

PROJECT FACTSHEET

Title of project	SCBF 2012-04: Launch of ADVANS Tunisie's MSME loan products
Country / region	Tunisia
Financial Intermediary	ADVANS Tunisie , company to be incorporated as a Microfinance Institution licensed by the Ministry of Finance
Competence Centre mandated for execution	Horus Development Finance, 39 rue La Fayette, Paris, France referred by SDC
Overall project budget	CHF 263'214 (43% self-contribution by partner)
SCBF contribution	CHF 150'000 (57% SCBF funding share)
Date of project approval	21.09.2012
Project period	09.2014 until 08.2015
Context	<p>Tunisia experienced in 2011 an unexpected but relatively peaceful political transition in a context of a harsh socio-economic crisis. Massive public demonstration led to the fall of the Ben Ali regime and shed light on a very critical social situation: booming unemployment among young graduates as well as striking inequalities between a dynamic littoral region and the rest of the country left aside economic development and social progress.</p> <p>In order to address some of these challenges, the Tunisian government adopted a new law regulating microfinance activities. The law creates the conditions for the establishment of a sound and competitive microfinance sector: Private investment is now allowed and the maximum loan size of microfinance borrowers was increased to TND 20'000 (EUR 10'000). However, deposit collection by microfinance institutions is not authorized.</p> <p>Advans Tunisie intends to become one of the key players of the sector in Tunisia, which is characterized by a lack of MSME (micro, small and medium enterprises) finance. It will promote internationally-recognized best practices in microfinance and thrive to extend its outreach to the most disadvantaged areas of the country.</p>
Current status	<p>Advans Tunisie is a project sponsored by Advans SA. As such, Advans Tunisie will become part of an international network of financial institutions which share common values, policies and principles. Advans SA has identified potential co-shareholders in Advans Tunisie, which all bring significant value-added to the project. Partly thanks to the contribution of SCBF, Advans SA has also secured grant funding to implement the technical assistance program, which will help Advans Tunisie to quickly achieve sustainability.</p> <p>The intention of Advans SA is to submit a license application to the Tunisian Ministry of Finance as soon as the microfinance supervisory authority is established. Once the license is granted, Advans Tunisie will be incorporated as a private limited company. Advans Tunisie is then expected to start operations after a six-month preparation phase.</p>
Objective and main activities	<p>The objective of the project is to establish a greenfield MFI in Tunisia and to design, introduce and market a complete range of loan products tailored to the needs of MSME in Tunisia. The project will create the conditions for Advans Tunisie to reach the largest possible number of potential clients. In particular, it will enable Advans Tunisie to offer:</p> <ul style="list-style-type: none"> • Solidarity loans for very low-income micro-entrepreneurs; • Individual business loans for micro and small entrepreneurs with some degree of collateral; • Small enterprise loans for small companies with larger financial needs and greater borrowing capacities will be offered after six months of operations; • Agricultural loans will be offered at a later stage when the institution will expand to more rural areas. <p>By the end of its fifth year of activity, Advans Tunisie will reach more than 17'000 loan clients with an average loan size of around EUR 2'000. In order to achieve these objectives, the following activities will be undertaken:</p> <ul style="list-style-type: none"> • Short term technical assistance mission covering: human resources management, training and coaching of commercial staff and implementation of the Management Information System; • Backstopping from the Head Office of the Advans network on definition of the initial range of loan products.