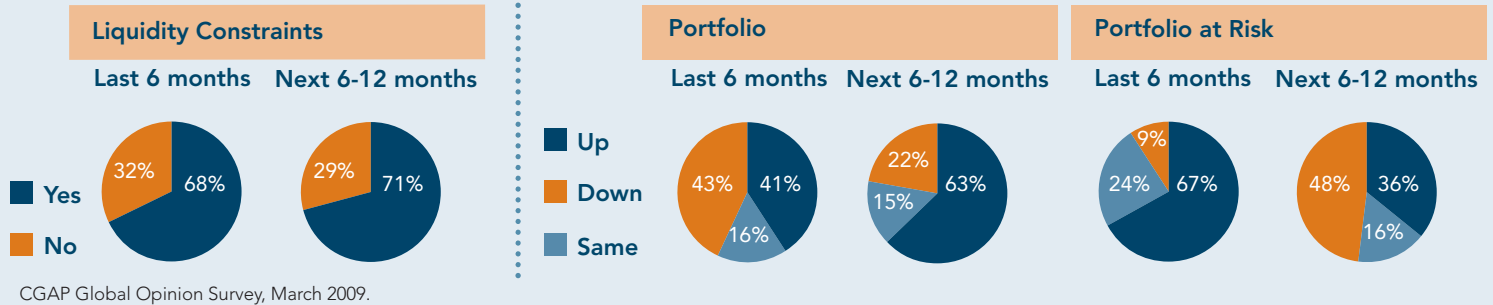


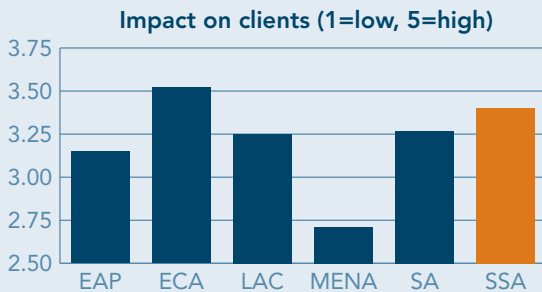
## AT A GLANCE

Even though Sub-Saharan Africa is the developing region that is least integrated into the global economy, growth will fall significantly from 5.5 percent in 2008 to 1.7 percent in 2009. Many of the region's poor people were already hit hard by recent food price increases, and a sharp decline in remittances to the region, even though some countries have experienced a raise in remittances (e.g. Senegal). Due to its strong savings base, the microfinance sector is less dependent on international debt and equity, but liquidity constraints are still of major concern for MFI managers.

## MICROFINANCE INSTITUTIONS



## MICROFINANCE CLIENTS



- Share of income spent on food increasing. Clients facing high food price volatility (food staple price inflation 40% in Kenya, 27% in Zambia).
- In some countries, clients impacted by lower remittances inflows.
- Decreasing savings capacity and increasing difficulties for repayments. Clients from smaller NGO-type microfinance institutions appear to be more affected and are often not allowed to mobilize savings.
- Shortage of demand for micro entrepreneurs and higher cost of basic inputs

CGAP Opinion Global Survey, March 2009 (115 answers from Sub-Saharan Africa), and Sussex Institute of Development Studies.

## REGION HIGHLIGHTS

- A 10% increase in food prices would lead to an estimated increase of 2.8 percent in poverty headcount in urban areas.<sup>1</sup>
- Moderate exposure to currency volatility: 31 percent of DFI loans to MFIs denominated in hard currency.<sup>2</sup>
- Only small part of MFI debt priced at commercial rates.
- High levels of deposits in many countries (especially Western Africa), making MFIs less dependent on capital markets and donor money.
- Togo and Kenya among top 20 fastest growing microfinance markets worldwide.<sup>3</sup>

Microfinance Sector (weighted by assets)	%
– Banks/NGOs (2008) <sup>a</sup>	80/20
– Yield on Gross Portfolio (2007) <sup>b</sup>	23.4
– Financially Self-Sustainable MFIs (FSS) (2007) <sup>c</sup>	59
– Savings/Assets (2007) <sup>d</sup>	44

1 World Bank - Global Economic Prospects – April 2009.  
2 CGAP Funder Survey 2007.  
3 The Micro Banking Bulletin - Autumn 2008.

a The Mix Market.  
b 2007 MFI Benchmarks, The Mix Market.  
c Micro Banking Bulletin – Autumn 2008 – p.35  
d The Mix Market.

## MACROECONOMIC INDICATORS

annual percent change unless noted otherwise	2008	2009	2010
GDP per capita <sup>1</sup>	3.4	2.7	3.8
Private Consumption <sup>2</sup>	3.4	3.5	5.2
Consumer Prices Index <sup>3</sup>			
- Africa (includes North Africa)	10.1	9.0	6.3
Current Account Balance / GDP (%) <sup>4</sup>	1.0	-3.5	-3.7
Exchange rate <sup>5</sup>			
- Nigeria	-17	-7.6	
- Ghana	-23.1	-12.1	
- Kenya	-19.3	3.3	
Remittances <sup>6</sup>	6.3	(-7.9;-4.4)	(0;3.5)
Unemployment <sup>7</sup>	0	(0;0.6)	n/a

1 WB - Global Economic Prospects 2009.  
2 WB - Global Economic Prospects 2009.  
3 IMF - World Economic Outlook 2009.  
4 WB - Global Economic Prospects 2009.  
5 oanda.com - against USD (2008 data: 01/01/08 to 01/01/09; 2009 data: 01/01/09 to 05/01/09).  
6 WB - Remittances Outlook 2009 – 2009-2010 (numbers in brackets refer to low/high case scenarios).  
7 ILO – Employment Trends 2009 – 2009 (numbers in brackets refer to low/high case scenarios).