

August 2010: Easy learning exercise

Access to **financial services** is crucial for poor people to **manage their income**.

Financial services allow the poor to **save** and to invest in **health, education and businesses** that can help them work their way out of poverty.

A microfinance organisation in India called **SHARE** has seen **over half** of its clients move out of poverty.

Over **80%** of Africans are currently excluded from the financial sector.

Many microfinance organisations in Africa struggle due to the **difficulty of finding trained staff, lack of access to capital and high transaction costs**.

DFID and the World Bank are currently designing a '**Capacity-Building Fund for Microfinance in Africa**'.

It is crucial that this Fund supports **microfinance institutions that work for the poor**.

This means they should **target the poorest** – those living on **under \$1.25 a day** – and incorporate **proper monitoring of their social impact** including whether clients move out of poverty.