



# **PLANET FINANCE: The Global Microfinance Expert**

Panel: Social Venture, Maala Conference  
*October 28th, 2008*

# What is microfinance?

- Microfinance consists of **adapted financial services** such as micro-loans, savings, insurances and remittances, to **people excluded from the traditional banking system**.
- Those products and services are delivered by **Microfinance Institutions (MFIs)**
- Microfinance is an **economic empowerment** tool based on **sustainability**

## Some figures:

- **150m active borrowers**
- **Active credit portfolio estimated at USD 30 billions**
- **Potential demand requiring USD 263 billions**

Source: CGAP



# How is microfinance financed?

- **From donations to Commercial stakeholders**

- Between 2004 and 2006, increase of the stock of foreign capital investment (for debt and equity) to US\$ 4 billion

- Growth of the number of MIVs from 74 in 2006 to 97 in 2007 (focus on first tier of the MFIs)

E.g: ResponsAbility Social Investment Services AG

- Increased downscaling by Banks

E.g: SME-Loan Department at City Bank Ltd in Bangladesh

Banque du Caire in Egypt

- **Reasons:**

- Innovative CSR tool

- Safer investment

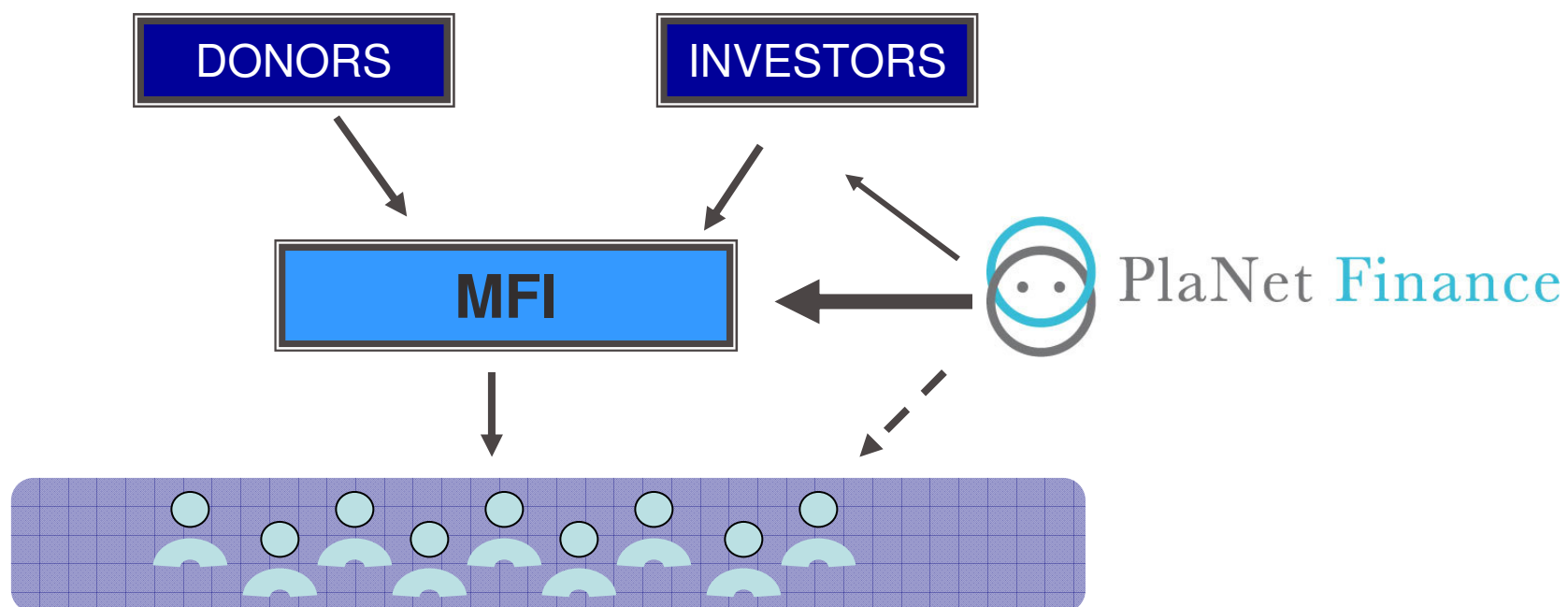
- Better performance than banks in economic downturn

- Diversification



# PlaNet Finance's mission: Reduce world poverty

**PlaNet Finance Group** is a **microfinance expert** providing diversified services to help increase access to financial services for the working poor.



# PlaNet Finance's mission: Reduce world poverty



**PlaNet Finance (PF):  
Advisory Services**

**Social venture for very  
small enterprises in  
difficult areas in France**

PlaNet Finance Israel is the Group's Israeli branch, promoting the development of microfinance in Israel to tackle poverty

# Microfinance in Israel: Infancy stage

- **Several existing initiatives**

- **Guarantee funds** (Governmental fund, KIEDF)
- **Direct lending projects** : limited outreach and highly subsidized

Sawa, created by KIEDF, a microcredit project giving loans for Bedouin women to create or expand a business in the Negev



- **Increased interest:** new entry players (Latet, banks...)

*A Bedouin microentrepreneur, who got a loan from SAWA*

- **Target population: a big potential**

- Communities affected by the poverty: Bedouin, Ethiopians, Druzes, Arabs, Ultra Orthodoxes...
- Unemployed people following business development services willing to start a business
- Working poor willing to start a business
- Entrepreneurs with existing registered or non registered businesses



# PlaNet Finance Israel

- **Our added value:**

- Raising awareness and development of local expertise

- Workshop targeting NGOs in cooperation with Shatil

- Lectures in the Rishon Leztion College

- Providing technical assistance:

- to KIEDF for SAWA: design of the procedures and carrying out of training sessions

- Business plan for new microfinance project

- **Objectives in the next three years :**

- Position microfinance as one of the main tools against poverty in Israel**

- New microfinance projects

- Increase of beneficiaries

- Development of local expertise





**THANK YOU FOR YOUR ATTENTION !**

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