

MICROFINANCE EIGHT IDEAS

**SIGN
DECLARATION
NR. 02/2008**

MEP'S
Jamila Madeira
Anna Zaborska
Luisa Morgantini
Ana Gomes
Miguel Angel Martinez Martinez

0002/2008

Written declaration on microcredit

The European Parliament,

- having regard to Rule 116 of its Rules of Procedure,

A.

whereas microcredit represents a method of lending small amounts that can be accessed by disadvantaged persons,

B.

whereas microcredit has permitted the extremely successful development of self-help employment projects, while also enabling the improvement of living conditions, and is also an important vehicle for the empowerment of women,

C.

whereas microcredit is a key tool for the combating of poverty and an instrument for achieving the Millennium Goals,

1.

Requests the Commission and the Council to recognise the importance of microcredit in the context of the Barcelona Process and in the neighbourhood and development policies;

2.

Calls on the Commission and the Council to lend greater support to microcredit projects and to bolster programmes to help women in that connection;

3.

Calls for human and financial resources to be allocated to microcredit projects in the developing countries and in the Mediterranean;

4.

Suggests that a Joint Microcredit Association be created to certify the credibility of projects;

5.

Instructs its President to forward this declaration, together with the names of the signatories, to the Council and the Commission.

These Micro-finance projects are from the book
"L'Argent de La Baraka", (ENDA Inter-arabe, Cérés éditions, 2006 [Tunis])
and the FEMIP Conference 2007 (Paris).

370€

Coffee Distribution Network

The entrepreneur buys 50Kgs of coffee, works on a small package and distinctive image, and provides for its packing and distribution;

To set up the business, the entrepreneur asks for a **370 Euro** loan and agrees on a compromise to obtain a 1000 Euro profit to guarantee the viability of the business.

The very same entrepreneur then sets a second business with an additional 1500 Euro loan in order to increase his coffee purchases from 50kgs to 700Kgs. The next step is the purchase of a coffee roasting machine. By that time, the entrepreneur should have a 3000/3500 Euro volume business-orient

Clothing Manufacture

To set up the business, the entrepreneur asks for a **150 Euro** loan to purchase thread to manufacture berets and team sports clothing to both men and women. He then decides to hire a small shop by 50 Euro a month and then, through an additional 750 Euro loan, he invests on a computer to design clothing and on adequate equipment to manufacture clothes and fittings; Given the small number of employees, customers themselves take the necessary raw materials to manufacture the final product.

150€

Bag Manufacture Enterprise

Using cloths' wastes, the entrepreneur manufactures his children clothes. In order to set up a cloth manufacture, he decides to purchase a sewing machine. Meanwhile, he also decides to purchase a considerable amount of plastic bags in order to produce smaller and customised ones and then sell it to mini-markets and supermarkets.

To set up the business, the entrepreneur will need a **750 Euro** loan to invest on a trip to Turkey to seek new ideas and projects and to find business partnerships. The entrepreneur also decides to purchase a van for which he asks for an additional loan of 4400 Euro aimed at reducing costs on goods' transportations. Microfinance, however, has a credit limit of 2200 dollars. He is then given two separate loans of 2200 dollars.

The more investment, the bigger profit"

"Everybody relies on me and I am the one who decides"

Tavern and Similar

The entrepreneur works on the tree fell aimed at growing agricultural productions. He then decides to purchase the trees and a chain saw, the latter for 25 Euro a day. He provided for the transportation and sales expenses. By that time he will have a pay back of 125 Euro a month. To set up the business, the entrepreneur needs a **110 Euro** loan. He decides to set up a tavern next to his house, turning it into a dried fruits' store, registered in his wife behalf (it represents a 79 Euro per month pay back). As a next step, the entrepreneur decides to turn a boutique into a grocery store registered on his son's behalf (it represents a 151 Euro per month pay back). He also runs a painting business. He adapts his products to Seasons, producing, for instance, "Chicken in Ramadan".

"When you take a bath and leave after work with full pockets, you are called Sir. "

750€

110€

400€

"Future: I would like to set up a wedding dress boutique on my first floor!"

SIGN DECLARATION 02/2008

Professional Photographer

In the follow up of a market survey, the entrepreneur decides to manufacture wedding dresses. In the meantime, (for familiar reasons), she becomes a professional photographer and covers anniversary and wedding ceremonies. Her previous work experience allowed her to get to know suppliers, stock conditions, repairing technicians, amongst others.

To set up the business, the entrepreneur will need a 150 / 200 Euro loan which will quickly increase for a **400 / 600 Euro** loan to purchase film, videotape, two photo cameras and a shop to undertake merchandise.

Homemade Sewing

Before being self-employed, most people were an employee. Setting up a business on homemade sewing is another good idea. The business needs a **370 Euro** loan for a start. Then, another **500 Euro** will be needed to buy new and appropriate equipment. By the time, the entrepreneur will need an additional 2100 Euro loan to allow him to extend his house and to enlarge its mini-plant.

"Everyone buys a terrain, builds a home and sets up a business in a small part of the house"

870€

"Secret for success: innovative ideas"

"Thanks to microfinance, knowledge has increased and farmers are far more business oriented"

Bookshops / Stationer's and Others

To set up the business, the entrepreneur carries out a wholesale purchase of plastic bags. The bags must then be transformed and sold in busy public places. He also sells "Paris' articles" fake jewel and make up products. The entrepreneur asks for an additional **220 Euro** loan to set up a dried fruits' store. Having a school nearby, he decides to set up a bookshop /stationer that sells scholar books. He further sets up a hairdresser for men particularly aimed at professors. Meanwhile, he has attended a vocational training course to prepare for the job. In order to be feasible and to make up for expenses, a 2200 Euro loan must lay on a profit guarantee between 450 and 480 Euro.

Glass Goods

A female entrepreneur decides to sell glass goods after her husband became incapable to carry on working on the branch. Her first goal is to sell glass products and small decoration crafts. Meanwhile, she decides to undertake a management and accountancy course. To set up the business, she asks for a 150 Euro loan that quickly increases to an **600 Euro** loan in order to provide for the purchase of new, innovative and modern equipments.

"I find myself more serene and organised and I also have the conscious of my own responsibilities I. I just want to provide the best for my children"

220€

600€

