

CGAP Cross-Border Funder Survey

Methodology

February 2024



Read more: www.cgap.org/FunderSurvey

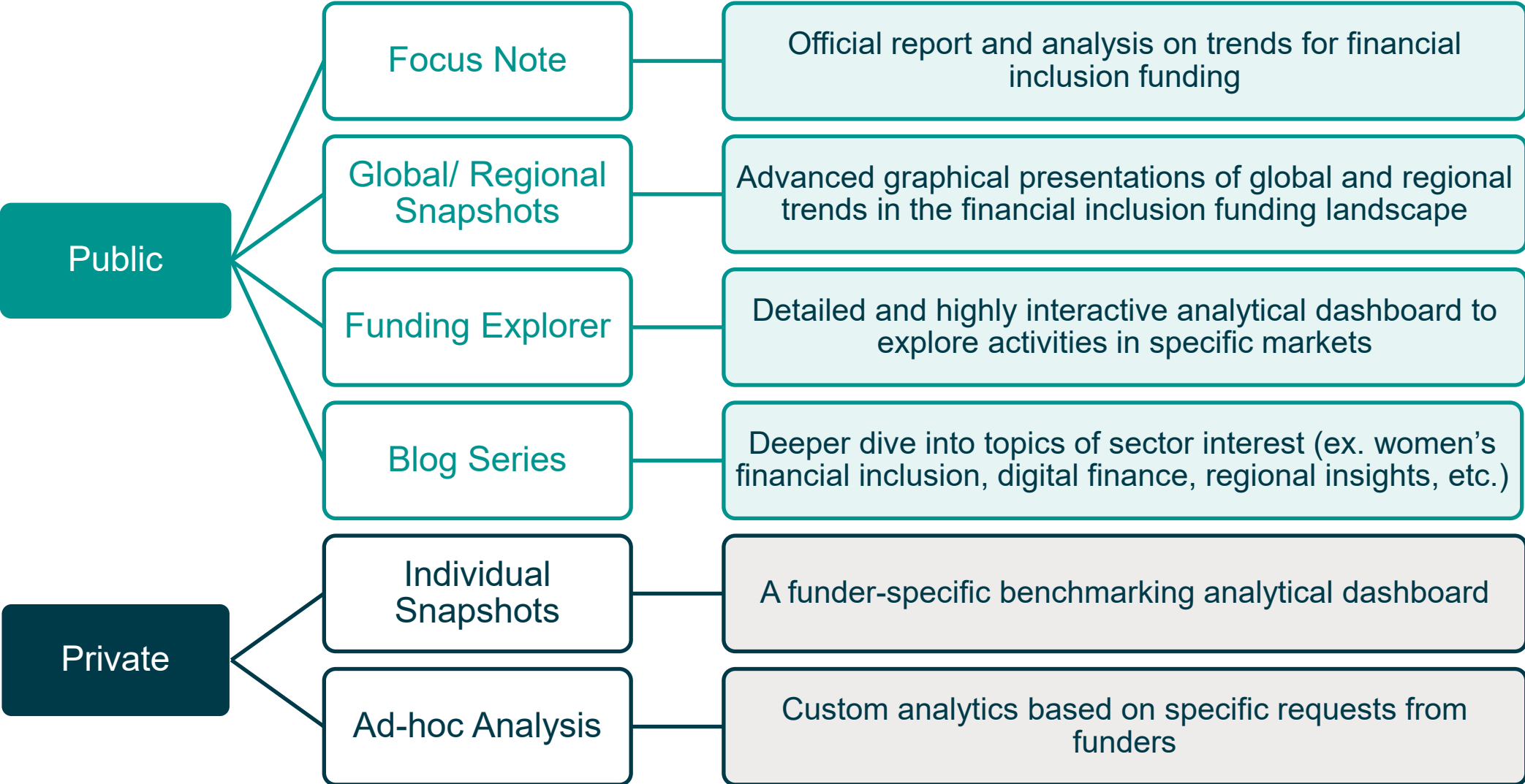
Overview: Goals of the survey

Analyze trends in funding for financial inclusion in order to anticipate changes and help funders adapt their strategy

Improve accountability by collecting and disseminating data on funders' portfolios to help funders report on their financial inclusion operations

Improve coordination among funders by identifying who is doing what and where, gaps and areas of concentration

Overview: Funder Survey products



Overview: Sample set

- CGAP conducted the 2022 Cross-Border Funder Survey in partnership with Tameo Impact Fund Solutions (Tameo).
- The Funder Survey is conducted annually. For 2022, the dataset contains active projects from an n=47 sample of funders (see page 13). When examining trends over time, the sample is calibrated to the set of funder respondents who offer the highest level of accuracy in time series analysis (n=30 in 2022).
- Funders were also invited to participate in a supplemental qualitative survey and 25 responses were received.
- For analysis, the Funder Survey converts commitments from their original currency to report trends in US dollars, using year-end exchange rates.

Overview: Financial inclusion focus and scope

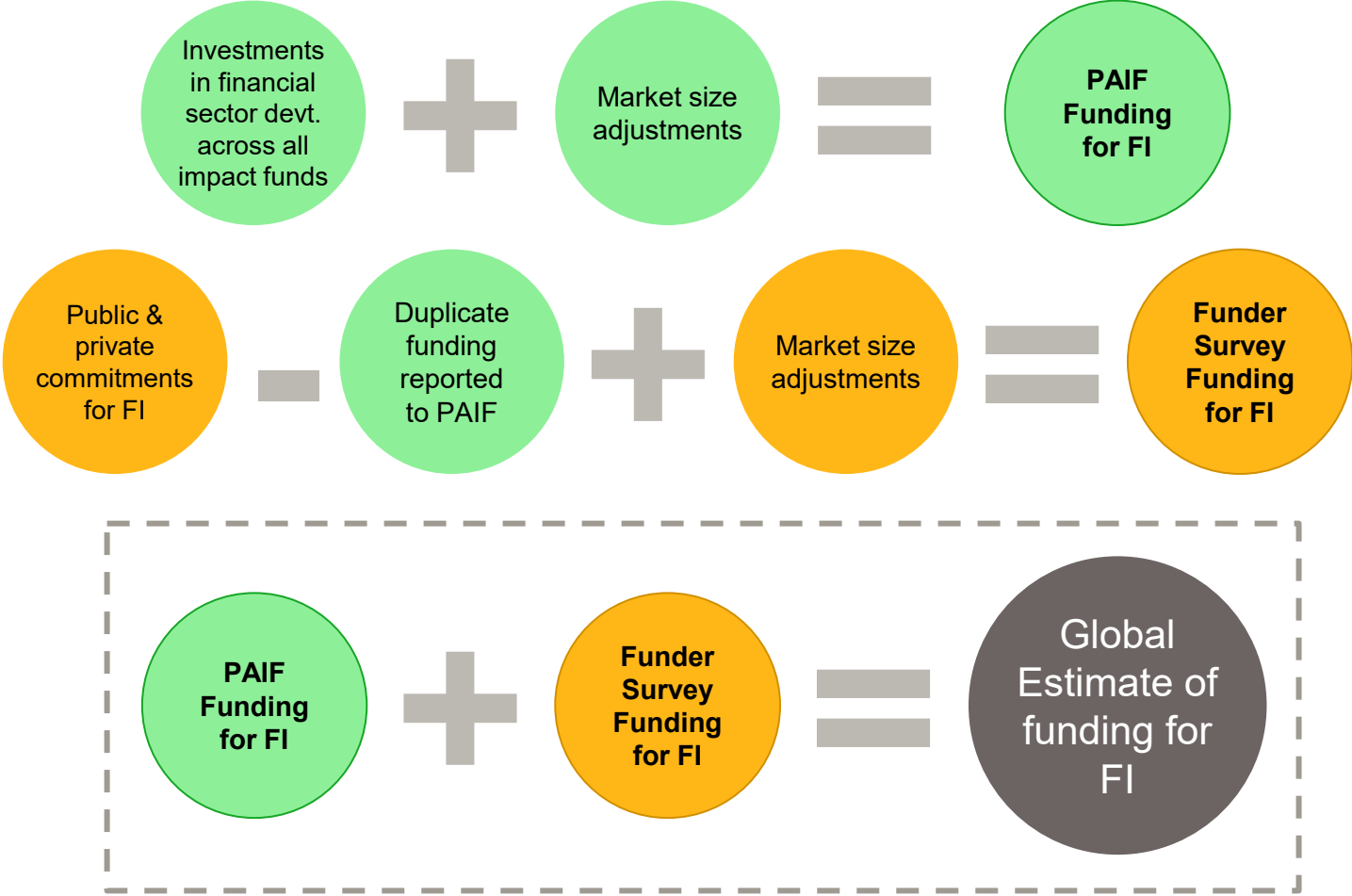
- The survey covers funding commitments as of December 31 in the survey year for projects aimed at advancing financial inclusion, either directly or indirectly as part of broader development projects, in areas including micro and small enterprises, digital finance, women, and youth (among many others).
- Funders are asked to report commitments that are explicitly focused on financial inclusion.
- Policy-based lending (PBL; alternately referred to as development policy financing [DPF or DPO] or budget support) values are excluded from the total funding for financial inclusion, since such financing is fungible and outside the direct control of the funder.

Overview: Publishing portfolio data

- CGAP encourages funders to disclose their portfolio information at the project level in order to support the survey's coordination and transparency objectives.
- The level of granularity at which portfolio information will be disclosed is subject to negotiation based on conversation with funders.
- By default, project level information is disclosed if project documentation is publicly available online.
- If a funder decides against disclosure, all investment level information will continue to be treated as strictly confidential and only aggregated data will be shared.

*Questions on the CGAP Funder Survey?
Please contact the authors at cgap@worldbank.org*

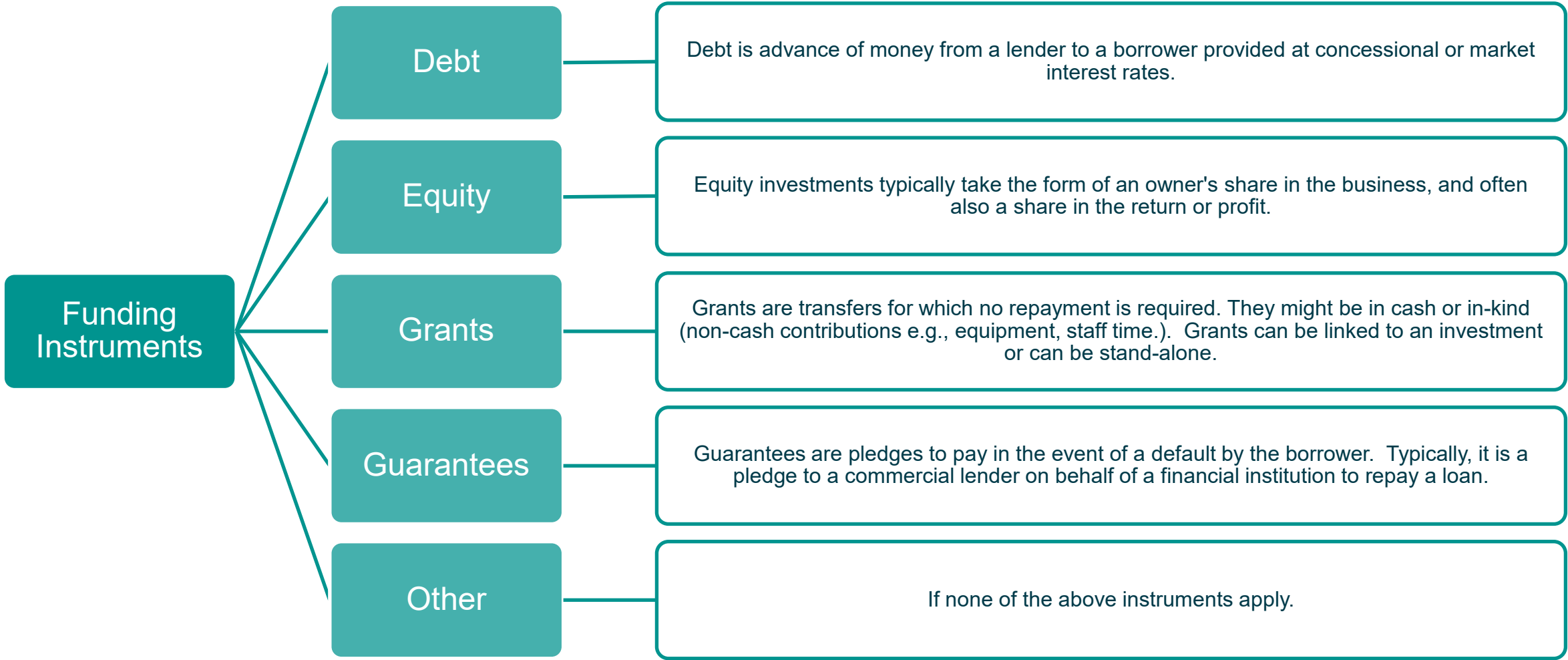
Methodology details: Calculating the global estimate



Note: Historically, CGAP’s global estimate imported data on impact funds that are solely or primarily dedicated to microfinance. Over time, more and better data has become available on the portfolios of funds concentrated on impact sectors beyond microfinance, making it feasible to canvas them for investments that support financial inclusion. At the same time, microfinance funds themselves have diversified by investing portions of their portfolios in other sectors.

In this context, the CGAP Funder Survey took a new approach to derive financial inclusion commitments from private funders beginning in 2021 by counting exposures/ investments in financial sector development across all impact funds, regardless of their sectoral focus. This meant adding relevant investments found in other impact sectors (notably agriculture) and multi-sector funds and excluding non-microfinance sector exposures from microfinance funds. Because this method both adds and subtracts from the previous approach to tracking private funding in financial inclusion, the 2021 and 2022 global estimates are not directly comparable to the global estimate figures given in previous editions of the CGAP Funder Survey.

Methodology details: Definitions of funding instruments

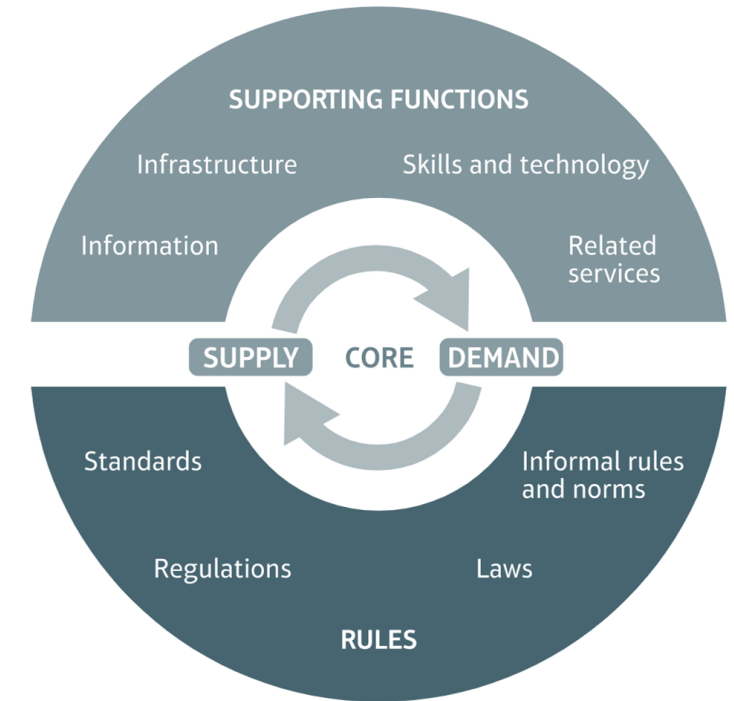


Methodology details: Definitions of recipient types

- **FSP: Bank.** Recipient is a financial service provider (FSP) that is a bank.
- **FSP: Digital provider (e.g., inclusive fintech, mobile money, e-money, etc.).** Recipient is a provider of digital financial services (DFS), which could include an inclusive financial technology (fintech) company, a payment/transfer company, mobile money provider, e-money provider, etc.
- **FSP: Informal (e.g., SHG, ROSCA, etc.).** Recipient is a non-registered financial service provider, such as a self-help group (SHG), savings group, Rotating Credit and Savings Association (ROSCA), etc.
- **FSP: NBFi (e.g., microfinance institution, financial cooperative, etc.).** Recipient is a (registered) non-bank financial institution (NBFi) such as a microfinance institution (MFI), cooperative, etc.
- **Government (e.g., Central Bank, Ministry of Finance, etc.).** Recipient is a government entity, which could include a Central Bank, a ministerial department, etc.
- **Intermediary.** Recipient is a financing or investment intermediary that channels the funds towards financial inclusion objectives, such as a microfinance investment vehicle (MIV), an APEX (wholesale fund), an impact fund, etc.
- **Multilateral / bilateral.** Recipient is a multilateral or bilateral development program that channels the funds towards financial inclusion objectives.
- **Other market support actor: Academia, etc.** Recipient is an academic entity (e.g., university) or research organization.
- **Other market support actor: Foundation/NGO.** Recipient is a foundation, non-governmental organization (NGO), charitable entity, etc.
- **Other market support actor: Infrastructure (digital & financial).** Credit bureau, registry, reporting & payment systems. Recipients are entities that comprise operational networks that link bank accounts and/or provide the functionality for monetary exchange. This could include payment systems, switches, etc.
- **Other market support actor: Infrastructure (market).** Funding that goes to capacity building institutions, networks and coordination, improving the knowledge base for the sector, etc.
- **Other market support actor: Market facilitator – global (e.g., CGAP, AFI, etc.) or local (e.g., FSD, etc.).** Recipient is a facilitator that works to stimulate financial systems without becoming a part of the market themselves.
- **Other.** Funding to all other types of recipients not captured by one of the above categories.

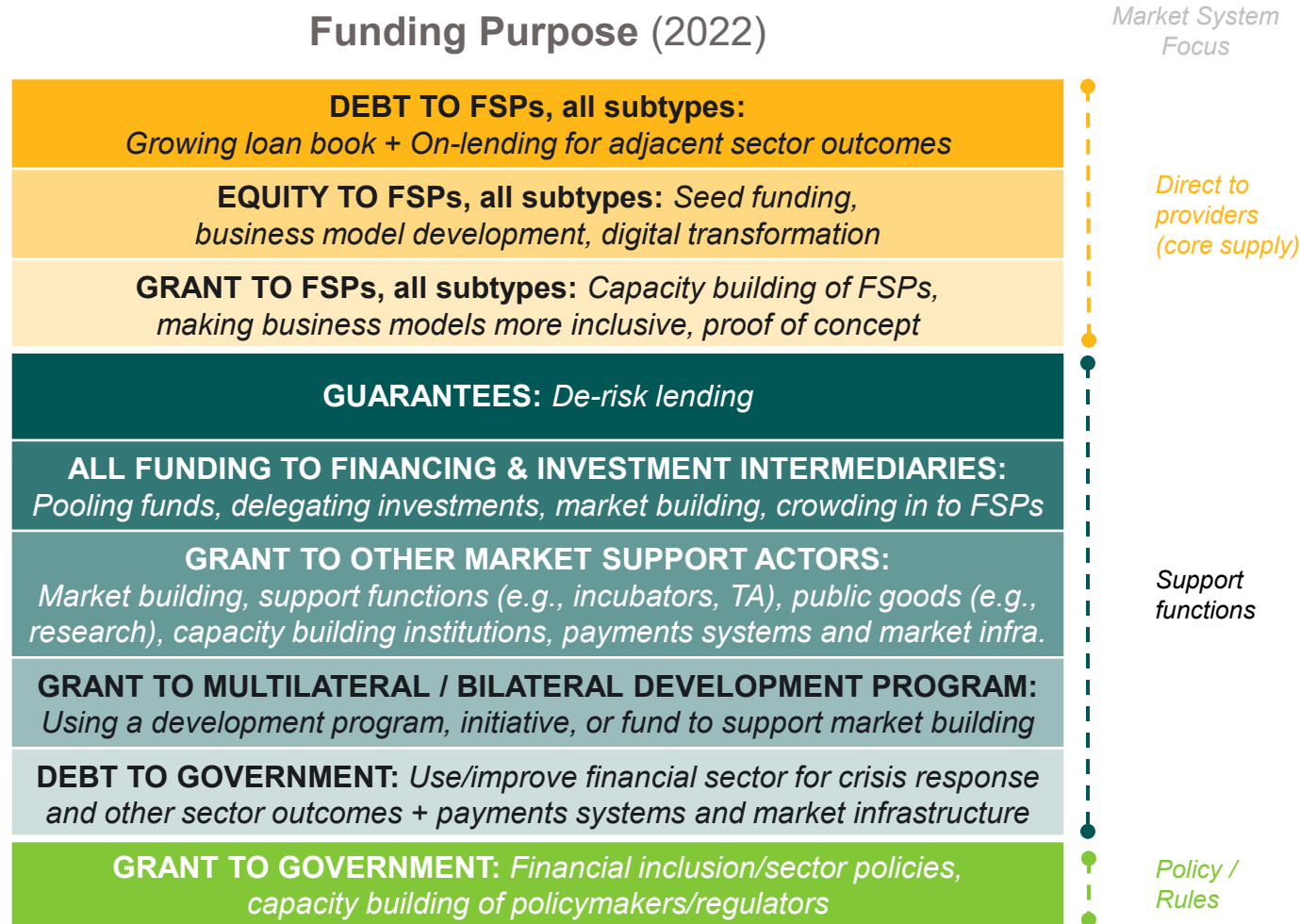
Methodology guided by a market systems approach

- A market systems approach aims to catalyze **systemic change**: change that is significant in scale, sustainable, and with built-in momentum for replication and adaption beyond the direct beneficiaries and timeframe of programs.
- At the core of the financial market system, individuals (demand) are consumers of financial services (supply).
- Various support functions and rules in the system are needed to support and enable transactions between supply and demand.
- Financial inclusion funders function as facilitators who incentivize and enable market actors to perform their market functions more effectively.
- A systemic approach to financial inclusion is reflected in the Funder Survey methodology, enabling funders to align their interventions to the system.



Methodology details: Funding purpose typology

Since 2021, the Funder Survey has integrated a typology to derive the funding purpose by cross-referencing a project's funding instrument(s) and primary recipient type. This enables more granular insight into similar categories of financial inclusion programming.



Note: Several categories in the 2022 typology include a small number of projects that did not match the primary instrument x recipient for the category, typically because one variable or the other was other/undefined. Despite the typological mismatch, the projects were determined to generally align with the purpose noted and have therefore been classified in that area of the purpose typology.

Those exceptions for the 2022 dataset are as follows (out of an analysis denominator of 2,801 projects totaling US\$41.6 billion in commitments) :

- Debt to FSPs includes US\$124 million of projects with an instrument of 'other' (0.6% of funding in the debt-to-FSP category).
- Grant to other market support actors includes US\$233 million of projects with an instrument other than grant (9% of funding in the grant-to-OMSA category)
- Grant to multilateral / bilateral development program includes US\$9 million of projects with an instrument of 'other' (1% of funding in the grant-to-multilateral/bilateral category)
- Debt to government includes US\$151 million of projects with an instrument of equity or 'other' (2% of funding in the debt-to-government) and US\$289 million of projects that are debt or equity to multilateral / bilateral, totaling US\$289 million (5% of funding in the debt-to-government category)
- Note that guarantees to intermediaries (US\$400 million) are classified with the financing and investment intermediaries.
- 11 projects totaling US\$28 million in commitments remained undefined.

Methodology details: Themes

- **Digital:** Project with a strong and central digital dimension (e.g., digital money, mobile company, Fintech, digital ecosystem/economy development, etc.)
- **Green, climate.** Project related to green activities, climate change, etc.
- **Micro and small enterprises (MSEs).** Project related to the financial inclusion of micro and small enterprises.
- **Migrants.** Project related to the financial inclusion of migrants, refugees or internally displaced populations.
- **Resilience.** Project related to financial services in the context of preparation for or recovery from crisis or shocks (including those connected to climate disruption and the COVID-19 crisis).
- **Responsible finance, consumer protection:** Project supports objectives dedicated to consumer protection or responsible finance.
- **Rural and agricultural finance.** Project related to financial inclusion in the context of agriculture and/or rural areas.
- **WASH, health, housing.** Project related to basic/essential services such as WASH (water, sanitation, and hygiene), health, and housing.
- **Women.** Project related to the financial inclusion of women and girls, aimed at addressing gender gaps in financial inclusion. May be related to broader women's economic empowerment programming.
- **Youth.** Project related to the financial inclusion of youth.

2022 Funder Survey Participants (n=47)

Public Funders

Bilateral Agencies

AICS* (*Italy*)
Danida (*Denmark*)
DFAT* (*Australia*)
FCDO (*United Kingdom; formerly DFID*)
GIZ (*Germany*)
Global Affairs Canada (*Canada*)
Jersey Overseas Aid (*Jersey*)
JICA (*Japan*)
LuxDev (*Luxembourg*)
NMFA* (*Netherlands*)
Norad (*Norway*)
SDC (*Switzerland*)
SECO* (*Switzerland*)
SIDA (*Sweden*)
USAID (*United States*)

Multilateral Agencies

AfDB (*African Development Bank*)
ADB (*Asian Development Bank*)
EC* (*European Commission*)
IFAD (*International Fund for Agricultural Development*)
UNCDF* (*United Nations Capital Development Fund*)
World Bank

Development Finance Institutions (DFIs)

AECID* (*Spain*)
AFD Group (*France*)
BII* (*United Kingdom, formerly CDC*)
BIO (*Belgium*)
CAF (*Development Bank of Latin America*)
CEB (*Council of Europe Development Bank*)
DEG* (*German Investment Corporation*)
DFC (*United States*)
EBRD (*European Bank for Reconstruction and Development*)
EIB (*European Investment Bank*)
Finnfund* (*Finland*)
FMO* (*Netherlands*)
ICDF* (*Taiwan*)
IDB Invest*
IFC (*International Finance Corporation*)
IFU* (*Denmark*)
KfW (*Germany*)
Norfund* (*Norway*)
OeEB* (*Austria*)
SIFEM* (*Switzerland*)

Private Funders

Bill and Melinda Gates Foundation
Cordaid*
Credit Suisse Foundation / Credit Suisse APAC Foundation
Flourish
Mastercard Foundation*
Whole Planet Foundation

Funding Explorer contextual data sources & indicator details

- Source for financial inclusion indicators: *World Bank Global Findex* (2017 and 2021 data), <https://www.worldbank.org/en/publication/globalindex>
- Source for drill-through country indicators: *World Development Indicators (WDI) DataBank*, <https://databank.worldbank.org/source/world-development-indicators>

Short metadata descriptions of focal WDI indicators:

- **Population, total:** Total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship. The values shown are midyear estimates.
- **Rural population (% of total population):** Rural population refers to people living in rural areas as defined by national statistical offices. It is calculated as the difference between total population and urban population.
- **Population living in areas where elevation is below 5 meters (% of total population):** Land area below 5m is the percentage of total land where the elevation is 5 meters or less. Rising global temperatures will cause sea level rise and alter local climate conditions, affecting forests, crop yields, and water supplies, and may affect human health, animals, and many types of ecosystems.
- **Net official development assistance received (current US\$):** Net official development assistance is disbursement flows (net of repayment of principal) that meet the DAC definition of ODA and are made to countries and territories on the DAC list of aid recipients. Data are in current U.S. dollars.
- **GDP per capita, PPP (current international \$):** This indicator provides per capita values for gross domestic product (GDP) expressed in current international dollars converted by purchasing power parity (PPP) conversion factor.
- **Mobile cellular subscriptions (per 100 people):** Mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service that provide access to the PSTN using cellular technology.
- **Individuals using the Internet (% of population):** Internet users are individuals who have used the Internet (from any location) in the last 3 months. The Internet can be used via a computer, mobile phone, personal digital assistant, games machine, digital TV etc.
- **Literacy rate, adult total (% of people ages 15 and above):** Adult literacy rate is the percentage of people ages 15 and above who can both read and write with understanding a short simple statement about their everyday life.
- **Literacy rate, youth female (% of females ages 15-24):** Youth female literacy rate is the percentage of female people ages 15-24 who can both read and write with understanding a short simple statement about their everyday life.
- **Women Business and the Law Index Score (scale 1-100):** The index measures how laws and regulations affect women's economic opportunity. Overall scores are calculated by taking the average score of each index (Mobility, Workplace, Pay, Marriage, Parenthood, Entrepreneurship, Assets and Pension), with 100 representing the highest possible score.

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