

# CGAP Cross-Border Funder Survey Methodology

February 2021

Read more: [www.cgap.org/FunderSurvey](http://www.cgap.org/FunderSurvey)



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INCLUSION

**ACCION**

# Overview: Goals of the survey

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

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

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

# Overview: Financial inclusion focus and scope

- The Funder 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 (alternately referred to as development policy financing 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.

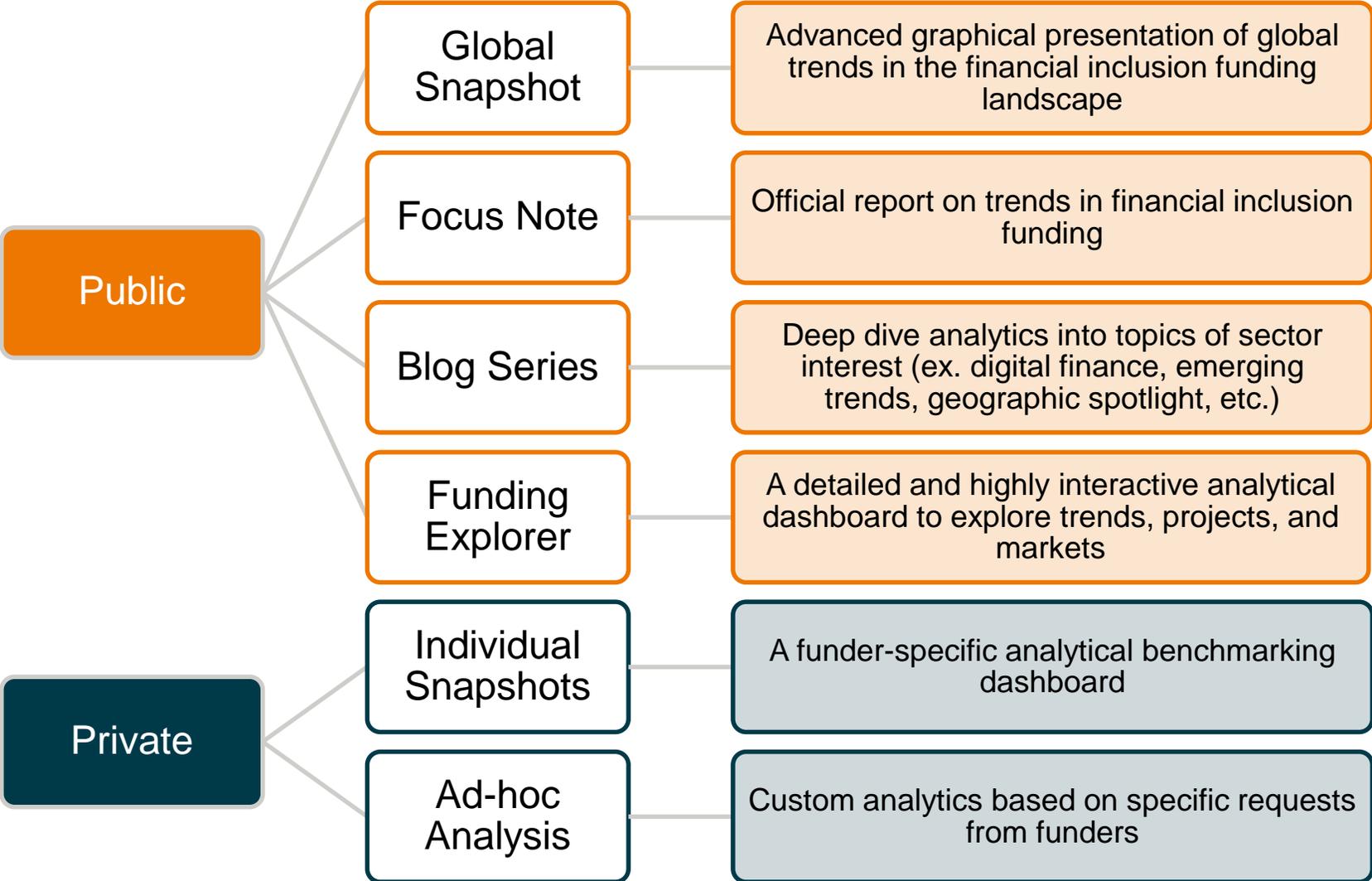
*Questions on the Cross-Border Funder Survey?  
Please contact author at [cgap@worldbank.org](mailto:cgap@worldbank.org).*

# Overview: Publishing portfolio data

Improving transparency and coordination in the sector

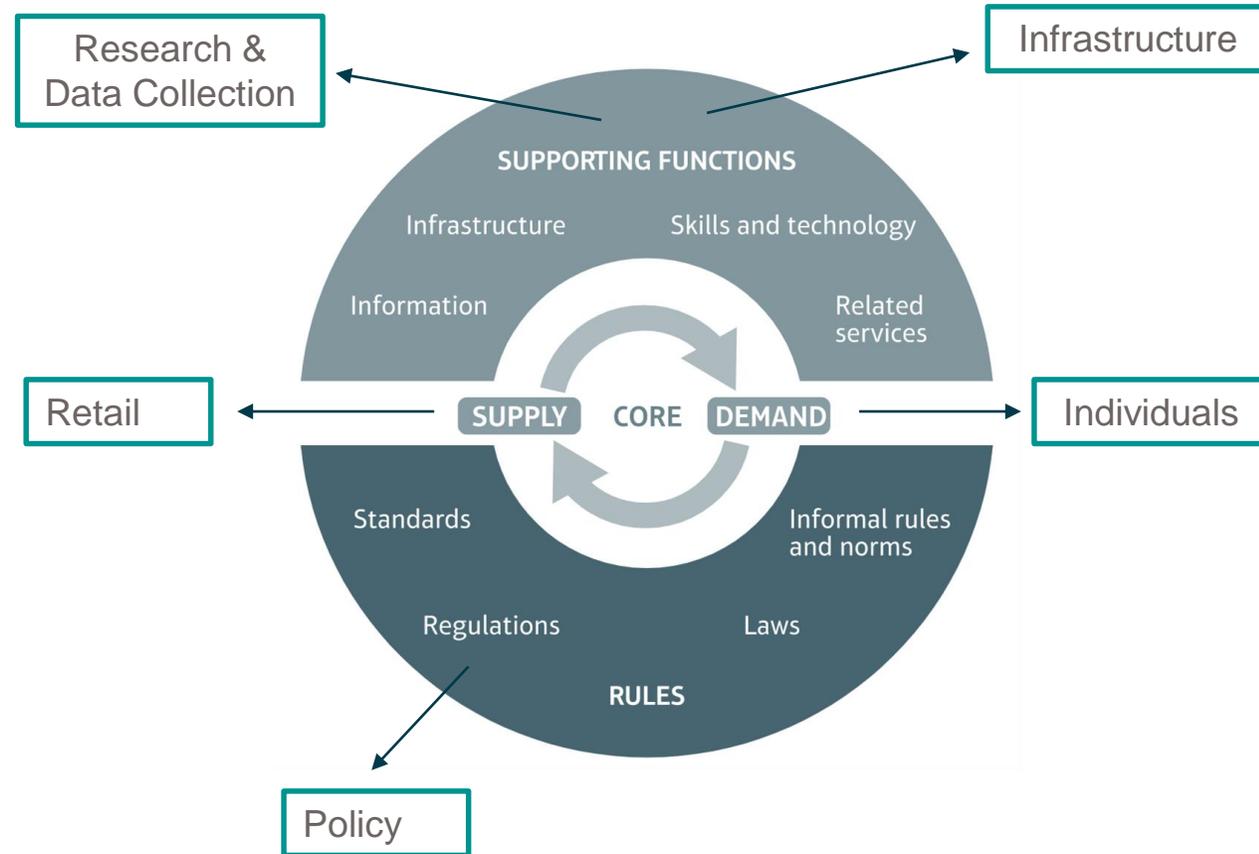
- Since 2018, CGAP and MIX, a unit within the Center for Financial Inclusion (CFI) since June 2020, have deepened their partnership to explore the potential of providing premium advanced analytics which will better serve funders and other sector actors to coordinate their efforts and better inform their decisions.
- We encourage funders to grant permission to disclose their portfolio information in order to:
  - Provide aggregate analysis for the Cross-Border funder survey, which will be publicly available.
  - Create more granular analytical products through a premium service.
    - The level of granularity to which the portfolio information will be disclosed is subject to negotiation based on specific funder concerns.
- By default, project level information is disclosed if the 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.

# Overview: Funder Survey products



# Overview: 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



**Note:** The donut image is indicative but demonstrates a market systems approach to financial inclusion. Adapted from Springfield Center (2014). For more information, see <https://www.cgap.org/topics/collections/market-systems-approach>

# Methodology details: Project and recipient typologies

## Themes

- Micro and small enterprises
- Digital finance
- Rural and agricultural finance
- Women
- Housing
- Islamic finance
- Refugees and displaced people
- Informal finance
- Green finance
- Poor
- Youth
- Migrants
- Household level finance
- Essential services (water, sanitation and health)
- Other (Please specify in the comments tab)
- None

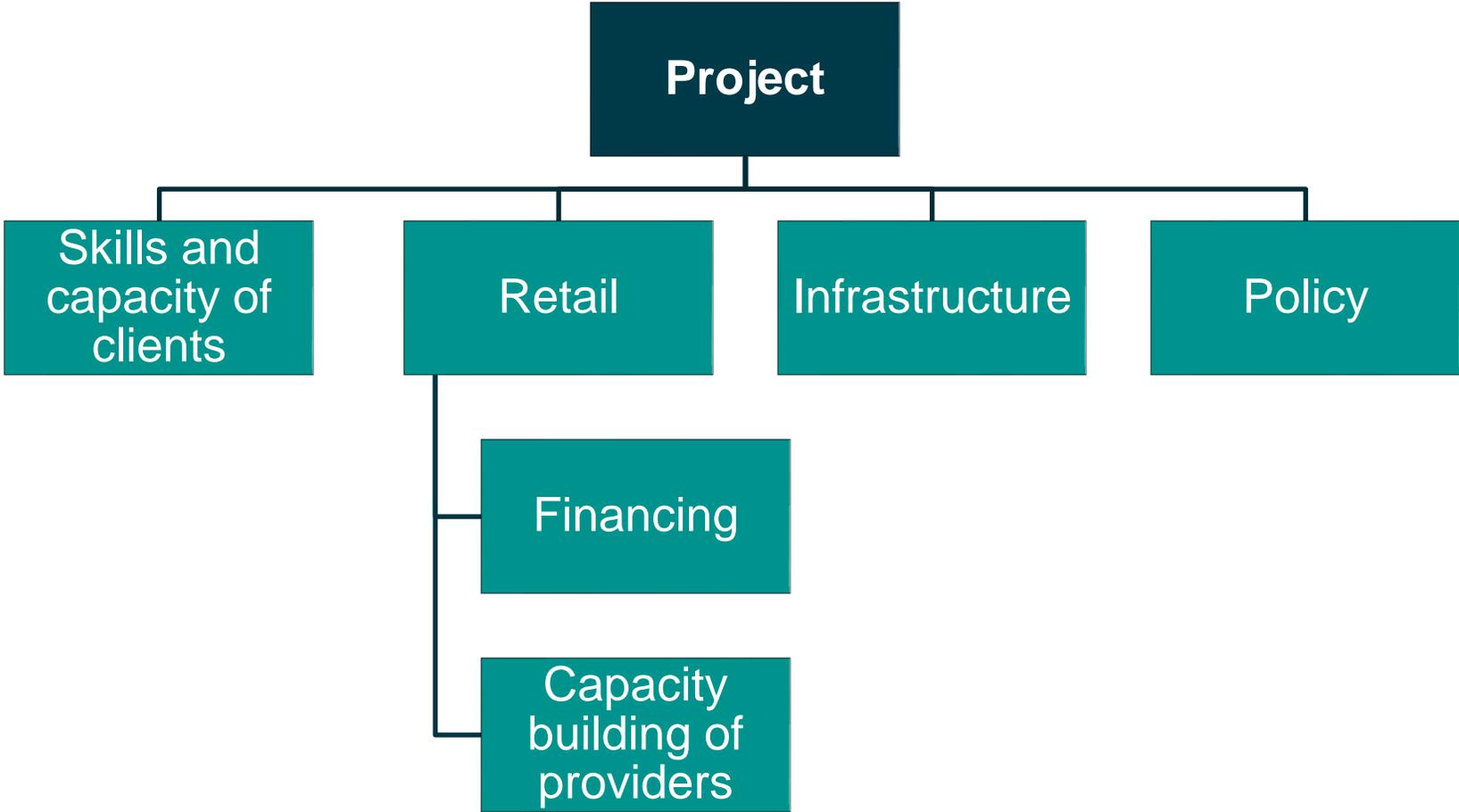
## Recipient Types

- Government: Central Bank
- Government: Other
- Development agency
- Intermediary: Microfinance investment vehicle (MIV) / intermediary
- Intermediary: Apex
- Infrastructure: Credit bureau, registry, or reporting system
- Infrastructure: Payment/digital platform
- Foundation/NGO
- Network/Association
- FSP: Bank
- FSP: DFS provider (e.g., payments/transfers, mobile money, e-money)
- FSP: Nonbank financial institution (registered, e.g. MFI, financial cooperative, etc.)
- FSP: Informal provider (not registered, e.g. SHG, ROSCA etc.)
- Mobile network operator
- Research/university/academic
- Contractor
- Market facilitator
- Development program
- Other (specify in the comments column)

## SDG Focus

- GOAL 1: No Poverty
- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education
- GOAL 5: Gender Equality
- GOAL 6: Clean Water and Sanitation
- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation and Infrastructure
- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life Below Water
- GOAL 15: Life on Land
- GOAL 16: Peace, Justice, and Strong Institutions
- GOAL 17: Partnerships for the Goals

# Methodology details: Funding purpose typology



# Methodology details: Skills and capacity of clients

Knowledge, skills and behavior

- **Overall purpose:** Directly or indirectly build the knowledge, understanding, skills, attitudes and behaviors that clients need to manage personal, household or enterprise finances.
- Includes individuals, households, micro and small enterprises (MSEs)
- Examples of funders' support include:
  - Financial education
  - Business training linked to credit
  - Strengthening self-managed organizations
  - Other

# Methodology details: Retail

## Financing and building the provider ecosystem

- **Overall purpose:** Promote a wide range of strong financial services providers that offer responsible and appropriate products and services to customers.
- Retail institutions include:
  - Bank
  - Digital financial services (DFS) provider (e.g. payments/transfers, mobile money, e-money)
  - Nonbank financial institution (registered, e.g. Microfinance Institutions (MFI), financial cooperative, etc.)
  - Informal provider (not registered, e.g. Self-Help Groups (SHG), Rotating Credit and Savings Associations (ROSCA) etc.)
- At the retail level, funders' support can be classified into **two categories**:
  1. **Financing:** To provide retail providers with the capital base to finance their operations and growth. Funders can finance retail institutions directly, or indirectly by channeling funds through intermediaries or wholesale institutions, such as apexes, investment funds and holdings. Examples of financing include:
    - Financing for expanding agent network
    - Financing for growing the loan portfolio
    - Wholesale financing
    - Financing for developing the core business model/product
  2. **Capacity building:** Efforts to strengthen retail providers to become more sustainable and deliver better and more responsible products, for example:
    - Product development (see next slide)
    - Delivery channels
    - Strengthen self-managed organizations
    - Other
- Capacity building efforts can be provided directly to the retail institutions, or indirectly through networks or holdings.

# Methodology details: Product development purpose

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Payments and remittances

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Insurance

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Savings

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Leasing

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Credit

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Account

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Investment

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E-money

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Other (Please specify in the comments tab)

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# Methodology details: Infrastructure

Infrastructure that explicitly supports and expands financial access

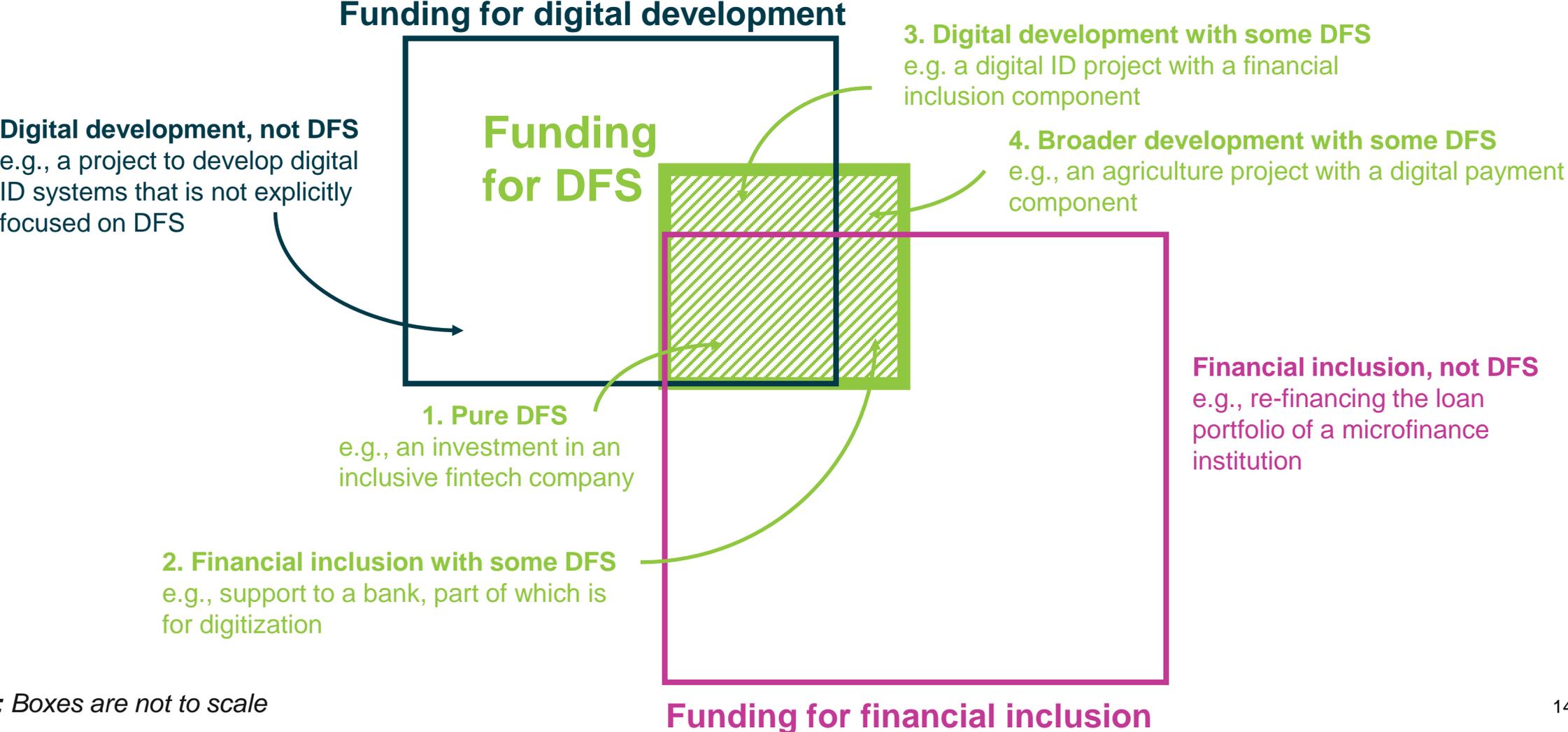
- **Overall purpose:** Strengthen market infrastructure to make financial markets inclusive in an efficient and responsible way.
- Several fundamental functions can benefit from funders' support:
  - Financial infrastructure: Strengthening operational networks that link bank accounts and/or provide the functionality for monetary exchange. Examples of payment systems are Real time gross settlement (RTGS), Automated clearing house (ACH), interoperability, Society for Worldwide Interbank Financial Telecommunication (SWIFT), switches, ATM networks
  - Information infrastructure:
    - Providing reliable and timely information through the support of MIS providers, auditing, rating, benchmarking, credit bureaus, public good data and research (e.g. FinScope, geo-spatial mapping of retail providers)
    - Promoting global learning and improving the knowledge base for the sector
  - Capacity building institutions: Organizations that provide technical support services to retail providers, such as training institutes, technical assistance (TA) providers, universities
  - Networks and coordination: Global facilitators (CGAP, AFI), local incubators, DFS networks, bank associations, microfinance associations, financial education networks.
  - Market facilitation programs: e.g. Financial Sector Deepening Africa (FSD Africa), Mobile Money for the Poor (MM4P)
  - Delivery channels: Supporting the development and functioning of branchless banking, agent networks, internet banking, mobile banking, etc.
- Funders can provide support to governments, regulators, standard setting bodies, and legislators in the areas of:
  - Data collection
  - Market research/analytics
  - Impact assessment/evaluation
  - Promotion of global learning
  - Other

# Methodology details: Policy

Create an enabling and protective environment that can also enable innovation

- **Overall purpose:** Foster a conducive policy environment for financial inclusion that will enable innovation (while not undermining stability) and protect customers.
- Funders can provide support to governments, regulators, standard setting bodies, legislators to:
  - Regulation and supervision (including Anti-money laundering/Combating the financing of terrorism (AML/CFT))
  - Government strategies and policies (such as digital financial services (DFS) policy, payment systems strategy, etc.)
  - Consumer protection
  - Advocacy
  - Other
- This support can be provided in the form of technical assistance, training, advocacy, research, etc.

# New methodology to identify, classify and measure funding for digital financial services (DFS)



*Note: Boxes are not to scale*

# Developing a taxonomy to reflect DFS funding flows

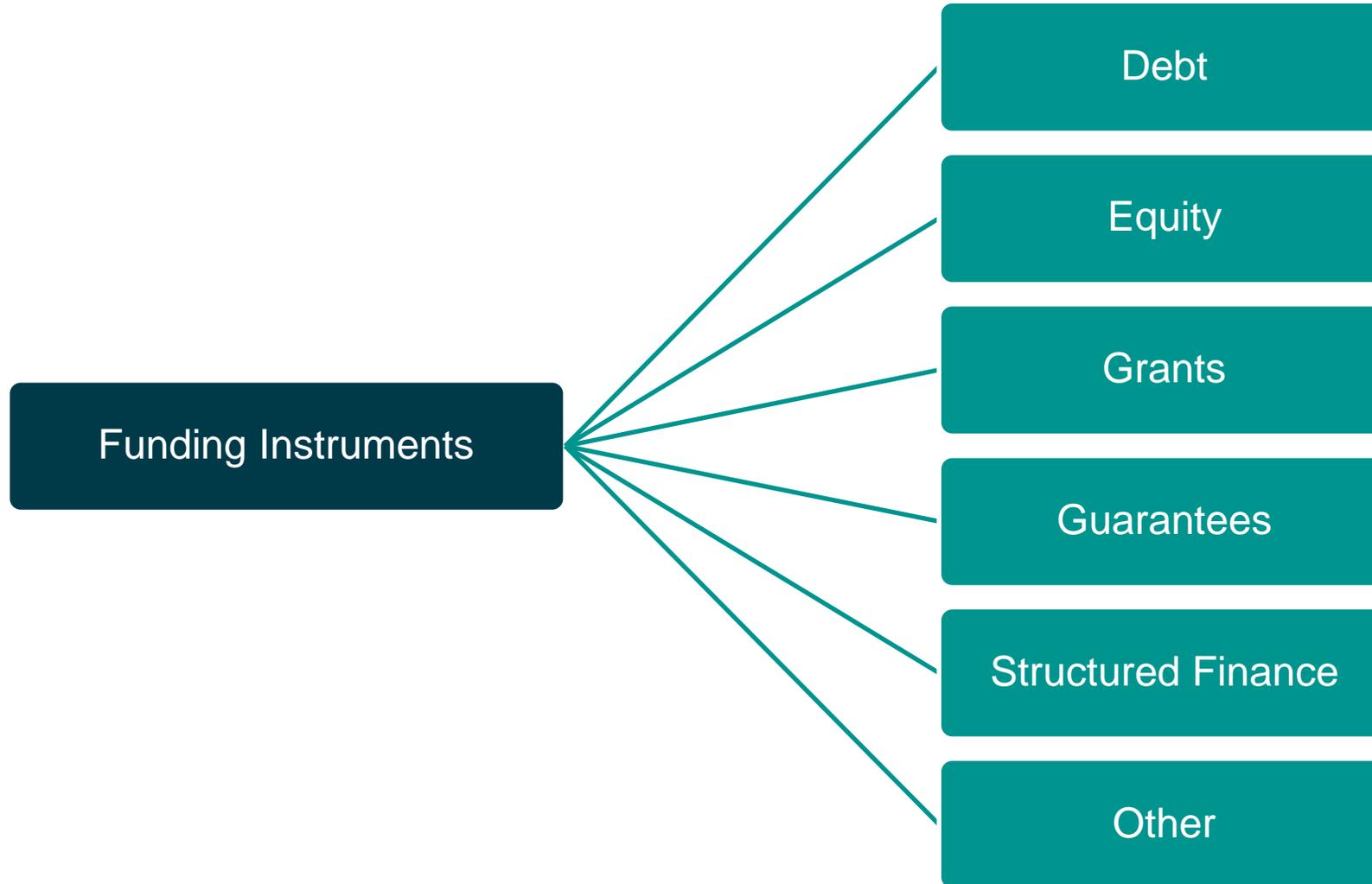
Core market
Customers
Financial service providers

Support functions
Financial infrastructure
Investment funds
Information infrastructure
Capacity building institutions
Market development programs
Networks and coordination
Research

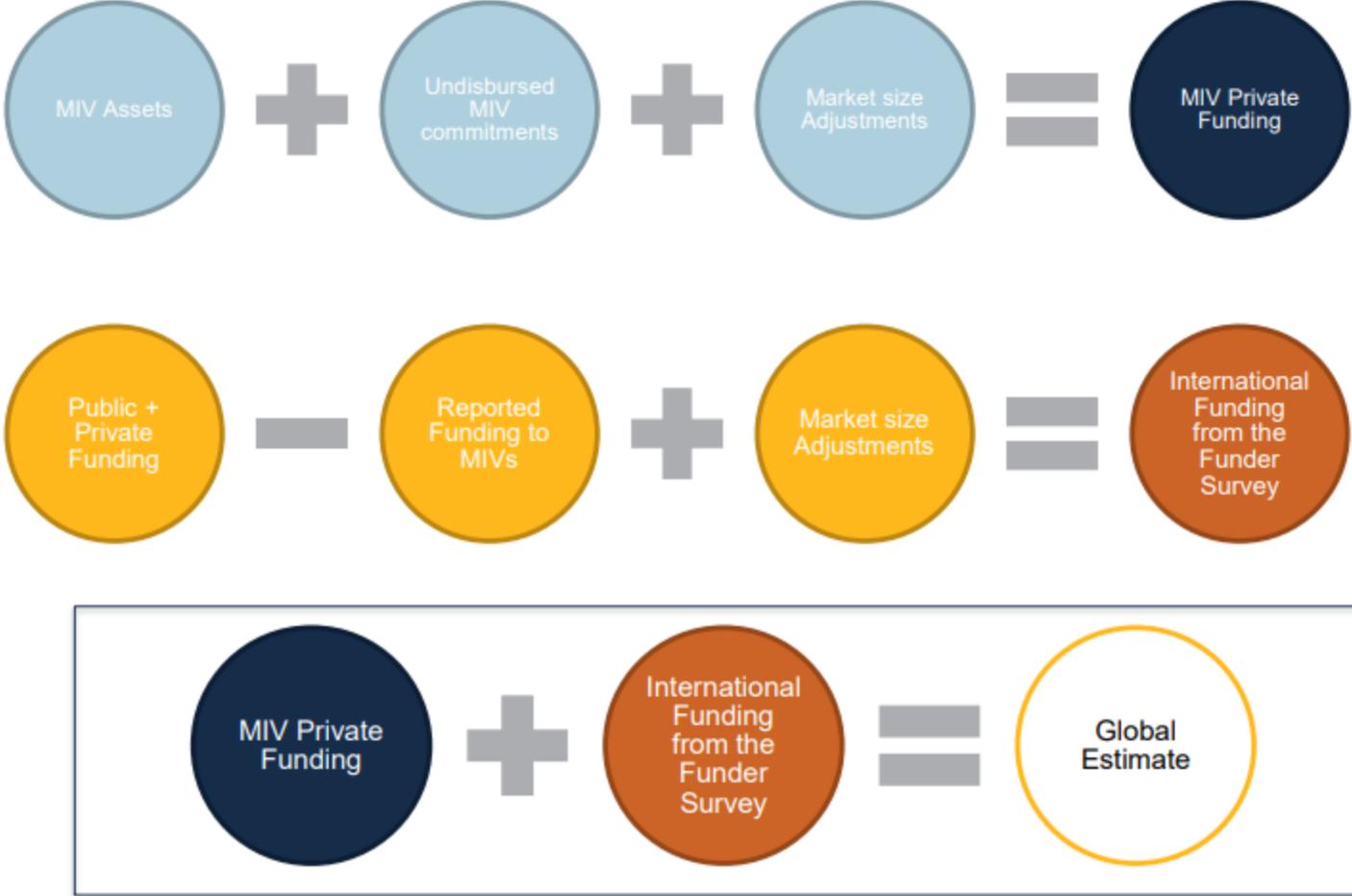
Policies and regulations
Government and policies
Regulation and supervision
Capacity building for policy makers and regulators

**Note:** More information on the DFS methodology can be found at:  
<https://www.centerforfinancialinclusion.org/how-the-development-sector-is-channeling-money-to-digital-financial-services>

# Methodology details: Funding instrument typology



# Methodology details: Calculating the global estimate



**Note:** The data for MIV Assets, Undisbursed MIV Commitments, and Market Size Adjustments (top row) come from the [Symbiotics Private Asset Impact Fund Report](#).

# 2019 Funder Survey Participants

## Bilateral Agencies

AICS (Italy)  
Danida  
DFAT (Australia)  
FCDO (Formerly DFID; United Kingdom)  
GIZ (Germany)  
Global Affairs Canada  
Jersey Overseas Aid  
JICA (Japan International Cooperation Agency)  
LuxDev  
Norad  
OeEB (Development Bank of Austria)  
SDC (Switzerland)  
SECO (Switzerland)  
SIDA (Sweden)  
USAID

## Development Finance Institutions (DFIs)

AECID (Spain)  
AFD Proparco (France)  
BIO (Belgium)  
CAF (Development Bank of Latin America)  
CDC Group (United Kingdom)  
DFC (U.S. International Development Finance Corporation)  
EBRD (European Bank for Reconstruction and Development)  
EIB (European Investment Bank)  
Finnfund  
FMO (Netherlands)  
ICDF (Taiwan International Cooperation and Development Fund)  
IDB Invest  
IFC  
IFU (Denmark)  
KfW (Germany)  
Norfund  
Obviam

## Foundations

Bill and Melinda Gates Foundation  
Citi Foundation  
Ford Foundation  
Mastercard Foundation  
Michael and Susan Dell Foundation (MSDF)  
Rabobank Foundation  
Stromme  
Whole Planet

## Multilateral Agencies

AfDB (African Development Bank)  
AsDB (Asian Development Bank)  
European Commission (EC)  
IFAD (International Fund for Agricultural Development)  
ILO (International Labour Organization)  
IsDB (Islamic Development Bank)  
UNCDF (United Nations Capital Development Fund)  
World Bank

## Other Donors

Cordaid  
HIVOS  
ICCO

## Other Investors

Credit Suisse  
Flourish  
TIAA Cref

