



MICROFUTURE

3d INTERREGIONAL MEETING REPORT

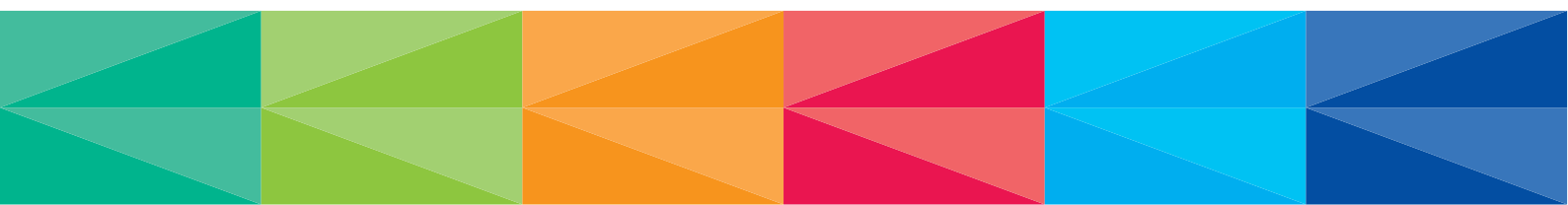
Microfuture

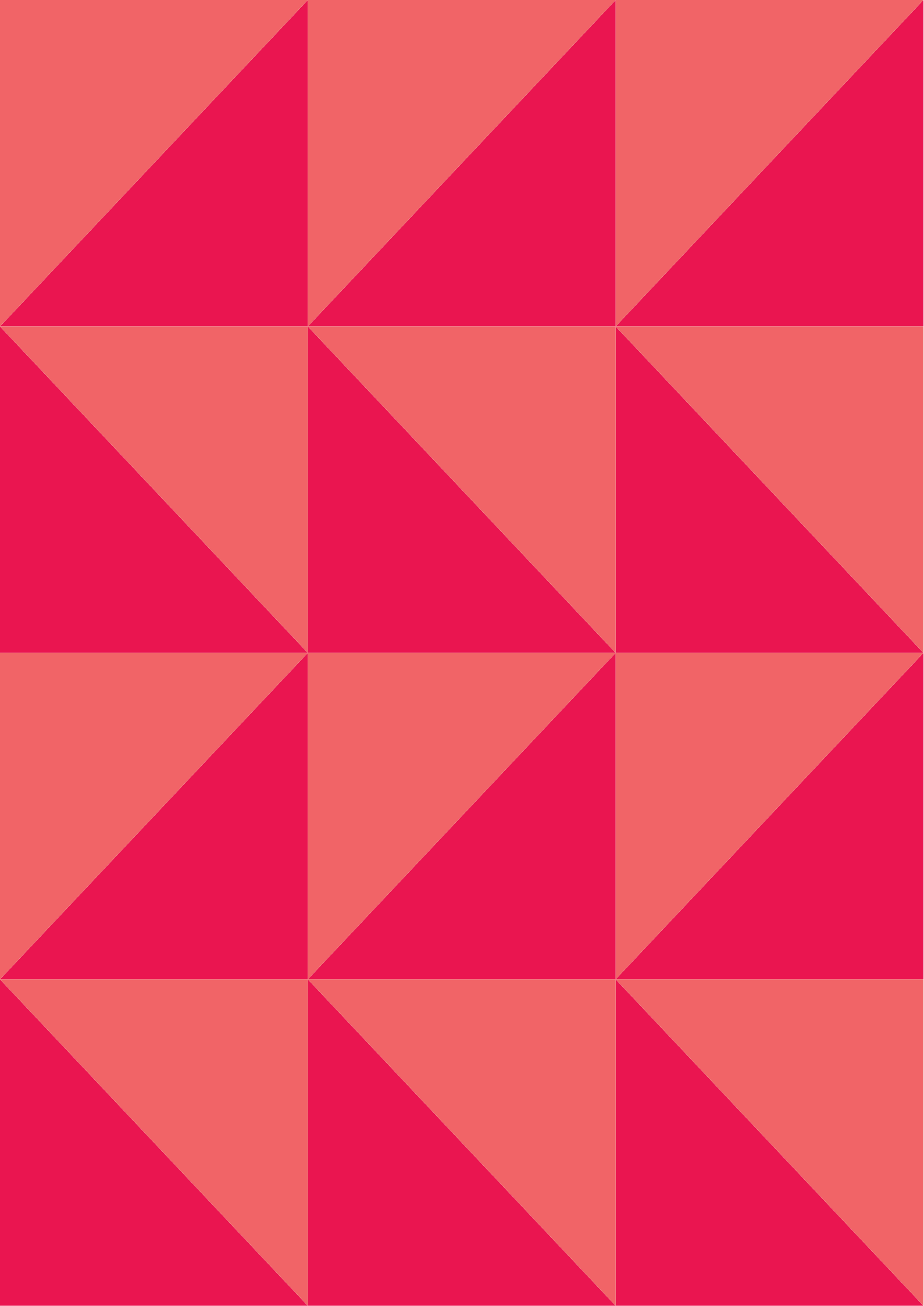
Future proof microfinance
for social inclusion



SOCIAL

Labour market and employment





Context

Understanding Microfinance

Microfinance describes financial services targeting people who struggle to access credit for the creation of new business ventures, and represents a valuable alternative to traditional lending services provided by banks.

By ensuring that credit is available to the most vulnerable and socially marginalised individuals as well as to microenterprises, the power of microfinance lies in its function as an effective development tool, which can promote social inclusion, entrepreneurship, employment and sustainable development.

The Microfuture Project

In line with the vision of Nobel Peace Prize Muhammad Yunus, the MICROFUTURE PROJECT seeks to define means of future-proofing microfinance. This means reaching all potential beneficiaries, regardless of social demographics, harnessing digitalisation and operating in synergy with today's grand challenges.

MICROFUTURE groups a partnership of public authorities keen to use interregional learning to improve public policy frameworks supporting microfinance, ensuring that we learn from COVID, Adapt to new policy and market requirements and reach the most vulnerable members of our societies.



3d MEETING REPORT

Main Goals

The 3d interregional event MICROFUTURE was organized by the Council of Seine-Saint-Denis (PP6), in France, and took place on 16 and 17 of May 2024 at the Headquarter in Bobigny.

Seine-Saint-Denis covers an area of 236 km² and is a part of The Metropolitan of Paris. It counts 40 cities with a population of 1.683 million. Its population is constantly growing, especially thanks to a young demographic (43% of the population is under 30 years old). It is also a very diverse district in terms of origins, languages, religions...The Council of Seine-Saint-Denis is a local authority mainly in charge of Social Action.

Seine-Saint-Denis is a working class area with a high unemployment rate compared to the national average. However, Seine-Saint-Denis is also characterized by its entrepreneurial dynamism (more than 40,000 start-ups per year). Creating one's own job in the face of difficulties in entering the traditional labour market can be a lever for social and professional integration.

The issues addressed by Microfuture are topical for our local action. Our local authority is responsible for social action and for promoting solidarity and territorial cohesion. Our public policies aim to promote social inclusion of vulnerable groups, particularly through entrepreneurship, as well as the development of the social economy and new alternative economies that have a positive impact.

Microfuture partners attended the event from Romania, Italy, Slovenia, Sweden, and France, as well as project stakeholders representing both the public and private sectors.

These 2 days welcomed 19 participants from European delegations, including 4 microfinance and solidarity finance structures, and showcased the diversity of social and solidarity initiatives in the region by:

- A Conference on "Opportunities and challenges for the microfinance and social economy sector in Seine-Saint-Denis".
- An "Immersive Tour" to enable European Partners to discover the region's inspiring social initiatives.



MICROFINANCE AND SOLIDARITY FINANCE SERVING SOCIAL INCLUSION AND SOCIAL ECONOMY

16
MAY
2024

15:00-17:30

HEADQUARTER OF
BOBIGNY, FRANCE

WELCOME

Melissa Youssouf *Council of Seine-Saint-Denis*

Muhammad Yunus *Nobel Peace Prize in 2006*

MICROFINANCE, A TOOL FOR SOCIAL INCLUSION

Yoan Noguier *Yunus France*

Julie Casanova *Adie*

Aristote Zola *Cresus*

Philippe Assedo *BNP Paribas*

Isabelle Gastal *Banque de France*

SOLIDARITY FINANCE, A SUPPORT FOR THE DEVELOPMENT OF SSE

Tidiane Sall *France Active Métropole*

Thierry Velain *Crédit Coopératif*

Stephania Atitse and Louise Adnot *Les CIGALES*

Danielle Desgues *BGE, Conseil National of Crédit
Coopératif, Ashoka and the Haut Conseil à la Vie
Associative*

Christine Merckelbagh *Founder of "Label Gamelle"*

THE EXPERIENCE OF MUHAMMAD YUNUS, "BANKER OF THE POOR"

The conference focuses on the "Opportunities and challenges for the microfinance and social economy sector in Seine-Saint-Denis" and was chaired by Muhammad Yunus, founder of the first microcredit institution and winner of the Nobel Peace Prize in 2006.

Professor Muhammad Yunus, has founded the very first microcredit institution in Bangladesh in 1974 and received the Nobel Peace Prize in 2006.



He took the opportunity to share his experience and vision suggesting innovative solutions to current challenges (economic recovery, social inclusion, ecological and digital transition).

The meeting took place in the presence of Mélissa Youssof, Vice-President in charge of Social Inclusion, Social and Solidarity Economy and European Funds for the County Of Seine-Saint-Denis and a large number of SSE partners. Mélissa Youssof introduced the conference by these words:

"Many people in Seine-Saint-Denis have an immigrant background. Our population is largely discriminated against, both by the education system and by employers. As a result, many of them are unemployed. That's why so many of them want to create their own jobs by setting up their own businesses. Seine-Saint-Denis is one of the region with the highest number of business start-ups in France. Once these people have made the decision to start their own business, they face many problems, such as a lack of self-confidence due to their background. They face a banking system that discriminates against them. The more difficult your background, the more obstacles you face. If you're a woman, if you're poor, if you're in a precarious situation, if you're an immigrant. Hence the role of microfinance."

This conference highlighted practical initiatives and social innovations in the region in the field of microfinance and solidarity finance across a variety of topics:

- Economical inclusion of micro-entrepreneurs,
- Digital as a lever for economic inclusion of people in precarious situations,
- Mobility and inclusive ecological transition,
- Financing solutions for SSE actors,
- Opportunities for solidarity and participatory finance, and ways for local authorities and civil society to get involved.

“MICROFINANCE, A TOOL FOR SOCIAL INCLUSION”

The first round table, entitled "Microfinance, a model of inclusion in Seine-Saint-Denis", showed how microcredit could improve the lives of people in precarious situations.

Julie Casanova, Head Manager of the Seine-Saint-Denis branch of the “Association pour le Droit à l’Initiative Economique” (ADIE), reminded:

“ADIE was born 35 years ago from the vision of Maria Nowak, our founder. Her meeting with Muhammed Yunus gave rise to the idea that small loans could be used to give unemployed men and women with no capital the means to find an income, self-confidence, a future, a purpose to their work and sometimes a purpose to their lives, by creating their own businesses”.

ADIE is a solidarity association that defends the idea that everyone, even those without capital or qualifications, can become an entrepreneur if they have access to microcredit and professional support based on trust, solidarity and responsibility. Through microcredit and support, the association aims to promote the right to economic initiative for all.



In 1989, ADIE initiated a real cultural revolution: to make entrepreneurship not only an effective way of returning to work, but also a solution accessible to working class people. Adie has given a chance to nearly 300,000 entrepreneurs and helped to extend entrepreneurship to people who were previously excluded: women, young people, immigrants, people on means-tested benefits and the unskilled.

Aristote Zola, Development Manager for Cresus showed that Microcredit can be used for a wide range of projects: mobility and training, housing and accommodation, equipment and life events. In 2022, Cresus has also developed a web application with Banking partners that makes it easier to manage one's daily budget. If they encounter difficulties, users can immediately receive support. This demonstrates how digital tools can be a lever for financial inclusion without excluding those who are far from it.

Created in 2004, Cresus aims at promoting awareness, treatment and prevention of over-indebtedness and financial and banking exclusion, and at encouraging prudent and informed use of money. The association offers financial education programs to help people in precarious situations better understand their difficulties with money and to improve their ability to manage their budget and their relationship with the bank. Crésus also supports people who do not have access to traditional forms of bank credit



and who apply for personal microcredit to finance a personal project, usually aimed at helping them find employment. This support enables these projects to be assessed in terms of their viability, the borrowers' ability to repay their loans and their eligibility for credit organizations.

The banking partners around the table, included Banque de France, Crédit Coopératif and BNP Paribas, defends that Microcredit also enables mobility and contributes to an inclusive environmental transition for the poorest households.

"We now know that people who don't have a driving licence or a car face additional obstacles in finding a job and sometimes in keeping one. By facilitating access to mobility, we have a direct impact on professional integration and social inclusion", says Philippe Assedo, Head of Corporate Commitment at BNP Paribas, who invites the social players to identify more beneficiaries' eligible for microcredit:

"The partner banks will be there to finance them. Today, we finance 60% of the applications we receive".



SOLIDARITY FINANCE, A REAL SUPPORT FOR SSE DEVELOPMENT

The Second round table was about "The importance of Solidarity finance to support the development of SSE in Seine-Saint-Denis"



Tidiane Sall, Head of Banking Partnerships and SME Finance from France Active Metropole and Thierry Velain from Crédit Coopératif told us about the need to put in place specific financing solutions for the structures of the SSE sector and the importance of working with traditional banking partners, particularly to finance these structures' higher cash requirements. France Active Métropole's mission is to respond to the financing difficulties faced by entrepreneurs and social economy enterprises. It works closely with the Crédit

Coopératif, a cooperative bank committed to supporting businesses in the real economy and citizens who believe in a fairer, local, more responsible and more respectful of the environment.

Danielle Desguées, President of the Conseil National du Crédit Coopératif, of the High Council for Associative Life, also pointed the need for a better coordination among the actors involved in financing and support, to encourage them to get in touch

with each other:

“Funds are available to support the social economy, but it is not easy for investors to find projects.”

Stephania Atitse and Louise Adnot from the CIGALES confirmed this fact. For more than 30 years, these clubs of civil society investors have been making financial and human commitments to local social and solidarity projects, enabling project leaders to set up their own businesses.

INNOVATIVE EXPERIENCE OF SOLIDARITY FINANCE

Christine Merckelbagh, founder of the Cooperative “Label Gamelle” shared her experience.

Label Gamelle falls under the SSE framework because it is a social inclusion company based in Seine-Saint-Denis with a double objective: to provide catering services and to integrate people in difficulty.

This structure develops an economical activity with a social purpose. The legal status chosen is that of a SCIC (Société Coopérative d'Intérêt Collectif), in which each collaborating employee has voting rights in the company's management.

Since 2018, the Council of Seine-Saint-Denis has invested in the capital of SCICs in Seine-Saint-Denis and this year decided to take a stake in Label Gamelle. For Label Gamelle, having a local authority as a shareholder is a real strength and a real vote of trust

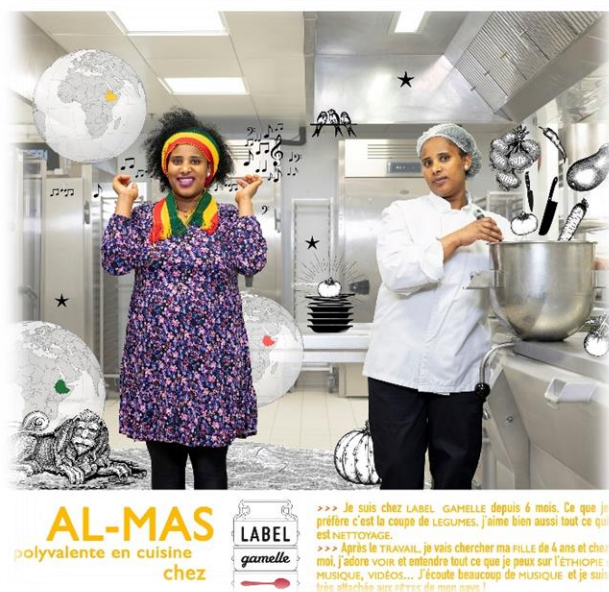
Reflecting on the discussions, Muhammad Yunus concluded by these following words:

"What I always remind people is that poverty is not created by poor people. It's not their fault, it's the fault of the system that we have built and that they are fighting against.

The first thing we have to do is get rid of this financial prison they are in. These women are not only poor, they are also illiterate. They have to take care of their families and their children, even though they are very poor. But when we lend them money, we give them an opportunity. They take it and become entrepreneurs.

Microcredit is the key that sets them free.

In Seine-Saint-Denis, people are interested in the problem of poverty, whether financial or social. At today's conference, all the partners



shared their experiences. This is important because it encourages everyone to do his best.”

IMMERSIVE TOUR TO DISCOVER INSPIRING SOCIAL INITIATIVES



The second day of the meeting continued with a “Learning Tour” giving European partners the opportunity to discover inspiring local solidarity initiatives.

The group first stopped at the « Boutique-Ecole » in the city of Saint-Denis run by the “Cooperative Pointcarré”.

This tiny shop supports people who have chosen micro entrepreneurship and who want to test their concept before setting up their own business.

The cooperative aimed at a wide range of people: local residents, the self-employed, creative people and professionals. Employees, suppliers and users all come together in the same place with the aim of becoming a 'local cooperative'. A number of other organizations have joined in, including partners in technical support for business start-ups. It now has 5 employees and 70 partners.



The Pointcarré cooperative has chosen a cooperative status, which allows involving all the project's stakeholders (beneficiaries, partners, employees, founders) in its management. All employees have chosen to become partners and the cooperative is the first in which a local has chosen to participate in its governance.



The second visit was at the « La Ferme des possibles » run by the “Cooperative Novaedia”

Founded in 2015, La “Ferme des possibles” is a social economy inclusion company that helps vulnerable people find work in the sustainable food sector.

Based in Stains, this cooperative develops an organic, local and socially

responsible food cycle and currently employs around forty people in integration programs in future-oriented professions in urban agriculture, catering and logistics, and is committed to a socially responsible business model.

The Council of Seine-Saint-Denis has decided to participate in its governance.



Also, the whole building of this farm has been designed using low-tech principles, a bioclimatic structure made from bio-sourced, geo-sourced and recycled materials. Thanks to its low environmental impact, it has won several awards for its exemplary carbon footprint.

EUROPEAN COOPERATION



Microfuture partners attended the event from Romania, Italy, Slovenia, Sweden, and France, as well as project stakeholders representing both the public and private sectors.

These 2 days welcomed 19 participants from European delegations, including 4 stakeholders from microfinance and solidarity finance structures.

After a welcoming introduction, the first part of workshops was dedicated to the presentation of Survey Results.

Yunus foundation Italy shared a comparative overview based on the results of the survey administered to regional stakeholders by each project partner.

The Regional Gap Analyses Presentations delivered by project partners following the template shared by Yunus foundation Italy followed this sequence.

To round off the exchange, Partners presented their Good Practices, using the Elevator Pitch technique. All other partners assessed the GPs and decided on what GP they wanted to get more information. This moment also allowed to share a common vision of the notion of policy change and to visualize the steps to get to it.





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