

A close-up photograph of a person's hands. One hand is holding a stack of banknotes, while the other hand is holding a pen and writing on a document. The background is slightly blurred, showing more of the person's hands and the document.

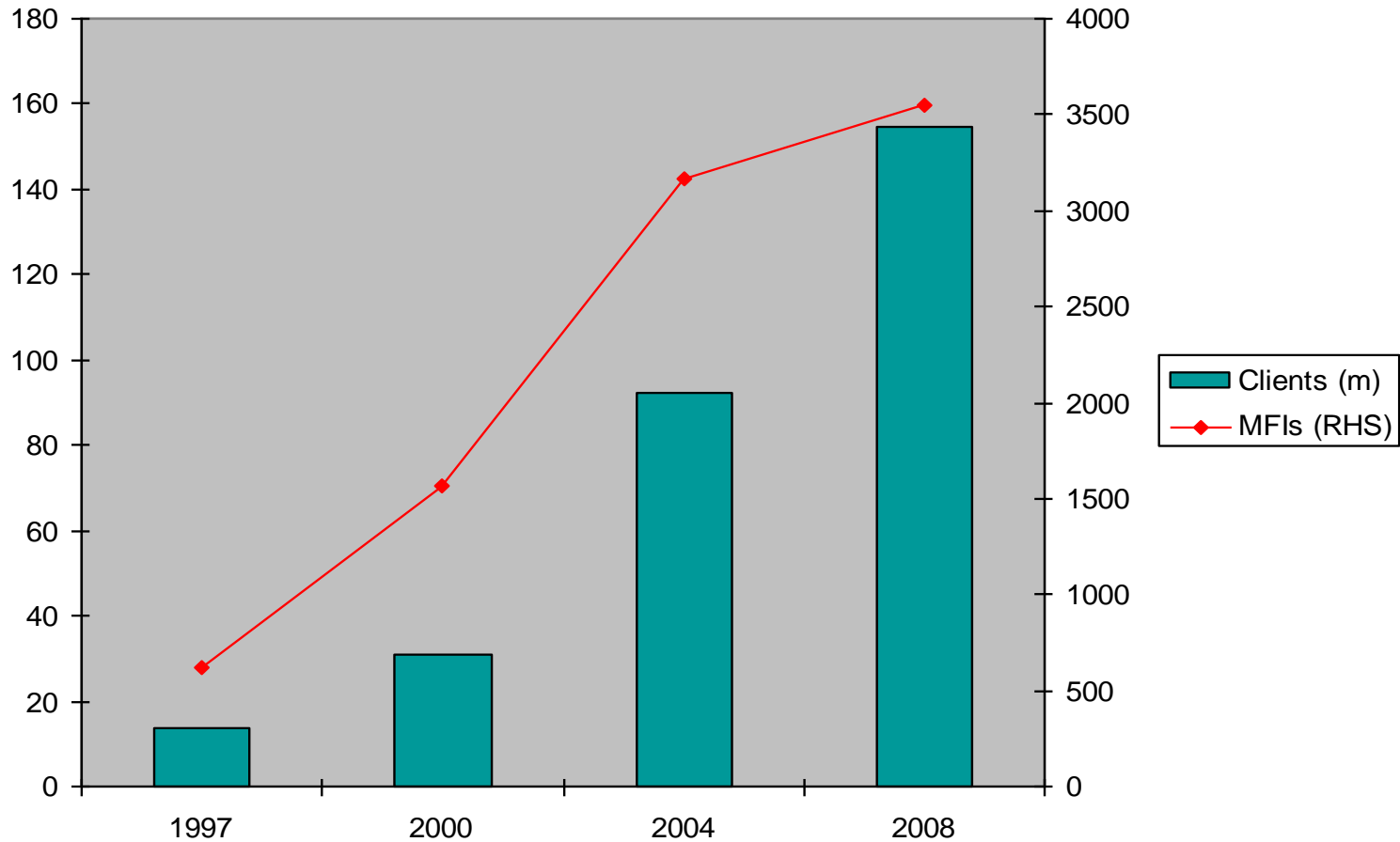
Access to Finance in Africa

**Clay O'Brien,
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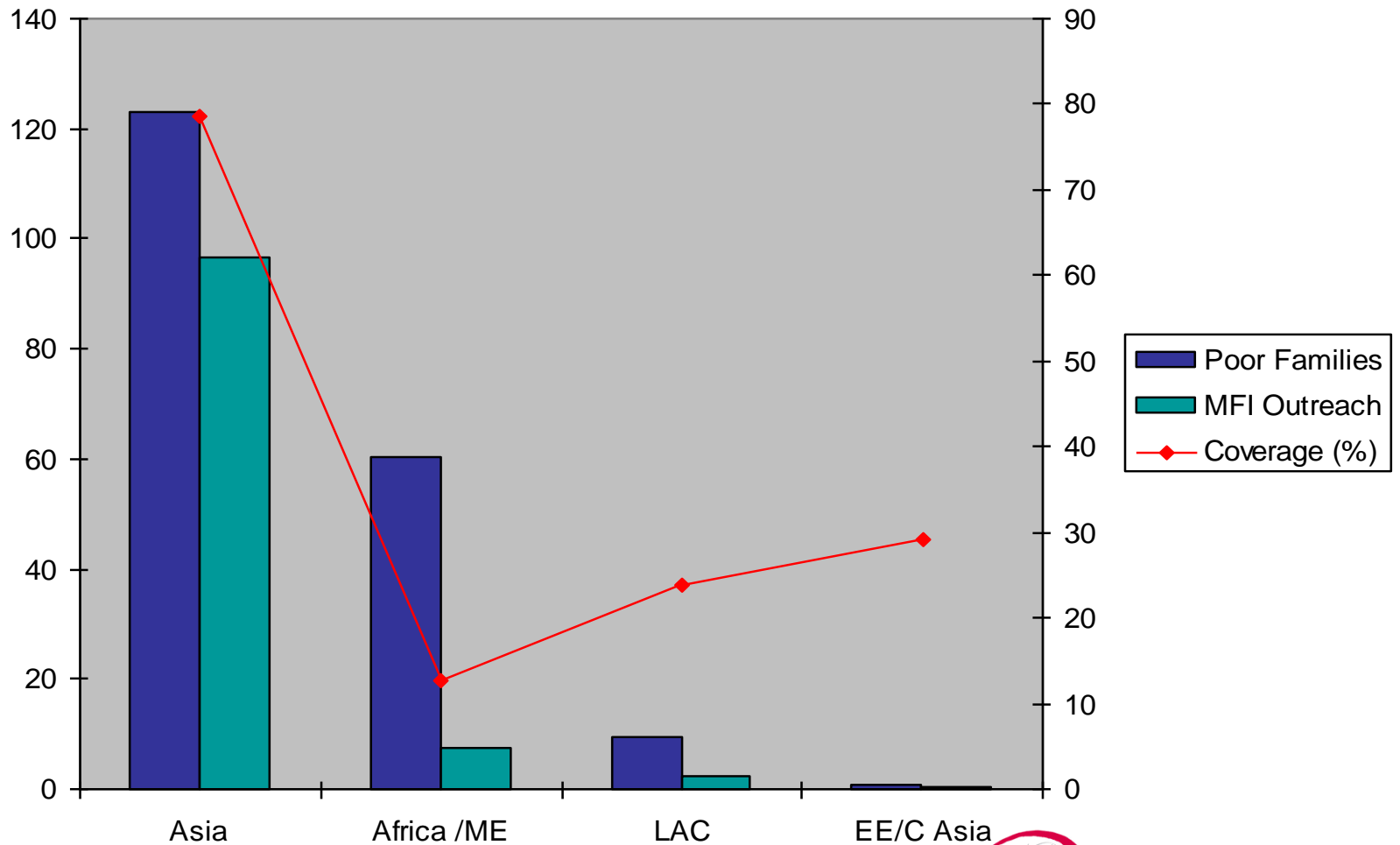


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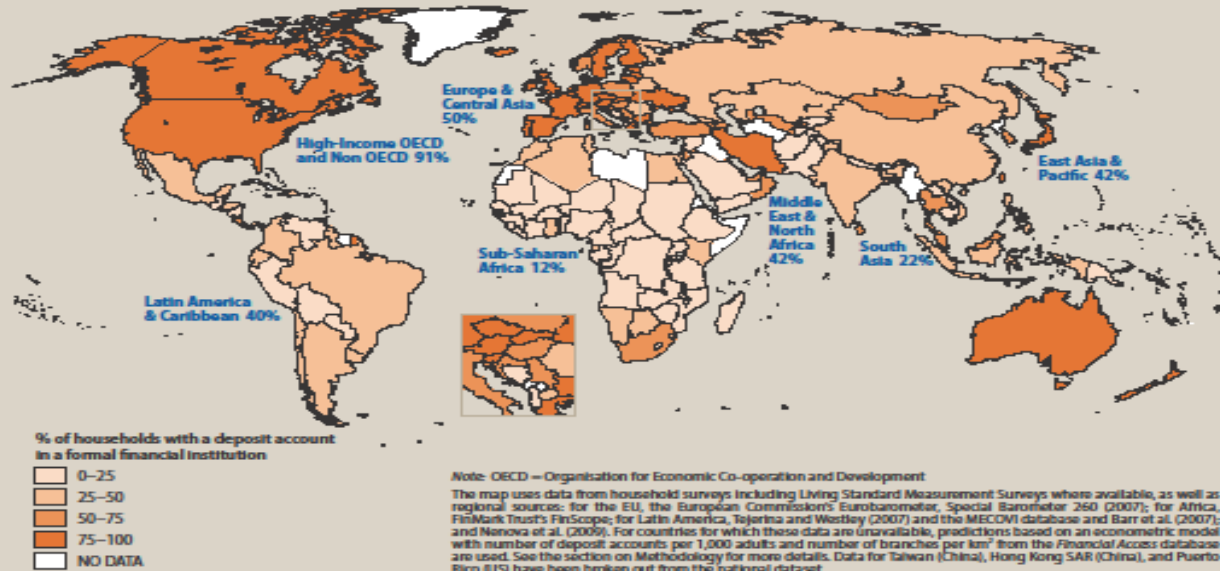
Microfinance Institutions & Clients



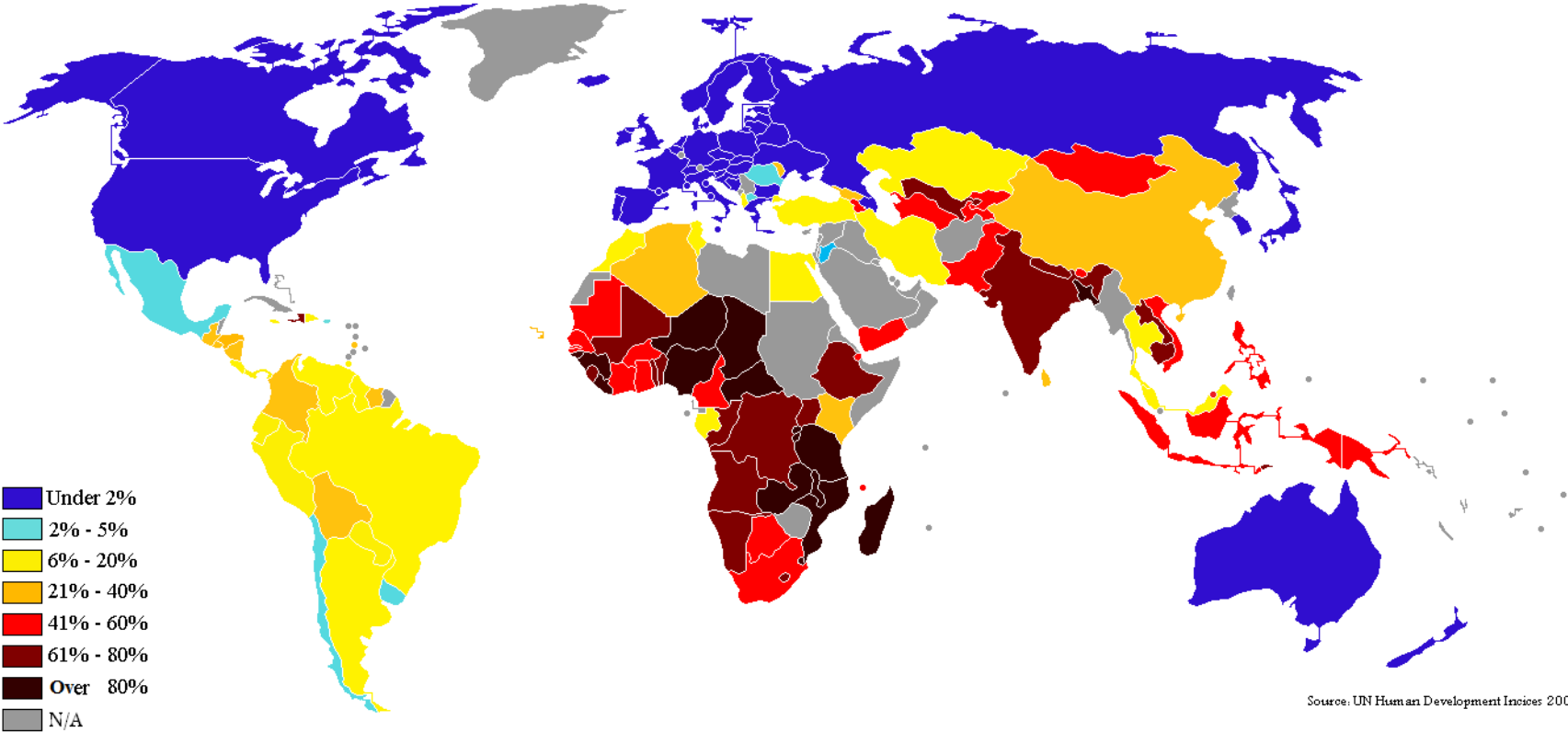
Finance Gap Largest in Africa



MAP 1.1
Percentage of banked households, 2009



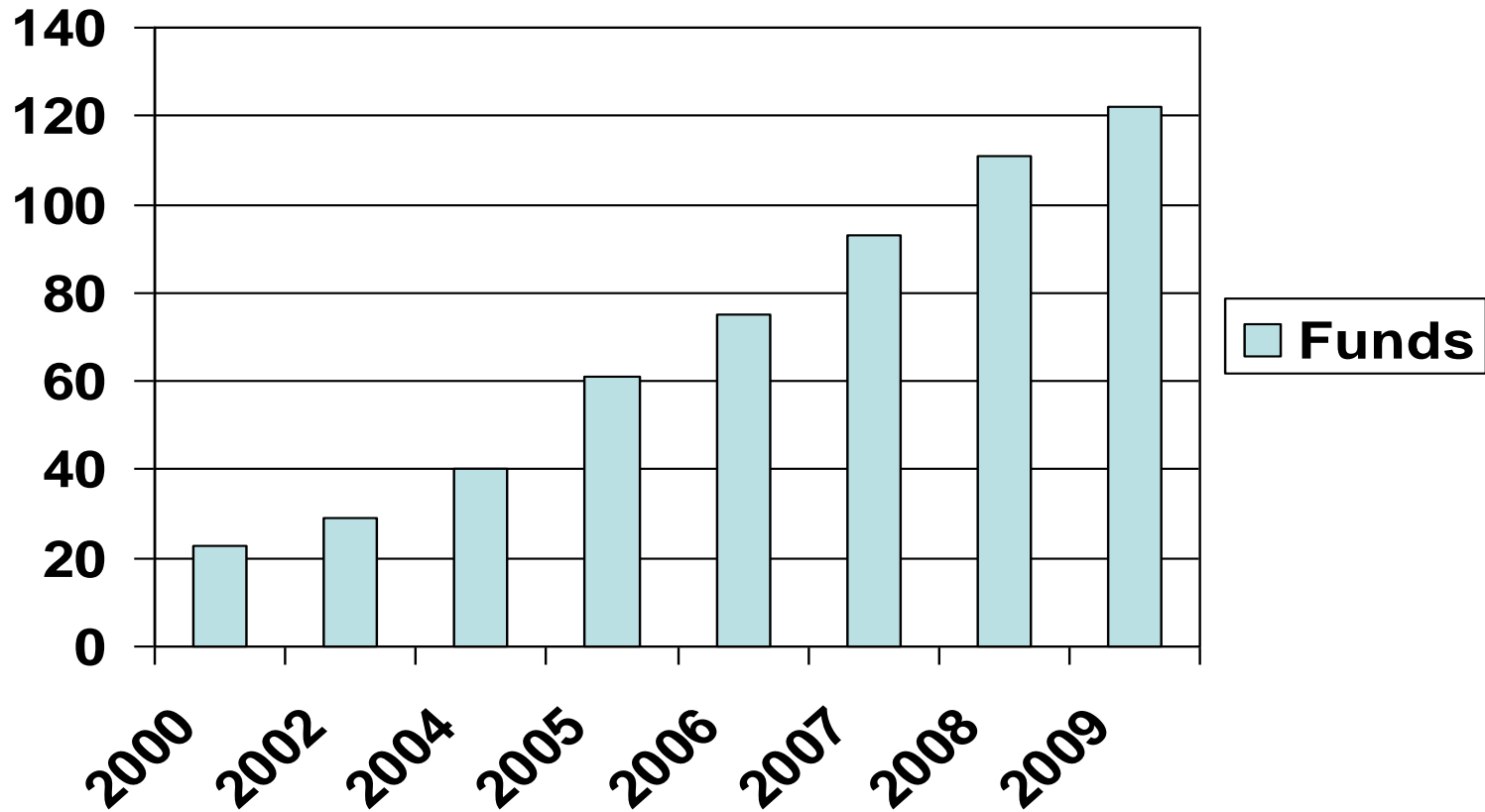
Linking Finance and Poverty



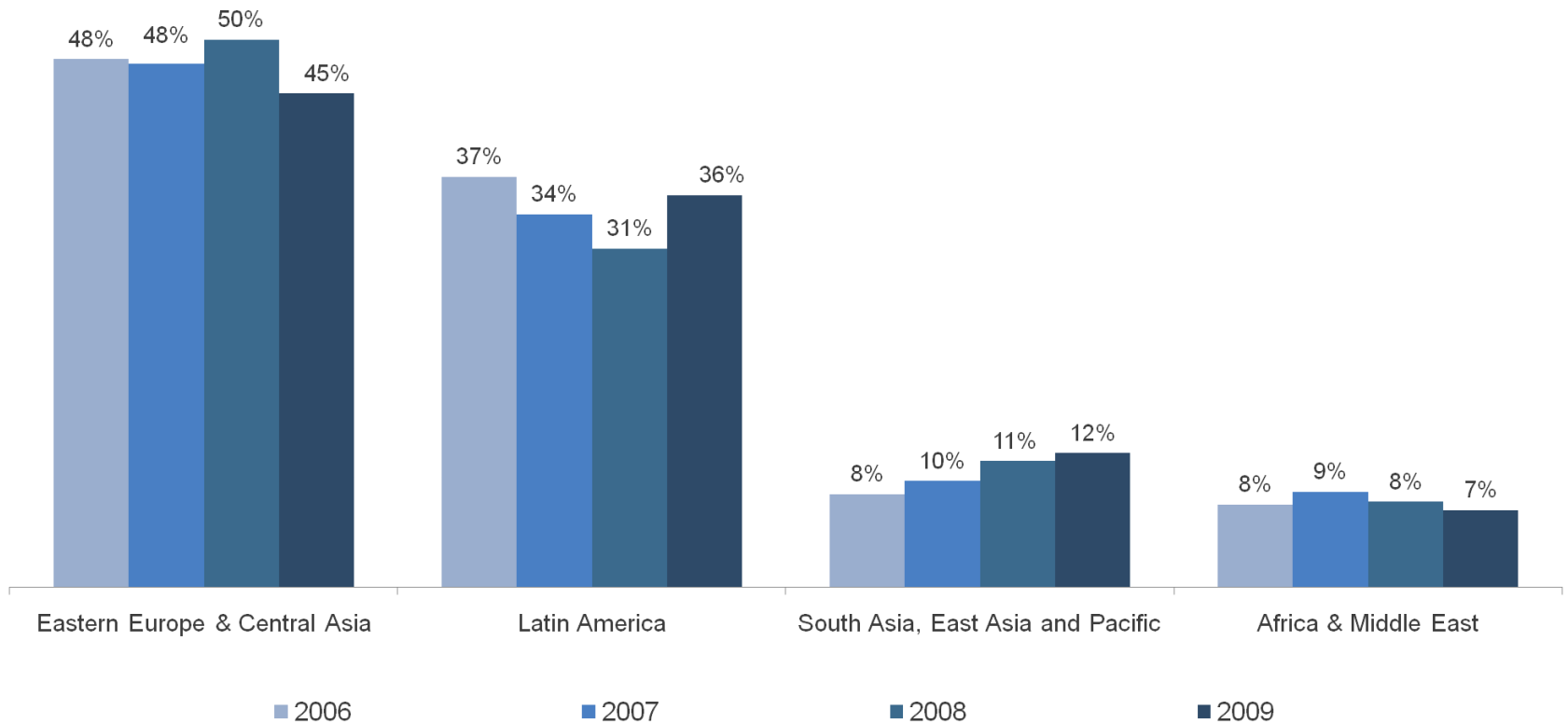
What are the Obstacles?

- High costs, due to:
 - low population density outside cities
 - weak and/or expensive infrastructure
 - lending is labour intensive, literacy issues
- Training needed:
 - skilled labour shortages and high turnover
 - competition for good management and staff
 - ex pats may not be the answer
- Move from donors to commercial funding

Growth in Investment Funds



Geographic Allocation of Funds



The Key to MFI Success

- **Leadership:** vision, capacity, planning, commitment
- **Transparency:** information, reporting, decision-making, governance
- **Technology:** MIS/risk management and delivery channels, eg mobile banking, POS, cell phones
- **Savings:** for clients and MFIs (57% of funding)
- **Product Innovation:** consumption, insurance
- **Expansion:** gradual, usually urban to rural

Other Crucial Factors

- *The Macro level*
 - **Economies:** GDP, inflation, currency, stability, politics
 - **Investing:** foreigners, wholesale debt, risk
- Road ahead different for each country (or region), with some lessons to be applied.
- *Enabling environment*
 - **Regulation:** policies, laws, appropriate licence, supervision, reporting
 - **Support:** financial, technical assistance
 - **Co-operation:** regional (eg WAEMU), MFI associations, credit bureaus

A close-up photograph showing a person's hands counting a stack of banknotes. Another hand is holding a pen, ready to write on a document. The scene is brightly lit, emphasizing the texture of the paper and the skin.

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