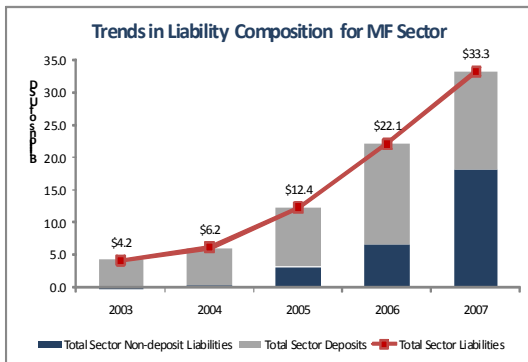




microNOTE #55

Will the Bottom of the Pyramid Hit Bottom?

The effects of the Global Credit Crisis on the Microfinance Sector



A recent boom in debt financing for MFIs has placed them at greater risk from the financial crisis. New loans to fund MFI portfolios are scarce and much more expensive. In Colombia spreads on local currency loans rose from 200 to 500 bps in the last two months of 2008. In Mexico, even rates on government wholesale funding have gone up by 200 to 400 bps. External funding is also drying up:

“What has happened over the course of the last 6-8 months is that, as the crisis has worsened, investors that do not have a pre-existing commitment to the microfinance or social space are not capable of devoting the time and the attention to an investment in that space... There are probably between 5-10 large private institutions that are still open for business and interested in making investments.”

--Paul DiLeo, Grassroots Capital

Introduction

In recent months, the global financial system has begun to collapse. Asset bubbles in housing and consumer loans in the US and other, mostly developed, countries have popped. Loans, collateralized with overvalued properties and issued with little regard for the borrower’s capacity to pay, deteriorated, and eroded the value of investments of banks, corporations and individuals worldwide. Governments have taken severe measures aimed at shoring up financial systems, counterbalancing the recessionary effects of the crisis and restoring consumer confidence. As many emerging markets countries begin to suffer from the global downturn, it is important to assess the effects of the crisis on the microfinance (MF) sector, and to ensure that the crisis does not cut off access to financial services to the poor when they need it most. In the past, the MF sector has held up well during crises as microfinance institutions (MFIs) lend to businesses that are smaller, more agile and provide basic goods and services to the bottom of the pyramid. This crisis is different from prior crises, however. It has been imposed on developing countries from their developed counterparts at a time when the world is more integrated than ever. This time around, it is not certain that the bottom of the pyramid will be as insulated from external shocks. To evaluate the impact of the crisis on the MF sector, we considered the effects on both the liability side (availability and cost of funding) and the asset side (portfolio quality and growth) of MFI balance sheets and conclude that these effects will squeeze MFI profitability in many countries in 2009-2010. However, with appropriate crisis management by MFIs and the support of industry stakeholders, including International Development Agencies (IDAs), Development Financial Institutions (DFIs), and investors, the industry can emerge from the crisis stronger and better able to serve the bottom of the pyramid in the long-term.

MARCH 2009

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Effects of the Crisis on the Liability Side

The past eight years has seen a dramatic increase in the sources of funding available to MFIs, mirroring the significant increase in liquidity available throughout the global financial sector leading up to the crisis. New commercial and private sector capital represents a growing share of MFI funding, facilitated through the rapid expansion of Microfinance Investment Vehicles (MIVs). Many MFIs have also enjoyed greater access to local sources of capital (primarily from commercial banks). The growing availability of debt funding has permitted rapid MF portfolio growth rates, but it has also led to much higher leverage ratios and significantly reduced the importance of deposits as a proportion of total liabilities for the sector. These changes in capital structures have left many MFIs vulnerable to reversals in capital flows from developed countries and to changes in investor attitudes towards microfinance.

With credit markets dried up, and demand for cash at a high, the credit crisis has reminded the MF industry that with greater integration in the financial markets, comes greater risk and vulnerability to shocks. Local sources of capital have become scarce as banks retrenched and capital markets all but closed. There is a risk that external capital from private sector investors, (including individuals, SRI institutions and commercial institutional investors), their portfolios hard hit by falling equity markets and investments in structured products, will be forced to sell or discontinue

investing in even healthy assets. This would squeeze liquidity of MFIs, which may be unable to fund their portfolio growth or even maintain their existing portfolios.

To assess the impact the global crisis will have on MFIs' liabilities, we considered the dependence of the MF sectors in various countries on local versus external debt funding as well as how different types of investors have reacted to the crisis.

Cautious Outlook for Institutional Investors: The initial fear that purely commercial investors would discontinue investing in the MF sector as they race towards high quality safe assets (cash, government treasuries, etc) is in large part justified. The relatively small size and complexity of the MF industry compared with other markets where institutional investors invest make it difficult for a commercial investment manager without a personal affinity for the social implications of MF to spend much time learning about and assessing MF products. While these investors may still be interested in the sector, the time they have available in a crisis to invest in these products is constrained, and generally their ability to buy anything but cash is limited. Conversations with fund managers revealed that those institutional investors who have continued to invest had been educated about MF prior to the crisis and had made previous investments in MF. They are largely European investors with social and financial investment goals and a longer investment horizon, such as pension funds.

Individual Investors Stay the Course: MIV fund managers report mixed results in terms of the staying power of individual (including retail) investors in the MF market. Our research suggests that on aggregate, net inflows from these investors have not varied significantly. Redemptions have been relatively minimal, suggesting that there is some staying power among individual investors and new money from individuals continues to enter the sector, albeit at a slower rate.

Turbulence on Local Shores: As the financial crisis has spread from the US and Western Europe, the banks of many of developing countries were squeezed and this has affected MFIs' ability to continue to access bank loans. The impact of the crisis on local bank lending poses a significant and immediate challenge for many MFIs, especially given the short-term nature of such funds. Banks in those countries that are most integrated into the international financial system have been hit the hardest, either through direct exposure to troublesome asset classes, reduced access to international capital or pressure on local deposits. The MF sector is most at risk where banks are more integrated into financial markets and where MFIs rely heavily on local banks for financing, such as Bosnia & Herzegovina, Indonesia and India. Even in countries where banks are not yet experiencing liquidity issues, banks are tightening credit in anticipation of future liquidity problems and/or an economic contraction.

The impact of the crisis on local capital markets has been even more

crushing. While only a small “elite” number of MFIs have access to these sources of funds, they promise to offer local currency funding, diversification and lower costs. MFIs that were planning to raise funds in local capital markets have been forced to postpone issuances of commercial paper and bonds and delay IPOs; thus stalling the progress made towards reliable sources of local capital.

Increased Cost of Funds: The relative scarcity of funds, combined with a re-pricing of asset risk worldwide, will increase the cost of funds to MFIs. Many traditional MF investors with social motivations seem reluctant to raise rates to levels commiserate with other asset classes; nevertheless, spreads on loans in USD and Euros rose between 50 to 250 basis points (bps) in 2008, and most investors expect them to rise another 100 bps in 2009. Local currency loan pricing has been far more volatile, increasing as much as 600 bps as developing market currencies have plummeted and a lack of appetite for risk amongst financial institutions has made the cost of hedging hard currency loans prohibitive in many countries. MFIs are increasingly accepting higher interest rates, wanting to shore up what liquidity they can for 2009, regardless of the price. This will put pressure on financial margins and hurt their profitability and sustainability.

Filling the Liquidity Gap: Given the expected slowdown in private sector capital flowing to the sector, both from domestic and external sources, MFIs will be forced to seek alternative sources of liquidity or to

reduce their portfolio growth significantly. Based on our research, we estimate that growth rates will need to be reduced by 50% if alternative sources are not found. We expect to see many MFIs voluntarily reduce their growth as they re-trench ahead of tougher times; nevertheless, even if the industry strives only for 20% growth over the next two years, it will require \$10 billion in alternative funding.¹

Deposits are one potential source of new funding, as deposit taking institutions have generally been less affected by the crisis thus far. There have been few cases of deposit withdrawals to date. Instead, some MFIs have even seen a growth in deposits. How MFI savings perform going forward may depend in part on the type of deposits they are collecting. MFIs mobilizing deposits from a broad base of smaller savers are likely to be less affected than those MFIs taking deposits from a small number of larger ones. The degree to which the real economy effects trickle down to microentrepreneurs will be a determinant in whether MFIs are able to maintain or even grow their deposit bases during the next 12-18 months. For not yet regulated, non-deposit taking institutions, however, deposit mobilization is a long-term strategy that will do little to meet their liquidity needs in the next 2-3 years.

In the short term, DFIs, IDA's, and local governments will be called upon to provide liquidity. The IFC and KfW have already stepped in

¹ Based on analysis found in corresponding microReport.

with new capital for a US\$500MM Microfinance Liquidity Enhancement facility, and the IDB's support of the Emergency Liquidity Fund's (ELF) crisis support facility for Latin America. Nonetheless, they are unlikely to fully fill our expected \$10 billion gap in total funding for 2009 and 2010.

MF Adjustments Inevitable: Overall, MFIs will need to cut their growth to adjust to capital scarcity, but as we describe below, pressure on the asset side of their balance sheets will also call for slower, more prudent growth. MFIs will face a true test of maturity in this environment. They will need to examine their capital structure and funding with greater emphasis on diversification and long-term efficiency rather than short term cost savings.

Effects of the Crisis on the Asset Side

The effect of the crisis on the asset side of MFIs' balance sheets is less predictable than that on the liability side, but could be equally detrimental for the sector in the medium to long term. There is consensus that even if liquidity returns to the financial system relatively quickly, global economic growth is set to slow significantly, to 0.5% in 2009 from 3.4% in 2008 and 5.2% in 2007.² The MF sector will be tested to prove that MFIs are sheltered from a slowdown in the real economies of the countries in which they operate. Despite his-

² IMF, *World Economic Outlook Update, Global Economic Slump Challenges Policies*, January 28, 2009

torical precedents suggesting that MFIs perform better under stress than banks, if the crisis leads to prolonged declines in economic growth and deterioration of macroeconomic stability in a country, there is a strong likelihood that clients' ability to pay and MFI portfolio quality will be affected this time around. The difference between the risks facing MF countries today and in past crises is that today, emerging economies are largely dependent upon the performance and recovery of the US and developed market economies. Additionally, MF sectors in many countries are deeper and more integrated globally than during previous crises.

The following channels of contagion may impact real economies in emerging market countries and reduce clients' ability to pay back their loans in the current crisis:

Credit Tightening: Over the medium term the tightening of domestic credit conditions in MF countries will impact their real economies. Job loss will be one important consequence as businesses are unable to obtain bank loans to fund their working capital needs or to invest. As companies fail or shed jobs, unemployment will likely drive more low income workers into the informal sector, increasing the supply of goods and services produced without necessarily increasing their demand. While the resilience and flexibility of microentrepreneurs is impressive, this will inevitably impact the profitability of their businesses and their capacity to pay MF loans.

Commodity Price Volatility: Declining demand from developed

and large developing countries such as China and India drove commodity prices down 55% in a 6-month period to December 2008. This will lead to greater unemployment and fiscal pressures in many commodity exporting MF countries

While the declining food prices should reduce inflationary pressures, there is often a lag before world market prices reach local markets. They don't necessarily reach the local markets at all if economic policy is unfavorable. While many MF countries' policy makers tightened monetary policy to keep inflation in check in 2006 and 2007, at the end of 2008, many central bankers reversed this trend, loosening monetary policy to counteract the recessionary effects of the crisis. This has limited the usefulness of monetary policy as a tool to control future inflation and may place sustained pressure on the ability for the bottom of the pyramid to cover basic household costs, let alone loan payments.

Reduced Migrant Flows and Remittances: Migrant flows to developed countries have slowed as a result of lower labor demand in sectors such as construction and agriculture. The resulting decline in remittance flows will strain currencies and cut into disposable income among low and middle class families who rely on these funds to make ends meet. The impact on disposable income may reduce demand for microentrepreneurs' products and potentially affect their capacity to repay their loans to MFIs.

Current Account Pressures: Countries with large current account deficits prior to the crisis will

be especially challenged to defend their currency regimes or to cushion the volatility of floating currencies as demand for exports falls. These weaknesses and possible devaluations place MFIs at significant risk. Approximately 38% of MFI portfolios are financed by debt, much of which is denominated in foreign currency.

Political Risks: Countries with weak or volatile political environments will have less flexibility in their policy responses, as they have limited resources and political capital available to face the crisis head-on. Meanwhile, in countries with high levels of crime and insecurity, the crisis may have a direct impact on MFI clients and operations.

Squeeze on Assets: To date the effect of a slowdown on economic growth has had little impact on the repayment of MFI loans, but it is still too early to know the depth of the impact on the MFI asset quality. There is enough anecdotal evidence however, to suggest that the correlation between deteriorating economic conditions and portfolio quality may be greater than previously believed. We believe that the recessionary effects of the crisis will lead to higher delinquencies in MF portfolios and increased provisioning, increasing the already high cost of capital for MFIs and further squeezing margins. Meanwhile, foreign exchange risks and inflation will impact MFIs' profitability and risk profiles. Those countries with strong, well managed microfinance sectors should be able to implement risk management tools and processes to hedge some of these risks. However, countries with

weak regulatory systems, existing over-indebtedness or where MFIs have moved away from making productive loans for consumer loans will face greater difficulties.

Implications of the Crisis on Microfinance

The pressure on both the asset and liability side of MFI balance sheets will undoubtedly reduce the profitability of many institutions and will likely change the shape of the MF industry. On the liability side, reduced availability of funding sources will force MFIs to seek alternative funding sources, reduce growth targets and accept higher cost funds. On the asset side, the credit crunch and real economy pressures are likely to lead to elevated PAR and default rates, which will in turn lead to a tightening of credit standards, higher provisioning and reduction in growth targets.

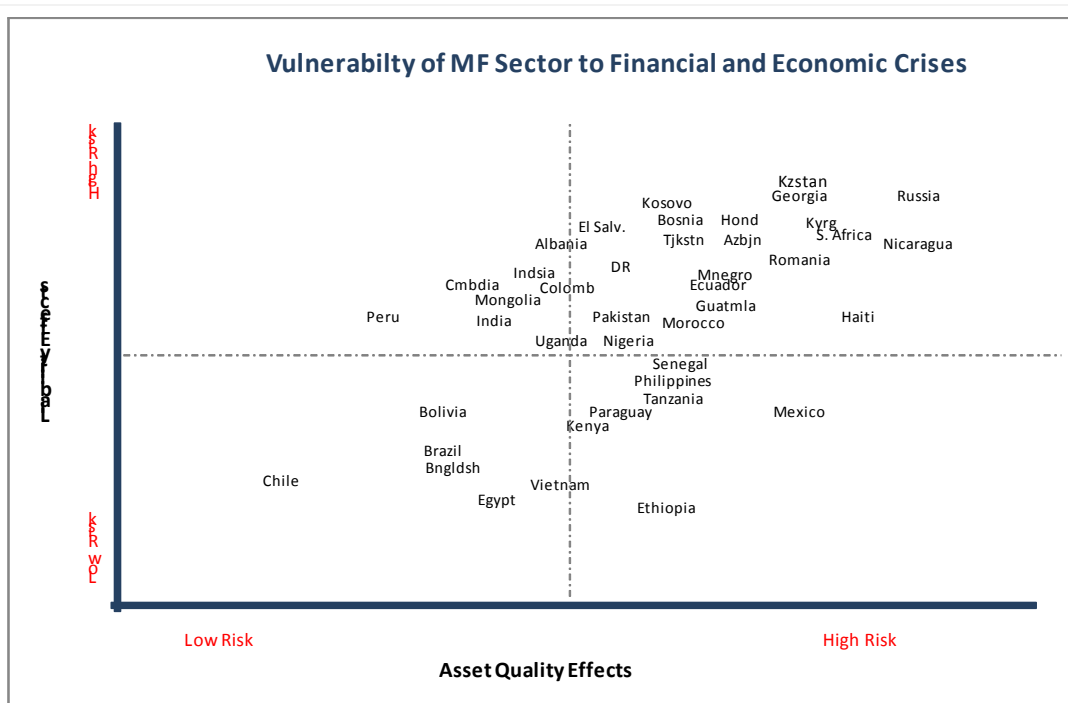
The extent of these effects will vary by country. Using our assessment of the risk to the asset and

liability sides of MFI balance sheets, the figure below illustrates our analysis of the vulnerability of countries, with those higher risk countries in the top right quadrant. These countries, including Georgia, Nicaragua, Russia and South Africa, face difficult economic constraints that are exacerbated by complex political situations that may constrain policy makers from taking appropriate action to shore up financial systems and promote economic growth. Those countries in the lower left quadrant are more sheltered. For example, although the crisis will have an impact on the MF sector in Brazil, Bolivia, and Chile, three countries that are large commodities exporters, the solidity of the MF sector and of the regulatory environment should help mitigate credit risks. Meanwhile government lending programs in Mexico and Peru will ease some of the liquidity constraints. No country is immune, but where there is less systemic risk, it is easier to

contain the effects of the crisis. (Further details on risk classification can be found in the Appendix.)

“A Crisis is a Terrible Thing to Waste”

Despite the risks the MF sector faces, we expect some positive side effects of the crisis as MFIs focus on strengthening their capital structure, improving efficiencies (through alliances, mergers and improvements in back office and front office systems, and monitoring credit quality with more rigorous risk management and controls. MFIs that are able to come out of the crisis stronger will differentiate themselves and be positioned for growth in a more positive economic environment in the future. However, it is unlikely that all MFIs will make it, and we expect to see consolidation in the industry and full blown failures in some of the higher risk countries.



Interventions for Donors and Stakeholders

There is an important role for donors and other stakeholders to ensure that the casualties of the crisis are limited and that the end users of MF services are not excluded from access to finance.

Equity Financing: With less debt funding available, higher cost-of-funds and regulators potentially tightening regulatory standards, MFIs may look to equity investors to meet their funding needs and to strengthen their capital structures. This will present an opportunity and a need for DFIs and others to step in and invest in strong MFIs.

Guarantee Mechanisms: The crisis has driven up interest rates on bank loans, reduced credit lines, and caused an overall freeze in lending in some countries. In countries where there is still liquidity, but banks are reluctant to lend because of risk, an expansion of loan guarantees could improve access to funding for MFIs. However, guarantors may need to reduce their expectations for leveraged guarantees in the short term or seek co-guarantee mechanisms that allow them to risk-share while providing the MFI with higher guarantees in response to the crisis.

Liquidity Facility: One of the early responses to the crisis by the microfinance community has been the development of facilities aimed at meeting the short term liquidity gap. While these facilities will be important to avoid a liquidity crisis, they must balance the need to

close a liquidity gap with the risk of becoming a permanent, rather than temporary, source of funds.

MFI Capacity Building: As the crisis squeezes MFI margins, further training and capacity building to innovate and strengthen MFIs will be needed. Efforts to support country-wide or regional initiatives can be both cost effective and sustainable over the long term. We believe the following are priority areas for capacity building: Risk Management (credit quality, delinquency management and financial risk), Operational and Back Office Processes; Product Development (focused on profitability and client retention); M&A Advisory; and Governance and Strategic Planning.

Client-Level Support: Creative and innovative efforts to build partnerships with governmental and non-governmental institutions should be explored to ensure the underlying problem behind declining asset quality -the effects of the crisis on client businesses and households- is addressed. MFI linkages can support the availability of and access to safety nets to micro-entrepreneurs, such as cash transfer programs, health and training initiatives. In addition, a focus on improving small business profitability, especially in the largely neglected urban commerce sector can help to generate long-term rewards that will go beyond today's crisis management needs.

Client and MFI Advocacy: The crisis heightens the potential for political backlash against microfinance, particularly in countries where political tensions are elevated. Advocacy efforts on behalf

of clients and MFIs alike will be even more important over the next two years as many clients will be strained to payback their loans as economic growth falters. Local networks and institutions can be effective advocates and should be supported in these efforts.

MFI Information Sharing: Dissemination of research and information highlighting potential threats as well as potential solutions and risk mitigation techniques are invaluable to MFIs during the current crisis. International networks have been working with their affiliates since the financial crisis began on liquidity management, contingency planning and credit risk management strategies. However, the vast majority of MFIs do not belong to international networks, and are not benefiting (directly) from these exchanges of information. Stakeholders can help to incorporate more MFIs into the global discourse on the crisis and to encourage information dissemination through country or regional networks that have a broader membership base.

Investor Transparency and Information Sharing: The industry as a whole will benefit from ensuring that investors and potential investors are provided with sufficient information to allow them to benchmark fund performance and MIV investment criteria through the creation of a regularly updated public performance database that lists MIVs and independently evaluates investment fund managers' due diligence processes and performance.

APPENDIX

The following two tables attempt to quantify the level of relative risk the financial crisis poses to the MF sectors in different countries. Each table identifies 5 key risk factors which affect either the liability side of an MFI's balance sheet or the asset side of an MFI's balance sheet. We acknowledge that these risk factors are not comprehensive, nor are they exclusive. For each risk factor we have assigned a score of 1 to 5. A score of 1 indicates a low level of risk to the MF sector attributable to that risk factor. A score of 5 indicates the highest level of risk. The Total Liability Score and the Total Asset Score were determined by taking the simple average of the 5 risk factors affecting that side of the balance sheet.

Liability Side Risk Factors

Financial Market Contagion: Reflects the risk to a country's domestic financial system from the global financial crisis. Countries with highly integrated financial systems are likely to receive higher scores than those with less integrated systems. We also take into consideration the ability of the domestic financial system to cope with contagion thanks to the financial soundness of its institutions or the responsiveness and maturity of its supervisory environment.

Decline in Bank Lending to MFIs: Reflects the degree to which MFI access to local bank loans and/or capital markets has been restricted as a result of the crisis. We also take into consideration the degree to which MFIs relied on local bank loans pre-crisis.

Dependence on External Funds: Reflects the degree to which the crisis has affected external funding to MFIs. A lower score reflects that MFIs have not yet seen a reduction in external funding or that external funding represents a very small portion of their overall funding.

Access to Savings: Reflects the degree to which microcredit organizations in a country are also able to mobilize savings as an alternative source of funding their portfolios. Higher scores reflect limited or no access to savings or that there is a risk of a run-on-deposits.

Access to Public Funds: Reflects the availability of government programs and lenders to bridge the potential liquidity gap caused by the financial crisis. We take into consideration the existing degree to which the MF sector has access to public funds as well as the ability of the government to increase and/or maintain its support of the sector.

Asset Side Risk Factors

Existing Weakness in MF Sector: Takes into consideration factors such as competition and client over-indebtedness; historic rapid growth rates which may have led to looser credit standards; and a prevalence of consumer lending and/or a weak credit culture; as well as network, regulatory and support structures in the local in-

dustry.

FX Vulnerability: Reflects the potential pressure on the country's currency because of falling commodity prices, worsening terms of trade, balance of payments vulnerabilities, lower remittances, and donor currency flows, as well as the extent to which the MF sector is exposed to FX risk through foreign borrowings.

Inflation Risk: Reflects the risk that the country will experience an increase in inflation, which can negatively affect MFI margins as well as microentrepreneur businesses.

GDP/Employment Risk: Reflects the degree to which domestic economic growth and employment will be affected by the global economic slowdown through the variety of channels including credit tightening, declining domestic and foreign demand and falling remittance falls and the risk this poses to demand for microentrepreneurs' products. This takes into consideration the structure of the domestic economy, how linked it is to the US and Western European economies; its dependence on trade; and its dependence on remittances.

Policy Response: Reflects the ability of the government to intervene to support the financial sector and to counteract the negative effects of the global economic slow-

DISCLAIMER

The views expressed in this publication do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government.

down on the real economy.

LIABILITY SIDE						
Country	Financial Market Contagion	Decline in Bank Lending to MFIs	Dependence on External Funds	Access to Savings	Access to Public Funds	TOTAL LIABILITY SCORE
Albania	5	4	3	4	4	4
Azbjn	4	3	5	4	4	4
Bangladesh	2	2	1	2	3	2
Bolivia	3	3	2	2	3	2.6
Bosnia	5	5	4	4	3	4.2
Brazil	4	2	1	3	1	2.2
Cambodia	2	3	5	3	5	3.6
Chile	3	2	1	2	2	2
Colombia	4	4	4	3	3	3.6
Dominican Rep.	5	4	3	2	5	3.8
Ecuador	3	4	4	3	4	3.6
Egypt	1	2	2	3	2	2
El Salvador	5	4	4	3	4	4
Ethiopia	1	2	2	2	3	2
Georgia	4	3	5	5	5	4.4
Guatemala	3	3	3	4	4	3.4
Haiti	2	3	4	3	5	3.4
Honduras	4	4	5	3	5	4.2
India	5	5	2	4	2	3.6
Indonesia	5	5	3	2	3	3.6
Kazakhstan	5	5	5	4	4	4.6
Kenya	3	2	3	2	3	2.6
Kosovo	4	5	4	4	4	4.2
Kyrgyzstan	4	4	4	4	5	4.2
Mexico	4	3	2	3	1	2.6
Mongolia	3	4	4	2	4	3.4
Montenegro	4	5	3	4	4	4
Morocco	3	4	3	4	4	3.6
Nicaragua	3	4	5	4	4	4
Nigeria	4	3	3	2	4	3.2
Pakistan	4	4	3	3	3	3.4
Paraguay	3	2	3	2	3	2.6
Peru	4	4	4	3	2	3.4
Philippines	4	3	3	2	2	2.8
Romania	4	5	4	4	3	4
Russia	5	5	4	4	4	4.4
S. Africa	5	4	3	4	3	3.8
Senegal	2	3	3	2	5	3
Tajikstan	4	3	5	4	4	4
Tanzania	2	2	3	3	4	2.8
Uganda	3	4	3	2	4	3.2
Vietnam	3	3	1	1	2	2

ASSET SIDE						
Country	Existing Weakness in MF Sector	FX Vulnerability	Inflation Risk	GDP/employment Risk	Policy Response	TOTAL ASSET SCORE
Albania	3	4	3	4	3	3.4
Azbn	3	4	5	5	3	4
Bangladesh	2	2	4	3	4	3
Bolivia	2	2	3	4	4	3
Bosnia	4	4	4	4	3	3.8
Brazil	3	3	3	4	2	3
Cambodia	2	3	3	3	3	2.8
Chile	2	2	3	3	2	2.4
Colombia	3	4	3	4	3	3.4
Dominican Rep.	3	4	4	4	3	3.6
Ecuador	3	3	3	5	5	3.8
Egypt	4	2	3	3	3	3
El Salvador	3	2	2	5	5	3.4
Ethiopia	3	3	4	4	4	3.6
Georgia	3	5	4	4	5	4.2
Guatemala	4	4	4	4	3	3.8
Haiti	3	4	5	5	5	4.4
Honduras	3	5	4	4	4	4
India	2	3	3	4	4	3.2
Indonesia	3	3	3	4	3	3.2
Kazakhstan	5	4	4	4	4	4.2
Kenya	3	3	4	4	4	3.6
Kosovo	3	3	4	5	4	3.8
Kyrgyzstan	4	4	5	4	4	4.2
Mexico	5	4	4	5	3	4.2
Mongolia	3	3	3	4	3	3.2
Montenegro	3	4	4	4	4	3.8
Morocco	5	3	4	4	3	3.8
Nicaragua	4	4	5	5	5	4.6
Nigeria	3	4	3	4	4	3.6
Pakistan	3	3	5	4	3	3.6
Paraguay	4	3	4	4	3	3.6
Peru	2	3	3	4	2	2.8
Philippines	4	3	4	4	3	3.6
Romania	3	5	5	4	4	4.2
Russia	5	4	5	5	4	4.6
S. Africa	5	4	4	4	4	4.2
Senegal	4	3	4	4	4	3.8
Tajikistan	4	3	4	4	4	3.8
Tanzania	3	4	4	4	3	3.6
Uganda	3	3	4	4	3	3.4
Vietnam	3	4	4	4	2	3.4