| Luxembourg | 520,560 | 435,732 | 435,732 |
| Mastercard | | 200,000 | |
| Netherlands | 600,000 | 400,000 | 400,000 |
| Norway | 433,276 | 560,770 | 560,770 |
| Omidyar | | 300,000 | 300,000 |
| Spain | 464,010 | | |
| Sweden | 501,580 | 390,879 | 390,879 |
| Switzerland | 400,000 | 383,465 | 415,244 |
| UNCDF | | 100,000 | 100,000 |
| United Kingdom | 482,750 | 390,100 | |
| United States | 300,000 | 300,000 | 200,000 |
| Core | 10,770,495 | 12,000,307 | 10,094,250 |
| Designated | 13,746,630^{/3} | 4,027,325^{/4} | 3,311,940^{/5} |
| TOTAL | 24,517,124 | 16,027,632 | 13,406,190 |

^{/1} Contributions not yet received are shaded and italicized.

^{/2} Of the originally budgeted World Bank contribution for FY2008, \$500,000 is the new annual contribution and \$2,150,000 comes from the remaining balance of the \$11 million interest income transferred to CGAP in 2005.

^{/3} European Commission, France, Gates Foundation, Sweden

^{/4} Gates Foundation and Italy

^{/5} France (AFD) and Gates Foundation

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Abigail Augusta, *Associate Microfinance Analyst.* Abigail Augusta works on the Microfinance Gateway. Before joining CGAP in 2007, she worked at a community development credit union as a financial literacy trainer with Dominican immigrants in New York. She has a master's degree in International Development from the New School and a bachelor's degree in Ethnomusicology from Dartmouth College. She speaks English, Spanish, and some Portuguese.

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Jennifer Chien, *Manager, Microfinance Regulation and Supervision Resource Center.* Jennifer Chien joined CGAP's Government and Policy Team in 2008 and manages the operation and strategic re-envisioning of the Microfinance Regulation and Supervision Resource Center. Before joining CGAP, Chien was a corporate attorney at Simpson, Thacher & Bartlett LLP in New York, working primarily on private equity and project finance. She previously worked as a credit union analyst at the World Council of Credit

Unions and as a management consultant at Oliver Wyman. Chien has a bachelor's degree in Economics and Political Science from Stanford University and a law degree from Harvard Law School. She is fluent in English and proficient in Spanish and Mandarin Chinese.

Carmencita Clay, *Budget Officer.* Carmencita Clay joined CGAP in 1995. She handles budget issues, administers CGAP's trust funds, and works with member donors on their funding commitments. Before joining CGAP, Clay worked with the U.S. Agency for International Development in the Philippines, the Asian Development Bank, and various departments of the World Bank in Washington, D.C. She has a bachelor's degree in Commerce and Accounting from the Philippines College of Commerce.

Ann Courtmanche, *Senior Program Assistant.* Ann Courtmanche works with CGAP's Government and Policy Team. She handles budgeting, reporting, monitoring, event coordination, and consultant relations. Before joining CGAP in 2005, Courtmanche worked in agricultural marketing, including international grain market analysis for the U.S. wheat export market. She has a master's degree in Agricultural Economics from Rutgers University and a bachelor's degree in Economics and French Literature from Hobart & William Smith Colleges.

Denise Dias, *Policy Specialist.* Denise Dias works with CGAP's Government and Policy Team and is the regional manager for Latin America and the Caribbean. She works on branchless banking policy, regulation, and supervision, as well as prudential regulation and supervision of deposit-taking microfinance institutions. Before joining CGAP, Dias was a CGAP policy advisory consultant for nearly two years and independently consulted with GTZ, FIRST Initiative, and the World Bank, focusing on microfinance, branchless banking regulation and supervision, and broader financial access policy issues. Previously Dias worked in the banking supervision and licensing departments of the Central Bank of Brazil. She has a master's degree in International Banking and Finance from Birmingham Business School (UK), a master's degree in Financial Sector Economics from USP (Brazil), and a bachelor's degree in Business from UFMG (Brazil). She speaks Portuguese, English and Spanish.

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Simone di Castri, Policy Analyst. Simone di Castri is a World Bank junior professional officer sponsored by the Italian Ministry of Foreign Affairs. He joined CGAP's Government and Policy Team in 2009. He conducts comparative legal analysis of policy and regulation related to the supervision of deposit-taking microfinance institutions, financial consumer protection, and mandatory lending. Before joining CGAP, di Castri worked for the Microfinance Project at the International Development Law Organization, the United Nations' Department of Economics and Social Affairs, and the law firm Allen & Overy. He has an undergraduate degree in Law and a graduate degree in International Law from the University of Bologna. He is currently in a Ph.D. program in Law and Economics at the University of Bologna. A native Italian speaker, he is fluent in English and French and speaks Spanish.

Eric Duflos, Senior Microfinance Specialist. Eric Duflos has 15 years of experience in access to finance. As a member of CGAP's Donors and Investors Team, he focuses on policy issues and aid effectiveness. He manages CGAP's work on the broad role of government, including national microfinance strategies and local wholesale funding facilities, and is also the regional manager for East Asia and China. He is a lead trainer for CGAP's funder courses and teaches at the Boulder Microfinance Training Program. Before joining CGAP in 2003, he spent seven years in Laos, where he worked with UNCDF/UNDP, the World Bank, and the Central Bank of Laos to set up microfinance institutions and improve the policy and regulatory framework. He has master's degrees in Management from the Lyon EM and in Economics and International Relations from SAIS at Johns Hopkins University. A French national, he speaks French and English, and some German and Lao.

Mayada El-Zoghi, Senior Microfinance Specialist. Mayada El-Zoghi joined CGAP's Donors and Investors Team in 2008, where she works on the SmartAid Index, advisory services to funders, and funder staff training. El-Zoghi has over 15 years of experience in microfinance operational, management, research, and funder advisory services. Before joining CGAP, she founded and managed a development consulting firm in New York and Washington, D.C., working with funding agencies and retail microfinance providers. She also served as a research director for a USAID knowledge management initiative on microfinance and conflict, for which she authored numerous studies and facilitated many industry learning events. El-Zoghi has a master's degree in

International Affairs from SIPA at Columbia University and a bachelor's degree in Business from the University of Minnesota. She is bilingual in Arabic and English.

Xavier Faz, Senior Technology Adviser. Xavier Faz joined CGAP in 2008 to support research on several aspects of branchless banking and other areas of the Technology Program, such as shared technology platforms and information technology in microfinance institutions. He oversees the Information Systems Program and provides support on overall program management activities. Before joining CGAP, Faz worked at BANSEFI, a development bank in Mexico. Previously, he worked at McKinsey & Company, where he worked on several aspects of strategy, operations, and organization in large corporations in the public and private sectors. Faz has a master's degree in Computer Science from Stanford University and an Engineering degree from the Instituto Tecnológico de Monterrey, México.

Evelyne Fraigneau, Executive Assistant to the Director. Evelyne Fraigneau assists the CGAP director and CEO. Before joining CGAP in 1999, Fraigneau worked in the World Bank's Africa region and at the French mission to the United Nations office in Geneva, Switzerland. She studied translation at St. Bénigne Institute in Dijon, France, and Georgetown University.

Barbara Gähwiler, Associate Microfinance Analyst. Barbara Gähwiler joined CGAP's Donors and Investors Team in Paris in 2008. She works with funders on the SmartAid for Microfinance Index and supports the team's advisory services to funders, including training. She also conducts research on topics relevant to microfinance funders. She has master's degrees in International Affairs from the University of St. Gallen and the Institute of Political Science in Paris, where she specialized in development studies. She is fluent in German, English, and French, with working knowledge of Spanish.

Zoë Gardner, Program Assistant. Zoë Gardner joined CGAP in 2003. She supports CGAP staff in its Paris office, working for the Donors and Investors Team and CGAP's Middle East/North Africa initiative. Before joining CGAP, Gardner worked as an office manager in the film production and publishing industries in Australia. She also worked in the media sector in the United Kingdom and for Texaco, Inc., in Bermuda.

Jasmina Glisovic-Mezieres, Microfinance Specialist. Jasmina Glisovic-Mezieres joined CGAP in 2004. She works with the Donors and Investors Team in CGAP's Paris office.

She manages annual surveys of funders and microfinance investment vehicles and provides advisory services to donors and investors. She also serves as the point person on CGAP's savings work. Before joining CGAP, Glisovic-Mezieres worked as a credit manager for the Danish Refugee Council in Serbia and the Micro Development Fund. She has a master's degree in Economics and speaks Serbian (native), English, and French.

Syed Hashemi, Senior Microfinance Specialist. Syed Hashemi joined CGAP in 1999 and manages the CGAP–Ford Foundation Graduation Program from Bangladesh. His focus is on identifying pro-poor innovations and disseminating best practice lessons related to poverty outreach and impact, including the development of social performance indicators to track changes in the social and economic levels of microfinance clients. Before joining CGAP, Hashemi directed the Program for Research on Poverty Alleviation at Grameen Trust and taught Development Studies at Jahangirnagar University in Bangladesh. He has a Ph.D. in Economics from the University of California, Riverside. He speaks English, Bangla, and conversational Hindi.

Maximilien Heimann, Financial Analyst. Maximilien Heimann joined CGAP in 2008 as a member of the Research, Data, and Analytics Team. He works on the design and implementation of the annual Financial Access Indicators Project. Before joining CGAP, he worked on access to finance initiatives in the World Bank's Financial Access Unit, including the Housing Finance and Banking the Poor reports. Heimann has a degree in International Business Administration from the Universidad Pontificia Comillas in Madrid and a master's degree in International Affairs from the Johns Hopkins School of Advanced International Studies in Washington. He speaks French, Spanish, Italian, and Portuguese.

Luz Hurlburt, Resource Management Assistant. Luz Hurlburt joined CGAP in 2007. Previously, she worked for the World Bank and as an accounts analyst for Philippine Airlines. She has a bachelor's degree in Accounting and is a Certified Public Accountant in the Philippines. She is fluent in English and Tagalog.

Paulina Ibarra, CGAP.org Manager. Paulina Ibarra manages CGAP's Web site. Before joining CGAP in 2008, she was managing editor for the World Bank's Latin America and Caribbean Web sites. She has over 10 years of online media experience, including online marketing, Web analytics, new media, and social networking, with a focus on devel-

opment communications. She has a master's degree in International Relations and Communications from Universidad Complutense de Madrid and is currently pursuing a master's degree in Communications at Georgetown University. She speaks Spanish and English, and has rudimentary French.

Jake Kendall, Economist. Jake Kendall joined CGAP in 2008 after completing a Ph.D. in International Economics from the University of California at Santa Cruz. As a member of the Research, Data, and Analytics Team, he helps guide the design and implementation of CGAP's data collection efforts, including the annual Financial Access Survey, and he conducts research and analysis on other access to finance issues. He previously worked in New York for two venture-funded start-ups and lived for two years in Zambia as a Peace Corps volunteer teaching fish-farming techniques to local entrepreneurs and farmers. He has a bachelor's degree in Physics from MIT.

Christoph Kneiding, Market Intelligence Officer. Christoph Kneiding joined CGAP's Research, Data, and Analytics Team in 2008. His work has focused on impact of the global financial crisis on microfinance institutions and their clients as well as funding flows into the microfinance sector. He previously worked for Citibank, the Boston Consulting Group, and the German Development Agency GTZ. He has a Ph.D. in Economics from Frankfurt University.

Antonique Koning, Microfinance Specialist. Antonique Koning is a member of CGAP's Donors and Investors Team. She is based in Brussels and coordinates the European Union's Microfinance Programme for Africa, the Caribbean, and the Pacific. She works closely with the European Commission and other funders to help improve the quality of their microfinance funding. Before joining CGAP, she worked with the World Savings Banks Institute. She has a master's degree in International Trade Management and Policy from the University of Birmingham. She speaks English, Spanish, French, and Dutch.

Kabir Kumar, Microfinance Analyst. Kabir Kumar works on CGAP's Technology Program. He designs innovative technology projects and builds partnerships aimed at using cell phones and other technologies to expand access to finance. Before joining CGAP, he was an IT and telecommunications marketing and strategy consultant and worked at the World Bank on gender equality and economic growth. He has a dual masters in Public Administration and International Relations from the Maxwell School of Syracuse University.

STAFF BIOGRAPHIES, *continued*

Estelle Lahaye, *Microfinance Analyst.* Estelle Lahaye is a member of CGAP's Donors and Investors Team and Africa Group, focusing on regulatory and supervisory frameworks in Sub-Saharan Africa. Before joining CGAP in 2007, she worked as an account manager at Banco Itaú Europa in Luxembourg, the international private banking division of Itaú, Brazil. She has a master's degree in Business Administration from San Francisco State University and a bachelor's degree in Banking, Finance, and Insurance from the University of Nancy 2 in France. She speaks fluent English, French, and Portuguese and has rudimentary skills in Spanish.

Alexia Latortue, *Senior Microfinance Specialist.* Alexia Latortue joined CGAP in 2002 and is based in CGAP's Paris office. She leads CGAP's work on improving the effectiveness of funding for microfinance and provides strategic and technical services to development agencies. She has written extensively on aid effectiveness in microfinance. Before joining CGAP, she was a development specialist with Development Alternatives, Inc. She has a master's degree in Development Economics from the Fletcher School of Law and Diplomacy at Tufts University. She speaks English, French, Creole, and German and has rudimentary Spanish.

Elizabeth Littlefield, *Director and CEO.* Elizabeth Littlefield is a director of the World Bank and the chief executive officer of CGAP. Previously she was the managing director of JP Morgan's Emerging Markets Capital Markets in London. As such, she was responsible for all bond offerings, structured financing, and credit ratings for emerging Europe, Middle East, Africa, and Central Asia. She and her team won and executed more than 80 percent of all bond issues in these regions in the 1990s. Earlier, she spent a year-and-a-half living in West and Central Africa starting up and advising microfinance institutions. She has served on many corporate and nonprofit boards and founded several not-for-profit organizations. A U.S. and U.K. citizen, she is a graduate of Brown University and also studied at the *École Nationale de Sciences Politiques* in Paris.

Timothy Lyman, *Senior Policy Adviser.* Tim Lyman leads CGAP's Government and Policy Team. In this capacity, he works primarily on regulatory and supervisory issues in financial inclusion. He is a co-author of CGAP's *Guiding Principles on Regulation and Supervision of Microfinance* and Focus Notes on branchless banking regulation. Lyman has worked on microfinance-related policy and regulation in every region of the world. He also has been working in

community development for over 25 years, during much of this time as a partner of the law firm of Day, Berry & Howard (now Day Pitney) and president of its affiliated philanthropic foundation, the Day, Berry & Howard Foundation, and from 1994 to 2005 as principal outside legal counsel to Save the Children/US. He has a bachelor's degree from Harvard University and a law degree from New York University School of Law. He speaks English, French, Spanish, Bosnian, Croatian, and Serbian, as well as conversational German and Russian.

Meritxell Martinez, *Microfinance Analyst.* Meritxell Martinez works with the Transparency and Data, Analytics, and Research Teams. Before joining CGAP in January 2009, she interned with IFMR Trust in India and UNICEF in Benin, where she led a qualitative evaluation of a microcredit initiative targeting women. She also worked for the European Commission in Albania and with the World Bank on human development. She has an master's degree from Harvard's Kennedy School and a bachelor's degree in Political Science from Pompeu Fabra University in Barcelona, Spain. She completed a one-year degree course in International Trade at Solvay Business School and the College of Europe in Poland. She is fluent in Spanish, Catalan, French, and English and knows some Italian, Portuguese, Russian, and German.

Anuj Mathur, *Chief Information Officer.* Anuj Mathur joined CGAP in 2009 and leads the planning and execution of the information technology vision, goals, and initiatives that support the long-term objectives and mission of CGAP. Previously, he was a senior manager at BearingPoint, leading a variety of technology and management consulting initiatives across a global client base. He has a master's degree from Darden School of Business, University of Virginia, and a bachelor's degree in Engineering in Computer Science from University of Pune, India.

Djibril Mbengue, *Microfinance Specialist.* Djibril Mbengue is a member of CGAP's Government and Policy Team, focusing on policy and regulatory issues in Sub-Saharan Africa. He is also a trainer in CGAP's financial and operational management courses for microfinance institutions. Before joining CGAP in 2007, he was a portfolio technical manager at the United Nations Capital Development Fund. From 2000 to 2004, he served as director of Operations at REMIX, a consulting firm specializing in microfinance. Previously, he was manager of Internal Control at *Crédit Mutuel du Sénégal*, a savings and credit cooperative network. He has a master's degree in Business Administration and speaks English and French.

Kate McKee, Senior Adviser. Kate McKee joined CGAP in 2006 as senior adviser for policy, outreach, and aid effectiveness. She manages CGAP's savings work and is carrying out several special projects. From 1998 to 2006, she served as director of the Microenterprise Development Office at the U.S. Agency for International Development. She is a development economist, with a master's degree in Public and International Affairs from the Woodrow Wilson School of Princeton University.

Melanie Melindji, Budget Program Assistant. Melanie Melindji joined CGAP in 2008 as part of the Budget Team, where she handles consultant contracts. Before joining CGAP, she worked for the World Bank and IFC. Previously she worked in South Africa as a personal assistant at Afri-Ore, a Canadian mining exploration company in Johannesburg and the Algerian Embassy in Pretoria. She has a bachelor's degree in History and Geography. She speaks fluent English and French.

Aude de Montesquiou, Microfinance Analyst. Aude de Montesquiou works on the CGAP–Ford Foundation Graduation Program. She helps coordinate the implementation and research on graduation pilot projects in nine sites in efforts to learn how a combination of safety nets, financial services, and microfinance can help the poorest climb out of poverty. She also serves as a relationship manager to the Microinsurance Network. She has a master's degree from Institut d'Études Politiques in Paris, with a major in Development Studies, and a bachelor's degree in History from Sorbonne. She speaks fluent English and French and has a good grasp of Spanish and Portuguese.

Marve M. Mulavu-Biggedi, Corporate Office Assistant. Marve Mulavu-Biggedi is an assistant in the Corporate Team, where she works closely with the operations manager, providing assistance on day-to-day business and administrative functions. Before joining CGAP in 2008, she worked as a communication officer and bank teller at Equity Bank Kenya and as a human resources manager with a security firm in Nairobi. She is fluent in English and Swahili.

Nataliya Mylenko, Program Manager. Nataliya Mylenko manages the Financial Access Survey in the Research, Data, and Analytics Team. Before joining CGAP in 2008, Mylenko managed credit reporting work at IFC, providing technical assistance in the development of credit information systems in over 40 countries. Earlier, she worked as an economist at the IMF and the World Bank, where among other things, she conducted extensive research on

the role of credit reporting in improving access to finance and strengthening risk management.

Anna Nunan, Publications Manager. Anna Nunan joined CGAP's Communications Team in 2005. She manages CGAP's publishing program. She has more than 23 years of experience in all aspects of nonprofit publishing. She has a bachelor's degree in Journalism from the University of Maryland and a master's degree in Business Administration from Johns Hopkins University.

Jake-Anthony Pauig, Publications Assistant. Jake-Anthony Pauig joined CGAP in March 2008. His responsibilities include inventory maintenance and distribution of CGAP's publications. Previously, he was a contracted site manager in charge of operational and strategic processes for shipping, receiving, and messenger services for World Bank headquarters in Washington, D.C. He speaks English and Tagalog.

Andrea Payne, IT Manager. Andrea Payne manages CGAP's business and Web technology infrastructure. Before joining CGAP in 2007, she managed the IT Development Intranet Team at Sprint Nextel and worked as a management consultant in business process re-engineering. She has a bachelor's degree in Business Administration from Radford University.

Mark Pickens, Microfinance Specialist. Mark Pickens coordinates the Technology Program's research agenda, including building CGAP's thought capital on customer adoption, the business case for agents, government payments, and future scenarios for branchless banking. Before joining CGAP, he worked as an independent microfinance consultant, launched an award-winning Web portal for progressive news in New York City, and founded an enterprise extending basic health care in Madagascar. He has a master's degree from Columbia University.

Una Pulizzi, Communications Manager. Una Pulizzi joined CGAP in 2008 as communications manager. Before that, she was a senior vice-president for corporate affairs at Citigroup Markets and Banking in New York. She started her seven-year tenure at Citi in London managing corporate social responsibility programs for Europe, the Middle East, and Africa. Previously, she was a spokesperson for domestic finance at the U.S. Department of Treasury. She has a bachelor's degree in Political Science and Fine Arts from Vanderbilt University.

STAFF BIOGRAPHIES, *continued*

Stephen Rasmussen, Technology Program Manager. Stephen Rasmussen joined CGAP in 2008 and heads CGAP's Technology Program. He has been involved in development work for the past 25 years, primarily in South Asia and Central Asia. Before joining the World Bank, he was the CEO of the Aga Khan Rural Support Programme in Pakistan from 1994 to 2003 and helped establish First MicroFinanceBank, a transformation of AKRSP's microfinance program into the first private-sector microfinance bank in Pakistan. He is also the CEO of the Pakistan Microfinance Network and IFC's nominee director on the boards of microfinance banks in Afghanistan and Pakistan.

Xavier Reille, Lead Microfinance Specialist. Xavier Reille joined CGAP in 1999. He leads CGAP's Transparency Team and MENA Initiative and chairs the board of directors of the Microfinance Information Exchange. Before joining CGAP, he was the regional microfinance adviser for Southeast Asia with Catholic Relief Services. He has a master's degree in International Finance from the University of Paris. He speaks French, Spanish, English, and Bahasa Indonesian.

Sarah Rotman, Associate Microfinance Analyst. Sarah Rotman works on the project and research agenda of the Technology Program, designing innovative projects in branchless banking that deliver financial services to low-income customers. Her research projects include the business case for agents and future scenarios of branchless banking. Before joining CGAP in 2008, she interned with Urwego Opportunity Microfinance Bank in Kigali, Rwanda. She was a Peace Corps volunteer in Benin and later worked for a development nonprofit on education projects in Haiti and Africa. She has a master's degree in International Relations from Johns Hopkins University.

Jim Rosenberg, Communications Officer. Jim Rosenberg joined CGAP in 2007 to manage strategic communications for CGAP's Technology Program. Previously, he was a producer for XM Satellite Radio's public affairs channel and a public radio reporter, filing frequently for Marketplace. He has a master's degree in Journalism from Columbia University and attended the Universidad de Sevilla in Spain for one year as a Rotary Foundation Ambassadorial Scholar. He speaks English and Spanish.

Richard Rosenberg, Senior Adviser. Richard Rosenberg has been with CGAP since its founding in 1995. He has written and contributed to numerous CGAP publications. His current areas of focus include interest rate issues, over-

indebtedness, and regulation of microfinance. He is a core faculty member of the Microfinance Training Program at The Boulder Institute. Before joining CGAP, he was deputy director of the U.S. Agency for International Development's Center for Economic Growth and spent nine years in Latin America, managing investment promotion, privatization, pension reform, and development finance activities. He has a law degree from Harvard University. He speaks English and Spanish.

Valentina Saltane, Financial Analyst. Valentina Saltane works on the Financial Access Survey in the Research, Data, and Analytics Team. Before joining CGAP in 2008, she worked on the World Bank's "Banking the Poor" report at the Financial Access Unit. She previously worked as a research analyst at the Law and Economic Consulting Group, where she took part in market and private company data collection and analysis assignments in New York, London, and Argentina. She has also worked for the World Resources Institute as a program coordinator. She has a master's degree from Cornell University and a bachelor's degree from Colby College. She speaks Latvian, Russian, Spanish, as well as some German and French.

Ousa Sananikone, Senior Private Sector Development Specialist. Ousa Sananikone joined CGAP in 2000. She is responsible for external reporting and key corporate outputs, such as CGAP's annual workplans and strategy papers. Before joining CGAP, she was a PSD specialist in the Small and Medium Enterprise Unit of the Private Sector Department of the World Bank, where she provided cross-support to SME and microfinance projects in several countries, particularly in West Africa. She has a master's degree in International Affairs from the School of Foreign Service at Georgetown University and a bachelor's degree in Political Science from Trinity College. She is fluent in Lao, Thai, French, and English.

Renu Sehgal, Resource Management Analyst. Renu Sehgal is a member of CGAP's Technology Team. She oversees program administration, including budgeting, grant making, disbursement, procurement, event coordination, and handling of consultant/firm contracts. Before joining CGAP in 2008, she worked with the U.S. Agency for International Development in India on urban sector reform. She has a bachelor's degree in Political Science from Lady Sri Ram College of Delhi University, India.

Pete Siu, Communications Officer. Pete Siu joined CGAP in 2008 and works on corporate strategy, monitoring and eval-

uation, and outreach to stakeholders. Previously, he worked at an international development consulting firm, where he managed agricultural reconstruction projects in Afghanistan and led change management initiatives at headquarters. He has a law degree from Northwestern School of Law, a master's degree in Business Administration from the Kellogg School of Management, and a bachelor's degree from the Massachusetts Institute of Technology.

Sherry Sposeep, *Microfinance Gateway Manager*. Sherry Sposeep manages the Microfinance Gateway, as well as its French, Arabic, and Spanish affiliate sites. Before joining CGAP in 2007, she managed a microfinance research project at Chemonics International. She has a master's degree in Development Management from American University. She speaks English and intermediate Russian.

Feker Tadesse, *Corporate Program Assistant*. Feker Tadesse joined CGAP in 2008. She provides research and administrative assistance to CGAP's Corporate and Data, Analytics, and Research Teams. She graduated from Mount Holyoke College with a bachelor's degree in International Relations. Before joining CGAP, she worked with the Ethiopian Community Mutual Assistance Association, Concern Uganda, and the United Nations Population Fund in Addis Ababa. She is fluent in English and Amharic, with a working knowledge of French.

Michael Tarazi, *Senior Policy Specialist*. Michael Tarazi joined CGAP in 2008 as a member of the Government and Policy Team. He leads the team's efforts in branchless banking regulation and has worked with regulators around the world in developing enabling regulatory frameworks. He teaches branchless banking at the Boulder Institute for Microfinance. He is a co-author of CGAP's Focus Note "Islamic Microfinance: An Emerging Market Niche." He was chosen as a Young Global Leader by the World Economic Forum and is a member of the Forum's Dialogue Series on Access to Finance through Technology. Previously, he was a corporate attorney in private practice and also served as an adviser to Israeli-Palestinian peace negotiations. He has a bachelor's degree from Harvard University and a law degree from Harvard Law School. He speaks English, Arabic, and French.

Jeanette Thomas, *Communications Director*. Jeanette Thomas joined CGAP in 2004 as the director of the Communications Team. Before joining CGAP, she was news editor and senior producer in the BBC's Washington Bureau. She started her 11-year tenure at the BBC in Lon-

don, producing radio documentaries. In 2003–2004, she produced a series of films for the World Bank on development projects in the Middle East. While based in Jerusalem over the last year, she has focused on developing knowledge products and led the development of CGAP's multimedia capacity, producing a new series of films about CGAP's work and interviews with microfinance leaders. She has a master's degree and Ph.D. in English Literature from Oxford University. She speaks English, French, and rudimentary Spanish.

Glenn Westley, *Senior Adviser*. Glenn Westley joined CGAP in 2008 after nearly 31 years at the Inter-American Development Bank (IDB). He held several positions at IDB, including senior adviser for Microenterprise Development, senior economist in the Office of the Chief Economist, and acting division chief of the Development Policy Research Division. He contributed to the design of over 100 projects, especially in the area of microfinance, and has published numerous books, articles, and monographs. He is currently working on a CGAP research study on the business case for small savers. He has a Ph.D. in Economics from the University of Pennsylvania.

Tonia Wright, *Operations Manager*. Tonia Wright manages CGAP's day-to-day business and administrative functions, including budget and finance, human resource management, and administrative services. She also coordinates CGAP's Associate Microfinance Analyst Program and internship initiatives. Before joining CGAP in 2005, she worked in local government training, technical assistance, and capacity building, both domestically and internationally. She has a master's degree in Public Administration from the University of Delaware and a bachelor's degree in Political Science from North Carolina A&T State.

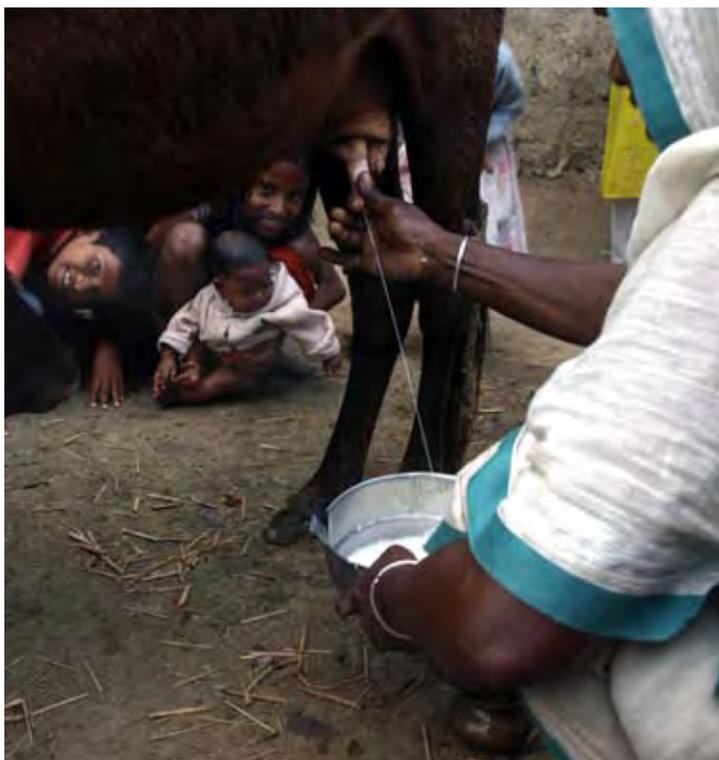
CGAP Regional Representatives

Corinne Riquet, *Regional Representative for Francophone Africa*. Corinne Riquet has lived in the Ivory Coast for the past 20 years and has 17 years of experience in microfinance, including as technical assistance adviser for a program to finance small and microenterprises in urban and semi-urban areas. Since 2001, she has worked as an independent consultant in microfinance in several Francophone Africa countries. She has engaged with a wide range of clients, especially advising microfinance institutions and funders on organizational audit, business planning, technical assistance, appraisal, and design of financial services in rural areas. Since 2002, she has been

Staff Biographies, *continued*

a resource person for CGAP's MFI Capacity Building Program in Francophone Africa, where she served as a supervisor in training of trainers seminars. She has a master's degree in Developmental Economics from CERDI, University of Clermont Ferrand, France. She is based in Abidjan, Ivory Coast.

Greg Chen, *Regional Representative for South Asia*. Greg Chen brings 15 years of experience in development finance with a focus on South Asia. He helped prepare one of the first nongovernment organizations to transform into a microfinance bank in the region, helped establish a national-level association in Pakistan, and has provided a range of technical assistance to some of the leading microfinance institutions in the region. He also has mainstream banking experience, working with Bank of America in the United States. In addition to his work on behalf of CGAP in South Asia, he also works for ShoreBank International to support BRAC's international expansion efforts. He has an undergraduate degree in Economics from Wesleyan University and a master's degree in Public Policy from the Harvard Kennedy School of Government. He is conversant in Urdu. He is based in Dhaka, Bangladesh.



Mohammed Khaled, *Regional Representative for Middle East and North Africa (MENA) Region*. Mohammed Khaled has 25 years of experience designing and managing innovative projects that empower women and the poor. Beginning as a practitioner in 1994, he has been involved in the microfinance sector in the MENA region, including as founding director of Sanabel and as consultant and adviser to several donors in the region, including the Rockdale Foundation, Grameen Foundation/US (later Grameen-Jameel), Agfund, and UNDP. He is based in the Middle East.

Moses Ochieng, *Regional Representative for East and Southern Africa* (co-funded with DFID). Moses Ochieng has over 15 years' experience in development finance and consulting in East and Southern Africa and Southeast Asia. He has worked with several microenterprise and microfinance institutions in various capacities, ranging from technical assistance and capacity building to operations. He also has conducted several project evaluations for agri-access to markets and microfinance institutions. Before joining CGAP, he was owner/manager of a small invoice discounting business and enterprise development consulting based in Johannesburg, South Africa. He also has worked as the regional technical adviser for Microeconomic Development for Southern Africa with World Vision International and with CARE International as the team leader for a microfinance wholesale lending project in Bangladesh. He received his doctorate from the University of Bedfordshire and a master's degree from the University of Stirling, Scotland. He speaks English and Kiswahili. He is based in Nairobi, Kenya.

Olga Tomilova, *Regional Representative for Europe and Central Asia (ECA)*. Olga Tomilova joined CGAP in 2007. She is based in Moscow, Russia, and represents CGAP in the ECA region working with the Government and Policy Team, the Technology Team, and the Donors and Investors Team. Before joining CGAP, she managed the Central Asia Microfinance Center, a joint project of the Microfinance Centre for CEE and the NIS, and CGAP in Kazakhstan. Previously, she worked as a researcher for a microfinance project in Russia for Harvard University and as executive director for Russian Women's Microfinance Network in Moscow and accountant/assistant to finance manager for Opportunity International in Nizhny Novgorod, Russia. She has an accounting certificate and a degree in History, Social Sciences, and Applied Sociology from Nizhny Novgorod State University in Russia. She speaks English and Russian.



ABBREVIATIONS AND ACRONYMS

| | |
|---------|--|
| AECID | Agencia Española de Cooperación Internacional para el Desarrollo (Spanish Agency for International Development) |
| AFD | Agence Française de Développement (French Agency for International Development) |
| AfDB | African Development Bank |
| AML/CFT | Anti-Money Laundering/Combating the Financing of Terrorism |
| AusAid | Australian Agency for International Development |
| CAPAF | CGAP's Capacity Building Initiative in Francophone Africa |
| CGAP | Consultative Group to Assist the Poor |
| EBRD | European Bank for Reconstruction and Development |
| EC | European Commission |
| GTZ | Deutsche Gesellschaft für Technische Zusammenarbeit (German International Cooperation Agency) |
| IADB | Inter-American Development Bank |
| IFAD | International Fund for Agricultural Development |
| IFC | International Finance Corporation |
| ILO | International Labor Organization |
| KfW | Kreditanstalt für Wiederaufbau (German development bank) |
| MFC | Microfinance Center for Central and Eastern Europe and the New Independent States |
| MIF | Multilateral Investment Bank |
| MIVs | Microfinance Investment Vehicles |
| MIX | Microfinance Information Exchange |
| NGO | Non-governmental organization |
| OECD | Organisation for Economic Cooperation and Development |
| RMC | Russian Microfinance Center |
| SDC | Swiss Development Cooperation |
| SIDA | Swedish International Development Agency |
| SPTF | Social Performance Task Force |
| UNCDF | United Nations Capital Development Fund |
| UNDP | United Nations Development Program |



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Subhrajit Basu, page 2, page 27 (right)

Supriya Biswas, page 16, page 52

Raniel Jose Castaneda, page 37

Rabin Chakrabarti, page 25

Sudipto Das, page 18, page 29 (middle), inside back cover

Ben Depp, page 20 (left and right), page 26 (left and right)

Jordan Engel, page 10 (left)

Anikendra S. Ghosh, page 23

Arup Ghosh, page 1

Peter Grosslaub, page 27 (left)

Mohammad Rakibul Hasan, cover and inside front cover, page 15

Sourav Karmakar, page 12, page 33

Ghosh Tarun Kumar, page 11 (right)

David Lupera, page 10 (right)

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