

**EXECUTIVE SUMMARY**

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# 1. Introduction

This Executive Summary provides an overview of the results of CGAP V, including key achievements of each of the eight CGAP initiatives and their progress towards meeting their five-year targets as laid out in the CGAP V Results Framework. For full details on each initiative, please read the attached standalone Completion Reports,<sup>1</sup> FY18 Annual Workplan Report Matrix (Annex A), and the consolidated CGAP V Results Framework (Annex B). A third accompanying document, the CGAP V Dashboard (Annex C), provides a visualization of key highlights and metrics during CGAP V. Lastly, the financial statements for CGAP V are presented in Annex D.

As background, CGAP’s work is guided by five-year strategic frameworks developed by our members and centered around CGAP’s mandate to improve poor people’s lives through financial services. The CGAP V Strategic Framework (FY2014 through FY2018) was approved by CGAP’s members in May 2013 and focused on five priority areas: (i) Understanding demand to effectively deliver for the poor, (ii) Financial innovation for smallholder families, (iii) Developing robust provider ecosystems, (iv) Building supportive policy and regulatory environments, and (v) Promoting effective funding for financial inclusion.

These priority areas were implemented through eight initiatives, each with its own specific target audience, theory of change, and five-year outcomes, reflected in the CGAP V Results Framework. These eight initiatives were grouped under four pillars:

Pillars	Customer and Provider Solutions	Policy	Inclusive Markets	Member Engagement and Governance
Initiatives	Customers at the Center	Global Policy Architecture	Inclusive Payment Ecosystems	Funder Guidance
	Financial Innovation for Smallholder Families	Protecting Consumers		Gateway Academy*
	Digital Finance Frontiers	Graduating the Poor ( <i>spun off</i> )		

\* Gateway Academy is technically not an Initiative as it does not have a Results Framework.

1. There are seven individual standalone Completion Reports and one progress report for Gateway Academy which will continue as a project under CGAP VI. A separate Completion Report for Graduating the Poor was submitted to the Council of Governors (CG) in September 2017.

## 2. CGAP V Highlights

The following are a few key highlights and outcomes of CGAP V:

- The Graduation approach to build pathways out of extreme poverty is being tested or adapted by more than 60 actors (governments, development agencies, NGOs) worldwide. The Graduation Program was spun off to the World Bank's Social Protection and Jobs Global Practice for scaling up.
- Financial inclusion has been mainstreamed into the agendas and considerations of global standard-setting bodies (SSBs). 24 new SSB or global policy documents of direct relevance to financial inclusion were developed or issued.
- 29 countries and firms have adopted new policies or implemented new measures and industry practices to better protect base-of-the-pyramid (BoP) financial consumers as a result of CGAP's guidance.
- Seven of nine CGAP focus countries have put in place enabling regulations for digital financial services (DFS), in areas including e-money, agent regulations, tiered KYC, allowing a diversity of providers to deploy digital financial services, and consumer protection in financial services. For example, Ghana recently issued e-money and agent regulation and licensing, and Myanmar developed its first official regulation for DFS.
- Ten financial service providers (FSPs) are implementing CGAP's Guide to Customer Centricity and have made improvements in customer interaction, products and services, and delivery for low-income customers. And 40 "influence" firms are promoting broader awareness of the Guide among FSPs.
- Through new insights on the financial behaviors and aspirations of smallholders in six countries, CGAP contributed to a more holistic understanding of the financial services needs of smallholder families.

## 3. Summary of Initiatives' Key Achievements and Progress Against the Results Framework

This section provides a summary of each of the eight initiatives' key achievements and progress against the Results Framework, followed by an overall assessment of the aggregate results against the CGAP V Results Framework.

The CGAP V Results Framework is an amalgamation of the frameworks of the eight initiatives. Each initiative has an overall five-year outcome and two to three supporting outcomes. Each outcome has one to three indicators for which targets are mostly set midway through CGAP V (FY16) and at the end of the five-year strategy (FY18). In all, the Results Framework contains 42 indicators.

## 1. Customers at the Center

The Customers at the Center Initiative sought to address the gap between financial access and usage by poor customers, by partnering with FSPs to deliver products and services that respond to the needs of low-income customers. The overarching deliverable of this initiative was the *Guide to Customer Centricity as a Business Model*, an online guide with 130+ hands-on tools, diagnostics, and case studies to help FSPs design for low-income customers.

**Results Framework:** The Customers at the Center Initiative achieved its FY18 target for the five-year outcome of “increased adoption of customer centric approaches for financial products/services design and delivery by FSPs.” Both targets for the two supporting outcomes were also achieved: (i) “Key influence firms validate the use of customer centricity approaches for financial product/service design and delivery” and (ii) “Key reference firms use customer-centric approaches for financial product/service design and delivery.” A total of 10 FSPs (AMK in Cambodia, Pioneer in The Philippines, Orange Money in Madagascar, Barclays/Africa, Janalakshmi and Eko in India, Zoono in Zambia, Equity in Kenya, BTPN in Indonesia, and Wave Money in Myanmar ) are using the “Guide to Customer Centricity as a Business Model” and 40 key influence firms (e.g. CGAP members, technical service providers, and aggregators) are advocating the Guide among FSPs more broadly. As it takes time to implement systemic customer centricity changes within organizations, changes that are made might take two to three years to translate into positive results.

## 2. Graduating the Poor

Recognizing that microfinance was not reaching the poorest of the poor, the Graduation Program set out to demonstrate pathways out of extreme poverty through a sequenced combination of asset transfers, livelihood training, consumption assistance, and access to financial services. Targeted at the most vulnerable households, the program helped them develop sustainable livelihoods, increase incomes, and build a pathway out of extreme poverty. CGAP and Ford Foundation implemented 10 pilots in eight countries (Ethiopia, Ghana, Haiti, Honduras, India, Pakistan, Peru, and Yemen), partnering with local, national, and international NGOs and public-sector organizations such as government social safety net programs and health care providers. These were followed by Randomized Control Trials (RCTs), which found increased household incomes and consumption in all but one site. The pilots had a statistically significant impact on participants’ consumption, productive assets, and savings one year after the program ended and also led to greater women’s empowerment.

**Results Framework:** The Graduation Program exceeded all its FY17 Results Framework indicator targets. Evidence against its final FY17 outcome, “Reference countries or major donors are implementing well-documented graduation scale-ups,” showed that more than 60 actors (governments, large international agencies, and international NGOs) were testing, adapting, and scaling-up the Graduation approach. At the time of the spinoff, 11 governments (Afghanistan, Colombia, Ethiopia, India [Jharkhand and Odisha], Indonesia, Kenya, Mexico, Pakistan, Paraguay, Peru, and the Philippines) and one international aid agency (UNHCR) were implementing Graduation programs as part of their social protection strategies. CGAP provided continuous policy engagement, outreach, and technical support to these programs, as well as to an active Community of Practice of more than 500 people.

### 3. Financial Innovation for Smallholder Families

CGAP contributed to a more holistic understanding of smallholder families' financial needs, not only as agricultural producers but also as consumers, small business owners, off-farm laborers, parents, and pensioners. Through financial diaries and nationally-representative surveys of smallholder families in Tanzania, Mozambique, Uganda, Côte d'Ivoire, Bangladesh, and Nigeria, CGAP built the evidence base on smallholder financial behaviors and aspirations, farm and off-farm activities and sources of income, use of formal and informal finance, and risk-management strategies. The initiative also gained new insights on smallholder family use of mobile phones and mobile money accounts. Based on these insights, CGAP contributed to the launch of nine new technology-enabled products and services for smallholders by 12 FSPs (e.g., digital savings products, a mobile input layaway service for farmers, a new credit scoring system for lending to farmers, an SMS-based financial education program for farmers, digital loan repayments, and digital remittances).

**Results Framework:** The initiative exceeded all three Results Framework indicators established to measure its five-year outcome of “new financial products and service-providers practices that effectively meet the needs of smallholder families.” In the first half of CGAP V, the initiative focused on achieving its two supporting outcomes: “Building a more holistic understanding of the financial services needs of smallholder families” and “Enhancing FSPs’ understanding of how to design and launch financial products (particularly technology-enabled products) that more effectively meet the needs of smallholder families.” The FY16 mid-Strategy target for achieving a more holistic understanding of the needs of smallholder families was exceeded with 28 stakeholders against a target of 15. This result was achieved through a combination of publications, research projects, and targeted dissemination events. The FY16 target for enhancing the understanding of FSPs was achieved through three Applied Product Innovation partnerships with Econet in Zimbabwe, Amret in Cambodia, and myAgro in Mali.

### 4. Inclusive Payment Ecosystems (IPE)

The IPE Initiative worked toward enabling financial inclusion through an inclusive digital payments system—a payment system through which any citizen or business can send or receive money from nearly anywhere. Working in nine focus countries (Ghana, Uganda, Rwanda, Tanzania, Kenya, Pakistan, India, Bangladesh, and Myanmar), the initiative used a holistic approach that considered policy and regulation, business environment, digital infrastructure, and client issues. The nature of this initiative was to seek partnerships where possible, collaborate and work with others to address challenges, and crowd-in risk capital as needed. An important contribution that CGAP made was contextualizing CGAP’s global knowledge on key topics to helping to bring ideas and solutions to address specific country challenges.

**Results Framework:** The initiative’s five-year outcome of “country success cases where digital payments are provided in a diverse and competitive business ecosystem and are widely used,” and its three supporting outcomes, are exceptionally ambitious in-country results to which CGAP is only one of many contributors and which do not depend wholly on CGAP. While most of the FY16 targets for the five-year outcome were not achieved, all three indicators exceeded their FY18 targets, i.e.: (i) Six out of the nine focus countries achieved 50% or more of adults owning a digital account and having used it in the previous 90 days. (ii) Five of the nine countries achieved 40% of adults living under less than \$2/day owning and having used their account within the previous 90 days. Furthermore, (iii) eight countries achieved 2:1 ratio of male to female adults owning and using an account. All but one of the

three supporting outcomes (related to market competition) was achieved. Seven of the nine countries had basic regulatory enablers in place by the end of CGAP V, including rules governing: (i) e-money; (ii) agents; (iii) tiered KYC; (iv) allowing multiple types of institutions to deploy DFS; and (v) consumer protection in financial services. CGAP provided significant support to each of these countries' regulatory processes.

## 5. Digital Finance Frontiers (DFF)

The DFF Initiative focused on driving experimentation in digital finance to offer new solutions to low-income customers, and sharing insights and lessons learned to stimulate further innovation and scale-up. To do this, CGAP partnered with FinTechs and other innovators in the digital space to test new technologies and identify their potential for advancing financial access. These demonstration pilots have focused on digital delivery models, high-impact solutions (that have the most value for low-income customers), and digital finance for basic services beyond finance. Key achievements that have resulted from this work include: (i) understanding of the importance of Open APIs as a foundational element of the digital rails infrastructure; (ii) new insights and guidance on improving the way poor people interact with digital channels; (iii) early guidance to providers on digital credit offerings; (iv) support to key field experiments using data analytics to improve offerings for smallholder farmers; and (v) identifying emerging business models driven by FinTechs.

**Results Framework:** The initiative's five-year outcome, "providers in multiple markets leverage digital payments and apply innovative business models to offer a broad range of solutions to poor people," exceeded its FY18 targets, with 38 products live in more than 13 markets, meeting the frontier criteria—that they are commercially live, that they target the poor, and are fully digital. This was confirmed by an independent review carried out in June 2018 by BLE Solutions. CGAP contributed to this industry outcome through three supporting outcomes. The first supporting outcome sought to drive the transition of mobile money services towards open platforms: 50% of providers (against the 33% target) surveyed by the independent review indicated that they were influenced by CGAP activities in determining their approach to open their digital channels. The second supporting outcome sought to drive relevant industry experimentation. CGAP successfully exceeded the targets through 16 proof points along five categories of innovations showing the impact of promising technologies and/or approaches to enhance the delivery of existing DFS. Finally, the initiative greatly exceeded its third supporting outcome target with 74% surveyed providers and funders working in DFS indicating that they have incorporated input from CGAP's knowledge products or dissemination activities in their workplans, activities, or approaches.

## 6. Global Policy Architecture (GPA)

The GPA Initiative successfully leveraged CGAP's longstanding relationships with global standard-setting bodies (SSBs) to mainstream financial inclusion in their agendas and bring them to a shared understanding of their increasingly converging interests in financial inclusion. CGAP effectively leveraged its role as implementing partner of the G20's Global Partnership for Financial Inclusion (GPFI) and contributed to GPFI's institution-building. As the SSBs have come to recognize the linkages between stability, integrity, protection, and financial inclusion, they have increasingly issued standards, principles, guidance, and other policy documents that are relevant to financial inclusion and have come to accept the GPFI as a platform to bring them together on financial inclusion.

**Results Framework:** The initiative's five-year outcome is an "increased understanding of interdependence of financial inclusion, stability, integrity and consumer protection reflected in the mainstreaming of financial inclusion among relevant SSBs, informed by innovation from emerging market and developing economies." The two FY18 indicators to assess this five-year outcome were exceeded and achieved, respectively. This demonstrated an understanding of the need for SSBs to collaborate on financial inclusion and increased awareness that financial inclusion connects with traditional goals of financial sector regulation. Furthermore, the initiative exceeded all targets for its two supporting outcomes. 24 new SSB and global policy documents of direct relevance to financial inclusion were developed during CGAP V, exceeding the target of 20. Moreover, 11 new SSB and global policy documents of relevance to financial inclusion reflecting a less siloed approach were issued, exceeding the target of four. Lastly, concrete examples of policy making informed by the I-SIP analysis were observed in six key markets (South Africa, Pakistan, Russia, the Philippines, Paraguay, and Peru).

## 7. Protecting Consumers

The Protecting Consumers Initiative focused on addressing key barriers in consumer protection for low-income users of financial services, especially against risks arising from digital finance innovations. During CGAP V, the guidance and technical tools developed by CGAP to mitigate against key consumer protection risks for low-income users of financial services have been increasingly adopted by country-level policy makers and by both partner and non-partner providers. Many governments have also adopted CGAP-developed consumer behavioral research methods, resulting in new regulations and policy interventions on financial literacy strategy, consumer recourse, credit disclosure, and adjusting financial products and services for the needs of the elderly.

**Results Framework:** The initiative exceeded all but one of its Results Framework targets. The initiative's FY18 target to measure the initiative's five-year outcome, "additional countries and firms take concrete steps towards the adoption of new policy and industry practices that better protect base of the pyramid financial consumers against main consumer risks," was exceeded as at least 12 additional countries and 17 additional providers (total of 29 countries and firms) adopted new policies or implemented new measures and industry practices to better protect BoP financial consumers. The first supporting outcome, "more effective consumer protection regulation as a result of the adoption of CGAP-developed behavioral research tools and methods," was also exceeded, with policy makers and providers in at least 12 markets adopting CGAP-developed consumer and behavioral research methods/tools to inform regulation and policy interventions. Two of three targets for the second supporting outcome on "good practices to protect digital finance customers against main emerging risks" were exceeded, while the third target was achieved. As an example of the success, at least 20 governments<sup>2</sup> have taken concrete steps towards the adoption of proportionate regulation, supervision, and other policy measures to protect DFS consumers against the main emerging risks.

## 8. Funder Guidance

Through the Funder Guidance Initiative, CGAP made the case for a new, systemic approach to financial inclusion, building on a growing consensus that such an approach is more effective in addressing complex market challenges in a more sustainable way. The initiative had an ambitious five-year outcome: "The

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2. These include Armenia, Bangladesh, Ghana, India, Jordan, Kenya, Malaysia, Mexico, Myanmar, Pakistan, Paraguay, Peru, The Philippines, Russia, Rwanda, Tanzania, Uganda, Yemen, Zambia, and Zimbabwe.

allocation and channeling of funding by public donors, DFIs and philanthropies has improved to facilitate the development of inclusive financial markets.” In support of this, CGAP supported funders through various deliverables, including new Funder Guidelines, the launch of the Measuring Market Development Handbook, and the roll-out of training on taking a systemic approach to financial inclusion.

**Results Framework:** The FY18 target for the five-year outcome was achieved, with 15 funders pioneering the adoption of market systems development approaches by funding facilitators rather than direct retail funding. This is eight additional funders over the baseline of seven at the start of CGAP V. However, because the experiences of adopting a market systems approach are not widespread, there is still some way to go in building a strong knowledge base by funder staff both in headquarters and field offices. The target of attaining adequate knowledge by funders was not achieved despite seeing an increase of the number of funders whose strategies integrated the systemic approach. CGAP also did not meet its FY18 targets related to improving the practices of funders and implementers in applying new market measurement practices. Three of the four targets for the supporting outcomes were not achieved for FY18. This was in part due to the very ambitious agenda of creating institutional change within funder agencies, which takes time, capacity, and alignment of incentives.

### CGAP V Results Framework Summary

Table 1 below shows the achievements against the endline targets for CGAP V. In FY18, 35 of the 42 indicators were applicable.<sup>3</sup> Of these, 20 indicators exceeded their targets; 11 indicators achieved their targets; and 4 indicators did not achieve their targets.

Overall CGAP has been highly successful in achieving and even exceeding almost all targets set forth in the CGAP V Results Framework. Some results were exceeded by minor differences to the FY18 targets (this include some indicators for the Global Policy Architecture and Inclusive Payment Ecosystems Initiatives), while other accomplishments showed more substantial increase compared to the FY18 targets (this includes some indicators for Digital Finance Frontiers, Protecting Consumers, Financial Innovation for Smallholder Families, and Graduating the Poor). The Customers at the Center Initiative achieved all of its FY18 targets, while the Funder Guidance Initiative did not meet three of its five FY18 targets.

Establishing targets for how the world will change over a five-year timeline is a challenging task and can only be done by looking at different industry trends relevant to an initiative, CGAP’s experiences working on technical issues, and the resources available to implement an initiative. 20 (out of 42) indicators were exceeded midway through CGAP V. For that reason, following the FY16 annual reporting on the Results Framework, CGAP increased some of its FY18 targets.<sup>4</sup>

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3. The seven indicators not applicable in FY18 include all five indicators for the Graduating the Poor Initiative, which had its endline target at the end of FY17 (and exceeded all five of its endline targets in FY17), and two indicators for Financial Innovation for Smallholder Families, as this initiative was sequenced in its theory of change with the supporting outcomes to be achieved in FY16 and the overall five-year target to be achieved in FY18.
  4. See Results Framework Audit Trail for rationale of all changes made to the Results Framework during CGAP V.

**Table 1. Results Framework Progress Against CGAP V Endline Targets**

<b>Customers at the Center</b>	1.0.1 Use of "Customer-Centric Guide" by key financial service providers	1.1.1 # of key influencers participating in the production of the "Customer-Centric Guide" in the Customers at the Center WorkSpace	1.2.1 # of reference firms that are implementing the "Customer-Centric Guide."				
<b>Graduating the Poor</b>	2.0.1 # of reference countries or major donors implementing well-documented Graduation scale-ups	2.1.1 # reference countries and major donors applying research findings in development of Graduation scale-ups	2.1.2 # reference countries/major donors applying technical guidance and capacity support in development of Graduation scale-ups	2.2.1 # of active participants in the CoP sharing knowledge and innovations in the field of extreme poverty reduction	2.2.2 # of policy makers who take concrete steps toward Graduation scale-ups as a result of participating in a working group formed within the CoP		
<b>Financial Innovation for Smallholder Families</b>	3.0.1 # of new financial products and service provider practices aimed at better serving smallholder families launched by financial service providers	3.0.2 # of CGAP-supported financial service providers substantially increasing their number of smallholder clients	3.0.3 # of smallholder clients (of CGAP-supported financial service providers) who perceive that new products or practices effectively meet their financial needs	3.1.1 # of stakeholders who have a more holistic understanding of the financial services needs of smallholder families	3.2.1 # of CGAP-supported financial service providers with enhanced understanding of smallholder product design and launch		
<b>Inclusive Payment Ecosystems</b>	4.0.1 % of adults who own a digital account and have used it in previous 90 days	4.0.2 % of adults living below the \$2/day poverty line who own a digital account and have used it in previous 90 days	4.0.3 Ratio of male to female adults who own a digital account and have used it in the previous 90 days	4.1.1 Basic regulatory enablers in place, incl. rules governing: (a) E-money (b) Agents (c) Tiered KYC (d) Allowing multiple types of institutions to deploy DFS (e) Consumer protection in financial services	4.2.1 Number of countries with clear government commitment to digitizing payments (policy statements) and at least two key examples of digitizing P2G/G2P payments.	4.3.1 % of population within the access frontier (<5km from a financial service access point)	4.3.2 Largest DFS provider has less than 60% share of active customers and at least two others have no less than 10% each.

**LEGEND**

Achieved CGAP V endline target

Exceeded FY18 target

Did not achieve FY18 target

Not applicable for FY18

**Table 1. Results Framework Progress Against CGAP V Endline Targets** (continued)

<b>Digital Finance Frontiers</b>	<b>5.0.1</b> # of providers leveraging the digital channel to offer "frontier" financial services in emerging markets	<b>5.1.1</b> % of digital payment providers surveyed who indicate that they have been influenced by CGAP activities in determining their approach to opening up their digital channels	<b>5.2.1</b> # of proof points developed by CGAP in partnership with providers showing the impact of promising technologies and/or approaches to enhance the delivery of existing digital financial services	<b>5.2.2</b> # of experiments with CGAP involvement testing new digital financial services	<b>5.2.3</b> # of experiments conducted by CGAP in partnership with providers that demonstrate the benefit of linking digital finance and delivery of basic services	<b>5.3.1</b> % of stakeholders surveyed (providers and funders) who work/invest/promote digital financial services and indicate they have incorporated input from CGAP's knowledge products or dissemination activities in their workplans, activities or approaches	
<b>Global Policy Architecture</b>	<b>6.0.1</b> # of new activities or processes of direct relevance to financial inclusion in which multiple SSBs or other global bodies participate	<b>6.0.2</b> # of SSBs and other global bodies acknowledging the interdependence of financial inclusion and one or more additional I-SIP objectives in multiple policy documents	<b>6.1.1</b> # of new SSB and global body policy documents of direct relevance to financial inclusion	<b>6.1.2</b> # of new SSB and global body policy documents of direct relevance to financial inclusion that reflect less siloed approach	<b>6.2.1</b> Concrete examples of policy making in key markets informed by I-SIP analysis		
<b>Protecting Consumers</b>	<b>7.0.1</b> # of additional countries or firms that have adopted new policies or implemented new measures and industry practices to better protect BoP financial consumers against the main consumer risks	<b>7.1.1</b> # of markets where consumer and behavioral research methods and tools adopted by consumer protection policy makers and/or providers	<b>7.1.2</b> # completed regulations and other policy interventions in reference countries that used behaviorally-informed findings	<b>7.2.1</b> # of good practices and standards in each of the main risk areas related to new business models defined and shared between reference firms and regulators	<b>7.2.2</b> # of reference firms adopting emerging good practices and standards	<b>7.2.3</b> # of EMDE governments taking concrete steps towards the adoption of relevant proportionate regulation, supervision, and other policy measures to protect DFS consumers against the main emerging risks	
<b>Funder Guidance</b>	<b>8.0.1</b> # of donors contributing to facilitators operating at the market level	<b>8.1.1</b> % of donors, DFIs, and philanthropies surveyed who have adequate knowledge to enable them to facilitate the development of inclusive financial markets	<b>8.1.2</b> # of donors whose strategies integrate a market development approach in their financial inclusion work	<b>8.2.1</b> # of donors systematically using market measurement approaches for monitoring and evaluating market level changes and to inform their interventions	<b>8.2.2</b> # of facilitators and/or program implementers applying a market measurement approach to measuring and evaluating impact to support financial market development		

## 4. Strategy, Research, and Development

The research and development (R&D function) was created in 2016 to lead and coordinate research on emerging issues of relevance. This included facilitating internal technical prioritization, including processes to add new workstreams and exit maturing workstreams.

A main focus in 2017-2018 was the CGAP VI Strategy development process. The year-long process included extensive consultations with CG members and the broader development community and the development of the CGAP VI Theory of Change. The process resulted in the endorsement of the CGAP VI Strategy at the Council of Governors Annual Meeting in May 2018.

As part of the CGAP VI Strategy development process, the R&D work also incubated several research workstreams that have now become part of the CGAP VI strategy. These workstreams included research on women's financial inclusion, refugees, and excluded segments. Highlights of the R&D function include:

**Women's Financial Inclusion.** CGAP launched a women's financial inclusion community of practice (CoP), supported by the Bill & Melinda Gates Foundation, and established working groups covering digital financial services, social norms, and data/measurement. Each working group has sponsored in-person events, webinars and knowledge products. The community has over 700 members across more than 350 organizations in 57 countries. The CoP has sponsored five in-person sessions at various global and regional events and eight webinars. CGAP's R&D unit also conducted research and published several papers linked to women's financial inclusion, including a paper on social norms, a paper on women's mobile phone ownership, and a paper on women smallholders (jointly with the smallholders initiative).

**Refugees/Crisis-Affected People.** CGAP produced a seminal publication on refugees and crisis-affected people in 2017, and the findings were disseminated at several in-person events as well as through a webinar. CGAP also conducted demand-side research on refugees and crisis-affected communities in both Jordan and Lebanon, in partnership with the World Bank and GIZ.

**Excluded Groups.** To support prioritization for CGAP's selection of segments for focus under CGAP VI, the R&D team conducted several data exercises to understand dimensions around vulnerability and exclusion. The process was featured in a blog and helped to refine the approach on segments taken in the CGAP VI Strategy. This work has transitioned into the CGAP VI Segments and Insights project, which soon plans to release a publication on the youth segment, the first of the excluded groups on which CGAP is conducting landscaping research.

## 5. Gateway Academy

Launched in 2015-2016, Gateway Academy is a digital learning platform aimed at FSP staff who work in financial inclusion. Gateway Academy offers both online and in-person courses and seeks to cultivate communities of practice focused on financial inclusion in Sub-Saharan Africa. As of June 2018, 12 courses have been developed with five Training Service Providers. Nearly 700 learners have taken courses on the Gateway Academy's alpha, beta, and demo versions. The most popular courses were Helix courses

on “Optimizing Your Digital Financial Services (DFS) Agent Network” and “Rethinking Digital Financial Services (DFS) Product Design & Marketing.”

Consistent with CGAP’s strategy of incubating initiatives that are sustainably spun off, Gateway Academy is intended to become independent of CGAP. The objective is for Gateway Academy to be a sustainable, online learning marketplace. The current funding for Gateway Academy ends in two years. By then, a new separate legal entity will have been created or identified that may be partially funded by donors and partially self-funded. During the next two years, the focus will be on generating revenue from FSPs, seeking donor start-up capital, and setting-up the legal requirements necessary for spin-off. One of the starting set of 11 projects for CGAP VI will therefore be Gateway Academy. The objective of this project will be to improve the capacity of FSP staff through a sustainable, high quality, and cost-effective platform.

## 6. Communications

CGAP delivers knowledge and communications products that position CGAP as a leading global resource on financial inclusion, influence key stakeholders, and advance CGAP’s agenda of improving the lives of poor people. As rapid technological changes of the past decade upended the communications landscape, CGAP adapted by using the full spectrum of web-based, print, visual, and social-media tools to disseminate our knowledge, creating multiple entry points to reach and engage with our different audiences.

The significant growth in readership seen during CGAP V illustrates the success of this strategy and strengthened CGAP’s position as a leading destination for analytical insight on financial inclusion. Publication downloads have risen by 33% on average over the last five years. Unique views of blogs in the first 14 days after publication increased 38% in the last year alone. Annual visits to [cgap.org](http://cgap.org) have grown by 52% since FY12 to 697,039 in FY18; annual pageviews rose 7% over the five-year period to 1.2 million by FY18, and people are engaging more by sharing our content.

CGAP has built a leading position in the social media space, which is critically important not only to shaping the wider conversation but also for the successful marketing of knowledge products today. CGAP’s Twitter following grew 14% in FY18 alone to reach 27,300, and it has earned the status of trusted source with 7,268 retweets during CGAP V. CGAP’s Twitter following is the largest among similar financial inclusion organizations, and it is driving more traffic to blogs. CGAP has also built active followings on LinkedIn groups and Facebook.

Today’s digitally sophisticated audiences demand visually compelling work to remain engaged, and CGAP’s commitment to multimedia formats has reaped dividends. Over the last five years, CGAP produced 73 videos. The videos put a human face on financial inclusion by taking viewers into the shops of Dar es Salaam to meet merchants going digital and onto farms in Haiti to discover how a financial asset and training in the Graduation approach lift people from poverty. The videos were screened at CGAP events, Basel meetings of central bankers, G20 sessions, and were viewed 161,700 times on YouTube.

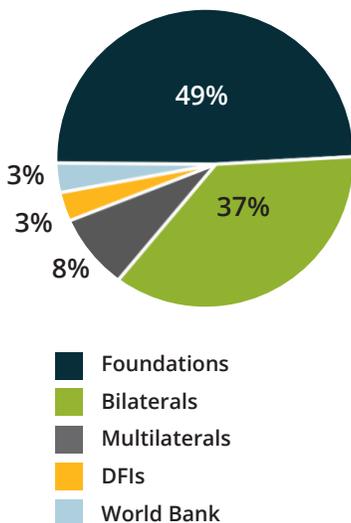
The Microfinance Gateway – the web portal for the financial inclusion sector – also has adapted to the fast-changing online world. Originally a global repository for publications and jobs, Google search has largely displaced the Gateway’s core value proposition. In response, the Gateway has broadened its remit and repositioned itself into an open-source knowledge-sharing hub for financial inclusion, hosting communities of practice, blogs, news, and webinars enabling practitioners to learn from each other’s experience. It soon will be renamed the FinDev Gateway to reflect its widened role as a resource on financial inclusion for development. The Gateway has over one million pageviews annually and more than 4,000 organizations submitting work.

The challenge ahead for CGAP communications is to deepen its influence strategy through a more targeted approach. It will move from an era of experimentation, publishing multiple times in multiple formats, towards an intentional approach tailoring the outputs according to the needs of the target audience and the impact CGAP seeks to achieve. In the last 18 months, CGAP has reduced the volume of outputs by about 25% to focus on quality over quantity, a strategy that led to over 37% increase in readership of newly produced blogs and publications in FY17 and FY18, measured by median views and downloads respectively. In the year ahead, we will launch a redesigned website that is more visually dynamic and update publication formats to better showcase CGAP’s work.

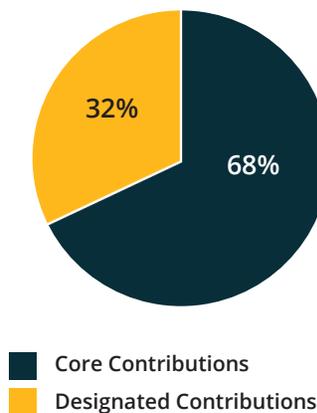
## 7. CGAP V Funding and Budget

**Donor Contributions.** CGAP members continued to demonstrate their commitment to CGAP through sustained core and designated funding. Donor contributions for CGAP V totaled \$124.3 million, up from \$99.2 million during CGAP IV.

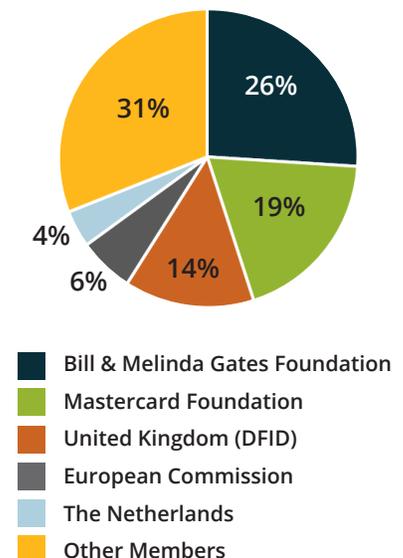
**Figure 1. CGAP V Funding by Constituency**



**Figure 2. CGAP V Funding by Type**



**Figure 3. CGAP V Funding: Top Member Contributions**



**Operating Expenses.** CGAP V operating expenses reached \$132.6 million, up from \$90.2 million for CGAP IV. This increase primarily reflected expenses associated with staff and consultancy costs. Staffing levels stayed stable throughout CGAP V, but staff expenses significantly increased due to changes in World Bank policies regulating indirect costs and staff benefits. In FY16, the World Bank introduced a new indirect cost policy, and this change, together with the increase in staff benefit rates, had a direct impact on CGAP's operational expenses.

**Financial Position.** CGAP's financial position remained strong during CGAP V. We ended FY18 with \$27.3 million in cash available for CGAP VI. Additional receivables (based on signed donor agreements) as of 30 June 2018 were \$15.1 million, totaling \$42.4 million available in cash and receivables. In addition, CGAP has \$29.6 million in committed funding, where donors have already formally approved their contributions or communicated their intention to contribute but formal agreements have not yet been signed. Combined, this represents \$72 million in secured funding, or 57% of the base case budget scenario for CGAP VI.

### Key Highlights for FY18

CGAP's FY18 year-end expenses reached \$31.9 million – \$1.3 million or 4% over the originally approved budget of \$ 30.6 million, and 0.9% over the revised FY18 projection of \$31.6 million. This represents an increase of \$1.9 million, or 6% over FY17 expenses of \$30.0 million. Comparing FY18 financial results to FY17, the main impact came from a significant increase in CGAP staff costs due to changes in the World Bank's institutional benefit rates and standardized field benefit rates.

Full financial statements can be found in Annex D. The Annex includes a FY18 Financial Update, FY18 Member Contribution Update, Financial Report by Work Area and Expense Category FY2014-FY2018, and accompanying notes. They are unaudited. Internal audits are performed by World Bank Group Quality Assurance. CGAP also participates in the World Bank Group's single audit exercise annually.

## Annexes

**Annex A:** FY18 Annual Workplan Report Matrix

**Annex B:** Consolidated CGAP V Results Framework

**Annex C:** CGAP V Dashboard

**Annex D:** CGAP V Financial Statements