

## WHAT IS THE NAVIGATOR?

**The Financial Inclusion Navigator is a review process facilitated by CGAP which helps funders understand their organizational strengths and weaknesses to deliver sustainable results and impact in financial inclusion.**

This initiative offers a learning experience for funders on how to advance financial inclusion in the context of the Sustainable Development Goals (SDGs), taking into account the complex and fast-evolving market environments in which they intervene.

The Navigator is based on the premise that the internal management systems and culture of a funder influence the performance of projects/investments<sup>1</sup> in the field. The Navigator tests the coherence of a funder's setup given its strategic choices. Therefore, it can be used for funders with varying strategic priorities and delivery approaches.

## WHY PARTICIPATE?

The Navigator review is based on a **participatory process** which provides opportunities to engage management and staff in a reflection on financial inclusion. This process, facilitated by CGAP as a neutral external party, helps raise awareness about financial inclusion and how it contributes to multiple development objectives. The Navigator can be used to stimulate, structure and monitor organizational change processes. Funders going through (or preparing for) a strategic reorientation or a new strategy will find it particularly useful.

### Benefits to participating funder:

- Spurring internal dialogue on effectiveness in financial inclusion.
- Helping position financial inclusion internally by raising awareness of sustainable financial systems development and creating links with other development sectors.
- Exploring the nexus of financial inclusion and the funder's strategic commitments, such as those on sustainable development, gender and digitization.
- Aligning staff around a common vision of financial inclusion, thereby mitigating effects of staff rotation and decentralization.

### Benefits to funder community:

- Obtaining insights on how different organizations address challenges and advance priorities, thus contributing to the knowledge base and eventually to the development of principles for funders in financial inclusion.
- Peer learning amongst participating funders, thus helping improve global knowledge on effective organizational set-ups for advancing financial inclusion in today's environment and maximizing development impact.
- The development of a basis for coordination amongst funders to effectively deal with common challenges.

1. The term **project** is used in this document as a generic term for projects, investments, and related alternate terms used by funders. This document defines **interventions** as sub-activities of a project. The term **program** refers to a package of projects designed and approved jointly to contribute to a development objective.

# Financial Inclusion Navigator



What organizational elements enable/inhibit funders to advance in priority areas?



- Contributing to Development Goals
- Advancing Women's Financial Inclusion
- Dealing with Complexity
- Reaching Sustainable Results at Scale

## WHAT DOES THE NAVIGATOR LOOK FOR?

The Navigator identifies **four priority areas** important for funders who want to advance financial inclusion and achieve sustainable development impact in complex environments. These include **contributing to development goals, advancing women's financial inclusion, dealing with complexity** and **reaching sustainable results at scale**. These priorities are inspired by experience, draw on existing guidelines, principles, and CGAP resources, and have been refined through discussions with CGAP members and the Navigator Advisory Group.<sup>2</sup>

The Navigator examines **five organizational elements** that enable and inhibit funders' advancement in the priority areas. These elements have been derived from CGAP's 20 years of experience working with members on effectiveness in microfinance and financial inclusion<sup>3</sup> and include **strategic clarity, implementation capacity, quality assurance, learning organization** and **accountability**. They are comprised of formal, informal, explicit and implicit processes, practices and internal dynamics and incentives that drive staff behavior. In short, they can be seen as the organizational environment in which staff make decisions, design, manage, monitor and learn from projects. All of these elements determine how a funder works in financial inclusion and beyond.

The Navigator framework is built around a **set of standardized questions** that explore how funder priorities are reflected in organizational processes and culture. The questions can be refined and customized in consultation with participating funders. The output of the review process is a **concise report** providing recommendations on what to change and what to keep, with ideas inspired from peers' experiences. Publication of the report is voluntary but encouraged to increase transparency and stimulate peer learning.

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2. The members of the Advisory Group represent different perspectives and experiences, including CGAP members, implementers, evaluators and market systems development specialists.
3. For more information, see the SmartAid for Microfinance Index: <https://www.cgap.org/research/publication/improving-effectiveness-within-smartaid-microfinance-index>