

Peer to Peer & Exchange Visit Report

Fejér Enterprise Agency (visiting org.) visited Créa-sol Microcrédit (org. visited) on 15th of May 2015

Background of the meeting and the visiting delegation: (max. 1 page)

Our Foundation deals with microfinance for 23 years. The main objectives of our Foundation are to facilitate the establishment and development of micro, small and medium-sized enterprises in order to enhance their ability to provide employment for themselves or for others and to boost economic activity. The mission of the Foundation is to provide high-level, easily accessible financial, advisory and training services in Hungary to start-ups and existing micro and small enterprises. We provide Business Development Services and researches as well.

We were interested in the environment of the France's microfinance. We wanted to see their operating conditions and the regulatory conditions. We were also interested in how they can ensure the sustainability and their every day operating.

Lessons learnt during the visit: (max. 1 page)

We asked Christian Fara, the General Director of Créa-Sol to introduce his organization and the microfinance situation in France.

The Créa-Sol Microfinance Institution was founded in 2005 at the initiative of the Caisse d'Épargne (savings bank) of the South of France. The main objective of his organization is to help people who lack access to the mainstream banking services to reintegrate.

Their economic model has two parts. The first part means basically their operational expenses, which are entirely covered by their partners, the savings banks. The other part of their model is their credit offering activity: they borrow from the market in order to provide loans to their clients. They are able to provide financial sustainability, due to the help of their partners, two savings banks in the South of France, who finance their operational costs.

They provide two types of microcredit: entrepreneurial loans and private loans. The entrepreneurial microcredit has the maximum amount of 10 000 euro with a five-year term, and their interest rate is 5%. Their success-rate is 80%, which is considered as a good result in the microfinance sector.



They are facing different sorts of challenges. One of the problems is that they operate solely in the South of France, so their organization is geographically limited. Their goal is to be able to operate nationally, and when it happens, they would like to expand internationally as well.

They are a member of the European Microfinance Network and since 2012 they cooperate with the European Investment Fund (EIF), which provides them credits from which they can give loans.

If he was a policy maker, he would definitely invest much more in microfinance, because bankers are not interested in creating enterprises, especially not microenterprises.

The visiting organisation's plans to adapt some key lessons to its own organisation: (max. 1 page)

It was really good for our organization to know more about the microfinance situation in France. It has many differences compared to the microfinance organizations in Hungary.

The main difference is about the savings banks. The main partner of Créa-Sol is two savings banks, who cover their operational expenses and help them to provide financial sustainability. It could be a helpful improvement, if we could have the same situation in Hungary.

It was good to see how their microcredit programme works, and know more about their entrepreneurial and private loans as well. In the future, we would like to keep in touch with this French organization to change our experiences, and help each other to improve.