



## Réseau France Active

**Category of Good Practice:** MFI & Bank Partnership

**Good Practice's title:**

France Active: The “bridge” to secured bank Micro-credits

**Main objective:**

The partnership is based on the concept of ‘secured bank micro-credit’. France Active believes “the banker” is the primary financial partner of the entrepreneur. However, many entrepreneurs, because of financial difficulties, background, age, etc. encounter difficulties to access bank loans. France Active provides a guarantee for microcredits issued by banks and facilitates access to bank microcredits.

**Key words:**

Partnership, Banks, guarantee, network

**Type of organization:** microfinance network

**Country:** France

**Year of inception of the good practice:** 2008

**Services and products provided:** microcredit guarantee, mentoring and advising the client, and specifically advise the clients during the microcredit negotiation with the bank.

**Portfolio (€):** 280 M€

**Average loan size (€):** (not available)

**# of clients:** ~28.000 clients

**Website:** <http://www.franceactive.org/>

**Address:**

Tour 9 - 3 rue Franklin, 93100 Montreuil  
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**Institutional profile:**

France Active is a French Microfinance network and a key actor for social impact investments and social impact financing in France. France Active finances and advises social businesses and supports those excluded from the labour market to help create their own small business. France Active supports 41 local agencies within the France Active network, and is a non-profit organization.

In 2014, the 500 employees and volunteers of the France Active Network have advised and financed nearly 7.000 companies in France (small companies via micro-credit and social businesses). France Active receives EU funding from the European Social Fund and the European Regional Development Fund.

**Mission of the organization:**

To foster job creation in France, especially for groups excluded from the labour market.

**Governance structure:**

The supervisory board of France Active is composed of 24 Members including social business entrepreneurs, banking representatives, institutional representatives (state, local, public administration, Public Group Caisse des Dépôts).

## Good Practice

**Introduction:**

France Active partners with banks that are active in the French financial market. The network guarantees (on average 60%) bank loans to micro-entrepreneurs. Therefore, Réseau France Active (RFA) engages in risk-sharing with the client. In return for the guarantee, the bank removes the personal asset requirements of the micro-enterprise owner as collateral.

RFA is using another tool: monitoring and advising client during the funding research phase. This support aims to increase the viability of the business plan via the economic, human and financial expertise made directly with the project holder by France Active Network.

**Target group and accessibility:**

The service is accessible throughout France via the France Active network. The target group is people excluded of the labour market.

**Innovativeness:**

RFA primarily uses loan guarantees along with mentoring and advising services for client during the funding research phase to achieve their mission. Support from RFA also helps to mobilize other financial resources to fund the micro-businesses. The services offered by Réseau France Active are highly complementary with banking services.

**Relevance given the context:**

In France, entrepreneurship is booming, especially the creation of small businesses. With high unemployment rates, entrepreneurship is viewed as an effective solution to create employment.

**Adaptability to other contexts:**

This strategy was initiated and supported by France Active with the support of public partners, including the national government and the Public Group Caisse des Dépôts, as well as the local authorities (Regions, Provinces, Towns and Communities). The commitment of public and private sector organizations are key elements to replicate this experience in other contexts.

**Efficiency:**

Banking networks can develop their activities targeting the creation of very small business by entrepreneurs who are considered to be more fragile in a secure framework. In 2014, more than 5.800 entrepreneurs have benefited from France Active's services: advice and credit guarantees.

Some key figures:

- 180 M€ (amount of guarantees and personnel loans distributed by France Active)
- 82% of the small companies advised and financed by the France Active network are still in business three years after creation,
- For 79% of entrepreneurs, the France Active guarantee on bank micro-credit has removed the requirement of personal assets as collateral.

**Outcomes:**

The partnership has allowed RFA to increase the number of customers; it also improved RFA's overall financial performance. The newly founded relationships with banking partners now make it possible to move to a new stage of collaboration. For example, several banks have expressed interest in participating in the capital increase of Société France Active Garantie.

**Sustainability:**

The partnership is now being implemented at the national level. In addition, the positive relationships created with banking partners in recent years now make it possible to move to a new stage of collaboration. Several banks have expressed interest in participating in the capital increase of Société France Active Garantie.