

Vi jobber for et mer inkluderende
samfunn innen finans og økonomi



*A social business financing and training
livelihood businesses in Norway*



A photograph of Muhammad Yunus, an elderly man with grey hair, wearing a light-colored traditional Indian kurta and dhoti. He is standing on a stage, gesturing with both hands outstretched. Behind him is a large screen displaying the event's title and logos. The screen has a yellow and green gradient background. The text on the screen reads "EUROPEAN SOCIAL BUSINESS FORUM" with "YY2015" in the top right corner. Below the main title, there are three logos: "THE GRAMSCY CREATIVE LAB", "YUNUS CENTRE", and "YUNUS CENTRE".

EUROPEAN SOCIAL BUSINESS FORUM YY2015

"We are not job-seekers,
we are **job-creators**"

Muhammad Yunus, European Social
Business Forum 2015, Kolbotn

The start in 1992 for Norway MFN's origin from 1996

- ▶ **Started in Lofoten Islands in Northern Norway in 1992 – the first group still exists**
 - Bodil Maal was working in Bangladesh and got to know the Grameen Bank and their group lending model
 - Pilot project in Lofoten from 1992
- ▶ **2006: Expanded to 1250 members in 250 network groups**
 - The first group has lent NOK 1,8 mill (up to 2002) (€210 000)
 - based on an initial capital of NOK 200.000 (€25 000)
 - Money circulates and allows for new loans
- ▶ **Nationwide from 1998 through SND – Now named Innovation Norway.**
 - Ended in 2009 – now unclear situation with district groups: Merge with MFN?
- ▶ **MFN's origin from 1996 "The Self Help Project - Nettverkskreditt**
- ▶ **For refugees and immigrants – Norsk Folkehjelp Founded by Unni Beate Sekkesæter – Still Managing Director**

WHO ARE WE?

Two entities with close cooperation:

1. **New microloan fund: Mikrofinans Norge AS** – run as a social business supporting self managed groups with microloans
2. **Mikrofinans Norge (MFN):** Developing competence and opportunities
 - An advocacy, development and training non-profit association
 - Some of our customers are members of the association
 - Offer an opportunity to become self employed for those who cannot get loans for enterprise purpose otherwise
 - Offers training and advice for start up businesses
 - Offers training in Financial Education
 - Strong focus on socially and financially excluded such as those dependent on welfare, immigrants, those struggling after illness, x-cons, young drop outs from high school etc.

Permit to operate as Financial institution



Mikrofinans Norge AS
Kolbotnveien 7
1410 KOLBOTN

Deres ref

Vår ref
15/5727 - 4

Dato
13.12.2016

Tillatelse til å drive finansieringsvirksomhet

Finansdepartementet viser til søknad 18. desember 2014 hvor Mikrofinans Norge AS søker om tillatelse til å kunne drive utlånsvirksomhet til medlemmer av Foreningen Mikrofinans Norge, med unntak fra lovens bestemmelser i medhold av finansforetaksloven § 1-6 tredje ledd. Finansdepartementet viser videre til Finanstilsynets tilrådning 15. desember 2015 og revidert tilrådning 15. september 2016.

Finansdepartementet har i dag fattet følgende vedtak:

Med hjemmel i lov 10. april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven) § 3-2 første ledd gis Mikrofinans Norge AS tillatelse til å yte lån til personer og virksomheter som er medlemmer av Foreningen Mikrofinans Norge som omsøkt.

The Social Issue

900 000



people in Norway are currently outside the workforce due to discrimination, health issues, a criminal record, language issues, etc.



10%

of the population aspires to start a business



Many of these lack collateral, credit history, and a stable salary, and therefore cannot get a business loan

SOME OF OUR MEMBERS



<http://nettradio.nrk.no/default.php?kanal=p2>

Sunniva Network Group in Hordaland: Turnover 17 mill (€1,9 mill)



MFN finances entrepreneurs who want to create their own livelihoods



As a Social Business we offer:

- Loans with good terms for people who are excluded from the workforce
- Business courses tailored specifically for potential entrepreneurs
- A structured process for development of business ideas and financing of ideas that have a high potential for success

Microfinance Norway

Business Training, network and Microfinancing
The new Norwegian Social Business Fund

Association

- Runs **Entrepreneurial training**
- Offers **start-up support/ mentoring**
- Offers **Financial education courses**
- provides advice and coaching to those wanting to start a business
- Connect and support borrowers through **network groups**.
- Work with **partners** with similar support programs and other social businesses

Loan Fund

- Raises **loan capital**
- **Reviews** loan applications
- Provides **Mikrofinance loans** of
 - 25 000 til 200 000 kr (€3000-25000)
- **Monitors repayment** and any cases of default
- **Wish to Finance social businesses** as part of the Grameen family

Our model



Entrepreneur
Training

Network-
groups

Microloan

Continued
support in
groups

Creditworthiness
in commercial
banks

We give loans based on trust, **social capital**, and participation, rather than exclusively on economic capital.

History

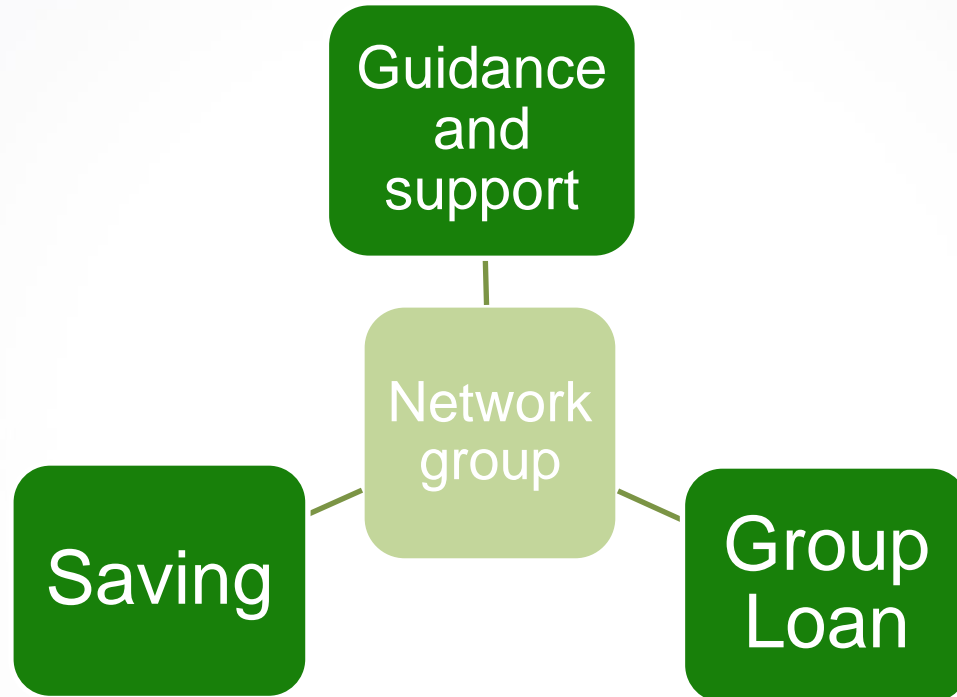
From the self-help project to Microfinance Norway



- Mikrofinance Norway's roots go all the way back to the **Norwegian People's Aid 'Selvhjelpsprosjekt'** launched in the late 90s.
- During this time, **150 loans totalling 5.5 million kr** have been issued
- **MFN is based on Grameen bank principles and international best practice**, and has gathered experience from several years in the Grameen Bank European Microfinance Network.

Network Groups

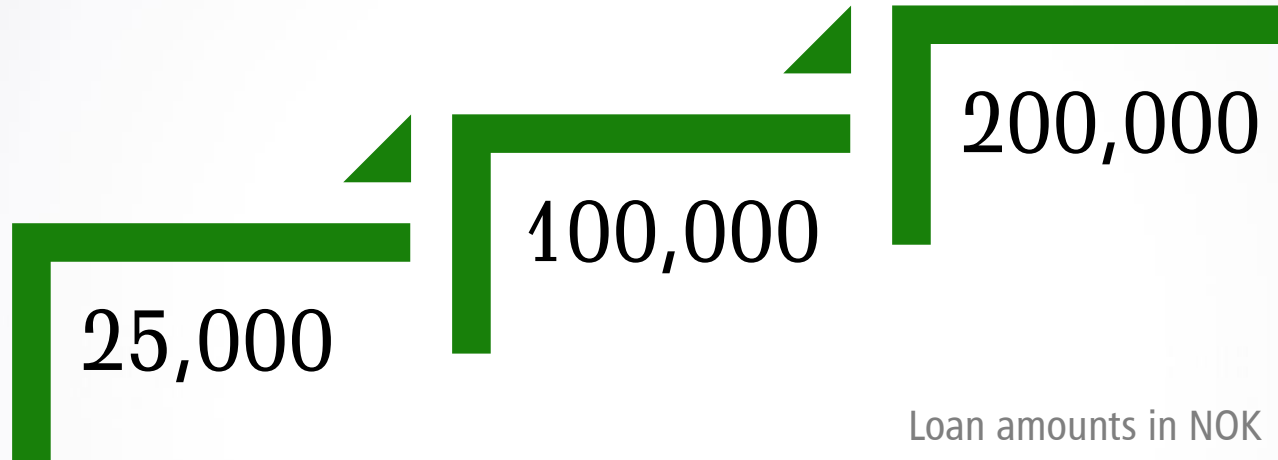
Building trust through collaboration



- Borrowers organize themselves in network groups of 3-7 members
- Each member gets support to carry out their projects and commitments
- Group rules are decided at the outset by the whole group
- The group creates business plans together, evaluate each other's business ideas, and democratically decide who should receive a loan
- All members must save up 10% of the loan amount they apply for

Loan Criteria

Loan ladder and membership



- Mandatory membership in the Association Microfinance Norway.
- Target interest rate is 8-12% p.a., but depends on level of public subsidy of operations.

Community reinvestment – CRA (USA)

- ROLAND RIDGEWAY, VICE PRESIDENT AND COMMUNITY REINVESTMENT OFFICER, FIRST USA BANK, DELAWARE AND BANK ONE, SEVERAL STATES. Interview 2001 (with Unni Sekkesæter):
- “Let us face it: Banks are in business to get customers,...so as we helped people to develop their micro-business enterprises, that also gave the bank a road of potential clients to access their bank services, so it was a win-win for the bank to get involved with this process because you are growing your own customers”

Credinfo Norway – launched in March, 2012



The IT solution making it possible: Credinfo.no



Tilbake **Portal**



HJEM TJENESTER MIKROKREDITT SØK MFIS **BEDRIFTER** PRODUKT SØKEMOTOR NYHETER

LOGG INN

Brukernavn:

Passord:

Logg inn

[glemt passord...](#)

SØK BLANT ETABLERERE/BEDRIFTER

Søk:

Søk

Avansert søk...



Quddus Skredder Amtul
Systue, salg av tekstiler og klær
Tel:31411340 90570237

Velkommen til Øst møter Vest systue som drives av to dyktige damer Naghma og Qudsia som utfører det meste innen søm og reparasjoner av både hverdagsklær og festantrekk, fra kjoler, benklær, bluser, gensere og mye mer tilpasses etter dine ønsker og behov. Er dressen blitt for stor eller selskapskjolen for trang,- så fortvil ikke - kom til vår systue og vi syr inn, syr ut, setter i glidelås og legger opp og ned der det trengs. Snart utvider vi driften vår til salg av tekstiler og ferdigsydd klær fra hele verden.



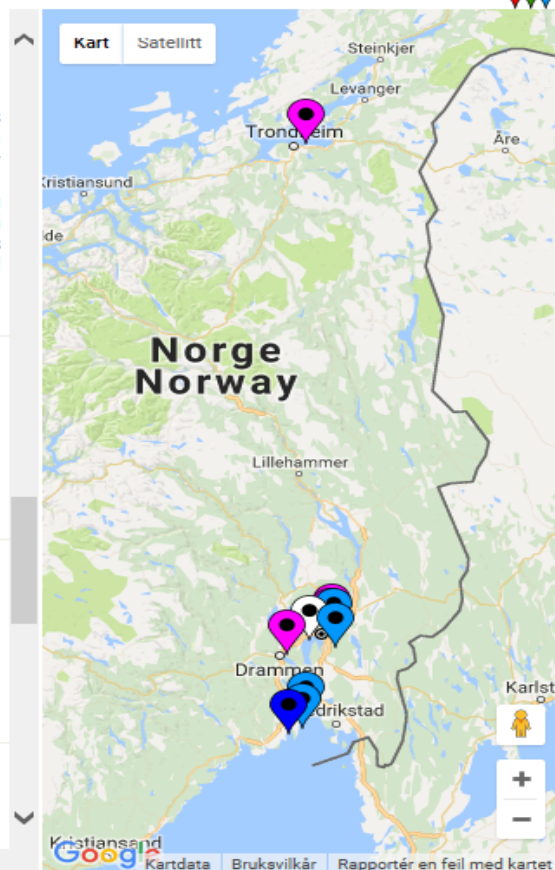
Razan Kassab
Hudpleie, Salg av hudpleieprodukter
Tel:46166293 46166293



Rosentherapist
behandling
Tel:66915854/ 97677089



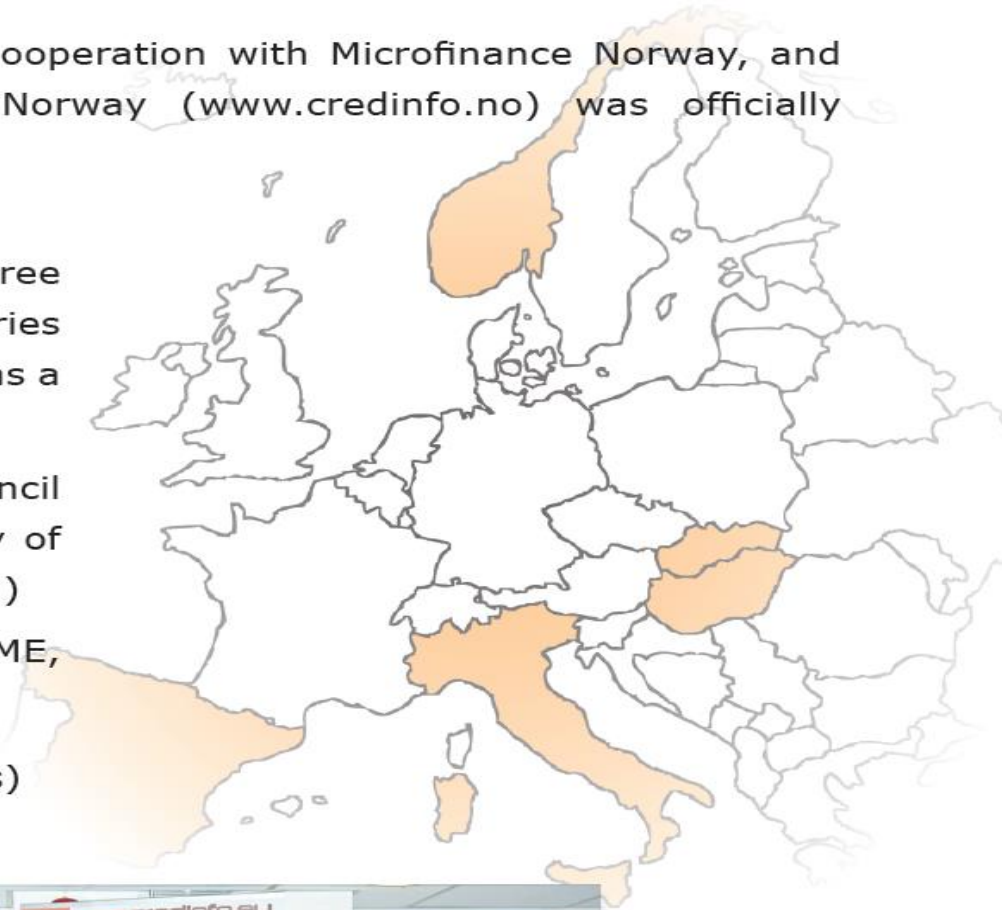
Star food
handel
Tel:98218728



We have established cooperation with Microfinance Norway, and in 2012, CREDINFO Norway (www.credinfo.no) was officially launched.

In 2013, MFIs in three other European countries introduce CREDINFO as a pilot project:

- Italy (regional council is the legislative body of the Region of Sardinia)
- Slovakia (NADSME, Bratislava)
- Spain (CEEI-Burgos)



Our capital need the next 3 years

The opportunity offered

- MFN AS wish to attract **NOK 50M** in the course of the next 3 years as loan capital – will lead to self sustainability.
- We expect this to come in the form of:
 - Interest based loans from banks/financial institutions, enterprises and high value individuals
 - Public funding from Norwegian Government and EU (EaSI-programmet), IMDi, Innovation Norway?
 - Philanthropic social investments/gifts

The opportunity

Support either as grants or loan

1. Sponsorship or philanthropic investment (donation)

- MFN AS offers CSR publicity for partners in their website
- **Borrowing from banks/financial institutions**
- Loans given to MFN AS will give a interest payback to the lender of NIBOR +1 + very high soical retur on investment and general local enterprise development.
- We are expecting to qualify for a 80% guarantee coverage in the future (EIF or other)
- We are working towards certification from European Code of Good Conduct for Microfinance institution. First pree screening we got 78% of the 80% needed to pass. Missing issues are already solved.

Advocacy activity

- MFN is also involved in advocacy work, and in the ATM project we will work with the stakeholders in Follo / Akershus region close to Oslo
- A new action plan for enterprise development is being launched in the region, and ATM for SMEs will work to put more focus on the smallest enterprises and their access to finance in this project.

Policy instrument

The Copoperation Platform for Business Development in the Follo Region is a policy instrument developed among 7 municipalities in the Follo region and the Akershus County Council.



The main objective is to:

- contribute to strengthening Follo as a business region and its economy:
- Goal 1: Develop an innovative business and scientific community who are international leader in bio-economy.
- Goal 2: Assist more entrepreneurs with establishing new enterprises, and build supportive management and systems in the region to get access to more startup capital for enterprises in the region.
- cooperation with enterprises, private NGO's (such as Microfinance Norway) and other actors. The actions will form a holistic future oriented strategy for enterprise development in the Follo region.
- The process has just started, and an action plan will support the goals of the cooperation platform in order to build an innovative business and knowledge based environment in the region.