Building Inclusive Financial Systems
Approach and Experience of GTZ
GTZ: Corporate Profile

Our Organisation

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) is a federally owned organisation. We work worldwide in the field of international cooperation for sustainable development. Our mandate is to support the German Government in achieving its development objectives. We provide viable, forward-looking solutions for political, economic, ecological and social development in a globalised world. Sometimes working under difficult conditions, we promote complex reforms and change processes. Our corporate objective is to improve people’s lives on a sustainable basis.

Who We Work For

GTZ is based in Eschborn near Frankfurt am Main. It was founded in 1975 as a company under private law. Most of our activities are commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ). We also operate on behalf of other German ministries, the governments of other countries and international clients – such as the European Commission, the United Nations and the World Bank – as well as on behalf of private companies. We act on a public-benefit basis, channelling all surpluses back into our own international cooperation projects for sustainable development.

Worldwide Operations

GTZ has operations in more than 130 countries in Africa, Asia, Latin America, the Mediterranean and Middle East regions, as well as in Europe, Caucasus and Central Asia. We have our own offices in 87 countries. We employ 13,000 staff, almost 10,000 of whom are national personnel. About 1,700 people work at Head Office in Eschborn and elsewhere in Germany.
Evidence shows that access to loans, savings accounts, insurance and other financial services is crucial in enabling the poor to invest in homes, education and small businesses, withstand the impact of economic shocks and manage uneven cash flows and seasonal incomes. Nevertheless, an estimated 2.5 billion people — over half the world’s adult population — do not have access to formal financial services, representing huge untapped potential for economic and social development.

Financial stability is equally important for economic development and poverty reduction. The recent financial and economic crisis has refocused global attention on the need for appropriate regulation to ensure financial stability and protect customers. In its proposals for financial sector reform, the G-20 has emphasized that financial access and stability go hand in hand.

GTZ has a longstanding tradition of supporting inclusive financial systems. Through its work with the early pioneers of the microcredit movement, GTZ has actively promoted provision of a full range of financial services for the poor.

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), GTZ financial systems development is currently active in more than 30 countries, advising policy makers, central banks, regulators, microfinance associations and a wide range of financial service providers. GTZ’s activities in financial systems development are characterised above all by a holistic, multilevel approach. By strengthening the capacity of actors at all levels of the financial system, GTZ seeks to expand the frontiers of financial access and improve the stability and crisis-resilience of the financial sector as a whole.

Financial systems development is a challenging and rapidly evolving field. Policy makers seek to conform to the latest international standards, and micro-level innovations such as mobile phone banking and microinsurance provide new opportunities for financial service provision. In order to remain at the forefront of these dynamic processes, GTZ places a great deal of emphasis on staff capacity, organisational learning and knowledge management. Our efforts in these fields were rewarded in recent external evaluations, including the Smart Aid evaluation conducted by the multi-donor consortium CGAP (Consultative Group to Assist the Poor) in 2009.

In order to leverage specific strengths and ensure a coherent donor policy, GTZ cooperates closely with other international development agencies, as well as with public and private actors that strive to promote inclusive financial systems. On behalf of BMZ, GTZ supports global and regional policy dialogue through the Access to Insurance Initiative (Page 9), the Partnership Making Finance Work for Africa (Page 13) and, funded by the Bill and Melinda Gates Foundation, the Alliance for Financial Inclusion (Page 14).

The following pages offer a snapshot of our activities. For those seeking more detailed information, please contact financial.systems@gtz.de.
Microfinance: Promoting Financial Access

Microfinance refers to the provision of a broad range of financial services to those currently excluded from the financial system, including small and micro enterprises. In supporting microfinance, GTZ does not favour a specific institutional design. Depending on the local context, microfinance products can be offered by banks, cooperatives or informal groups, each of which have their specific strengths and limitations.

Approach and Experience

GTZ employs a financial system-based approach to microfinance that encompasses both microfinance institutions (MFIs) and their legal and institutional environment.

On the macro level, GTZ assists countries and their supervisory authorities (central banks or government agencies in charge of supervision in the microfinance sector) in the development of appropriate regulatory frameworks for microfinance. Prudential regulation governs the financial soundness of licensed financial institutions and is designed to ensure the safety of customer savings. Non-prudential regulation addresses the business conduct of financial institutions and is designed to enforce consumer protection and transparency standards. Appropriate regulation takes account of the stage of development of the microfinance sector and provides incentives for further professionalisation, including the mobilisation of deposits as a local source of funding. GTZ has provided specific expertise in the drafting of microfinance laws and regulations in countries such as Indonesia, Uganda and Yemen.

A professional financial infrastructure is an essential part of the enabling environment for microfinance. MFI networks, credit information bureaus, training institutions and rating agencies provide services that help MFIs to increase outreach and reduce costs. GTZ can bring different stakeholders together and provide technical assistance in the institutional setup phase.

Project Example: Strengthening the Microfinance Sector in Indonesia

On behalf of BMZ, GTZ implements the project »Promotion of Small Financial Institutions in Indonesia« (ProFI), which started in 1999. At the outset of the project, Indonesia had a wide range of microfinance institutions, including the Bank Rakyat Indonesia (BRI) and the Bank Perkreditan Rakyat (BPR, »People’s Credit Banks«), but sustainable access to finance remained a major constraint for most Indonesian households and micro and small enterprises, especially at village level. A key reason for this was the inadequate legal and regulatory framework.

ProFI adopts a holistic and inclusive financial systems approach, which aims to integrate a larger number of micro enterprises and low-income clients into the financial system. Working at national, provincial and local levels, ProFI has been assisting Bank Indonesia and other stakeholders in developing policies and strategies and legal and regulatory frameworks as well as institutional and capacity development approaches.

The programme resulted in major improvements in the enabling environment for microfinance, including the drafting of a national microfinance law, a microfinance policy and a microfinance discussion platform. A national training centre was set up to strengthen the capacity of MFI staff. On the micro level, the programme contributed to the introduction of financial services to support the recovery of earthquake-affected areas and initiated innovative pilot programmes in microinsurance and mobile phone banking.
GTZ assists MFIs in their effort to become financially, legally and institutionally viable financial intermediaries. Technical assistance can help MFIs focusing on credit to expand into savings mobilisation and improve their operational and financial management.

Postal banks and (former) state banks can also offer a highly effective way of providing microfinance. These banks characteristically have a fine-mazed network that can be used to mobilise savings and provide credits in underserved areas. A good example of this is the Postal Savings Bank of China (PSBC). The PSBC currently has 270 million depositors, half of whom are from poor rural households, and operates a network of 36,000 branches. As part of a nation-wide financial systems development programme commissioned by BMZ, GTZ is strengthening the capacity of the PSBC in order to introduce credit products specifically tailored to the needs of rural households.

Through linkage banking, the outreach of the microfinance sector can be increased even further. Until 2008, GTZ supported a programme on behalf of BMZ in India that links self-help groups to the formal financial sector. Up to present, NABARD’s Self-Help Group Bank Linkage Programme has reached more than 50 million group members, of whom 90% are women.

**Partners**

In developing innovative approaches to increase financial access, GTZ partners with other development agencies and research centers such as CGAP, as well as with specialized consultants and the private sector.

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*To achieve prosperity and financial security, people must be in a position to make well-founded decisions regarding savings and investment.*

Alhaji Aliu Mahama – Vice-President of Ghana
The rural economy and the agricultural sector continue to play a key role for economic growth and poverty reduction and the gaps in rural financial services provision have received increased attention by governments and donors over the past few years. Partially as a result of the food crisis in 2008, there is increasing political pressure within our partner countries to support rural development and invest in agriculture.

Approach and Experience

Over more than two decades, GTZ has been an active participant in the international discussion on rural finance and has contributed to advances in the field by supporting innovative approaches in our partner countries. In cooperation with the Food and Agriculture Organisation (FAO), GTZ issued a series of publications under the title Agricultural Finance Revisited. In addition, a number of in-depth studies have been carried out to assess current challenges and innovative solutions in agricultural finance.

GTZ’s support to rural and agricultural finance is typically often part of broader interventions to strengthen financial sector development. GTZ adheres to a commercially oriented approach, in which the main role of governments and donors is to provide conducive framework conditions for the development of efficient and inclusive agricultural finance markets. Although there is no «one fits all» solution for the delivery of financial products in rural areas, several promising approaches to tackling particular challenges exist. Value Chain Finance is a concept that enables banks to better understand their clients’ needs and offers tailored financial products to improve productivity and marketing of agricultural products.
needs and mitigate risks through integrating clients in the value chain. Simultaneous (financial and non-financial) measures are needed to strengthen the creditworthiness of farmers — a good example are warehouse receipts. A further focus is on agricultural insurance schemes. Agricultural insurance can facilitate adaptation to the consequences of climate change by providing farmers or institutions exposed to agricultural sector risks with a tool to manage the financial shocks resulting from weather-related catastrophes such as droughts and storms. While the potential benefits of (index-based) agricultural insurance are great, implementation can prove challenging. GTZ is at the forefront of this issue, guiding the piloting of innovative index-based products as well as the expansion of conventional indemnity-based cover in China and Ghana. Both projects are undertaken on behalf of the German Federal Environment Ministry (BMU), and explicitly aim to promote climate change adaptation. Initiatives are also being taken in the field of branchless banking (see Page 12).

Partners

GTZ Financial Systems Development experts are working together with colleagues from the Agriculture and Food Development Department and the Partnership Making Finance Work for Africa to develop viable and effective instruments to support agricultural finance. GTZ represents BMZ in the CABFIN-Partnership, a donor network for improving capacity building in rural finance, and is involved in regular dialogue on the latest solutions with other major international stakeholders in the sector.

Project Example: Uganda

The agricultural sector in Uganda, the largest employer in the economy, involving 73% of the population, still suffers from lack of access to appropriate financial services. Financial institutions are reluctant to start business in rural areas, and there is little policy support for them to do so. This situation is exacerbated by a lack of knowledge regarding the risks and opportunities of agricultural lending, especially in value chain finance.

On behalf of BMZ, GTZ provides multi-level support in rural and agricultural finance. It facilitates policy dialogue and mutual understanding through an interdisciplinary committee that includes representatives from the agricultural sector, financial intermediaries and the relevant public authorities. GTZ is also working with the Bank of Uganda and the Plan for the Modernisation of Agriculture on the production of the Uganda Agricultural Finance Yearbook: a key knowledge product. This annual publication reflects the issues, actions, successes and failures experienced in financial sector support to agriculture. The ongoing collection and analysis of data, together with practical examples of interventions in support of agricultural investment, is gradually improving linkages between the financial and agricultural sectors in Uganda. GTZ also promotes lending through the preparation and promotion of specific loan products, especially for the hitherto neglected but important area of medium term agricultural value chain investments.
Poverty is aggravated by inability to cope with financial shocks resulting from the sudden death of a family member, illness or loss of assets. The development of insurance markets, which can play an important role in mitigating welfare losses resulting from such shocks, is therefore one of the key objectives pursued by financial systems development.

Approach and Experience

GTZ supports the development of insurance markets in order to provide permanent access to appropriate microinsurance services for broad segments of the population. Sustainable microinsurance is characterised by financial viability, demand orientation and breadth of outreach. In most of our partner countries, several factors inhibit the market supply of appropriate and affordable insurance products. Demand is often weak due to inadequate financial capability and a lack of trust in insurance providers. Furthermore, the policy and regulatory environment may not be supportive of microinsurance.

The cooperation of both policy makers and the private sector is therefore indispensable to creating an enabling environment for microinsurance. Through a systemic capacity development approach, GTZ promotes microinsurance at the three levels of the financial system. GTZ disposes of a variety of instruments to support microinsurance initiatives, including policy advice, capacity development for individual providers and the provision of public goods such as market data and awareness campaigns. GTZ projects in Ghana and the Philippines apply a systemic, multilevel approach to insurance market development.

Together with other international development cooperation institutions, GTZ engages in the creation of an enabling regulatory environment for microinsurance markets. Standards and guidelines are being developed and best practices identified in collaboration with national supervisory authorities and regulators and the International Association of Insurance Supervisors (IAIS). The aim is to establish sound market development and effective customer protection in a growing insurance market.

Project Example: Microinsurance Innovations Programme for Social Security (MIPSS)

On behalf of BMZ, GTZ set up the Microinsurance Innovations Programme for Social Security (MIPSS) in January 2009 to improve financial security for poor households in the Philippines and to limit their vulnerability to further impoverishment.

MIPSS is executed by the Department of Finance and implemented by the Insurance Commission, the Philippine Health Insurance Corporation (PhilHealth) and the Department of Health — with the support of insurance industry associations.

MIPSS applies a systemic and interdisciplinary approach to insurance market development, bringing together expertise from the social security system and from the microinsurance providers. Among the key MIPSS milestones so far are the establishment of a regulatory framework that explicitly targets the expansion of microinsurance and a national strategy for improved consumer education in microinsurance.

MIPSS also contributes to the development of innovative, demand-oriented products, especially in the field of health insurance, and to raising consumers’ awareness of insurance services. All these initiatives involve close cooperation between the private and the public sector.
GTZ promotes cooperation between actors in the financial sector and other development policy areas within the framework of an interdisciplinary advisory approach. Knowledge and instruments are exchanged with areas such as social protection, health, disaster risk management and rural development. Besides microinsurance, social protection disposes of instruments like social transfers and social insurance systems which complement each other. A good example of such an interdisciplinary approach is the project »Microinsurance Innovations in the Philippines« (see project example).

**Partners**

In several projects, GTZ cooperates with the private sector in the form of Public Private Partnerships.

This instrument is highly suited to linking established insurance companies to the low-income market, as GTZ’s knowledge of local market conditions complements the insurance expertise of the private sector. An example can be found in Jakarta, Indonesia, where GTZ is cooperating with Munich Re and a local insurance company to offer an innovative index-based insurance against flood damage — a major source of personal and economic distress in the area.

On a global level, the Joint Working Group of the IAIS and the Microinsurance Network has evolved into the key dialogue platform for microinsurance regulators, supervisors and policymakers. On behalf of BMZ, GTZ participates in this forum and was involved in the founding of the Access to Insurance Initiative (see text box).

**Access to Insurance Initiative**

The Access to Insurance Initiative (the Initiative) is a global partnership between insurance supervisors, represented by the International Association of Insurance Supervisors (IAIS), and the other sponsoring partners – the Consultative Group to Assist the Poor (CGAP), German Federal Ministry for Economic Cooperation and Development (BMZ), International Labour organization (ILO) and FinMark Trust. GTZ is hosting its secretariat on behalf of BMZ. The Initiative was launched in October 2009 to enhance access to insurance for low-income clients. It supports regulators, policy makers and supervisors to enhance access to insurance in their jurisdictions while remaining consistent with international standards. The objectives of the Initiative are:

- to strengthen the capacity and understanding of insurance supervisors, regulators and policy makers;
- facilitate their role as key drivers in expanding access to insurance markets; and
- support the implementation of sound policy, regulatory and supervisory frameworks, consistent with international standards.

It hereby addresses one of the major obstacles to insurance market development: policies and regulations that are not adapted to the supply of insurance services to low-income people. The Initiative cooperates closely with the IAIS in developing global standards and guidance for the regulation and supervision of microinsurance.
In recent years, GTZ’s technical assistance in financial systems development has increasingly focused on the legal, regulatory and institutional environment. Appropriate laws and regulations, effective supervision and a stability-oriented monetary and exchange rate policy contribute to the prevention of crises and market imbalances. Together with a strong financial infrastructure, good financial stability policies create trust in the financial system and contribute to financial inclusion, and the mobilisation of local financial resources for investment.

Approach and Experience

Especially in the wake of the financial crisis, emerging and developing countries are under increased pressure to comply with tightened international financial regulations set out by the G-20. In rethinking financial regulation, it should be noted that countries have differentiated needs and capacities in terms of financial sector development and the implementation of international standards. The German Development Cooperation therefore facilitates inputs by its partner countries in the G-20 process, to ensure that their interests are taken into account.

At the same time, the financial crisis has prompted increased demand for technical assistance to enhance financial stability and compliance with G-20 financial regulations. In our experience, the best results are achieved via a gradual approach, which seeks to introduce reforms that conform to the standards of international markets whilst accounting for capacity constraints and the appropriate timing and sequencing of reforms. GTZ therefore assists central banks, legislators and financial regulators in Africa and Asia in the adoption of individually tailored strategies to foster financial stability.

In emerging economies such as China and Indonesia, which have a more developed financial sector, GTZ facilitates the introduction of advanced financial regulation and supervision. For example, GTZ was commissioned by BMZ to provide capacity development for Bank Indonesia in developing and implementing the Basel II capital adequacy framework.

In addition to adequate laws and regulations, GTZ promotes the development of a reliable market infrastructure. Financial markets need facilities
such as stock and securities exchanges to reduce transaction costs and facilitate an efficient allocation of capital. In many developing and emerging economies, this infrastructure is underdeveloped and inadequately adjusted to the requirements of a modern financial system.

Project Example: Assisting the Transformation of the Chinese Financial Sector

To date, reforms in the Chinese financial sector have not been able to keep up with the pace of change in the private sector overall. For example, stock and bond markets are still at an early stage of development, and the banking sector copes with weak corporate governance, inadequate risk management and a narrow range of products. In order to contribute to a successful transformation process in China, GTZ China, on behalf of BMZ, implements projects that seek to diversify, strengthen and professionalise the Chinese financial sector. Financial sector stability lies at the heart of the G-20 action plan and is in the interest of both Germany and China. GTZ therefore cooperates closely with the Central Bank, financial supervisors and legislative agencies, focusing on four key aspects of financial sector development:

- Improvement of the legal framework: GTZ experts are supporting the People’s Congress in drafting proposals for securities, property and insolvency legislation.
- Reform and strengthening of the banking sector: GTZ is working with the Central Bank and the supervisory authorities to restructure banking regulation and supervision and implement G20 financial reforms;
- Strengthening of capital markets: focusing on investor protection and the »Tianjin Equity Exchange« to support the development of a stable, efficient and transparent financial center in northern China;
- Development of retail banking, microfinance and the insurance sector.

Partners

In promoting financial stability, GTZ can rely on the experience of the German Financial Supervisory Authority (BaFin) and the German Bundesbank. Capacity building projects are implemented in coordination with the World Bank and the International Monetary Fund (IMF).
New Technologies: Banking without Branches

Branchless banking offers excellent opportunities to reach a client base with no access to traditional branch-based financial services. It uses a technology solution (either a card or mobile phone) for transactions based on an electronically stored value account. Non-bank retail outlets such as kiosks and gas stations can serve as cash-in/cash-out points. In exploiting the potential of branchless banking for the unbanked, an enabling, risk-based regulatory environment is as important as safe and consumer friendly products. GTZ acts as a facilitator of branchless banking, assessing its feasibility, bringing together the relevant actors from the public and private sector and providing capacity development for implementation. In this manner, GTZ has been closely involved with a number of rural banks in Indonesia to support the development of an innovative mobile banking channel. A major step forward was taken with the creation of a third-party technology provider, which connects mobile operators and financial service providers to the same central platform.

Remittances: Financial Services for Migrants and their Families

After foreign direct investment, remittances are the largest source of financing in developing countries. They are also the fastest growing source — between 2002 and 2007, global remittances doubled. On a macroeconomic level, remittances can account for a large part of GNI, e.g. 23% in Bosnia-Herzegovina or 45% in Tajikistan. Remittances contribute to poverty reduction and cause a steady inflow of foreign currency that offsets balance of payments deficits. In addition, remittances channelled through the formal banking system broaden the basis for banks to grant loans as well as other services and thereby strengthen the recipient country’s financial system. The regular income provided by remittances can ensure access to savings, credit and insurance products. GTZ supports cost-effective and secure transfer mechanisms that enable first contact with the formal financial sector for large parts of the population. A huge proportion of remittances is sent informally, as a lack of transparency and high fees deter migrants from formal transfer channels. In order to increase transparency, GTZ and the Frankfurt School of Finance, on behalf of BMZ, created the website www.Geldtransfair.de enabling senders and recipients to compare fees on various kinds of money transfers from Germany to 33 different countries and access migrant-specific information.

Responsible Finance and Financial Capability

Financial capability is the combination of knowledge, skills and behaviour that enables consumers to manage their money well and make informed decisions when dealing with financial products. In combination with non-transparent lending practices, a lack of financial capability can easily lead to client overindebtedness and a drop in portfolio quality. GTZ therefore supports the design of framework conditions such as consumer protection agencies and transparency laws. At the same time, financial institutions themselves should be encouraged to act responsibly. For this reason GTZ is participating in the Smart Campaign, a global initiative to encourage responsible practices in microfinance. GTZ also places great emphasis on financial capability initiatives that address clients directly. An example is the »Financial Literacy Week« in Ghana, in which customers were informed about the risks and opportunities of financial products by means of radio, TV, newspapers and an interactive Road Show. The response to this event was extremely positive, and it is expected to be replicated in other countries.
Making Finance Work for Africa

Context

The Partnership for Making Finance Work for Africa (MFW4A) was launched at the G8 summit in Heiligendamm and is an international initiative to support African governments in their efforts to develop efficient financial systems in order to reduce poverty, create jobs and boost growth.

Less than 20 percent of African households currently have access to formal finance, while at the same time, limited access to credit is seen as the most severe growth constraint for businesses in Africa. A well developed financial system in Africa could release up to US$ 50bn of additional capital available for investments, credits and growth.

In order to enhance Africa’s financial systems, the Partnership for MFW4A brings together African governments, the private sector and international development partners to coordinate their actions and to foster best practices in financial systems development. The Partnership thus contributes to the goals of the Paris Declaration and the Accra Agenda for Action by improving country ownership and accountability. MFW4A is supported by the African Development Bank (AfDB), the World Bank and other major multilateral and bilateral donors in African financial systems development.

Project

On behalf of BMZ, GTZ contributes to the Partnership by supporting its secretariat based at the AfDB in Tunis, carrying out research and by fostering financial sector dialogue in Africa. Germany is the largest contributor to the secretariat and chairs the supervisory committee. We support key activities of the partnership in the following priority areas, as identified by African policy makers:

A Microfinance Roadmap for Africa

The African Union has asked the partnership to support the development of an Africa-wide microfinance roadmap adopted by African finance ministers in 2009.

Responsible Finance

In 2008 GTZ, on behalf of BMZ, jointly with DFID and the World Bank, organized the first Africa-wide Conference on Consumer Protection and Financial Capability. More than 200 policy makers, regulators, researchers, private sector representative and development partners came together in Accra, Ghana, in order to discuss and foster local financial capability and consumer protection initiatives.

Advocacy

GTZ on behalf of BMZ, the European Union and Deutsche Welle Akademie have teamed up to increase awareness about financial sector issues in Africa. Deutsche Welle Akademie will train up to 200 journalists to report competently about African financial sector development issues. The MFW4A webpage (www.mfw4a.org) offers comprehensive African financial sector news and resources.

From Paris to Accra, Enhancing Donor Coordination

Through mapping donor activities and facilitating thematic working groups, the secretariat coordinates the financial sector development interventions of Partnership members.
Publicly launched in September 2009, the Alliance for Financial Inclusion (AFI) is the first global knowledge-sharing network of financial inclusion policymakers from developing countries, working together to increase access to financial services for the poor.

The network is made up of policy makers from central banks and leading financial regulatory bodies in over 50 countries, with institutions from an additional 40 countries also interested in joining. A small secretariat in Bangkok, Thailand, manages the global network, grants, and knowledge exchange activities. AFI is administered by GTZ and is funded by a US$35 million grant from the Bill and Melinda Gates Foundation over four years. A Steering Committee comprised of AFI members guides AFI’s work.

Bringing smart Policies to Life

AFI is premised on the belief that many of the smartest innovative policies for increasing access to formal financial services have emerged from developing countries — created by those who live with the daily challenges of financial exclusion. Knowledge of these solutions is, however, scattered in pockets around the globe.

The global network takes a peer-to-peer learning approach to help member countries share knowledge and experience and identify and implement proven successful policy solutions. To support the development of the network, AFI offers members short and long-term grants of up to $1.5 million for activities including knowledge exchange study tours and technical assistance for policy makers as they develop, pilot and implement effective policies for their own country contexts.

AFI focuses on innovative policy areas that have demonstrated success in fostering financial inclusion: agent banking, mobile phone financial services, formalising microsavings, state bank reforms, financial identity, consumer protection and measurement and data.

Highlights from a Year in Operation

The AFI profile is growing. Since its launch the network has gained global recognition, leading to active involvement in a number of high-level processes including the G-20 Access through Innovation initiative and the reference group of the United Nations Secretary General’s Special Advocate for Inclusive Finance for Development. These global-level engagements provide a unique opportunity for AFI to channel the voices and perspectives of its members within important global debates and to promote their proven policy interventions.

Since AFI’s launch, significant momentum has been built around the AFI network, as emphasised by the solid sign-up by member institutions in over 50 countries and through the proceedings of the first-ever AFI Global Policy Forum (Nairobi, September 2009), which brought together over 100 policy makers from more than 40 developing countries. A number of key initiatives are already underway or have taken place, including a number of country knowledge exchanges, larger grant projects and the formation of specialist working groups on key issues as identified by the members.