



EUROPEAN MICROFINANCE
network

EUROPEAN MICROCREDIT CONFERENCE

Training sessions and workshops

22 September 2004

14:00 to 17:00

Workshop 4:

Non financial services

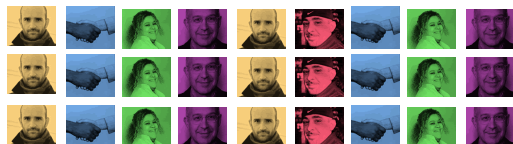


ADIE's Presentation

- ❖ **NGO** created in December 1988
- ❖ **Mission:** provide financial and non financial services for unemployed and social aid beneficiaries creating micro enterprises
- ❖ **Coverage:** all national territory (100 branches and 300 contact points)

- ❖ **Services provided:**
 - Financial services: loans, quasi equity loans
 - Non Financial services : business and marketing advice, administrative support, development of banking services

- ❖ **Financing:**
 - Loans funds → banks
 - Non financial services → government, local governments, ESF (European Social Fund)

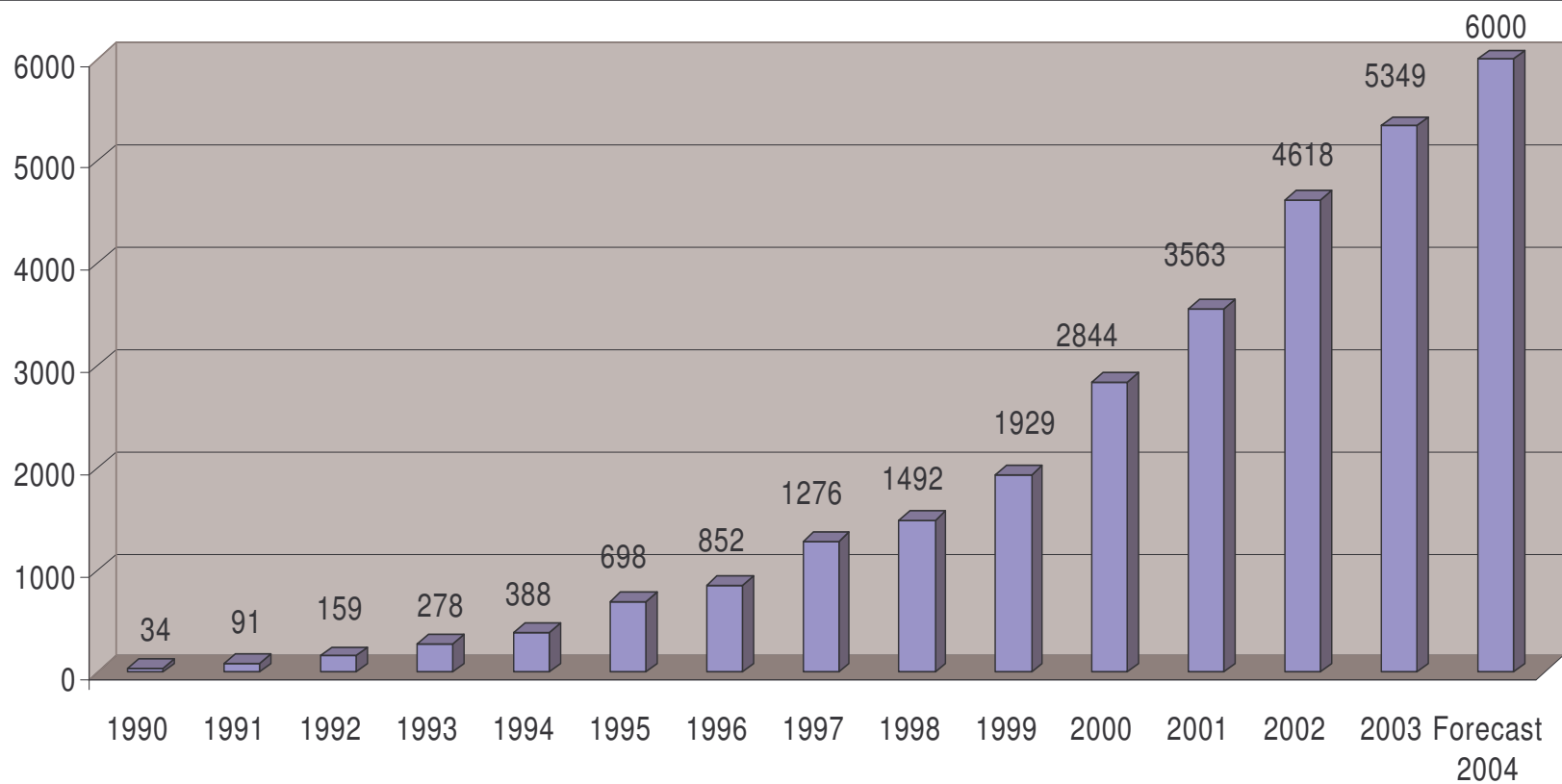


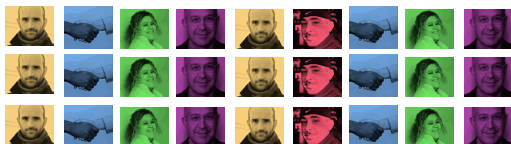
Results

- ❖ **Number of active clients in 2004:** 10 626
- ❖ **Number of enterprises created:** 23 345
- ❖ **Credit Outstanding:**
 - loans "prêts solidaires": 18 millions □€
 - quasi equity "prêts d'honneur": 7.4 millions €
- ❖ **Default Rate:** 6%
- ❖ **Loss Rate:** 1,5%



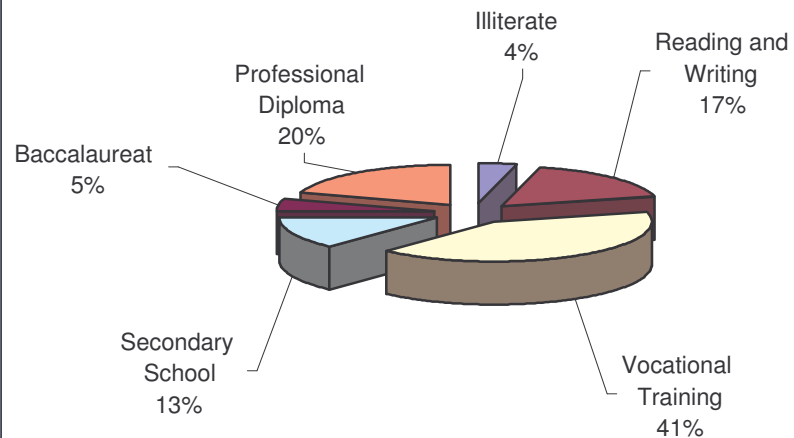
Loans Granted



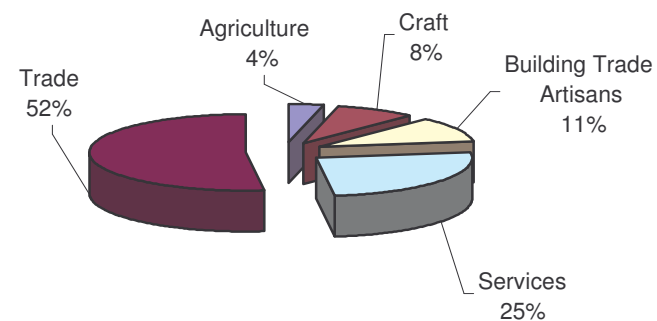


Target pop: Education, Activities

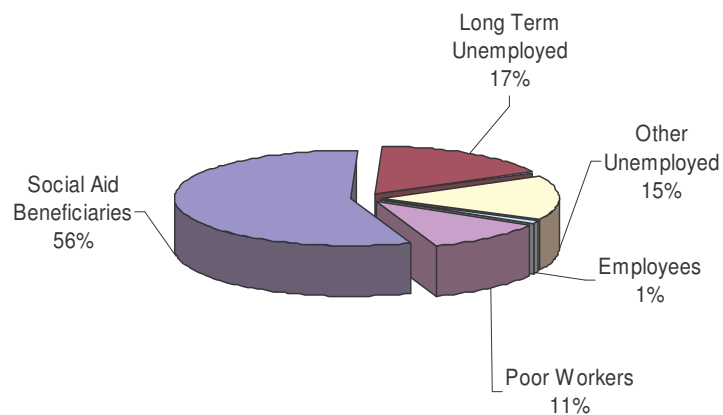
Education's Level



Distribution by principal activities



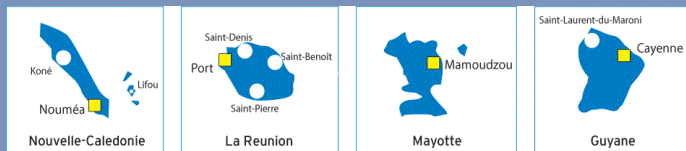
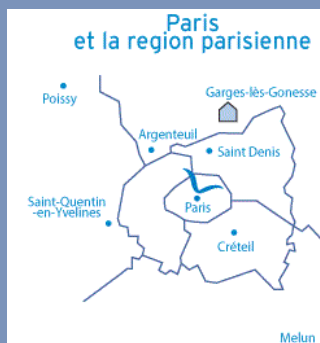
Target Population





Adie's Implementation

22 Regional Offices
102 Branches of which 6 Initiative Shops
300 Contacts Points





BDS : impact of the type of clients and of the economic environment

- ❖ Long term unemployed clients
- ❖ Low qualifications
- ❖ Few clients with an existing business (10%)
- ❖ Complexity of business creation (highly regulated economy)



BDS : dealing with costs

Different strategies

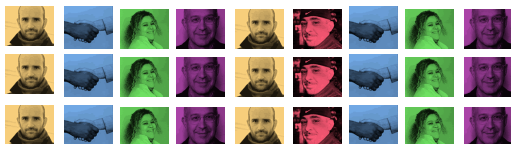
Business support **before** creation \Rightarrow done through partnerships with other organizations

Business support **after** creation \Rightarrow done directly



BDS : strategy developed

- ❖ Separating credit and business support in two cost centers
- ❖ Involving volunteers on business support and loan-officers on training and management of the volunteers
- ❖ Specific fund raising for BDS



BDS : description of services provided

- ❖ Services are free and non mandatory, provided only to financial services clients
- ❖ 4 services for existing micro-enterprises
 - ❖ Management advice
 - ❖ Marketing advice
 - ❖ Administrative support
 - ❖ Access to bank services
- ❖ Group meeting or individual approach
- ❖ A minimum of one appointment/quarter for 80% of active clients



BDS : impact assessment (results of the impact survey of 2003)

❖ Clients satisfaction :

71% of clients expressed needs for non financial services

Adie covered 41% of those needs in the past five years

❖ Impact on enterprises survival : survival rates are 7 points higher for enterprises that have benefited from BDS