



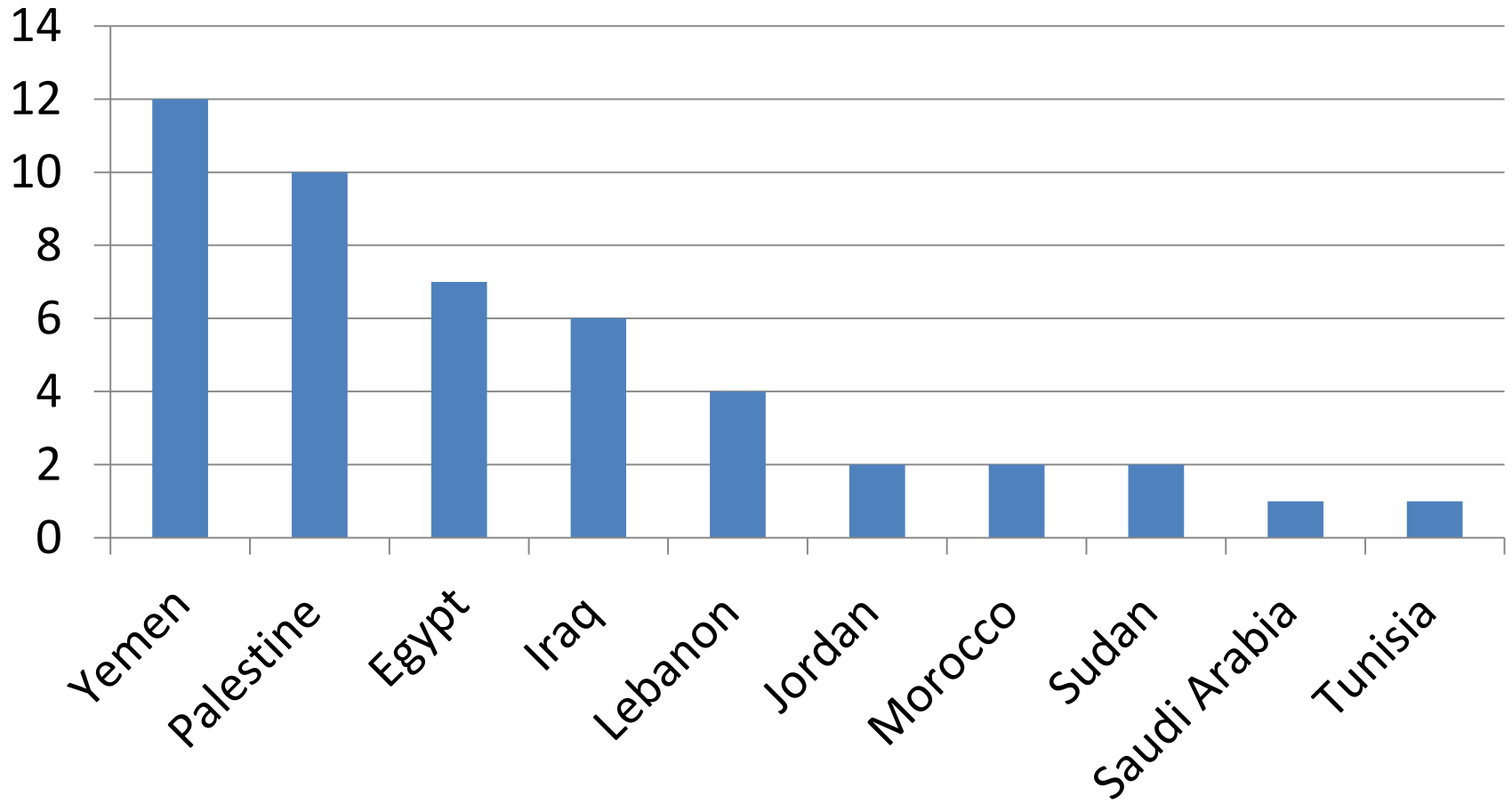
# Preliminary Findings from the MENA Microfinance Institutions Survey

Presented at the workshop on Youth Financial  
Inclusion in the Arab World, Rabat, Feb 2013

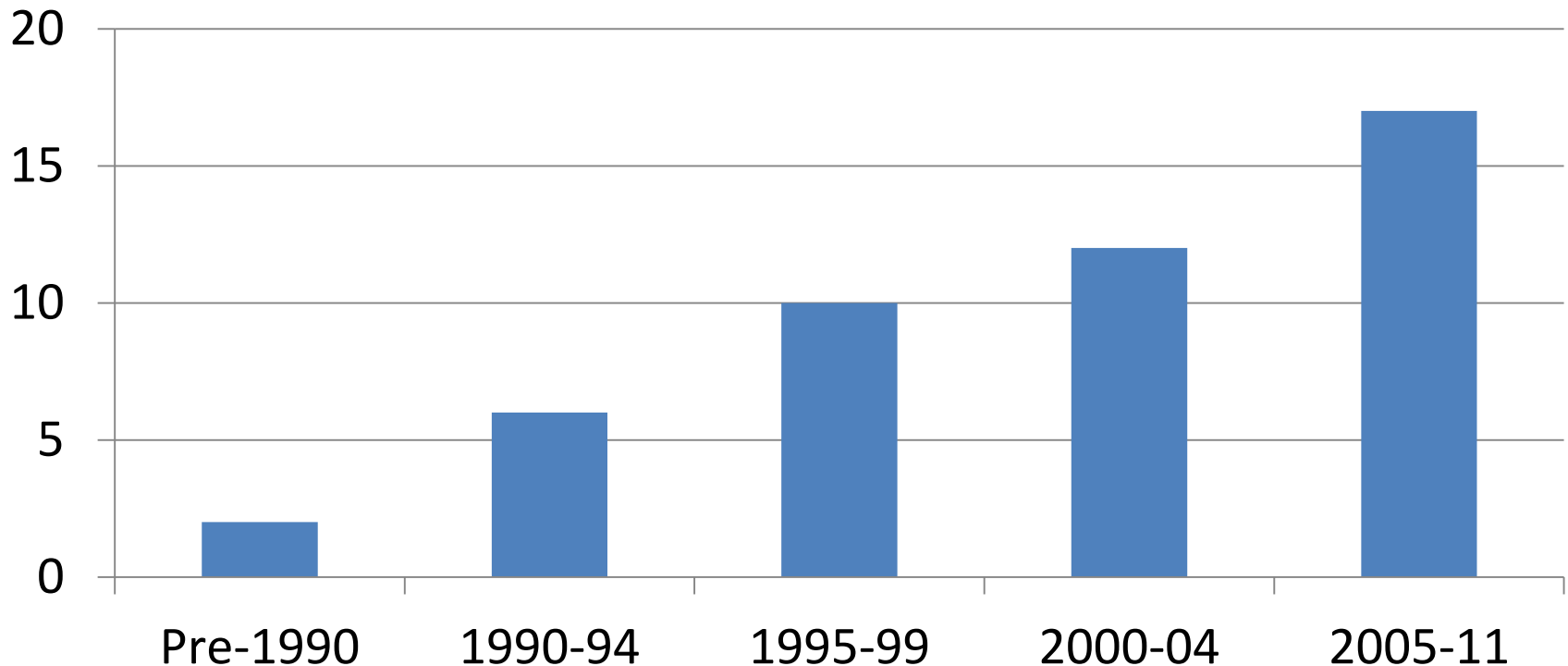
# Overview

- Only 13% of youth in MENA have access to formal financial services, the lowest of any region in the world (WB, 2012).
- Concerns about Arab youth economic and financial exclusion have gained urgency in the aftermath of the recent unrest.
- Silatech and CGAP, in cooperation with Sanabel, conducted a survey of microfinance institutions in the region to identify:
  1. The provision of financial and non-financial services to youth;
  2. The difficulties faced by MFIs in providing services to youth;
  3. Assistance that MFIs need in order to expand services to youth.
- A total of 47 MFIs completed the survey as of Feb 2013.

# Main country of operation

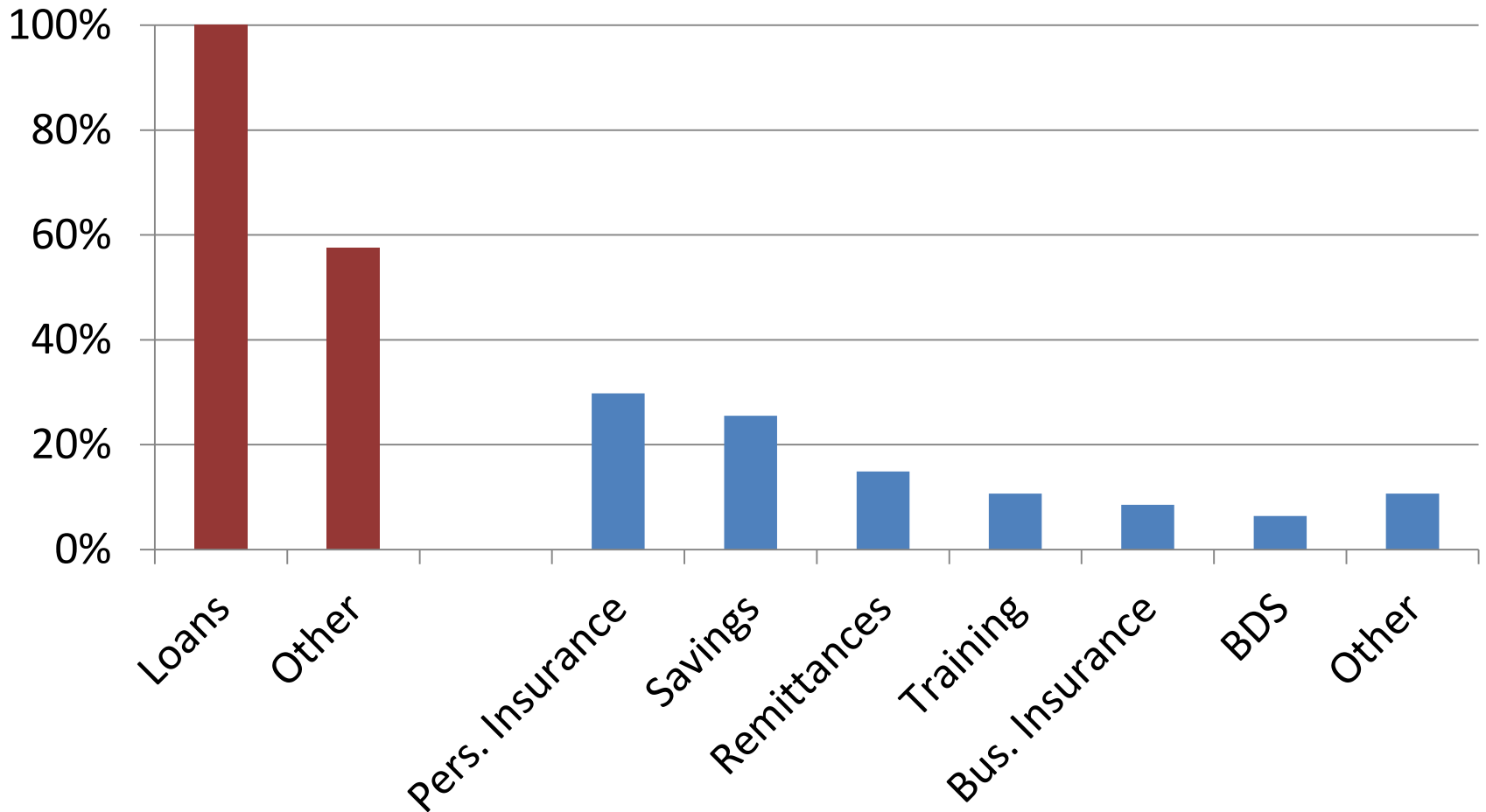


# What year was your MFI established?

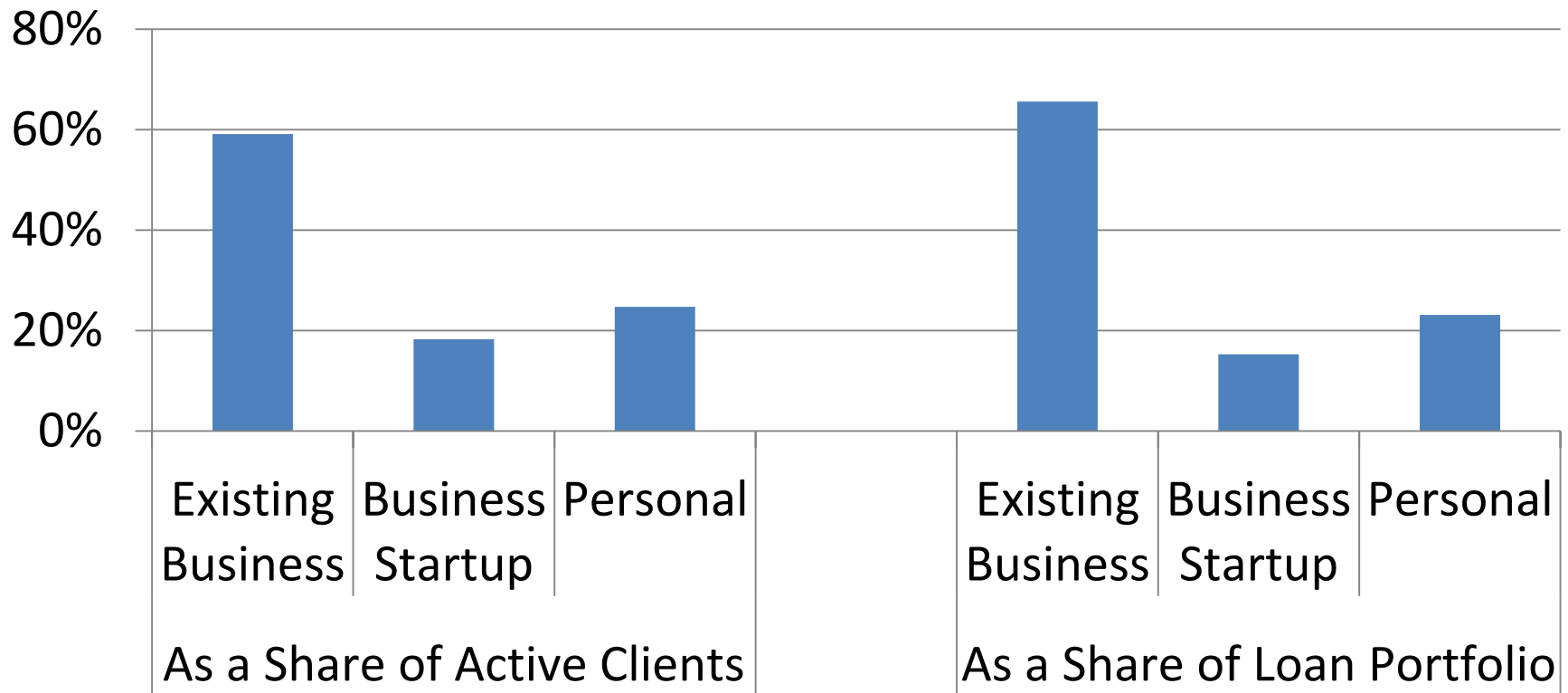


- Most of the MFIs in the survey were established after 2000.

# What services does your MFI offer?

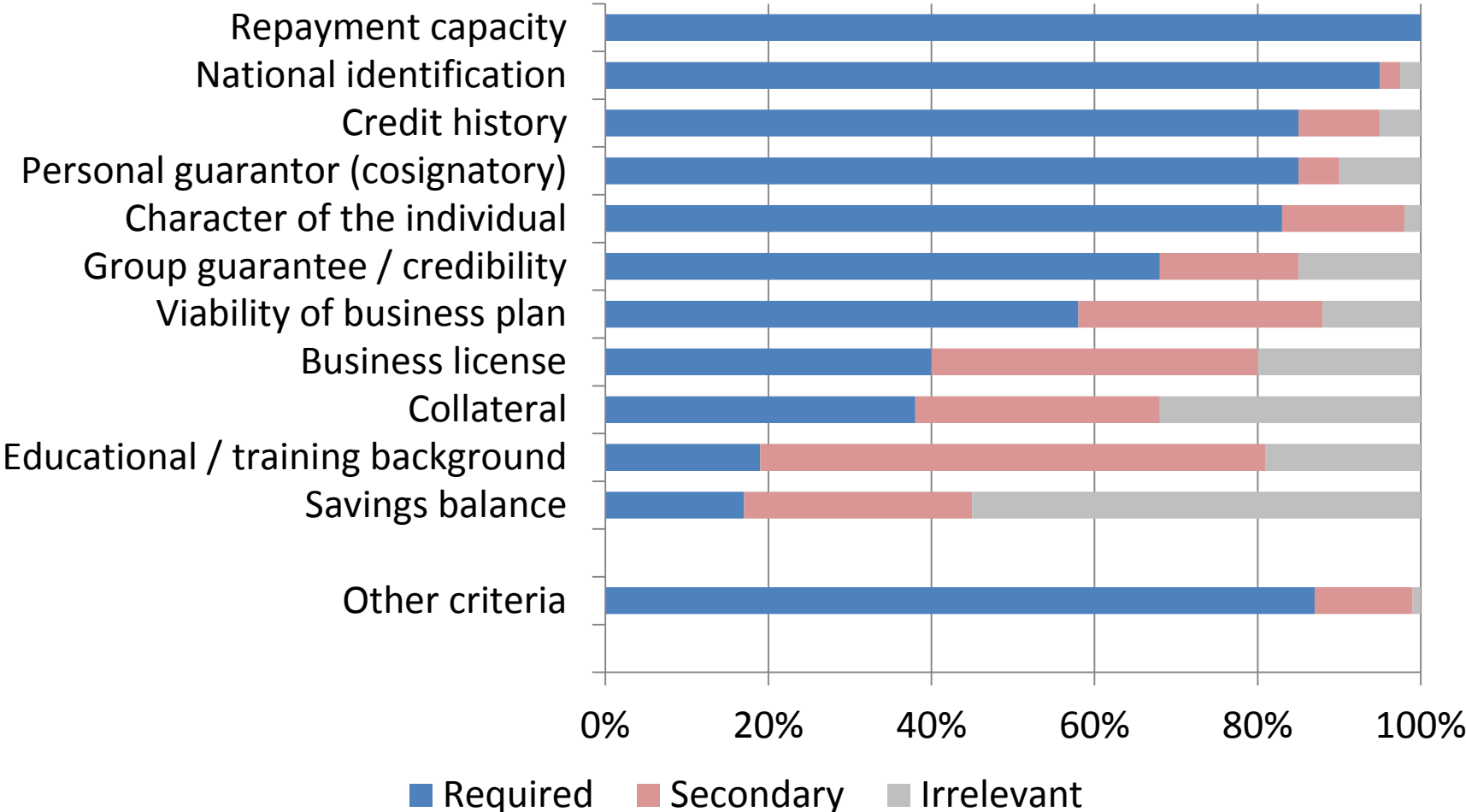


# Which of the following loan products does your MFI offer?

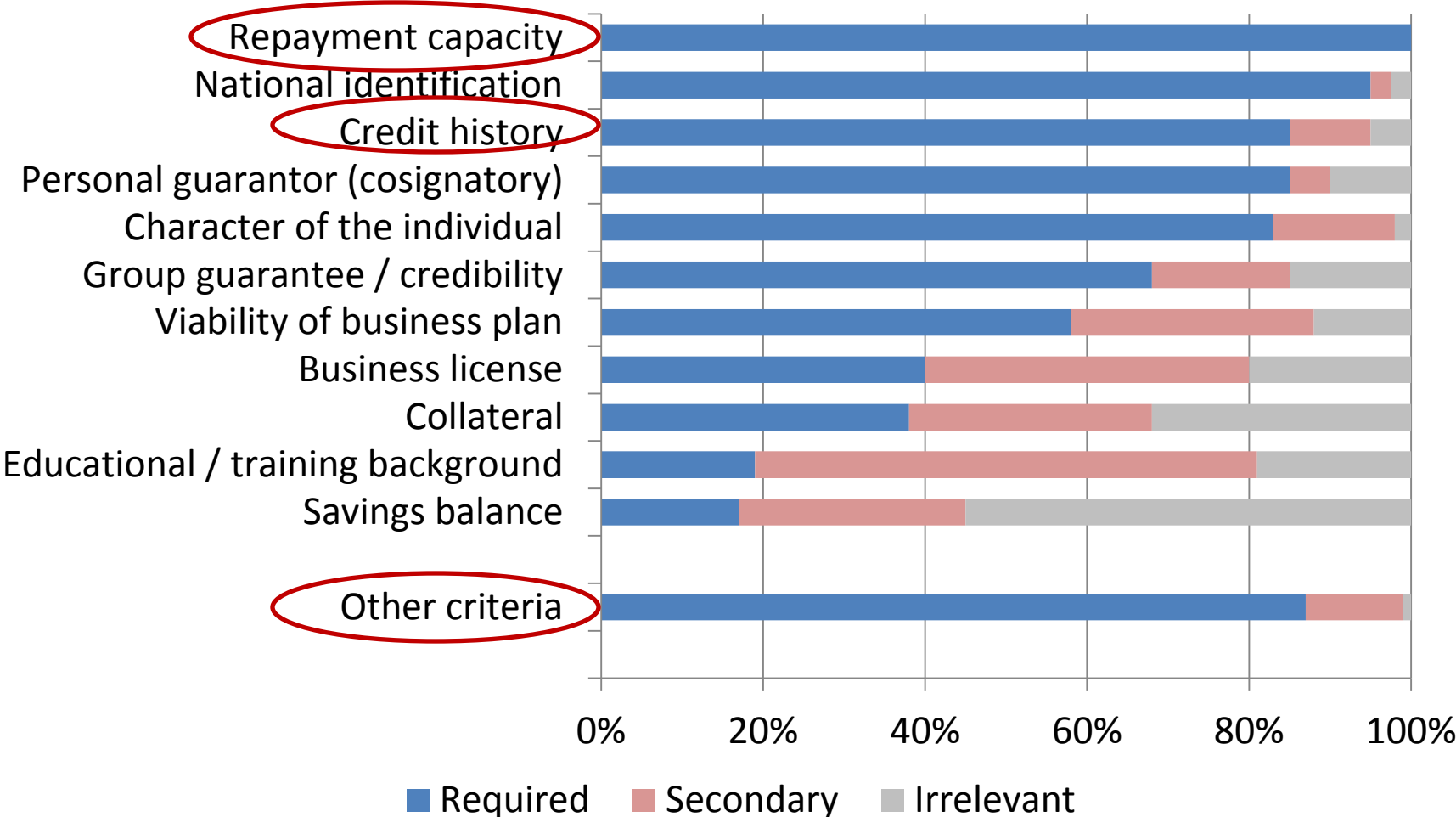


- Most of the MFIs target existing businesses.

# Is the following criteria considered in the credit analysis?

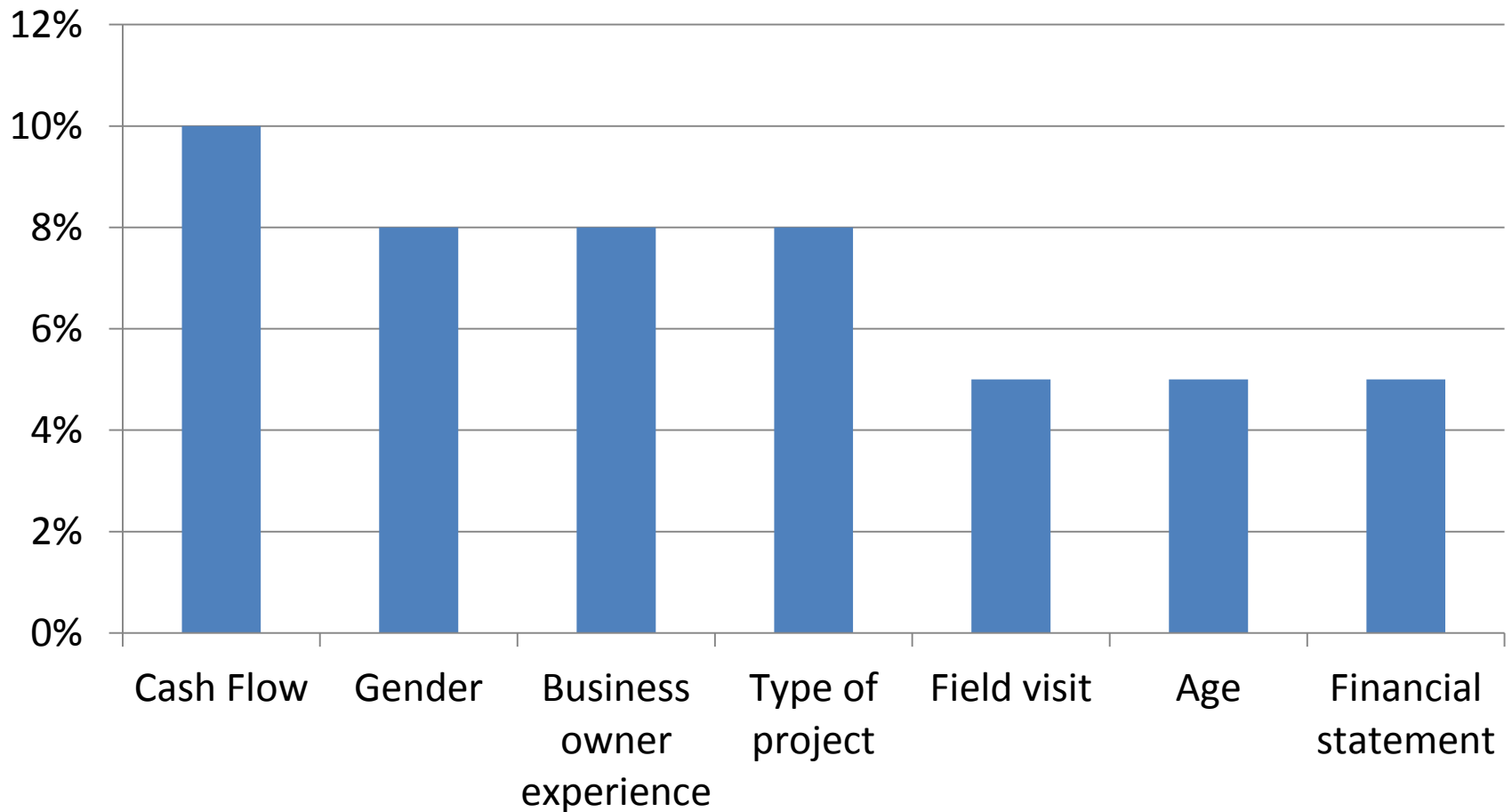


# Is the following criteria considered in the credit analysis?

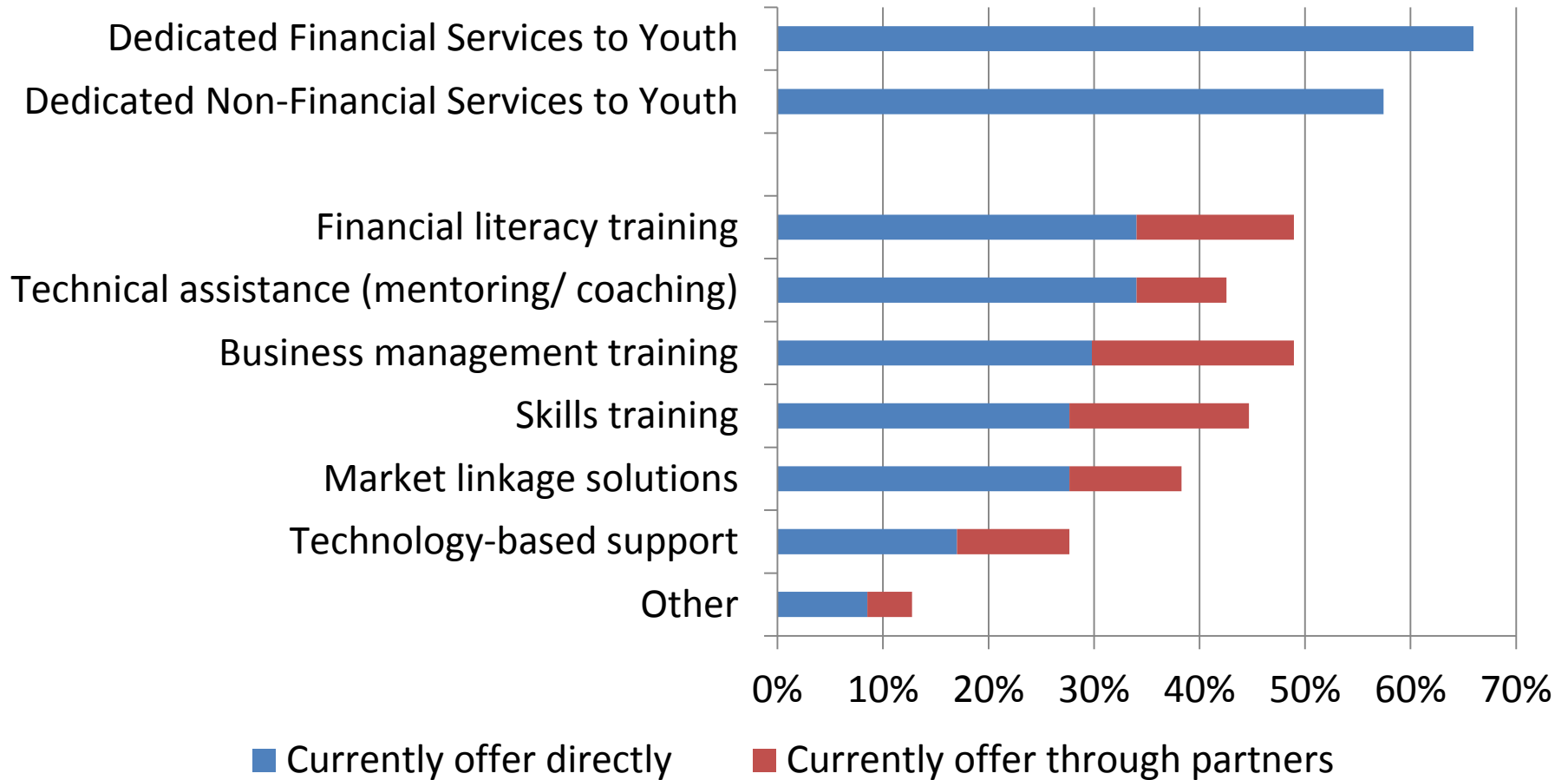




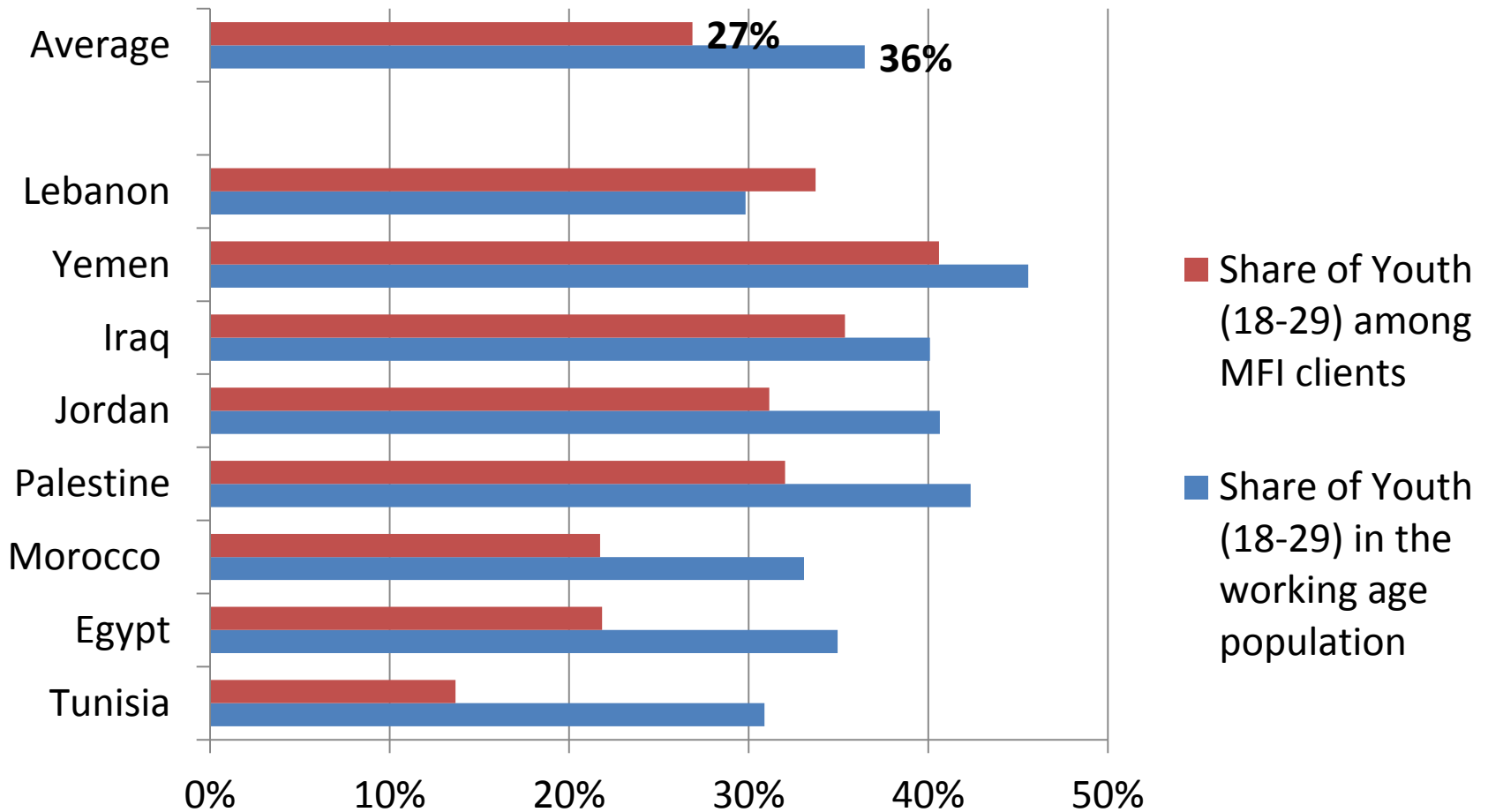
# Is the following criteria considered in the credit analysis? Details for 'Other'



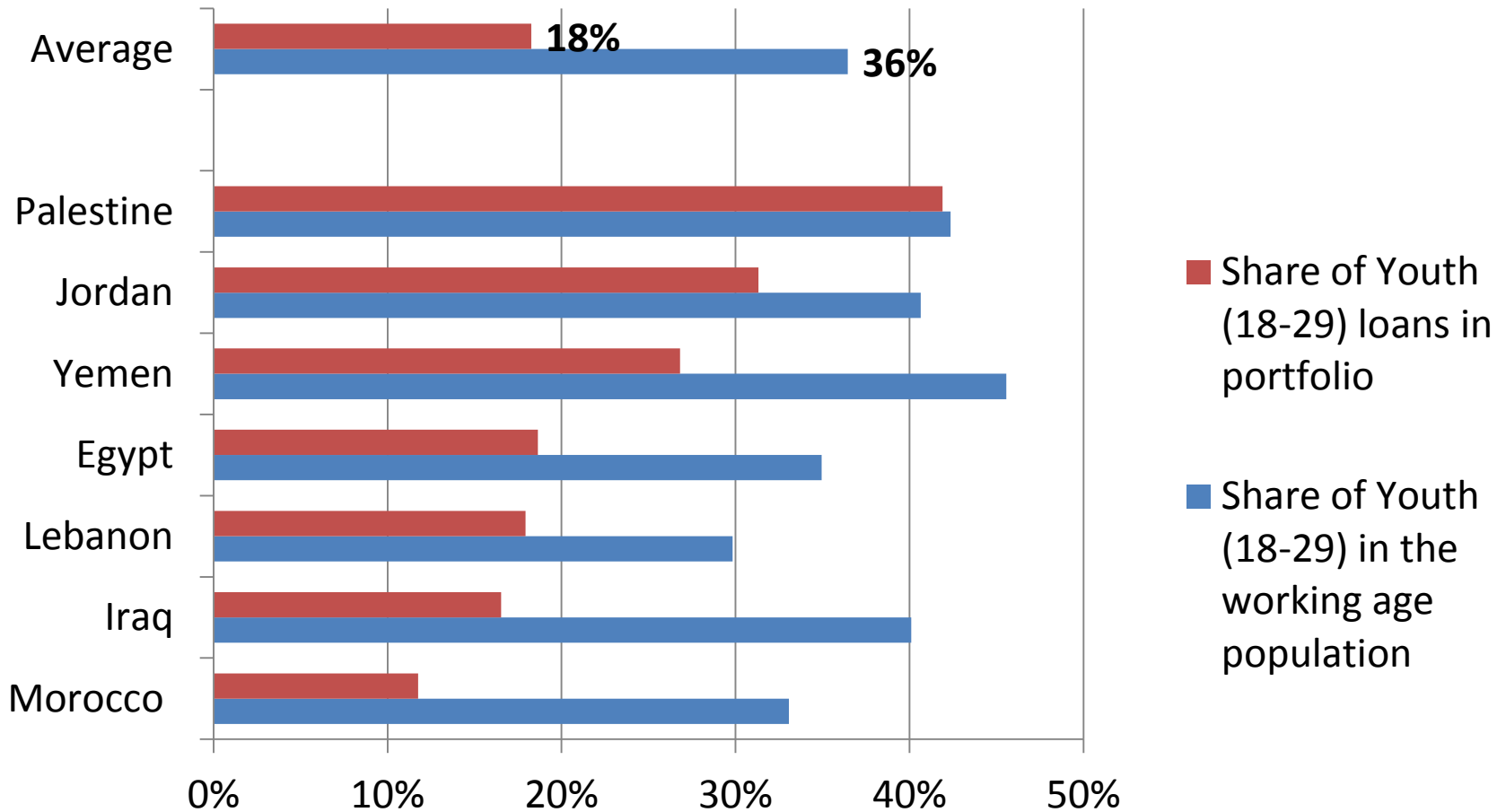
# Does your MFI provide financial / non-financial services dedicated to youth?



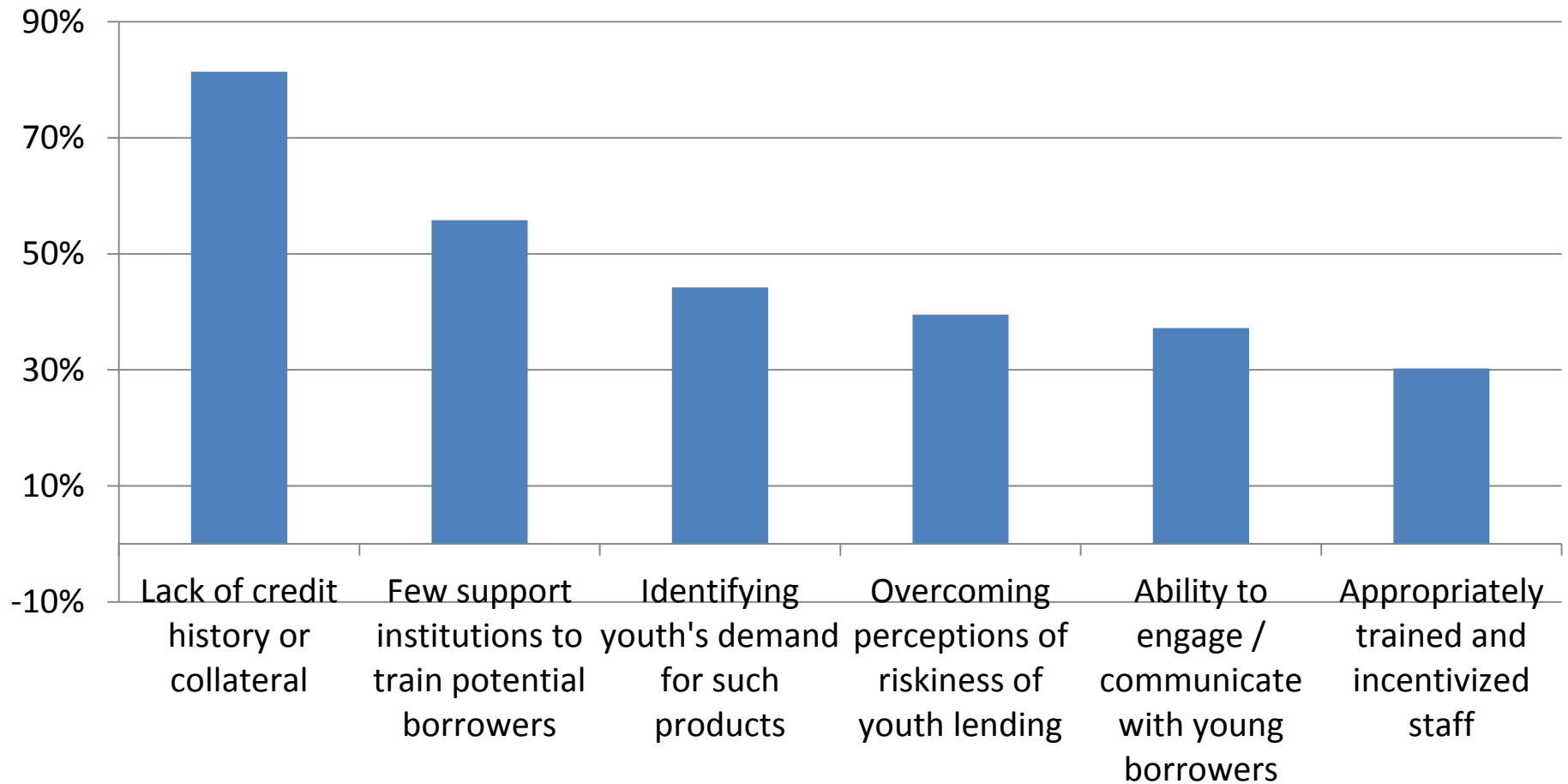
# Youth are underserved vs. their share of the working age population



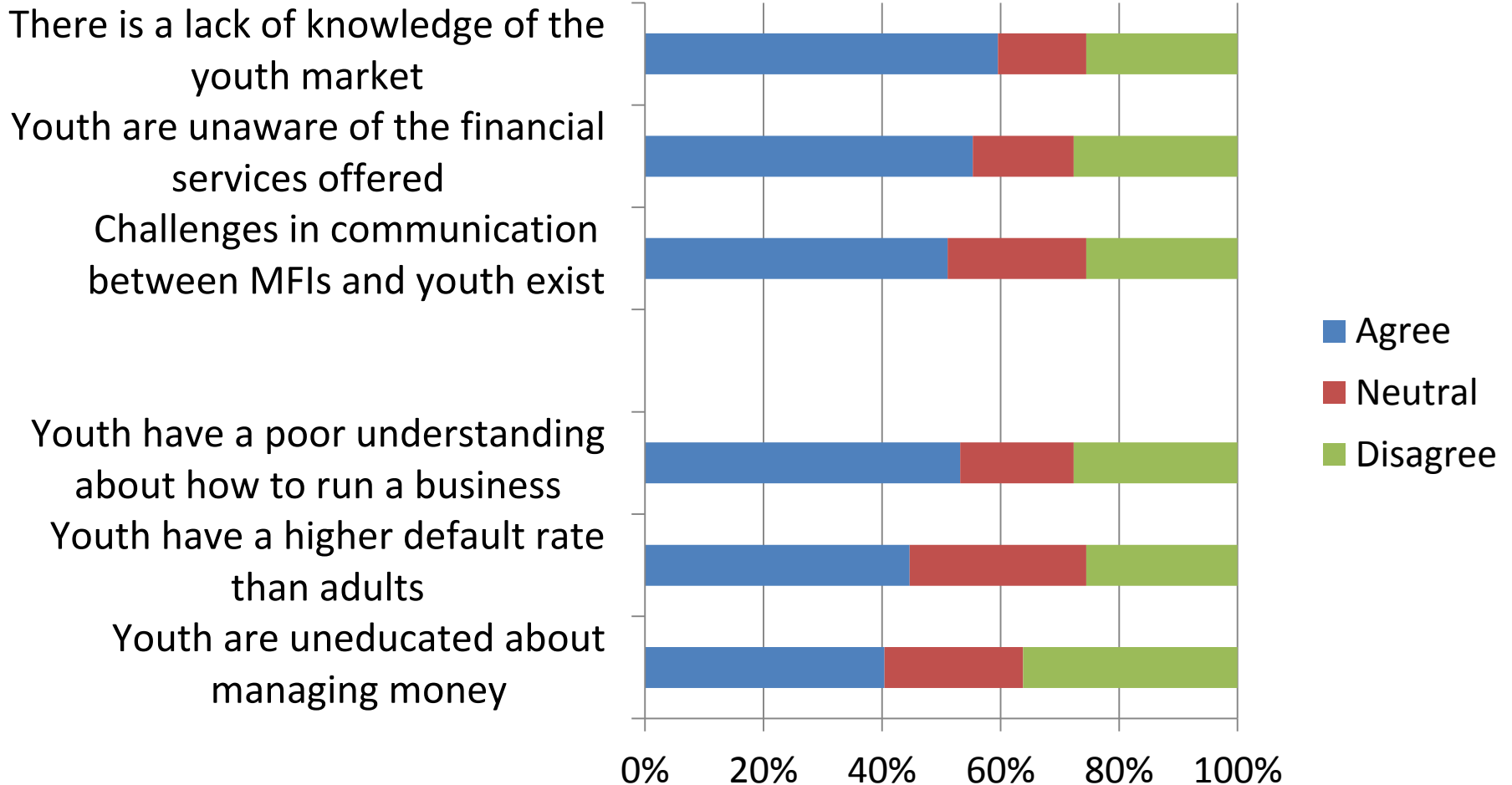
# Youth are underserved vs. their share of the MFIs loan portfolios



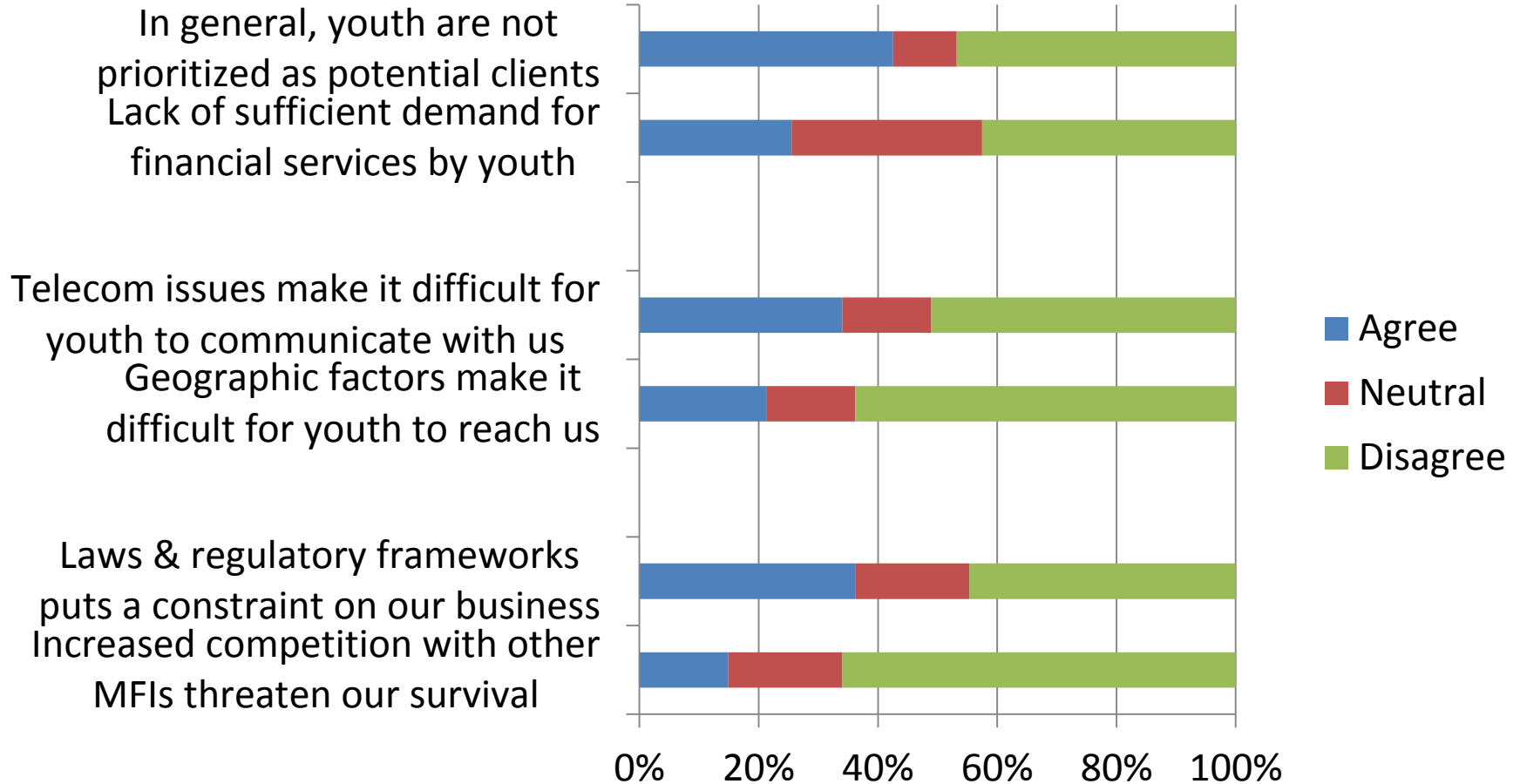
# Challenges in increasing share of youth in portfolio or developing dedicated products



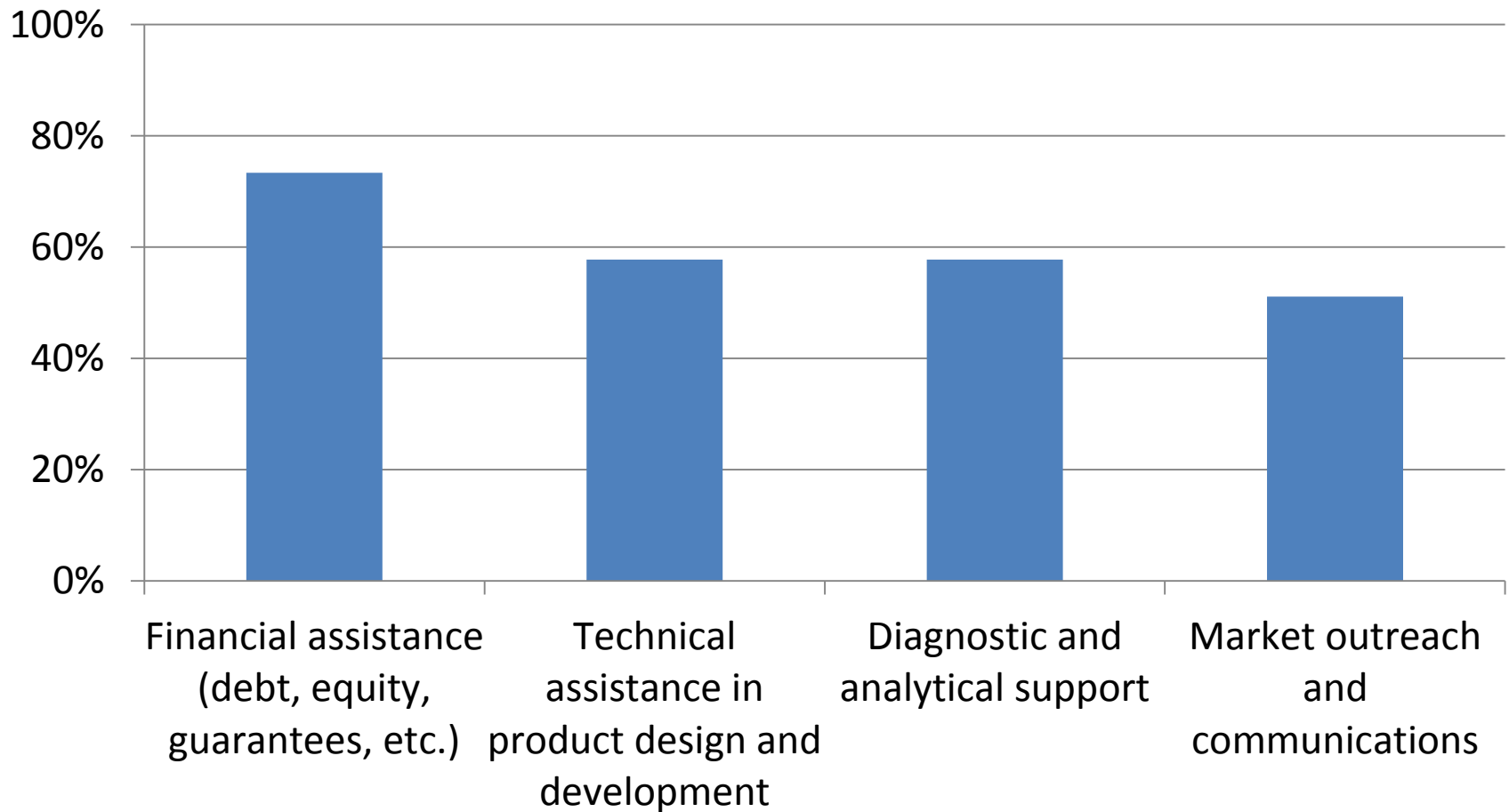
# MFI opinions: Knowledge and Knowhow



# MFI opinions: youth clients, challenges in communicating, regulation & competition



# Types of support to increase youth share in portfolio or develop youth products?





# Conclusion

- Most MFIs provide “dedicated” financial services to youth and dedicated non-financial services (training, technical assistance).
- Youth are underserved as compared to their share of the working age population and average loan sizes are smaller than for adults.
- From MFIs’ perspective, the main reasons are young people’s lack of credit history and few institutions that offer training.
- Asked in more general terms, however, MFIs suggest the key issue is a lack of knowledge among MFIs about the youth market and lack of awareness among youth of financial services offered.
- This is followed by lack of knowledge among youth about how to run a business (even ahead of higher default risk).

# Thank you!

