



TOWARDS AN INCLUSIVE VISION OF MICRO FINANCE IN TUNISIA

SOULEF ZEKRI, management doctor at University of Management and Economics of Nabeul, Tunisia
FIESTA laboratory member

Abstract

Microfinance programs have become a key component of the strategies of the struggle against poverty. The used financial innovations, whether the group loans, the use of non-financial services or dynamic incentive mechanisms as means to combat poverty, have increased the interest of governments and researchers. Microfinance includes a wide range of financial services such as the micro-credits, the small savings, the micro-insurance and the money transfers, which are aimed at the impoverished populations. This sector is experiencing an extremely rapid growth throughout the world. The purpose of this paper is to show, through "Inter-Arab ENDA" in Tunisia, that microfinance is twofold: first, it helps the small producers, who are usually excluded from the banking system, to get access to local financial services tailored to the size of their activities (micro-enterprises / micro-credits); and then, it helps achieve a better collection of savings from households and small entrepreneurs to inject them into the economy through sector supervision.

Keywords: micro finance, micro credits, Ende Inter Arabe.

TOWARDS AN INCLUSIVE VISION OF MICRO FINANCE IN TUNISIA

The regional imbalance between the Tunisian North-West, South-West, Centre and coast, which has long been designed by the established regimes since the independence, has not been without consequences for the rise of unemployment in the most disadvantaged areas. Several public, social and international actors are mobilized in these areas so as to improve the job prospects in the labor market. In this regard, one of the proposed solutions is to encourage self-employment by helping the creation of micro-enterprises through micro-credits. This financial mechanism could promote the regional development. It has also become a component of the development programs and a matter of priority for the transitional government.

Micro-credit is a tool that is not new in Tunisia. The old regime, through its Tunisian Solidarity Bank and Inter-Arab ENDA micro-finance institution (MFI), was the specialist in granting micro-credits. The number of people attracted by these organizations continues to grow. A study conducted in 2010 and funded by the European Union estimated the number of the potential applicants for micro-credits in Tunisia at one million. Nowadays, and over the past few months, some international micro-credit institutions (Babylon, Cerise, Finance Planet) have been mobilized to cooperate with the existing institutions. Other organizations, such as the ADEI (the Agency for the development of the economic initiative) are already on the ground to create a future office on the Tunisian territory. Micro-credit is an issue of competition between the social but for-profit private sector and the non-governmental organizations (NGOs) which are worried about this economic reinterpretation of the aid to the poorest. Moreover, do they still remain the target? Hence, we move from micro-credit to micro-finance for the development of the regions. The device has several other parallel services (savings, insurance, money transfer etc.) for a wider clientele. Micro-finance today is no longer confined to the provision of micro-credits to the poor but also to the provision of a range of financial products to those who are excluded from the traditional financial system so as to develop their business. For his part, Jacques Attali, President of PlaNet Finance, while admitting that "microfinance is essential for the development of a country," says that when it is poorly managed, it can lead to the risk of over-indebtedness. It should also be emphasized that being often mentioned by many Tunisian actors who refer to the previous bad experience of the State microcredit support and patronage, the role of the State would not be to give microloans but to refinance the associations through subsidies or loans at interest rates lower than those of the market. In this regard, the surveys conducted in the 2000s on the issues of microcredit and social link in Tunis district (Laroussi, 2009), and reviewed after the events, led to raise the following questions on the substantive matters: would Tunisia turn towards micro-finance? Could micro-finance promote the development of certain types of regions in Tunisia? Can micro-credit get Tunisia out of the unemployment vicious circle? This paper is organized as follows: the first section deals with the renewal of micro-credit in Tunisia. The second section examines a specific case of micro-finance institutions namely Inter Arabic ENDA.

SECTION I: THE REVIVAL OF MICRO-CREDIT IN TUNISIA

In the wake of the revolution, the challenges were enormous in Tunisia. The political impact embodied by the departure of President Ben Ali, on January 14, has given way to a violent economic shock: tourists have deserted, the activity was stopped because of strikes, investors fled ... And the number of the unemployed continues to grow. According to the Tunisian Minister of Vocational Training and Employment, Said Aydi , by July 2011, some 700,000 Tunisians could be job seekers, against 562,000 estimated in April. Microcredit has quickly emerged as the solution to restart the economic

machine. A history of microfinance in Tunisia appears interesting in order to proceed, later, to the regulatory framework governing the matter and present the actors of micro lending in Tunisia.

I. What is the difference between micro-credit and micro-finance?

A micro-credit is a credit of small amount given without warranty or almost to people who are excluded from the traditional banking system. This loan allows them to increase their income through micro-enterprises and improve their living conditions. Micro-finance is a an overall supply of financial services including micro-credits, micro-savings, micro-insurance and other services, to provide the poor and the unbanked people with a range of products suitable for their specific needs.

II. The microcredit history in Tunisia

Some experiments were carried out before the implementation of a regulatory framework for microfinance. We can mention, namely the Savings Banks and the Credit Unions in the 1960s, which were established to improve the funding of the agricultural cooperatives in particular, or the Mutual Guarantee Associations (MGA) in the 1970s, which made their members guaranteed in the credit institutions. However, these experiments were not satisfactory from the point of view of coverage and sustainability. In the 1990s, some local development associations, such as ASAD, set up a microcredit component. In 1995, Inter-Arab ENDA introduced microcredit operations in its activities and gradually specialized in them. Although not regulatory, these activities are tolerated because of their pilot and social nature. The Tunisian authorities recognized this sector in 1999, put in place a regulatory framework, and established a public bank called the Tunisian Bank of Solidarity (TBS). Since then, the microcredit sector consists of two devices that operate concurrently: (i) the BTS-centered system, which was inserted into a national policy for the support of income generation and provided highly subsidized credit, directly and indirectly through more than 280 local associations largely dependent on the State and the ruling party, both financially and in terms of their governance, and (ii) ENDA, which operates upon a special permission under the market conditions and according to the international standards. In January 2011, the Tunisian revolution put an end to 20 years of dictatorship. The interim Government, as well as the operators and donors, question the logic of development of microcredit which had so far prevailed (national coverage and control Logic that led to the establishment of small associations with extremely limited coverage, completely dependent on the state subsidies and providing a very limited range of services - with the exception of ENDA). Collaboration led to the establishment of a new regulatory framework approved in October 2011, as well as the development of a national strategy, the "Concerted Vision for the Development of Microfinance."

The year 2012 was a turning point in the history of the Tunisian microcredit. It saw the introduction of this new regulatory framework, including the creation of a supervisory authority and a clarification of the accreditation process. Many foreign players, mostly in partnership with Tunisian ones, showed their interest to settle down in Tunisia. The year 2013 should witness the development of a microfinance landscape entirely different from the two-speed sector as it is today. Moreover, the strategy predicts a new regulatory reform in 2014, to move from microcredit to microfinance.

The device has several other parallel services:

Savings: Due to a restrictive regulatory framework, the Tunisian MFIs focus exclusively on microcredit. However, Tunisians are relatively better off than in other countries in terms of savings thanks to the Post Office. With 4.5 million customers (out of a total population of 10.7 million), relatively cheap savings, payment transfers and a network of 1,103 offices (2011), the Post Office is a key player of financial inclusion. However, the service quality and diversity vary depending on the agency and are low in the rural areas. ENDA's experience and polls show that less than half of its customers have a post office account and 80% of them prefer to save in cash rather than at the post office. **Payment methods and mobile banking:** Mobile banking is very limited due to the regulatory framework. A first opening was made in January 2011 to link mobile phones to a credit card, but then always leaving the monopoly of payment transactions and deposits to the banks. A second opening phase was planned but delayed because of the January 2011 revolution. **Insurance:** The new regulatory framework of 2011 stipulates that the MFIs can operate as agents for the insurance companies. However, no service to micro entrepreneurs and to poor households has been developed so far. Poor households benefit essentially from health insurance provided by the public social coverage.

III. Regulatory framework

The Tunisian micro-credit sector is not governed by the banking regulations but by a dedicated law under the supervision of the Ministry of Finance. From 1999-2010: A first law, the Organic Law No. 99-67 of 15 July 1999, had governed the sector from 1999 to 2011. This law, as well as its ministerial decrees, defined microcredit, created the Microcredit Association status ("MCA"), set the maximum amount of credit (in 2010 it was 5 000 TND to finance entrepreneurship, and 1 000 TND to improve the quality of life), and the interest rate. The law caps the interest rate at 5% per year (on the capital remaining due), to which a maximum flat fee of 2.5% of the loan amount can be added. This regulatory

framework has greatly restricted the development of microfinance by imposing a very low rate, limiting the range of the credit financial services and permitting only non-profit associations.

In September, 2010, a major reform was adopted with a modification of the decree of August 27, 1999. The credit conditions (ie 5% 2.5% "flat") concern, from now on, only the micro-loans granted on mobilized state resources within the agreements with the BTS. The microcredit interest rates granted on other resources can "take into account actual expenditure" besides, it is no longer capped. On the other hand, the international NGOs, which are recognized in Tunisia, can now seek the approval of the Ministry of Finance to conduct microcredit operations. This reform is a generalization of the special permission given to ENDA in 2005.

The 2011 reforms: A new regulatory framework was approved in October 2011 through the Decree-Law 2011-117,

This decree (i) allowed two types of legal forms, i.e. limited companies and associations, (ii) defined, for the first time, governance standards, internal control, consumer protection, reporting, etc., (iii) created a dedicated control authority under the supervision of the Ministry of Finance, (iv) extended the scope of microcredit to 20 000 TND, and (iv) permitted the microfinance institutions to operate as agents for the insurance companies. This regulatory reform is a step towards practices considered good on the international level although it still limits the scope of microfinance to microcredit only. In 2012, it was the time to pass the implementing decrees and establish the supervisory authority to ensure that the reform will not be only words. The future reforms: the sector supervision remains the responsibility of the Ministry of Finance, however, the "Concerted Vision" emphasizes the need to strengthen the sector and reconsider supervision by the Central Bank as soon as 2014 as well as an openness to the other financial services. This three-year strategy distinguishes four priorities:

- Priority 1: Establishing a regulatory framework and a supervision that contributes to the sector development.

- o A first reform, in 2011, (see new regulatory framework, October 2011), to encourage extending microcredit to the populations still not served (low-income employees, micro enterprises and EPT), enable the diversification of actors and institutional development of the current players, establish an independent oversight and finally modernize the sector through high quality standards of services, management and governance.

- o A second reform consists in moving from microcredit to microfinance, with the reunification of the banking and microfinance supervision, and with the opening towards other products (savings, payment means, insurance, etc..) and other distribution channels.

- Priority 2: Contributing, via microfinance, to the development priority regions and segments: market studying, establishing an incentive framework to encourage MFIs to reach difficult areas and customer segments, and the coordination between the stakeholders.

- Priority 3: Structuring the industry to register its impact over time: restructuring the MCIs and redefining the role of the TSB and the NGF, studying the role of the post office in the financial inclusion, encouraging the private financial sector to refinance.

- Priority 4: Promoting and maintaining a responsible industry growth: establishing an information central facility, a financial inclusion observatory, and ensuring the protection of the customers.

This inclusive vision of microfinance in Tunisia is summarized as follows:

A / Formalizing a clear strategy:

Micro finance strategy has to identify the different strategic lines and the priorities for action in the medium term

B / implementing an appropriate regulatory and incentive framework:

This framework should allow a healthy development of microfinance supply

C / strengthening the market infrastructure:

The market infrastructure means essentially the support functions that foster the development of microfinance (HR, SI, accounting), and the signs of the sector evolution.

D / suggesting a shift of the existing players towards a viable model:

Suggesting an improvement of the AMC model

Redefining the role of the TSB

Ensuring the sustainability of the ENDA model

However, this vision is faced with many limiting factors:

A / Formalizing a clear strategy:

Before January 14, at the government level, there was no clear policy of development of microfinance as a financial sector segment capable of finding a solution to the problem of financial exclusion.

Denying the financial exclusion of a segment of the population

B / establishing an appropriate and incentive regulatory system:

Restricting the access to private and foreign funding

Poorly adjusted government funding

The lack of centralized data on the risks faced by MFIs and their customers' indebtedness

There is no structure regarding the supervision of the sector

- Limited regulation in terms of actors and products
- Regulation involving a structurally loss-making economic model

C / strengthening the market infrastructure:

-scarcity of specialized HR in microfinance

-lack of a representative job structure

-not clearly identified needs: no statistics or indicators of demand / supply

-insufficient and little diversified funding resources

-unsuitable services: guarantee funds for the MFIs, refinancing funds

- Insufficient supporting functions

D / suggesting a change of the existing players towards a viable model:

-very little governance transparency of most of the MCAs

-an operating model of the structurally loss-making MCAs related to regulated intermediation margins

Fragmentation of the sector consisting of small-sized MCAs

The analysis of these limitations can lead to a series of actions:

A / Develop a clear strategy:

-Expand the diagnostic study about the needs of the people and formal and informal companies which have no access to formal finance

- Formalize the sector vision document and strategy

- Study the need to allocate the subsidized resources, subsidies and / or guarantees to MFIs or to end customers for certain types of credit

B / Implement an appropriate regulatory and incentive framework:

- Establishing a framework that attracts the private national and foreign investment
- Simplifying the procedures for the microfinance actors to access to national and international funding
- Establishing of a central risk bureau

C / strengthening the market infrastructure

- Developing a training program specialized in microfinance
- Increasing the potential customers' awareness of the financial and non-financial products
- Setting up indicators and market statistics particularly about the supply and demand trends

D / suggesting a shift of the existing players towards a viable model

- Understanding the existing, diagnose and audit the sector
- Identifying the sustainable economic models to ensure the actors' financial viability

VI. The microcredit actors in Tunisia

Professional Associations

By the new regulatory framework, the MCAs / MFIs are now compelled to create a professional association and join it. However, it is not exist today. Some MCAs funded by BTS are gathered within a federation ("TFMD") which is not strictly a professional association but a holding institution that shares certain services (fund researching, accounting, human resources management, etc..).

An Information Center

The information center, which is housed by the Central Bank, identifies all the professional and private loans next to the banking system. This center does not include the microcredit sector, apart from the direct funding of the TBS. Today, ENDA and the TBS do not exchange information about their customers. The TSB has a kind of centralization of the MCAs that it funds as it follows the debt repayment on the customers' side, therefore it can, at the same time, identify an individual client at several MCs and inform the concerned MCAs. The 2011 Concerted Vision recognizes the importance of the quick establishment of an information exchange system, especially in the context of the sector openness. The probable arrival of several Greenfield MFIs in 2013, the predictable development of activities of ENDA and TSB, and finally the reconciliation of the microcredit with the banking sector (by increasing the maximum loan amount), make the creation of such an information center very important.

The new decree-law considers the establishment of such a system in the performance of the supervisory authority, besides, the Concerted Vision recommends that its reconciliation with the Central Bank Information Center.

The National Guarantee Fund- NGF

The NGF was established in 1981 to promote access to funding. It can guarantee business loans and investments made under governmental initiatives (i.e. loans granted through the intervention of some monetary funds, such as the NFPCST -National Fund for the Promotion of Crafts and Small Trades), the FOPRODI - Fund of Promotion and Industrial Decentralization, and the RIITI - Incentive System for Innovation in the Information Technology). It covers the interests generated by the debt payment failure / rescheduling, between 50 to 90% are unpaid, and the legal proceeding charges for the loans given through the government initiatives (ENDA cannot call upon). In 2003, ENDA's role was confined to agriculture, handicrafts and small trades, the TSB for its direct funding, and the MCA for their subscription. However, the compensation implementation is almost impossible, especially because it begins only when a gap recording (a report prepared by the official authorities stating that the customer has not fulfilled his obligations) is established - which is rarely the case in microfinance. The MCA have never taken benefit. The impact of the GNF in microfinance is nil.

Banks

The Tunisian Solidarity Bank (TSB) was founded in 1997, the TSB is a deposit bank governed by the Banking Act. The government is its majority shareholder. It is among the many participants in the national policy to support business start-ups. Its resources come mainly from the solidarity funds of the government. The social nature of its activity is manifested through its subsidized rates, the lack of collateral requirements, and a focus on the funding of entrepreneurship. Indirect funding: the funding of the MCAs mentioned above, for the loans up to 5 000 TND. Direct funding: □ medium-term loans up to 100 000 TND (recently increased). With the new regulatory framework, which raises the ceiling of microcredit from 5 000 to 20 000 TND, approximately 90% of these direct loans can be considered to belong to microcredit. In December 2011, the TSB direct portfolio was of about 70 000 active customers.

In 2010, the TSB also launched a savings product, in collaboration with the Post Office, to encourage project developers to save and accumulate the required amount of "self-funding" to have access the BTS loans. The scope of this product is, nevertheless, very limited.

Other banks

If banks are not directly involved in micro-finance, many of them are, however, involved as financial partners of ENDA, while others are interested in the creation of micro-credit companies under the new decree Law. The Bank for the Funding of Small and Medium-sized Enterprises (BFSME) (<http://www.bfpme.com.tn>) is specialized in the funding of the SMEs.

The Tunisian post office

The National Post Office plays a crucial role in the dissemination of the savings products thanks, first, to its extensive network (1,103 offices in 2011, 53% of which are in the 14 governorates considered by the Ministry of Regional Development as priority zones), and second, to the interesting tariff conditions. Even if the post is not typically considered a microfinance operator, since it is currently specialized in savings, its products and customers, being different from those in banks, make it a major player in the Tunisian microfinance. The 2011 Concerted Vision recommends a study about its present and possible future role regarding financial inclusion. In 2010, the post office had 4.5 million customers to whom it provides the following financial services: current accounts, savings accounts, bill payments, money transfers and money orders, (pre-and post-paid) credit cards, insurance and an investment product. The post office is also the distribution channel of the State social transfers (retirement pensions, scholarships, etc.).

Donors and investors

To avoid overlaps and ensure a maximum effectiveness of aid programs, the donors work together efficiently in Tunisia. Their initiatives include several levels:

Refinancing ENDA (bilateral agencies, financial institutions, investment funds, etc.

the list of ENDA's financial partners is on its website)

-Refinancing the TSB (National State Funds, Islamic Development Bank <http://www.isdb.org>, FADES <http://www.arabfund.org>)

- The establishment of market infrastructure (in progress)

A support for the Tunisian government in the development and implementation of the new regulatory framework (namely the European Union http://eeas.europa.eu/delegations/tunisia/index_fr.htm), and the French Development Agency <http://www.afd.fr/home/pays-d-intervention-afd/mediterranee-et-moyenorient/pays-Mediterranee/tunisie>).

Their intervention is either direct or indirect, for example, with an overall budgetary support based on the satisfaction of the conditions related to the development of microfinance. In March 2012, a coordinating group of donors was formed and included the following donors: AFD, the British Embassy, the U.S. Embassy, the African Development Bank (ADB), the Islamic Development Bank (IDB), the World Bank, the European Investment Bank (EIB), CGAP, the European Bank for Reconstruction and Development (EBRD), the Arab Fund for Economic and Social Development (FADES), German Cooperation (GIZ), International Finance Cooperation (IFC), KfW, Proparco, the United Nations Program for Development (UNDP), and the European Union. At the beginning of 2012, microcredit affected more than 400,000 active customers (205,000 for ENDA and about 210,000 for the MCAs, duplicates are possible). As the micro-credit scope is now getting larger, most of the activities of direct funding by the BTS could be incorporated, that is about 70,000 active customers.

The IMF

The description below shows the microcredit sector in December 2011, which consisted of more than 280 "microcredit associations" (MCA) refunded by the BTS, and ENDA. With the regulatory amendment of October 2011, many changes are expected. On the one hand, the existing players will have to renew their accreditation, which implies, for most of them, a restructuring or mergers. Moreover, as the maximum amount of microcredit has been revised upwards, many of the direct financing activities of the BTS could now fall within the scope of microcredit - the BTS is also considering reorganizing itself so as to get a microcredit approval. On the other hand, new players are expected. Since the Decree-Law paved the way for new types of actors (companies), it is likely that, in the medium term, several companies will be providing microcredit services in Tunisia. This sector, as described below, is today required to change in the coming months.

The Microcredit Associations (MCAs)

These MCAs' activity is the management of microcredit; however, many of them, especially the few NGOs created by the BTS, are also engaged in other activities, such as vocational training. From 6 MCAs, in 1999, the country has now more than 280, with an average number of 800 active borrowers. The BTS ensures the refinancing of these institutions (at rate zero) and the coverage of some operational costs through the allocation of start-up subsidies and through lending. The condition set by BTS is that 80% of the overdue amount must be repaid. In December 2010, about 210,000 customers were active for an outstanding of \$ 140 million TND. In 2011, the activity deteriorated sharply in the wake of the

Tunisian revolution, which explains the economic difficulties the customers faced, the operational difficulties related to the structural weakness of all these small organizations, and the governance problems related, among other things, to their proximity to the former regime. This system has certainly led to a nationwide coverage; nevertheless, it also had an effect of limiting the development of a sustainable microfinance (see p. 32/33 for the Concerted Vision). The Concerted Vision of 2011 recommends the restructuring of this system.

The informal sector

There are no data regarding this type of lending, however, the Concerted Vision of 2011 emphasizes the importance of the supplier credit, the money lenders and the help of friends and family. The 2010 European Union study showed that, on a sample of 333 people, 24% had a supplier credit, 8% were indebted to relatives, neighbors or friends, while only 8% were customers of the MCAs and 5% of ENDA. In this sample, the proportion of the informal credit was therefore superior in number to that of the formal one.

Inter-Arabe ENDA

ENDA Third World local representation, an NGO based in Senegal

In Tunisia, ENDA was launched in 1990 to carry out activities of urban development and environmental protection. In 1995, it included micro lending in its activities in which it became specialized in 2000. In 2005, it obtained the permission from the Ministry of Finance for the purpose of provide microcredit and also a special permission so as to charge an interest rate sufficient for covering its costs, which is therefore higher than the limit set by law. On March 31, 2012, its portfolio had 204,805 active customers for an outstanding of \$ 113 million TND. Its services are available thanks to a network of 65 agencies operating in 206 delegations.

SECTION II: ITER-ARAB ENDA: A LEADING MICROCREDIT PROVIDER IN TUNISIA

Inter-Arab ENDA is the leading provider of microfinance in Tunisia with some 165,000 active borrowers in May 2011. Since 1995, the NGO has provided more than 818,000 loans, with an average amount of 865 dinars, or 440 Euros, while the average salary of an individual caps at 150 dinars (76 Euros) per month. Their favorite target is women, small farmers and low-income families living in poor neighborhoods and rural areas. Its mission is to contribute to the improvement of the incomes and the

living standards of the Tunisians with lower revenues through a leading institution socially responsible and committed to the environment.

Target Population

- Low-income households: income-generating activities for those who have a limited and irregular income, vulnerable and having a limited level of education and experience
- Micro-entrepreneurs who have a stable activity in an appropriate place which may grow and create jobs
- Employees with low income (housing improvement / children's schooling / training)

Small-scale farmers

Products: flexible, diversified, local, meet the needs of micro-entrepreneurs with a credit line between 200 DT and 5000 DT.

Mawilni: A loan meeting the needs of micro-enterprises; max 5000 DT

Solfa: A loan for the income-generating activities; max 1000 DT

Mawsem: A loan for financing agricultural activities; max 5000 DT

Eddar: for the housing improvement, max 5000 DT

ta'alim: to finance the schooling expenses / training max 1000 DT

Contingency funds, in case of death or disability, left from the family-based care as compensation to the family

Performance and achievement

Cumulative achievement, January 1995-March 2011

Number of served customers: 266,000

Number of loans: 802,000

Amount of granted loans: DT 480 million

	1999	2005	2010
2010:157 000 active customers			
Achievement			
Number of paid out loans (cumulation)	4 000	180 000	764 000
Amounts of paid out loans in Million DT (cumulation)	2	80	449

Number of served customers (cumulation)	2 500	38 000	256 000
Active customers	2 000	25 000	157 000
Refunding	In Millions DT	0,5	8
Number of branches	1	21	60
Percentage of women	90%	86%	71%
Penetration rate in the rural areas	0%	14%	30%
Average loan	361	460	694

Impact & satisfaction

- Improving the profits of the MSE
- Increasing the assets
- Between 1 and 2 additional jobs for a ¼ of the customers
- Improving the housing (safety, hygiene)
- Keeping children in school
- "Empowerment" of women

Customer social mission

- Life / disability insurance
- Reduction of the charged rates
- Social investment loans: Ta'alim+ Eddar
- Helpline and support services
- Active member Smart Campaign for the customer's protection

Post-revolution special measures:

- Special Conditions: loans for the most affected
- ENDA's direct help or channeled by the Tunisian goodwill and others
- special loans to Tunisians coming back from Libya

After the January 14, 2011 revolution

Emergency measures

- Loan rescheduling
- Loans with preferential rates for the damaged business
- Refunding micro-projects (lack of liquidity)
- Mismatch of monthly payments
- New Loan "Watani" for the Tunisians coming back from Libya

Staff social mission

- 1989: two founders, mid-April 2011: 870 full-time employees, 80% of whom were graduates, equal opportunities for men and women
- Social benefits well beyond the law (grade establishment after a two-year service, supplementary health insurance, salary scales, bonuses, personal loans, salary maintained for maternity, transport and communication costs...)
- Continuing Education in Tunisia and abroad
- Attending local and international conferences
- Helpline unit for the staff
- Annual retirement pension for the whole staff

Vision for the future

Projects:

- expanding the very poor rural areas
- Working with the most vulnerable (ultra-poor)
- Special Product for the young entrepreneurs
- A growing calling upon technology (mobile banking, cost reduction for customers, productivity..)

Objectives :

- Promote the microfinance social mission: serving the poor, not seeking excessive profits at the expense of the poor
- establishing a fair competition for the benefit of the micro-entrepreneurs
- Working together to serve those who are still excluded (at least one million)
- Transparency
- Cooperating in the Central Risk Division
- Working together with Associations / Federations of the microfinance actors

Conclusion:

To develop micro-finance, we have to review the regulatory framework and implement an independent and effective supervisory capacity. On the basis of this backdrop and in order to unlock the microfinance potential, there has been a clear vision, thanks to the concentration of the relevant ministries, to the service providers and the donors involved in the micro finance sector, under the supervision and coordination of the Ministry of Finance. This vision is summarized as follows: a socially responsible and sustainable micro finance which, through providing the large number of people with quality financial services, contributes to the struggle against financial exclusion, to the harmonious development of the regions and to economic growth.

Bibliography:

Philippe ADAIR and Imène BERGUIGA (2010) : The determinant factors of social and financial performance of the microfinance institutions in the MENA zone: a cross-sectional analysis; Zone and Development No. 32.

Younes Boujelbene (2012) : The determinant factors of the social performance of microfinance institutions: the case of the TSB and Inter-Arab ENDA in Tunisia; 3rd International Conference: Business and Entrepreneurship in Africa.

Jameleddine Chichti and Mohamed Ali Trabelsi (2011) : The microfinance institutions and the fight against poverty: hedge funds, a review of The Management Sciences.

Alice Negre (2012) : Micro finance portal: Country Profile, Tunisia.

Mariam SANGARÉ (2010): Introduction to microfinance; LEREPS, Paul Sabatier University, Toulouse.

Antoine Walter (2011): Microcredit at the bedside of Tunisia? Le Figaro.

Microfinance in Tunisia: A dynamic of sustainable development; Critical Spirit - Vol.07, No.01.