

CGAP Cross-Border Funder Survey Methodology

January 2022

Read more: www.cgap.org/FunderSurvey



In partnership with

CENTER for
FINANCIAL
INCLUSION

ACCION

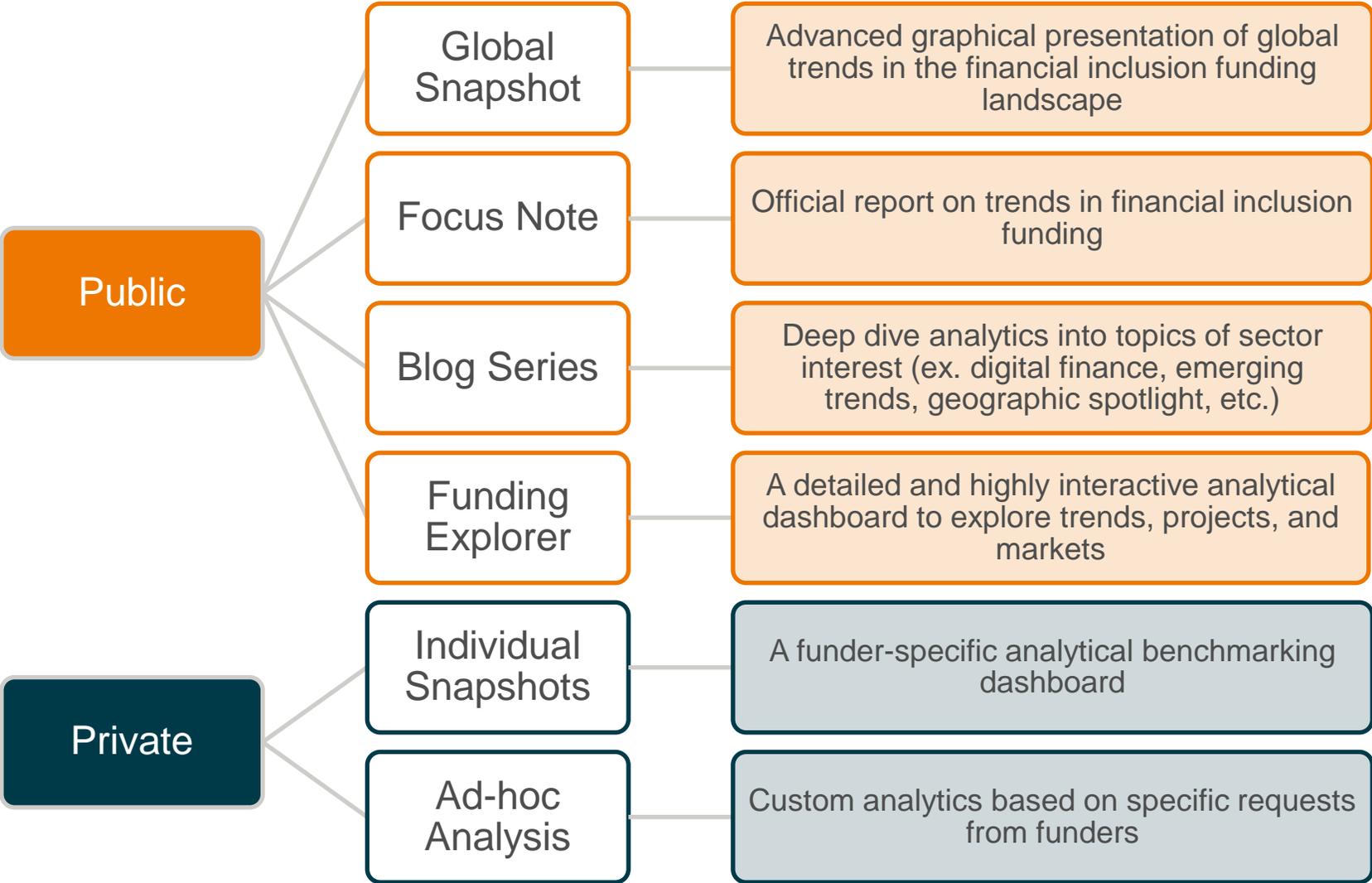
Overview: Goals of the survey

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, making operations more transparent

Overview: Funder Survey products



Overview: Sample set

- CGAP conducted the 2020 Cross-Border Funder Survey in partnership with the Center for Financial Inclusion (CFI).
- The Funder Survey is conducted annually. It alternates between surveying a full set (in 2019, n=54) and a smaller subset of the largest international financial inclusion funders.
- For 2020, CGAP collected data from the survey's smaller set (n=18), which represented 90 percent of commitments in the 2019 full set.
- In years when the smaller set is surveyed, total funding is estimated by adjusting the survey results against the full set of funders. This enables the global estimate to be reported and compared annually, despite differing sample sizes.
- For the 2020 edition of the survey, the full n=54 sample was also invited to participate in a supplemental qualitative survey and 31 responses were received.

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.

Overview: Publishing portfolio data

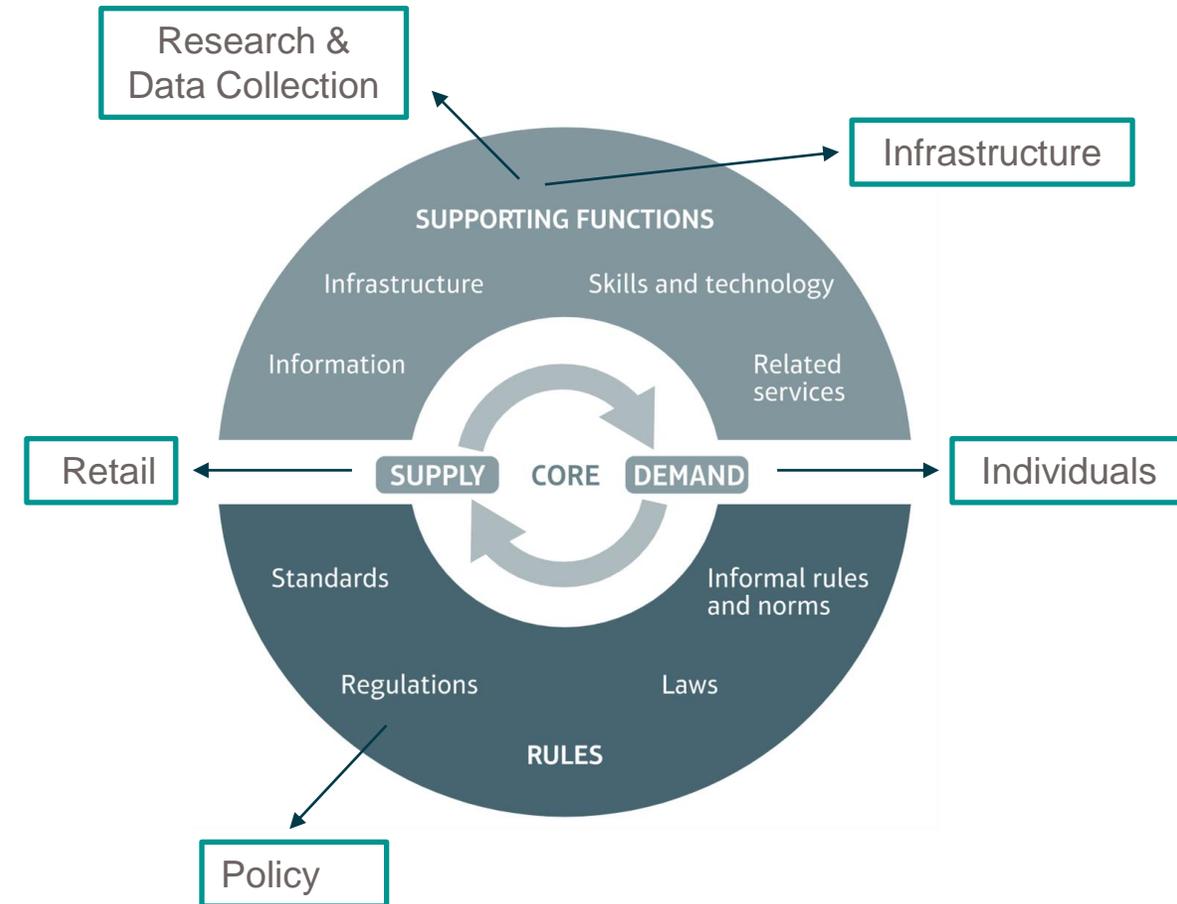
Improving transparency and coordination in the sector

- 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.*

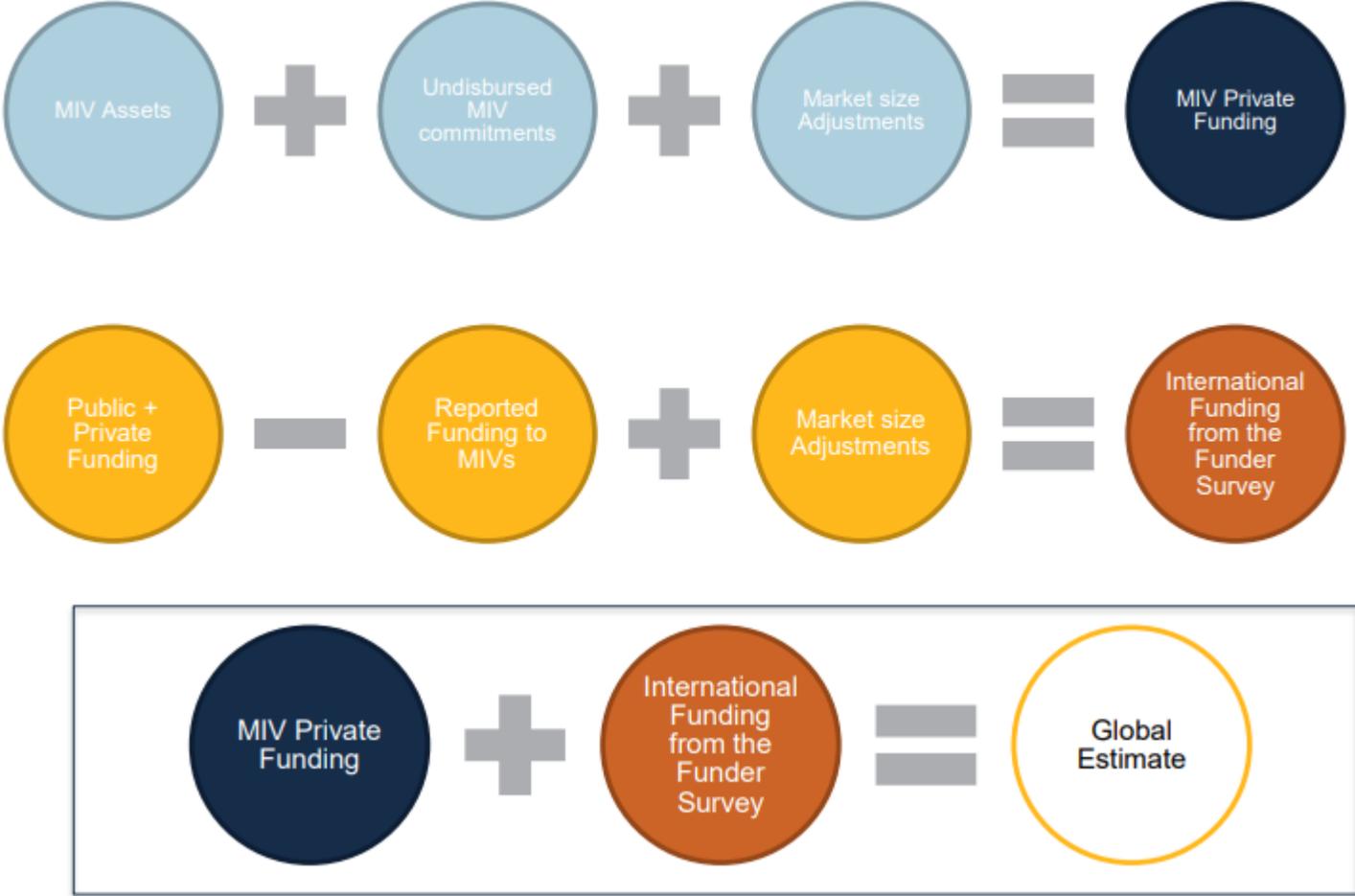
Overview: Methodology guided by a market systems approach

- 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.



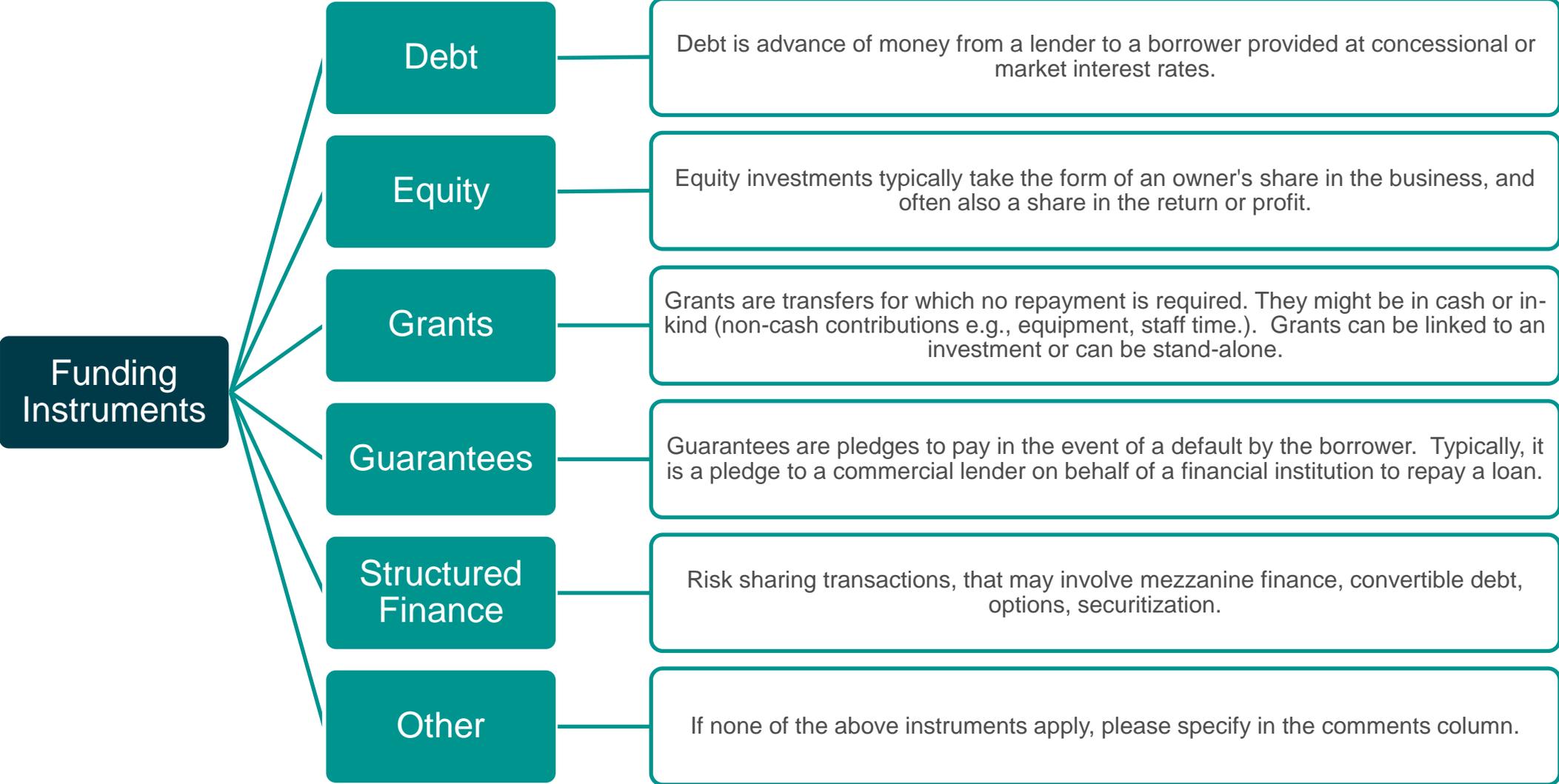
Note: The donut image is indicative but demonstrates a market systems approach to financial inclusion. Adapted from Springfield Center (2014). For more information, see cgap.org/systemicapproach. More information on how this is applied to digital financial services (DFS) in the survey can be found in CFI's report [How the Development Sector Is Channeling Money to Digital Financial Services](#).

Methodology details: Calculating the global estimate



Note: The data for MIV Assets, Undisbursed MIV Commitments, and Market Size Adjustments (top row) come from the [Tameo Private Asset Impact Fund Report 2021](#).

Methodology details: Definitions of funding instruments



Methodology details: Project and recipient typologies

Themes

- Asset finance
- Consumer Protection or Responsible Finance
- Digital economies
- Essential services (e.g., water or sanitation or health or housing etc.)
- Green / Climate change finance
- Informal finance
- Islamic finance
- Micro and small enterprises
- Migrants or Refugees or Displaced people
- Resilience
- Rural and agricultural finance
- Women
- Youth
- Other (Please specify in the comments column)

Recipient Types

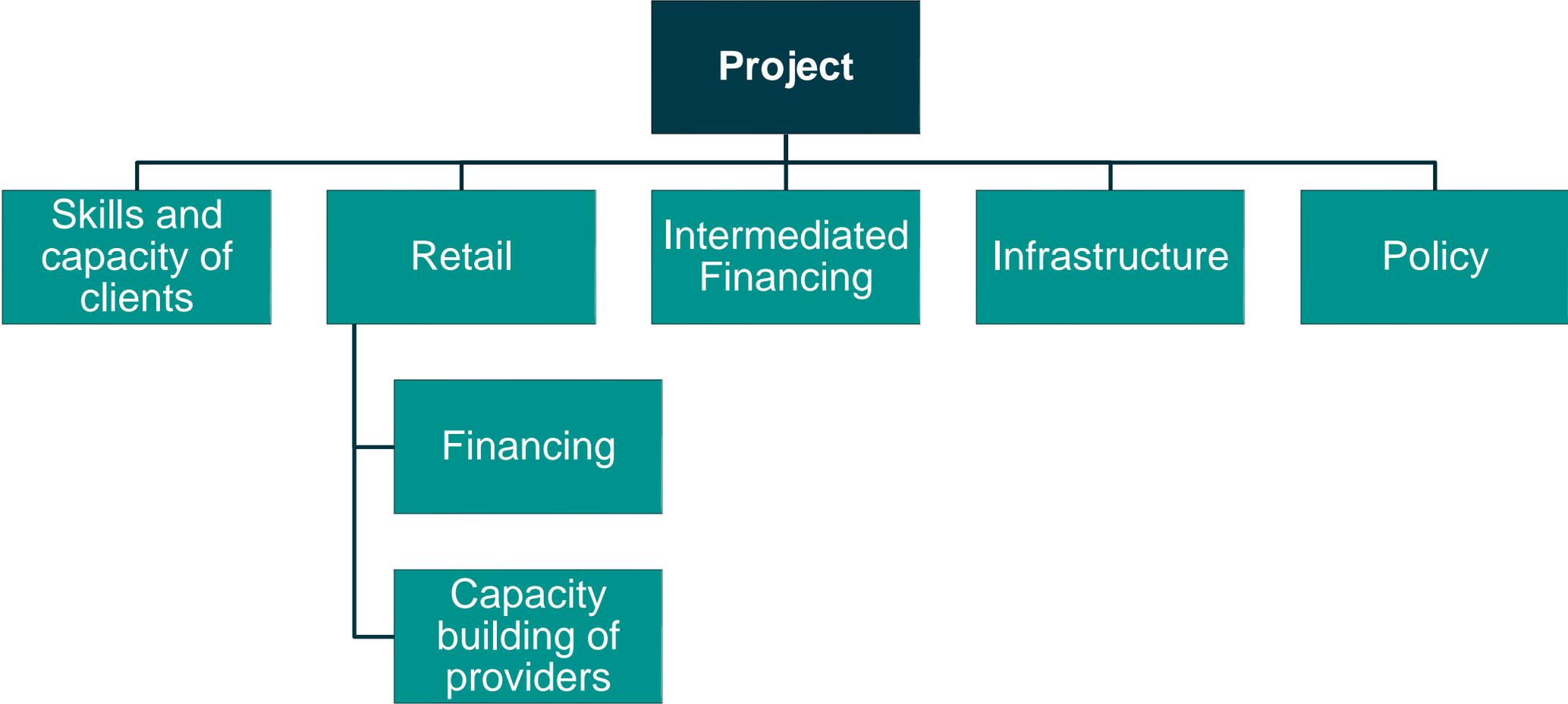
- FSP: Bank
- FSP: DFS provider (e.g., fintech, mobile money provider, etc.)
- FSP: Informal provider (e.g., SHG, ROSCA etc.)
- FSP: Nonbank financial institution (formal, e.g., MFI, financial cooperative, etc.)
- Funding intermediary (e.g., investment fund, microfinance investment vehicle, holding, Apex, etc.)
- Government (e.g., Central Bank, Ministry of Finance, etc.)
- Infrastructure: financial and digital infrastructure (e.g., payment, digital platforms, credit bureau, etc.)
- Infrastructure: market infrastructure (e.g., network, association, etc.)
- Market facilitator – global (e.g., CGAP, AFI, etc.) or local (e.g., FSD, etc.)
- Research organization/University/Academic institution
- Another development funder
- Other (Please 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

Note: Recipient Types and Themes were enhanced in the 2020 edition and differ slightly from previous editions.

Methodology details: Funding purpose typology



Funding Purpose: Skills and Capacity of Clients

Building the knowledge, skills, and behavior of clients

- **Overall purpose:** Funding for projects that 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).

Funding Purpose: Retail

Financing and building the capacity of retail providers

- **Overall purpose:** Promote a wide range of strong financial service providers that offer responsible and appropriate products and services to customers.
- Retail institutions include banks, non-bank financial institutions (registered, e.g., microfinance institutions (MFI), financial cooperative, etc.), digital financial services (DFS) providers (e.g., fintech, mobile money provider, etc.), informal providers (not registered, e.g., Self-Help Groups (SHG), Rotating Credit and Savings Associations (ROSCAs), etc.).
- At the retail level, funders' support can be classified into two subcategories:
 1. **Financing:** Direct funding to retail providers to finance their operations and growth. For example, financing to expand and agent network or financing to grow a loan portfolio.
 2. **Capacity building:** Direct efforts to strengthen retail providers to become more sustainable and deliver better and more responsible products. For example, product development, delivery channels / distribution, staff and organizational development, impact measurement, or digital transformation.

Funding Purpose: Intermediated Financing

Financing for retail providers channeled through intermediaries

- **Overall purpose:** Funding that is ultimately intended to support retail providers but does not flow directly to an FSP, rather is channeled via other market actors.
- This category includes investment funds that pool funding from multiple sources, microfinance investment vehicles (MIVs), apex bodies, etc., as well as funding that has government as primary recipient but then flows to FSPs.
- Projects in this category mostly comprise of debt to fund retail lending portfolios and equity and grants to invest in FSPs. Secondary purposes may include:
 - Capital market development
 - Crowd-in private investors
 - Retail capacity building
 - Other

Note: The classification of Intermediated Financing was enhanced in the 2020 edition and is therefore not analogous to previous editions.

Funding Purpose: Infrastructure

Funding for all forms of infrastructure as well as support functions that advance financial inclusion

- **Overall purpose:** Strengthen infrastructure and build the knowledge base to make financial markets more inclusive, efficient, and responsible.
- Recipients of this type of funding may include financial and digital infrastructure, market infrastructure, research organizations, capacity building institutions, and more.
- Several fundamental functions that can benefit from funders' support:
 - Strengthen payments networks and other financial system infrastructure (e.g., ATM networks, switches and other payment networks, digital payment systems, credit bureaus, etc.).
 - Support for market actors, such as networks, associations, etc.
 - Support for market facilitators, including global facilitators (e.g., CGAP, AFI, etc.) and local facilitators (e.g., Financial Sector Deepening trusts, etc.)
 - Research initiatives, including funding for research projects or core funding for research organizations and think tanks that advance the knowledge base for the sector
 - Support for organizations that offer capacity building services

Funding Purpose: 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 may provide support to governments, regulators, standard setting bodies, legislators for a range of purposes. For example:
 - Regulation and supervision (including anti-money laundering/combating the financing of terrorism (AML/CFT))
 - Government strategies and policies (such as digital financial services policy, payment systems strategy, etc.)
 - Consumer protection
 - Advocacy
- This support can be provided in the form of technical assistance, training, advocacy, research, etc.

2020 Funder Survey Participants

Bilateral Agencies

FCDO (*United Kingdom; formerly DFID*)

SIDA (*Sweden*)

USAID (*United States*)

Development Finance Institutions (DFIs)

AFD Group (*France*)

CDC (*United Kingdom*)

DFC (*United States*)

EBRD (*European Bank for Reconstruction and Development*)

EIB (*European Investment Bank*)

FMO (*Netherlands*)

IDB Invest

IFC

KfW (*Germany*)

Multilateral Agencies

AfDB (*African Development Bank*)

AsDB (*Asian Development Bank*)

EC (*European Commission*)

IFAD (*International Fund for Agricultural Development*)

World Bank

Foundations

Bill & Melinda Gates Foundation

