

Microfinance & Community Development Finance

We seek to increase the supply and usage of financial products and access to capital that improve the financial inclusion of low-income individuals and communities



More than 75% of the world's poor do not have a formal way of engaging with financial services. That means 2.5 billion people worldwide are depending on unreliable, insufficient, and usually expensive ways to manage their finances.¹ These informal mechanisms are especially vulnerable to shocks and emergencies that push this population further into poverty. Linking low-income individuals with financial services helps improve the economic outlook of their households and opens the doors for greater opportunities.

Leading microfinance institutions (MFIs) and community development financial institutions (CDFIs) show that it is possible to provide appropriate financial services to those outside the financial mainstream. These institutions play a critical role in advancing financial inclusion in low-income communities around the world. A trend has emerged which indicates that more and more low-income people are benefitting by participating in formal financial programs. Despite these gains, ample opportunity exists to increase financial inclusion around the world. However, increasing the flow of capital to MFIs and CDFIs alone is not enough to maintain growth. It is also essential to invest in the capacity of these institutions to manage responsible growth and scale the capital markets available to low-income clients as well as support the development of the human capital—staff, leadership, and governance—that enable these institutions to thrive and ensure clients positively benefit from their services.

¹Ardic, Oya Pinar, et al.
"Financial Access 2012: Getting to a More Comprehensive Picture". Access to Finance Forum, 2013

Our Strategy

The Citi Foundation supports microfinance institutions (MFIs) and community development financial Institutions (CDFIs) that seek to increase the availability of credit and asset building financial products and services. In 2013, the Foundation invested \$10.5 million to build the institutional and management capacity of MFIs, CDFIs, intermediary organizations and industry networks that are enhancing access to their new credit and asset building financial products and services.

Recognizing the important role that these organizations play in the financial services ecosystem, we also invest in innovative efforts that enhance an institution's ability to achieve scale and financial sustainability.



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Examples of Our Leadership



Developing the leadership of microfinance and community development finance staff

Through investments in Opportunity Finance Network (OFN) in the U.S. and Women's World Banking (WWB) globally, the Citi Foundation is supporting the development of the human capital of microfinance institutions (MFIs) and community development finance institutions (CDFIs) that enable these organizations to thrive and ensure clients positively benefit from their services.

With Citi Foundation support, OFN is creating a new and innovative training program to cultivate leadership in the CDFI industry. CDFIs have been important forces for change in underserved communities across the U.S. for the past 30 years but the industry as a whole is currently facing a critical transition point as first-generation leaders are retiring or moving on, mid-career leaders are emerging with ambitions to become C-level executives, and new talent is entering the field with a drive to make their mark but without the tools to assume these leadership roles. The CDFI industry's future depends on its ability to harness this leadership transition to identify the best and brightest leaders for tomorrow that will help the industry continue to grow and innovate. In order to address this opportunity, in January 2014, OFN launched the inaugural class of the Citi Opportunity Finance Leadership Program for 50 dynamic leaders from CDFIs across the country that have demonstrated vision and leadership potential for the industry.

Women's World Banking offers leadership programs for senior managers of microfinance institutions to champion gender diversity, women's leadership, and innovations for the women's market. With Citi Foundation support, Women's World Banking has expanded its Women in Leadership Program globally. Through a highly intensive leadership development program, high potential women MFI managers build their own skills as leaders and develop relationships with other leaders that extend beyond the scope of the program. Women's World Banking is adapting this program to meet the needs of MFI leaders in Europe, the Middle East, Africa and Asia.



Financial Inclusion 2020

The Citi Foundation has been working alongside the Center for Financial Inclusion at ACCION International to spearhead the global Financial Inclusion 2020 (FI2020) campaign. FI2020 seeks to reach the 2 billion people around the world who lack access to basic financial services such as savings accounts, credit cards, insurance, and a way to make or receive payments. The campaign is convening more than 50 longtime partners and new stakeholders, including Visa, Mastercard, Western Union, The Bill and Melinda Gates Foundation, and CGAP, to work together to create universal access to quality financial services and drive sustained economic growth. In October 2013, the landmark event, FI 2020 Global Forum, was held in London, bringing together the top leaders from across sectors to learn about the course to make full financial inclusion a reality by 2020, and build on efforts already underway. The work of the FI2020 campaign will result in a framework and guide for stakeholders who can help advance the financial inclusion mission, inspire and make investments in marginally-served markets, ensure the needs of consumers are met appropriately, and work in partnership across sectors to impact the lives of those who will benefit from access to the safety, security and convenience of the financial mainstream. An evaluation and monitoring process will be rolled out to determine success of the campaign towards 2020.

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