

## Citi Network Strengthening Program – Background

The Citi Network Strengthening Program is a three-year US\$11.2 million grant program is being launched in 2008 in collaboration with the SEEP Network, major national and regional microfinance networks, and the support of local employees of Citi and its affiliates around the world.

The Citi Network Strengthening Program will substantially expand the Citi Foundation's support of the microfinance sector. The program is designed to increase the ability of 12 microfinance networks and their members to develop products and services that meet the needs of their clients, enhance the industry's infrastructure, introduce higher standards of management and governance, and promote the vital role of microfinance in providing the poor with access to financial services. The 12 networks represent 60 countries, over 1,300 microfinance institutions and microfinance organization members, and more than 19 million clients.

Approximately one third of the total funding will benefit the **Asia Pacific region**, including grants to the following four networks that represent 13 countries, over 500 microfinance institutions and microfinance organization members, and more than 11.3 million clients:

- Asia Pacific – Banking With the Poor Network
- China – China Association for Microfinance
- India – Sa-Dhan
- Philippines – Microfinance Council of the Philippines.

In Europe, Middle East and Africa, the networks are the Association of Microfinance Institutions of Uganda; Microfinance Centre for Central & Eastern Europe & New Independent States; Pakistan Microfinance Network; Russian Microfinance Center; and Sanabel in the Middle East. In Latin America, the networks are ProDesarrollo, Mexico; Red Financiera Rural, Ecuador; and REDCAMIF, Central America.

The Citi Network Strengthening Program will engage the networks in such activities as strategic business planning, management training, partnership building, product development, and peer learning. This will build the networks' capacity to:

1. Provide **demand driven services** to member MFIs, so that they may be better equipped to provide high-quality financial products and services to their clients, including attracting, training and retaining high quality human resources and talent.
2. **Become influential representatives** on behalf of the national or regional microfinance sector, including developing strong ties with relevant government and regulatory agencies, the mainstream financial sector, and other relevant stakeholders leading to an enabling legal and regulatory environment for microfinance.
3. Develop industry **infrastructure**, setting standards and processes such as credit bureaus or investment funds; promoting best practices such as transparent and consistent performance indicators; and engaging in more comprehensive monitoring and reporting.
4. **Build cross-sector support** and help stimulate progress among microfinance networks in other countries, as well as contribute to international innovations in the field through peer learning and sharing.