EaSI Technical Assistance
Supporting actions for Roma and travellers population

Webinar

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Overview:

• Adie – a brief overview

• Adie and the travellers population

• Adie’s specific offer to meet travellers’ needs and cultural background

• The vulnerability of travellers during the COVID-19 crisis and Adie’s response
OUR MISSIONS

FINANCE
all those who want to become entrepreneurs but don’t have the means to do so

SUPPORT
entrepreneurs before, during and after the creation of their business in order to ensure their development and sustainability

ADVOCATE
For a more suitable legal and institutional environment for microfinance and (micro) entrepreneurship to grow

INTERNATIONAL
Contribute to the development of microfinance outside of France through advocacy, cooperation and technical assistance
OUR PRODUCTS

Business micro-credit
- Loans up to €10,000 possibly combined with:
  - Start-up grants
  - Non-interest bearing subordinated loans

Business micro-credit
- Loans up to €5,000
- For employment purpose (mobility issues)

Micro-insurance
- Professional insurance
- Civil liability insurance
- Health insurance
- Car insurance

Business development services
- Coaching & mentoring
- Business planning
- Legal advice
- Administrative paperwork
- Online support
1. Adie and the travellers population

Adie has been promoting entrepreneurship among the travellers community for more than 20 years.

Adie has developed a specific approach and loan process with and for the travellers, and is today the result of a deep knowledge of this audience.

For instance an internal specific two-days-course exists for all its volunteers and employees on how to help and finance travellers.

In 2019, Adie financed 2,341 projects of traveller’s entrepreneurs (roughly 10% of our overall loan production and 12% of Adie’s entrepreneurs)
1. Adie and the travellers population

Adie provides follow-up services to travellers communities that are complementary to public services and religious or cultural associations dedicated to this population group.

Adie’s know-how on how to reach and retain loyalty within the travellers’ community has been adapted to other communities.
2. Adie’s specific offer

Implementation of a specific loan process: moral guarantees, progressive increase of loan amounts

Development of specific follow-up services based on the needs of this group: administrative support, help in exiting informal economy, simplified Workbooks, autonomy grid
2. Adie’s specific offer

Specific strategies to make Adie’s services known to the population:

- Awareness-raising campaigns organized during 2 religious meetings every year since 1à years with the following objectives:
  - Raise the awareness on entrepreneurship
  - Inform travellers on their rights
  - Help on administrative procedures
  - Empower travellers in administrative management, especially online, of their own business

- Adie’s teams are on the field on local parking areas of travellers
- messages shared thanks to word-of-mouth
- existence of a network of loan officers dedicated to travellers in each local branch, and organization of specific training programs about travellers
3. Adie’s response to the COVID-19 crisis

Since March 16th, our organization is totally dedicated to help our clients to cope with lockdown measures and the collapse of our economies.

We have been contacting every single client within the first weeks of the lockdown in order to propose loan rescheduling and to help them to apply to the emergency measures implemented by the government.

In this extreme context, travellers are highly vulnerable because they usually have poor access to the internet, they massively suffer of illiteracy issues in general, and electronic illiteracy in particular.

We manage to spend much more time with our traveller clients in order to help them with the application processes for emergency measures : for instance to create an account on the ministry of Finance website, or to contact their local security social security agencies in order to ask for postponing their payment.
Supporting Entrepreneurs in Roma communities

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Brussels
Who are the roma

https://www.youtube.com/watch?v=Q6wSLfGBVGY
EUROPE AND CENTRAL ASIA
ESTIMATED PERCENTAGE OF ROMA POPULATIONS

source:
European Commission
DG REGIO, 2008
Impact of 500 years of discrimination and slavery

Absolute poverty (income based) of Roma and non roma

Unemployment rates of roma and non-roma by sex and age

Impact of 500 years of discrimination and slavery

Absolute poverty (income based) of Roma and non-roma

Unemployment rates of roma and non-roma by sex and age
Unemployment rates for roma and non-roma in central and south east Europe

Summary:

- Major gap between access to employment for roma and non-roma.
- Causes:
  - discrimination on the job market
  - discrimination in the education system
  - Limited access to opportunities to gain skills and experience
- Roma women are much less likely to gain employment compared to roma men or non-roma women.
DIGITAL REVOLUTION

Digital revolution will increase inequality! Vulnerable groups are not able to benefit from it.

- **Industry 4.0 | 3D printing**
  Threat for low skilled workers and craftsmen (like Roma).

- **Autonomous vehicles**
  Taxi drivers (many from vulnerable group like Roma).

- **Commerce and Retail**
  “Move in the online” but roma sellers lack skills to manage online shops.

- **Energy and Environment**
  Recycling (a big source for roma) and self sorting becomes standard.
Efforts to decrease inequality ...

1971 – World Roma Congress demanded recognition for the challenges faced by roma
OSF initiated entities to support roma

Roma Education Fund

ERIAC
European Roma Institute for Arts and Culture

REDI
Roma Entrepreneurship Development Initiative
Conclusions

1. Roma is the largest minority in Europe
2. >80% of population in Ro, BG, RS, MK, SK, HU, CZ.
3. Data unavailable to account for major migration from east to west
4. 500 years of slavery and discrimination placed a strong imprint on their competitiveness on job market, skills, education
Economic Empowerment of roma communities
**REDI Process of supporting entrepreneurs**

**Inform & Engage**
- Community reach-out
- Initial discussions

**Selection: BDS | TA**
- Filtering & grouping
- Workshops & Mentoring
- REDI removes obstacles

**Accelerate & Grow**
- Subsidies | Loans

**Facilitators | Experts | Mentors**

**Roma villages**
- Facilitators
- Experts
- Mentors

**Public fairs and markets**
- Facilitators
- Experts
- Mentors

**Word of mouth**
- Facilitators
- Experts
- Mentors

**Inform**
- 1. Listen
- 2. Learn
- 3. Don’t overpromise

**Engage**
- 1. Type & Size
- 2. Viability
- 3. Impact
- 4. Growth potential
- 5. Character

**Selection**
- 1. One to one support
- 2. Small Group TA (<5)
  - Agronomist
  - Lawyer
  - Accountant
  - Business links
  - Legal
  - Registration

**Accelerate & Grow**
- 1. Mentoring
- 2. Coaching
- 3. “Hand-holding”
  - Local Authorities
  - New Markets
  - Finances
  - Networking

- 1. EU Grants for infrastructure
- 2. Loans for cash flow

**Word of mouth**
- Roma villages
- Public fairs and markets
- Word of mouth
Reasons for rejection to access to capital (lessons from 2015-2016 InPulse / CEB Pilot)

- 28% Bad credit history (%)
- 19% Lack of, or insufficient collaterals, guarantors (%)
- 11% Unregistered businesses or business operating less than 6 months (%)
- 12% Matching maturity of the loan with the financial capacity (%)
- 31% Conditions does not fit to the needs
Brussels, 9-Apr-20

RIOReviiew Meeting:
18-19 REDI's core support Request

REDI's Theory of Change

REDI Vehicles

Phase 1

- REDI NGO
  - Community outreach
  - Financial education
  - Roma Business Club

- MFIs
  - Loans

Phase 2

- REDI FUND
  - Unsecured Senior Loans
  - Risk participation

- REDI SE
  - Facilitate Beneficiaries' access to markets
  - Sets-up business conduct standards

Roma Entrepreneurs active in:

RO  BG  SB  MK
REDI – Roma Loan officer internship

6 months paid scholarship for young roma graduates. Partners: Banks and MFIs in Romania, Bulgaria, Serbia and Macedonia.

RESULTS:
1) 30 young roma were trained as loan officers
2) 11 of them received job offers at the end of the internship
3) ± 1200 roma were supported to apply for a loan (2017-2019)
3) ± 400 microloans in roma communities were disbursed (avg = 1500 EUR)
Spillovers of REDI-MFI internship

Roma graduates received a wide range of transferable skills (assessing credit worthiness and risk, discipline, using specialised tools and software, communication with a wide range of entrepreneurs).

Microfinance institutions increased their ability to connect and understand challenges faced by Roma communities and entrepreneurs.

Roma entrepreneurs felt more ease with connecting with microfinance institutions.

REDI was able to choose staff from a wide range of Roma loan officers with specialised knowledge and contacts with Roma communities.
Types of businesses in roma communities and their challenges
Informal Businesses

**Opportunities**

- Able to easily shift products / business area
- Low stocks → low impact of crisis
- Drivers of change in roma and non-roma communities
- Very solutions oriented and fast on their feet to identify new opportunities
- Close contact with reality

**Challenges**

- Low cash reserves
- Need support to reach new markets and increase their sales
- Require support to improve their logistics and supply chains
- Experienced in running businesses but less experienced in managing taxes, human resources or using new technologies
Formal / informal traders

COVID impact:
Redirection towards other products
More keen to learn to sell online but education level is a challenge
Production in low cost countries – selling in western Europe
Opportunities

- Growing number of entrepreneurs leading successful businesses
- Active in and outside of roma communities
- Drivers of change in roma and non-roma communities
- Could act as aggregators for subsistence entrepreneurs
- Could act as mentors for less experienced entrepreneurs

Challenges

- Need support to reach new markets and increase their sales
- Require support to improve their logistics and supply chains
- Disconnected from communities of interest
- Have access to funding but would like to improve funding terms loan / grants
- Experienced in running businesses but less experienced in managing taxes, human resources or using new technologies
REDI’s Roma Business Club

Members of the club act as mentors / coaches for peers or for less experienced business men

Each member of the business club has business with at least 5 mil EUR turnover

COVID Impact
For some of them the impact is very high (transport, constructions) and are not confident they will survive

Others are growing:
Serbian oil/sugar seller
Romanian IT entrepreneur
What is missing ...

Plenty of money is available ...!!!

Willingness to go and work with people in roma communities

Ideas from both profit and non-profit sides...
COVID impact on MFIs – InPULSE survey

INPULSE – COVID 19 crisis impact analysis from an Investor’s perspective (research on 27 MSME located in 15 countries in Europe and MENA region)

⇒ MSMEs have historically proven to be resilient to shocks BUT this crisis is the first of its kind and the real impacts are difficult to evaluate at this stage.

⇒ MFIs immediate response - health of the staff & implementing the new regulatory safety measures (86% implemented WFH / 48% provided medical supplies for staff protection / 33% - no filed work / 29% - reduced number of staff)

⇒ Impact depends very much of efficiency of Gov’s measure on supporting MSMEs activity

⇒ MFIs view on Risk
  o High business risk: 95% of FIs consider that the current crisis has significant impact on their clients business (MSMEs)
  o High credit risk: 76% of FIs received some loan rescheduling requests / 76% of FIs expect deterioration in PAR – it is to early to say how severe will be (can be up to 40-60% increase in PAR ratio)
  o New loans only in very few cases/sectors (ie. agriculture)

⇒ What MFIs do:
  o Continuous contact with clients
  o Internal risk assessment: liquidity management / risk assessment on sectors
  o Contact, monitoring and informing on Gov’s measure on MSMEs and by Banking authorities

[Link](https://www.inpulse.coop/assessment-coronavirus-effects-inpulse-partners/)
Assessment of COVID-19’s Impact on Small and Medium-Sized Enterprises in Roma Communities

Marginalized communities such as Roma were impacted by poverty and exclusion before, the COVID-19 crisis is exacerbating all the problems they had.

➢ The governments announced support measures in the 3 countries, none of the Roma entrepreneurs interviewed was involved nor consulted.

➢ The Roma owned businesses in Romania (18%) and Serbia (17%) expect to close down the business activities, 34% of the Roma owned businesses in North Macedonia hope to access to different funds (loans, grants).

➢ If the governments do not take any specific measures targeting informal businesses, in a period of three months on average 71% of the Roma own businesses might need to close.
Support measures

Access to information
Support to access government measures
COVID 19 – Emergency package being set-up in REDI Economic Development S.A.
Conclusions

*REDI is building a full ecosystem (TA, BDS, access to funding, networking opportunities) to support roma entrepreneurs in south east europe and balkans.*

*While these entrepreneurs had problems securing support for their businesses before, it is expected that their challenges will increase exponentially in the upcoming period of time.*
EaSI Technical Assistance

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