Access to Capital in Dakar: An Analysis of Microfinance

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Access to Capital in Dakar: An Analysis of Microfinance

An Analysis of the Effectiveness of Microfinance as a Development Tool

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Abstract

This study analyzes the effectiveness of micro credit in a developing African country by evaluating the history of microfinance and then focusing on access to credit in modern day Dakar, Senegal. Microfinance, or small capital loans to business startups in budding nations, has been used as a tool in developmental economics for a several decades. Ideally it is an elegant solution to a problem that permeates developing countries around the world: the lack of available credit. This lack of credit stifles economic growth in every sector of an emerging economy. As part of this study I interviewed both credit firms and small businesses in an attempt to gather varying viewpoints and evaluated their responses to determine the extent to which they were aligned. I also wanted to examine if average business owners were able to access and utilize the credit tools available to them. By interviewing credit providers and possible end users, I gained valuable insights into the role of microfinance institutions in the Senegalese economy from the vantage of both the lender and the borrower. By conducting case-by-case studies I hoped to be able to assess the effectiveness of microfinance as a valuable economic tool for small business in Dakar. By examining the current available credit products and the experience of the small businesses I interviewed in Dakar I am able to propose some potential solutions to improve the access to credit for startups and small businesses in Dakar and possibly, other developing regions of the world.

Keywords:
Microfinance, Developmental Economics
Introduction

Microfinance can best be defined as the procurement of financial services to those who lack or are unable to access formal credit methods such as banks. Generally, the credit amounts are small compared to conventional business financing. The modern concept has been around for a long time but has only recently been given the moniker “microfinance.” In Africa informal credit institutions formed by collectives of people of limited incomes dominated the field of credit small personal loans before the introduction of microfinance institutions (MFIs). In fact these types of pooling credit institutions, known in Africa as “tontines”, are still widely used by low-income individuals as an alternative to both bank and microfinance loans. The tontines work as a sort of interest free lottery. For example twelve people might come together to create a tontine. They would decide on a payment amount, the frequency of the payment, and the length of the agreement. In this example the people decide to make the time frame one year with a payment each month of 10,000 CFA (the currency used in many West African Nations). Each month one of the twelve members is chosen at random to “win” the entire pool of 120,000 CFA to use for whatever they like. Once a person wins, they continue to pay into the pool each month for the remainder of the twelve months, until every member has won once, at which point the group can be dissolved or another round can be started. The primary benefit of the tontine is it lets entrepreneurs get their hands on a relatively large sum of money at one time, allowing them to invest in their businesses and pay back the loan in small interest free amounts over a long period of time, in the case of the example, one year. The key problem with them is that the first winner has very little incentive to pay at the end of a year or two, especially if they have spent the money on something
material and have little disposable income. For this reason people often only enter tontines with family members and close friends, where the fear of shame will motivate every person in the group to continue making payments through out the tontine cycle.

Though there were some pre-existing examples, the beginning of the modern usage of the term microfinance is attributed to Muhammad Yunus, who developed the idea while he was a professor of economics at Chittagong University nearly 40 years ago (Hall). In 1977, Yunus founded the now famous Grameen Bank that pioneered the concept of modern microfinance (Hall). Though the people taking out loans were extremely poor and interest rates charged by the experimental bank branch were as high as 20%, Yunus found that repayment rates were shockingly high, in some years as much as 98% (Hall). His successes sparked interest in microcredit and many foreign countries and financial institutions became incentivized to invest in the bank. His early experiments were the first concrete evidence that in certain cases the financing of low-income people could be beneficial to their communities and profitable for investors.

Interestingly, in experimental trials in developed countries, microfinance often failed with default rates rising as high as 40% (Hall). The reasons for this can best be attributed to the fact that in developing countries small entrepreneurs are working for their survival and often if their business fails they are faced with starvation (Hall). It is much easier to get a minimum wage job to continue to sustain oneself in a developed country if a business venture fails then in a developing one. Because of this simple fact there is a much greater incentive for people in developing nations to use the loan effectively and to continue to grow their business, seeing as there are no alternative opportunities for income in poor countries.
In its infancy, many modern day developed countries viewed microfinance as a type of foreign aid. However microfinance can be much more effective and important than charity or pure donations when properly implemented. When a country such as the United States provides foreign aid it is helping fix short-term problems for people. Contrastingly, when it provides access to capital loans in the form of microcredit it is giving low-income people the tools to improve their lives and provide for themselves and their families over a long period of time. At the same time they are also growing the economies of their nations, and helping increase economic indicators such as gross domestic product per capita which helps improve everyone in the country’s quality of life.

Microcredit falls in line with the age-old adage “give a man a fish and he will eat for a day- teach a man to fish and he will eat for a lifetime”. Small investments can yield large returns when put in the right hands, and despite its pitfalls, with the proper implementation microfinance can be used as an effective tool for economic development.

In Senegal, the three largest microfinance institutions are the Alliance of Credit and Savings for Production (ACEP), Senegalese Mutual Credit (CMS), and the Partnership for Mobilizing Savings and Credit in Senegal (PAMECAS). In this study I will try to analyze their effectiveness while comparing my findings with research gathered from interviews of small business owners. Microfinance is becoming a prevalent source of capital in Senegal. In fact, in 2012 there were 1,789,032 members at microfinance institutions, which equates to about 14% of the population of Senegal (DRS). Though the total amount of money provided by traditional banks exceeds MFIs in Senegal, there are more members at micro finance institutions (DRS). The loans from

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1 Including having an adverse effect on gender relationships, little impact on poverty, and large numbers of debtors unable to repay under certain circumstances (Neff, 2006).
the MFIs are much more far reaching and affect many low-income people in the country, injecting capital where it is most needed. Though it could be improved and expanded micro finance is prevalent in Senegal; thus it is an ideal location to study its effectiveness.

**Methodology**

In this study I used a combination of interviews of both lending institutions and small business owners to be able to see the benefits and issues associated with microfinance from both the lender’s and borrower’s perspective. I was able to interview officials at the Partnership for Mobilizing Savings and Credit in Senegal (PAMECAS) and the Alliance of Credit and Savings for Production (ACEP), two of the three largest microfinance institutions in Senegal.\(^2\) I was also able to use data collected from Senegal’s Department of Regulation and Supervision of Decentralized Financial Systems (DRS), National Agency for Statistics (ANSD), and the International Monetary Fund (IMF) to gather background information on the firms as a whole and to compile global statistics.

In addition to the micro-lending firms, I interviewed an official at one of the largest banks in Senegal, the Banking Company of West Africa (CBAO). Though it is not a microfinance institution, I felt that it was important to be able to compare the methods of accessing credit in Senegal from both traditional banks, and micro lending groups. I also thought it would be interesting to have a point of reference for the comparison of the clientele of banks and MFIs. I also believed it was important to be

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\(^2\)After spending a week going through the appropriate measures of formally requesting an interview by letter and meeting with the Director of Human Resources I was denied an interview at CMS. However, I was able to gather sufficient information from the first two institutions and my advisor was able to give me some additional important information on CMS so I would have enough research on the firms to compose this paper.
able to compare the types of collateral that were necessary at both types of lending institutions and the interest rates associated with them.

From my interviews with the lending institutions I was able to get a pretty good idea of what types of conditions are necessary before getting a loan in Senegal. I was also able to compare this to what the borrowers thought about the process.

I was able to conduct almost twenty full interviews with small businesses about the microfinance process, as part of my field studies. I approached several additional businesses, but if the owner was not interested in outside funding at all, I did not conduct a full interview. Approximately two thirds of the business owners I approached agreed to an interview though some asked to remain anonymous. All of the interviews were conducted in French. I asked concrete questions about things like interest rates and the required collateral for the loans. I also asked questions to gauge the business owner’s opinions on the various ways of accessing capital in Dakar. From these interviews, I was able to gain valuable insights about the various means of funding in their country. Not all of the interviewees had taken out loans with microfinance firms, but this gave me an important opportunity to explore the informal lending process. Many small business owners used microfinance firms or banks, while others used informal means to access capital, such as family loans.

These interviews provided useful quantitative and qualitative data for my analysis of the availability of microcredit in Dakar. I used the same questions at each institution and small business I interviewed in order to maintain a certain level of consistency. In this study, I evaluated both the original research I conducted through interviews and the available data on microfinance in Senegal to make inferences and draw conclusions on
the effectiveness of microcredit as an economic growth tool in a developing country. I
also will try to note some possible solutions to the problems that arise in financing the
poorest people in the world.

**Microfinance in the Senegalese Context**

Microfinance has become much more prevalent in recent years in Senegal. Its
necessity evolved out of a lack of financing for the poorest sector in a country that is
relatively stable compared to other nations in Africa. People have a tremendous work
ethic in Senegal and often simply lack the funds to get their projects off the ground.
Though investments in entrepreneurs can often be risky it is important to find ways to
make micro loans while determining the best methods for minimizing risks.

Microfinance is also incredibly far reaching in Senegal, affecting more individuals than
banks. This is illustrated by the following graph prepared as part of an analysis of
microfinance conducted by the IMF. (Patrick Imam and Christina Kolerus)

![Figure 1: Number of accounts at MFIs and Banks in Senegal- Source: IMF](image)
As illustrated above, there are about a half million more accounts at microfinance institutions in Senegal than at formal banking institutions. Though the banks lend out a larger gross amount of capital they do not affect nearly as many people in the country. The microfinance institutions give out much smaller loans to a greater number of people and that is why their work is so important. Getting startup money into the hands of poor entrepreneurs is important because it helps bolster the weakest part of the economy. When lending institutions only lend in such a way that helps the rich get richer, while excluding the lower class, they are simply increasing the nation’s wealth gap and fostering unemployment.

Microfinance institutions in Senegal touch every region in the country even the most remote like Kedougou as shown by the following map marking the location of microfinance institutions throughout Senegal.

![Figure 2: Map of MFIs in Senegal- Source: Senegal DRS](image)

While MFIs are more heavily concentrated in densely populated urban centers, they are spread out all over the country and provide credit to people in communities that
in the past would have no opportunities for funding. The facts that MFIs are so pervasive throughout the country, including rural areas, providing loans where there are no other banking institutions is an important positive aspect of microfinance. People in small rural villages are able to access credit because of this availability.

In 2008, a law was passed in Senegal to regulate decentralized finance institutions (SFD) including microfinance institutions. According to the law, the main object of microfinance institutions is defined as “providing financial services to people who don’t generally have access to bank operations or financial institutions” (ANSD, 2011).\(^3\) The law reorganized MFIs and provided for a greater amount of transparency for the lending firms. For example, every three months the firms are required to submit detailed reports to the government detailing their financial activities (Loi 2008-47 Régissant Les SFD, 2008). The law also instituted a system in which the Central Bank of West African States (BCAEO) must issue approval for an MFI to be created (Ibid). Once a financial institution achieves a certain level of activity they are monitored by the Senegalese banking commission and central bank and are subject to penalties for violations of the law (Ibid).

Often finance institutions focus their efforts on women because their rates of repayment are much higher than those of men (History of Microfinance, 2006). There are many reasons that this is the case. Women are less impulsive than men and more likely to be careful with a loan in order to make enough money to provide for their children. Men take more risks than women and might spend the money in an irresponsible way (such as gambling or drinking) rather than on their family. They are

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\(^3\) Translated from French by the author.
also more likely to invest in risky business ventures with the possibility of a lucrative payoff. In general, a woman with children is much more risk-averse and less likely to misspend money carelessly than a man. Poor women’s repayment rates in developing countries are sometimes so good that they exceed those of traditional financial sectors (History of Microfinance, 2006). Because of the historical trend of women having better repayment rates than men I expected MFIs in Senegal to follow the pattern of giving more loans to women. However as shown in this table from Senegal’s DRS, which regulates decentralized financial systems, this is not the case.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Société</td>
<td>1470280</td>
<td>1633409</td>
<td>1789032</td>
</tr>
<tr>
<td>Homme</td>
<td>740489</td>
<td>883951</td>
<td>940889</td>
</tr>
<tr>
<td>Femme</td>
<td>550257</td>
<td>612624</td>
<td>702426</td>
</tr>
<tr>
<td>Personne morale</td>
<td>179534</td>
<td>136834</td>
<td>145717</td>
</tr>
</tbody>
</table>

Table 1: Evolution of MFI shareholder base from 2010 to 2012- DRS

In 2012, 53% of microfinance institution members were men, 39% were women, and 8% were businesses (DRS, 2012). There are many possible reasons for the discrepancy between my expectations and the reality of the funding situation in Senegal. Senegalese society and norms are very paternalistic. Men in the family make decisions, and a woman would need her husband’s permission to take out a loan. A husband might say no because of fears of the collateral he might lose if his wife’s business venture fails. Along the same line women will often get the money needed to startup their businesses from their husbands. I learned this while conducting interviews. Another reason for the figure is that women are much more likely than men to participate in informal finance groups such as tontines. The historic use of tontines makes it an available credit source
for women, lessening the demand for microfinance loans among women. Looking at the total amount of money that is loaned out by the MFIs there is a similar trend.

<table>
<thead>
<tr>
<th>Montant total des prêts accordés</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homme</td>
<td>212,565,108</td>
<td>232,103,854</td>
<td>253,239,000</td>
</tr>
<tr>
<td>Femme</td>
<td>124,242,664</td>
<td>146,247,504</td>
<td>159,114,229</td>
</tr>
<tr>
<td>Personne morale</td>
<td>72,403,523</td>
<td>64,435,477</td>
<td>69,368,536</td>
</tr>
<tr>
<td></td>
<td>15,918,929</td>
<td>21,420,873</td>
<td>24,756,235</td>
</tr>
</tbody>
</table>

Table 2: Evolution of the total amount of loans by gender in thousands-DRS

In 2012 men accounted for 63% of the sum of the loans for microfinance institutions while women accounted for 27%, with the remaining 10% loaned out to businesses (DRS, 2012). However when looking at the actual amount of loans the percentages are much closer together with men receiving 48% of loans and women receiving 46%, as shown in the table below.

<table>
<thead>
<tr>
<th>Nombre de prêts accordés</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homme</td>
<td>397,062</td>
<td>467,669</td>
<td>381,482</td>
</tr>
<tr>
<td>Femme</td>
<td>141,556</td>
<td>223,863</td>
<td>161,874</td>
</tr>
<tr>
<td>Personne morale</td>
<td>204,312</td>
<td>213,344</td>
<td>174,367</td>
</tr>
<tr>
<td></td>
<td>51,192</td>
<td>30,462</td>
<td>25,241</td>
</tr>
</tbody>
</table>

Table 3: Evolution of the number of loans by gender- DRS

While men account for more of the total amount of money loaned out by the MFIs in Senegal, they do not necessarily take out more loans than women. Because there are much fewer female members and they take out similar numbers of loans as men, it is possible that some women take out multiple loans in a one-year period. This is consistent with the theory that men are generally greater risk takers than women and take out much larger loans to fund uncertain business ventures, as a sort of gamble for larger returns. It
is important to note that though there are not as many female members of microfinance institutions as men, they take out nearly as many loans as men.

Case Study Interviews and Findings

Before conducting any interviews I did background research on microfinance in Senegal. I also prepared my interview questionnaire outline, composing and editing my interview questions, and scheduling meetings with individuals at financial institutions in Senegal. I went to the library at Cheik Anta Diop University to conduct some background research and spent a few days going to various micro lending agencies to try to schedule meetings. I was able to secure interviews at PAMECAS and ACEP, two of the largest microfinance groups in Senegal. I was also able to confirm an interview with an official at CBAO, one of the most prevalent banks in the country. I prepared myself for fieldwork with small businesses and submitted my interview questions to my advisor for review and approval. I then incorporated his revisions and revised the questions, which I used in all my interviews with individuals. A copy of the Interview questionnaire is included in the Appendix.

Interviews with Lending Institutions

Interview with PAMECAS

At PAMECAS, I interviewed Mohamed C* the head of the training department at the firm. He has worked at the firm for 6 years and thus has a good amount of experience in the field and was able to provide me with valuable information. The firm first began lending in 1995 and has grown a lot since then (Mohamed C). He said, “At the

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4 Many of the interview subjects asked that I not use their name in my study report. Given the sensitivity of financial information I agreed to anonymity for all the interview subjects and have marked the changed names with an asterisk.
beginning it was with women more, but over time tendencies changed and today we are at percentages that are very comparable between men and women” (Ibid). Before you can become a client at the firm, you must be a member first. You pay a 10,000 CFA registration fee to become a member, 2500 of which is known as a ‘share’ (Ibid). Mohamed said to open an account “you need 10,000 francs and two photos of yourself” (Ibid). He said the collateral required for a loan depends on the amount you are trying to borrow. At very small amounts no collateral is needed. To assess a person’s quality of living a PAMECAS employee visits the borrower’s home to assess how large of a loan a person can be given. In low-income communities Mohamed said people “give what they can” and can often use things like cows or small personal items for collateral because the loans are small (Ibid). This is important because it helps to make loans accessible to people in lower class. The smallest loans offered by PAMECAS are classified as “household” loans and range from 100,000 to 3 million CFA (about 200-6000$) and are usually given for a period of 12 months. Loans given to businesses can range anywhere from 3 to 50 million CFA (about 6000 to 100,000$) and are usually given for time periods between 3 and 5 years. The interest rate charged on the PAMECAS loan is generally 12% and it is usually paid back in monthly increments. When a person needs a loan they sit down with a credit agent and present a plan for what they will be using the loan for while demonstrating why they need the loan. A small percentage of the loan must be paid in advance for life insurance. Mohamed says the firm uses an external company, AMSA, for insurance and that for a 100,000 CFA loan the company charges a premium of 450, (a little under 1 dollar) while for the largest loan of 50 million over 3

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5 Translated from French by author
years they charge 675,000 (about 1250$). This insurance pays for the reimbursement of
the loan if the person who borrows it dies during the loan period, and is important to
insure that a person’s family does not suffer financial burdens should they die. According
to Mohamed, rates of repayment at the institution are about 93% and are highest in
groups of people older than 35. PAMECAS also participates in the SMART campaign, a
global initiative to improve the transparency of microfinance institutions. Mohamed
believes microfinance is useful because it “allows the most vulnerable layers of society to
be touched by financing”6 but believes that better measurement systems are necessary to
properly assess its true effectiveness. He believes what PAMECAS does is very
important because it touches parts of the country that banks do not, and it accepts a much
wider variety of collateral and appeals to a much more diverse client base. Mohamed
says the ease of access to credit is much higher with PAMECAS than banks and that it is
much easier for people to get their hands on money with less amounts of collateral than at
traditional finance institutions (Mohamed C, November 18).

*Interview with ACEP*

In my second interview I spoke with Souleye S* at ACEP who is in charge of the
study of development and the training department at the firm. He has worked at there for
8 years and gave me a lot of information about the institutions’ history and practices. He
described the selection of clients as a systematic process used to ensure high rates of
return (Souleye S). The firm conducts interviews with potential clients and visits their
businesses on an unannounced day. This helps insure that a person doesn’t just create a
façade on the day the agent from the firm visits by hiring additional workers for the day

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6 Translated from French by author
and borrowing items to make the business appear to have a larger value than it does. Souleye gave me a loan application, which I have included in the appendix. A client must also provide a valid photo ID and materials to prove the business is legitimate such as purchase receipts, bills of sale, electricity bills, and tax receipts (Souleye S). According to Souleye, the credit agent from ACEP then uses the all of the information that is gathered to “write a report that analyzes a person’s capacity to repay a loan” (Souleye S)\(^7\). Souleye also said “In order to get a loan from ACEP a person needs two things: a legal economic activity or business, and some type of collateral” (Ibid)\(^7\). The firm accepts many alterative forms of collateral such as very old vehicles, jewelry, livestock, equipment, or land (Ibid). In addition a person can put up their salary as collateral or have a friend or family member cosign on the loan with them to assure that it is repaid. According to Souleye the firm also requires a certain level of moral responsibility from its clients. He gives an example of a man with a liquor license who sells alcohol and has a large cash flow, but is located across from a primary school or high school (Ibid). As legitimate as the business may be under the law, ACEP will not give a loan to the man because there are negative moral implications associated with the business\(^8\). The smallest loans offered by ACEP are 25,000 CFA, which makes it accessible to people in low-income communities (Ibid). The firm does not distinguish between individuals and businesses but looks at what a person will do with the money to determine whether a loan is acceptable. Souleye told me “even if a person takes out a large loan, it is still in their name and it is their responsibility alone to insure the loan is

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\(^7\) Translated from French by author

\(^8\) Senegal is a largely Muslim country. The Muslim religion prohibits the consumption of alcohol.
When ACEP first started as a USAID project in 1985, interest rates were as high as 16% in order to cover the high transaction costs associated with risky micro loans (Ibid). The firm now charges 10% interest for real estate loans, and 11% for loans related to operations. I asked what the interest on a yearlong loan of 100,000 CFA (about 200$) would be and Souleye responded that it would be 10% or 10,000 (Ibid).

Like PAMECAS there is also a life insurance rate charged on each loan, a negligible six-tenths of a percent, which would equate to 6000 CFA on a loan of 1 million (Ibid). The payment schedule varies based on the client’s business type. A shopkeeper will have an easier time paying the loan back in monthly increments because they have a steady cash flow (Ibid). Even if a person takes out a year loan, if they are a farmer they might not see returns on the loan until after the harvest in the fall and therefore they might repay the entire loan at one time (Ibid). This is a good business strategy when practicing microfinance because it opens up financing to a larger customer base. According to Souleye, the firm has repayment rates between 92 and 93 percent, which is quite impressive considering the variation in its clientele. He also believes that microfinance is effective for the borrower stating: “We have clients who started out with small 25,000 CFA loans when ACEP first started in 1985, that now run businesses with turnovers in the tens of millions” (Souleye S, November 18). These types of success stories are examples of the possibilities of microfinance if borrowers are entrepreneurial, taking the loans and their business ventures seriously and having the work ethic to achieve their goals. Souleye was kind enough to provide me with a loan application, which I have included as an appendix.

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9 Translated from French by the author
Interview with CBAO

The last financial institution I spoke with was a CBAO, a large bank, to compare and contrast the loan process at a traditional financial institution in Senegal from that of an MFI. I spoke with Aminata S*, who is in charge of money transfer systems at CBAO. She has worked for the bank for 26 years and holds an important position. The bank focuses on giving loans to businesses and individuals in all sectors of activity (Aminata S). In considering a loan application, the bank examines the economic history of the business, and as opposed to the requirements at MFIs a complex balance sheet detailing its financial history is necessary (Ibid). From this the bank assesses the business’s ability to repay the loan. The bank accepts more formal types of collateral such as the mortgage on a house or plot of land, a car, or the transfer of salary (Ibid). Other forms of collateral include the forfeit of a company’s patents, brand name, and physical capital goods (Ibid). The smallest loan that the bank offers to individuals is usually 50,000 CFA, and the collateral for this small of a loan is usually the transfer of the individual’s salary in the case of a failure to pay (Ibid). The difference between this and microfinance loans is that you have to have a salary to gain access to credit, something that low-income individuals do not always have. Aminata informed me that on a 100,000 CFA loan a salaried individual would pay 10% interest before taxes. For businesses the starting interest rate is 13%, but this can be negotiated down to 9% (Aminata S). The longest an individual is given to repay consumer credit is five years but a mortgage can go all the way up to 20 years (Ibid). A business is usually given the amount of time it takes to sell its capital and regain the original cost of its investment, usually around 5 years (Ibid). I also asked about the reserve ratio banks are required to keep by the government standards and after
consulting with another bank employee, Aminata informed me that it is 8%. This means the bank must keep 8% of its assets as available liquid assets, while the remaining 92% can be loaned out in the form of risk assets (Ibid). The bank gives large loans in small portions and as the business proves it is making money gives more and more of the loan amount to help avoid default situations (Ibid). If a person or business is unable to repay the loan the collateral is seized after negotiations. Aminata estimates that rate of repayment without incident is around 90%, which is similar to those of microfinance institutions (Aminata S*, November 22). This is interesting because it indicates that both types of lending institutions are effective in achieving high repayment rates although it is possible to argue that this is because banks lend out much larger loan amounts than MFIs. From my interviews, I would say the primary differences between micro lending firms and banks in Senegal are in the cash amount of loans taken out and the amount of collateral required at the two. The larger geographic area served by MFIs reflect the larger effort to touch low-income individual in rural areas.

**Interviews with Small Businesses**

*Ahmed L - Small Convenience Store*

In my first interview I spoke with a shop owner Ahmed L*. He owns a small “boutique” selling drinks, sandwiches, cookies, phone minutes, and other small merchandise. He bought the store, which has been in the same location for 40 years. He borrows to buy merchandise. He does not use a formal financing institution but instead borrows from a large merchant group called Bénatel. He takes out loans of 1.5 million CFAs and pays back 2 million, which equates to about 33%. I told him this seemed like robbery. He then explained that though he had to pay back a lot he was given as much
time as he needed, as he knew the person he got loans from and that he was still able to make a good amount of money so he was content. For him the benefits of not needing collateral or a definitive time frame makes the high interest rates worth the high credit cost. He buys 1.5 million CFA worth of goods and only has to worry about paying the merchant back once he has sold them. Any money over the 2 million he keeps as profit or reinvests to buy additional goods. He only takes out the loans when he needs a large amount of new stock. In his opinion this form of personal loan is effective and he believes he makes a comfortable living with his shop (Ahmed L*, November 19).

*Konté C. – Small Retail Printing Business*

I interviewed another individual Konté C* who owns a small printing business that is still in the process of starting up. He explained that he used his own money, along with a loan from his brother to startup the business. He has been purchasing more and more equipment with profits. He is wary of taking out loans because of fears of collateral and high interest rates but told me that he was “considering going to get a 5 million CFA loan from PAMECAS to expand the business, but only if necessary” (Konté C). If he does take out a loan he will put up the shop space, his printers, and his computers as collateral but in his opinion the risks of the loan exceed the benefits (Konté C*, November 19).

*Ismael D. – Beverage Distributor*

I interviewed Ismael D* about his business of selling small pouches of purified drinking water and fruit juice. He makes the items he sells himself or buys them in bulk and resells them for profit. He started the business in 2005 and has been growing it steadily ever since. He told me that he was in the process of trying to get a loan of 4.5
million CFA from the Sahel Saherienne Bank for Investment and Trade (BSIC) in order to build a factory but it is very difficult because of his lack of collateral. He will most likely need his sister, who owns a beauty salon to cosign on the loan to bring his dream to fruition. If he gets the loan he will have a one-year period to repay it and the interest rate he will be charged will be about 13%. We discussed whether he might have an easier time getting the loan at a slightly lower interest rate from a microfinance institution like ACEP or PAMECAS, especially if he is able to have his sister cosign for him and he indicated he was going to investigate this possibility. (Ismael D*, November 19).

*Mahmoud A-D – Small Shop Owner*

I interviewed another small “boutique” owner, Mahmoud A-D*. His small store carries a wide variety of items including biscuits, coffee, cigarettes, and phone cards. He started his business in 2006 as a small cart and has built it up to what it is today, a stationary shop. He gets loans from a merchant at the Colobane market in Dakar and generally takes out loans between 150,000 and 200,000 CFA. He told me he is given only two business days to repay the loan with an interest rate that varies from 15-20%. He borrows the money in the morning one day and must repay it by the following evening. In his words “if you take the money today then you pay it back tomorrow” (Mahmoud A-D). He uses the loans when he needs to top off his stock and says he has no problem selling enough to repay it on time. There is no collateral and he is simply barred from taking out another loan if he cannot repay it. He started with very small loans but has increased them as he has built a relationship with the other merchant and only takes out as much as he is certain he will be able to repay. He showed me the receipt from one of his loans and explained that the last one he had taken out was from
the previous week. I asked him if he had any interest in applying for a microfinance loan to grow his business and he told me that he would but the collateral is an inhibitor and that he will try once he has made enough money using his current system as he builds his business. He believes microfinance is an important economic tool and thinks his informal microfinance arrangement has helped him grow his business. (Mahmoud A-D*, November 19). In my opinion the fact that Mahmoud is able to repay a loan that equates to $480 (including interest) in two days shows that he is making sufficient income to merit a microfinance loan but I believe that people’s misconceptions about lending institutions and the collateral requirements keep people from applying for loans.

*Moustaph Gaye – Small Sandwich Shop Owner*

I interviewed small business owner Moustaph Gaye* who had a similar story. He owns a small store that sells sandwiches and started it from nothing in 1996. He has been building up his business in small increments this whole time, using loans from friends and family, and trying to achieve sufficient collateral to get bigger loans to expand his shop. He is hesitant to take out a loan because of misconceptions about how high the interest rates would be, thinking they would be around 20% (Moustaph G*, November 20). He plans to apply for an expansion loan as soon as he has what he believes to be sufficient collateral.

*Abdou D- Restaurant owner*

I interviewed Abdou D* the owner of a restaurant named “Au Louame”. He took multiple loans from PAMÉCAS and says he was one of the first 50 members at the firm when it first started in 1995. The amounts of his loans were usually between 500,000 and 600,000 CFA. He would take out loans over a period of 1 year but would pay them back
in 6 or 7 months so he could borrow more money. The collateral he put up included furniture, his refrigerator, and his television from home. To get the loan he had to bring a witness and sign the loan contract at the police department. He said he was earning money when using the loans but because of the high interest rates of about 13% he stopped taking loans a few years back as his business had grown to a point where he felt it was making enough money to be sufficient. He believes microfinance is important for businesses that are starting out and expanding but, when simply used to buy merchandise, the loans can almost be more trouble then they are worth. He believes that to improve MFI need to learn more about the country and its customs and make efforts to try and reduce interest rates (Abdou D*, November 20).

Abdoulaye D. – Small Hardware Store Owner

Next I interviewed the owner of a small hardware store, started 6 years ago, that sells things such as paint, lubricants, machine parts, and car parts. Abdoulaye D*, the owner, told me that he had taken loans out from Microcred, a newer lending institution in Senegal that appeared a few years ago. He took loans out in the amount of 400,000 CFA (dollars) for periods of 9 months and used them to grow his business. The interest rates on the loans were high at 14% and his older brother needed to cosign on the loan with him. He views microfinance as a positive practice because it helped him to startup his business but believes the high interest rates do not leave the entrepreneur with enough profits. Like many others I interviewed he believed that the institutions could better serve Senegal if they found a way to lower their interest rates (Abdoulaye D*, November 22).

Alfouseynou T. – Small Shop Owner
I interviewed shop owner Alfouseynou T* who said he has been in business for 20 years. Like many others he used money from family and friends, which he repaid over time with little or no interest and slowly built up his business (Alfouseynou T*, November 22).

Natascha M. – Small Clothing Boutique Owner

On my last day of field interviews I started out speaking with the owner of a clothes store, Natascha M*. The store also offers money transfer services. She started the store with money given to her by her husband, and buys the clothes from a Turkish seller. She says if she buys the clothes for 10,000 CFA, she might resell them for anywhere from 14,000 CFA- 18-000 CFA. At one point she took out a loan of 2 million from PAMECAS to buy merchandise over the period of 1 year. She paid 13% interest on the loan and used her furniture, televisions, and refrigerator as collateral. She says she is considering getting another loan from either CMS or PAMECAS to grow her business but that the high rate of interest she was charged on her previous loan is a little discouraging (Natascha M*, November 29).

Aissatou N. - Clothing Store Owner

Another female entrepreneur I interviewed, Aissatou N*, owns a clothing store named “Payless”. Like Natascha, she sells clothes that are ready to wear from Turkey. She started her business in 2005 and has taken out three loans since. The first loan she used was form PAMECAS and was 3 million CFA (dollars) over a period of one year at an interest rate of 13%. The second and third loans were both in the amount of 5 million CFA and were taken out from CMS. She only needed to pay 10% interest on each loan because she was able to pay them back relatively quickly. I found out from my project
advisor, Samba Sidibé, that CMS charges 2% interest by month, up to 24% for a year. Therefore if you can repay the loan quickly it is a great solution for a large cash loan with low interest rates. Aissatou informed me that she used her car as collateral for all of the three loans she received. She told me that she believed the loans were very beneficial to her in helping her grow her business (Aissatou N*, November 29).

**Anta F. - Tire Repair Shop Owner**

I conducted a brief interview with a man Anta F* that runs a tire repair shop that also sells high-end car rims. He started the business two and a half years ago and has slowly built up capital by borrowing merchandise from friends, selling it and giving them a percentage of the sales. He is now at the point where he owns all of the stock in his store, as he was able to use profits from sales to buy new tires and rims. He is trying to get a loan at CMS but is having trouble because of his lack of collateral. If he takes out a loan, he says it will be for a loan term between 3 to 6 months and that he will have to pay up to 12% interest. He believes microfinance is effective when people can access it, but that the firms would have more business if they could find a way to lower their interest rates and make their loans more accessible to startup entrepreneurs (Anta F*, November 29).

**Jean C. – SARL, a Health Products Store**

I interviewed Jean C* a co-owner of a health products store that sells electronic cigarettes designed to help people stop smoking, skin creams, and various organic teas and coffees. He started the store in August with 4 of his friends one of whom still lives in France. They all co-own the store and they started out the store with a 19 million CFA (almost 40,000 $) loan from one of the four people. They agreed that he would receive
the loan back over the course of 2 years with an interest of 10%. As a co-owner in the store the investor has a stake in its success not only because of investment. Because the lender is a friend, and the business is in part his own, there was no formal collateral but all four co-owners had to sign a contract. The group wants to approach a bank for a loan but needs to be open and begin making profits before they can apply for one (Jean C*, November 29).

*Aida - Ndindi Electronics*

I spoke briefly with an Aida an employee at a small electronics store. It was a retail store that sells televisions, refrigerators, air conditioners, and other household electronics. She told me that she knew the owner had taken out loans at Ecobank at interest rates of 13% in order to buy products from manufacturers, but was unsure of the amounts. She also informed me that often the manufacturers give them the products to sell and give them a time period to pay for the item. In this way they can buy an air conditioner for example at 30,000 CFA and sell it at 45,000 CFA. They use part of the 15,000 they gain to pay off the interest at the bank and what is left is profit (Aida*, November 29).

*Touty S. – Tailor and Cosmetics Shop*

I sat down for an interview with Touty S*, the owner of a small tailor and cosmetics shop. In addition to its products, the store also provides money transfer services and sells phone credit. She started the store in 2004 and has used several loans since then. She took out a 1 million CFA (2,000$) loan from ACEP for a period of 1 year at an interest rate of 13%, and had to put up her car as collateral. She later took out a 3 million CFA (6,000$) loan from Microcred and had to put up 500,000 CFA and her car as
a collateral for the loan. The 3 million CFA loan turned out to be larger than she could handle, so interestingly, she loaned 1.9 million CFA of it to a few of her friends over the 10 month period, and they paid her back with the appropriate interest so she could repay the loan in full. Her friends were thus able to access credit that they would otherwise not be able to, and she was able to repay the large loan with no issues. In a way she became a microfinance institution for her friends and gave them a way to access small amounts of capital. Though this was a very risky idea, it worked out in the end and her and her friends were all better for it. Microcred would most likely not give her any more loans if they found out what she did but they did not. According to Touty, microfinance is effective but in her case, she believes it would be better if she were given more time to repay the loan. Like others, she believes, it would also be better if the MFIs could find ways to decrease the interest rates on the loans (Touty S*, November 22).

*Pierre G – Chinese Restaurant Chain*

I spoke with the owner of a large Chinese restaurant chain, Pierre G* to gauge how bank loans differed from microfinance loans. He has taken out multiple loans from CBAO that have ranged from 20,000,000 to 30,000,000 CFA (40,000$ to 60,000$), all of which were over periods of 3 to 5 years. He used the loans to open new restaurants, to buy supplies, to purchase equipment. The interest rates he paid on the loans ranged from 10 to 12%. The collateral for the loans included his properties, and the materials and equipment in his restaurants, and a large deposit at the bank. He also needed to turn over all his receipts and records to the bank to get the loan to ensure he had the capacity to repay them (Pierre G, November 22).
Thomas B. - Small Grocery Store

When I spoke with Thomas B*, he indicated that he had not taken out any loans to open his family owned grocery store, “Paysane”, and that he didn’t plan to. He opened it with his own money and does not anticipate using loans except maybe to franchise (Thomas B, November 29).

Conclusion

In my research, I realized that microfinance loans should be about more than just money. It is a tool to help support people’s dreams and livelihood and can help spark economic development in a country especially when fueling ambitious entrepreneurial ideas like Ismael’s. It is only something that can be effective when it is implemented in the proper way. Often, for people in developing countries, it seems impossible to get access to credit because of collateral or interest rates. As I came to realize in my research, misconceptions about financial institutions often prevent people from even making an attempt to get a loan. In many cases they are paying more interest for loans from informal sources than they would at MFIs as I saw with Ahmed* and Mahmoud*. It dawned on while speaking with Alfouseynou* that of the shops that were of similar size, the ones that had utilized loans were much newer than those that had not. This might be because a large amount of startup capital allows you to grow your business faster. Though interest rates are high if you have a lot of merchandise to sell you make money faster then if you are selling small items at a slow rate. In speaking with individuals, I found a trend that often women will get loans from their husbands. Men and women alike often use their family members for loans because they do not have to pay interest on them.
When analyzing the success of microfinance in Senegal, it helps to take a look at where most of the loans are going. The following chart from Senegal’s DRS shows a breakdown of the distribution of loans from decentralized financial systems.

![Figure 3: Distribution of DFS Loans by Sector - DRS](image)

The sector of the economy that employs the most people in Senegal is agriculture. However as demonstrated in the chart only 10.4% of loans go to the agriculture sector. According to the DRS, 41.5% of loans from decentralized financial systems go to the commerce sector, including restaurants and hotels. The reason for this is rather obvious. Microfinance institutions, like banks, try to make loans with as little risk as possible. Agriculture inherently has a large number of risks associated with it due to the possibility of an entire season’s crops being destroyed at any time by natural causes like droughts, fires, or pests. It is difficult to hedge these risks. The commerce sector of the economy is more predictable and if a business is successful microfinance firms can make loans to them with less fears of a default. Though, when looking at the high repayment rates of ACEP and PAMECAS microfinance seems very successful, they only tell part of the story. The loans made to merchants and businesses help grow the Senegalese economy,
but if the MFIs truly want to make a change in the country they have to invest more in agriculture, as risky as it may be. The government could potentially subsidize microfinance institutions that support agricultural entrepreneurs or offer insurance programs on loans that support agricultural and rural ventures.

An example of a government program in place helps fund women entrepreneurs. This helps counter the difference in gender distribution for loans I mentioned earlier. I have included an application for a loan for female entrepreneurs from the government as an appendix. It offers female entrepreneurs loans with 5% interest rates. The first category on the application is for individual women and ranges from 350,000 CFA to 500,000 CFA over 1 year. Any female entrepreneur can take out a loan if they come with a business plan and no formal collateral is necessary. The second and third categories range from 500,000 to 2.5 million and 2.5 million to 5 million CFA respectively. For these bigger loans, groups of women must come in together to get the loans. The second category has a time frame of two years while the third has a time frame of three years. For the second category no collateral is necessary, but the women must sign a contract. For the third and largest loan category the group of women must sign a contract and bring in 10% of the desired loan amount as collateral. I believe to help bolster the Senegalese economy the government should implement similar programs for farmers, despite the inherent risks in agricultural loans.

Ultimately it can be concluded that microfinance is a useful but imperfect tool for growing the Senegalese economy. It helps low-income individuals achieve financial stability, and to make enough money to live a comfortable life. In order to affect more people and be more successful, microfinance institutions need to find ways to accept
more alternative forms of collateral like ACEP does and lower interest rates as much as possible. The firms need to find a middle ground on interest rates that allow them to make some money while encouraging low-income entrepreneurs to take out loans rather than grow businesses very slowly over 20 year periods like Alfouseynou*. The government should lead by investing in microfinance programs in all sectors of the economy. Access to capital is critical to individual security and the economic growth of any nation. Microfinance, if properly implemented and subsidized has the potential to reap enormous benefits for Senegal's economy and its people.
Works Cited


* Last name hidden and first names changed to preserve anonymity of subjects
Appendix A: Questions used for Micro lending Firms

1. Comment vous vous appelez? What is your name?

2. Quelle est votre position à cette firme? What is your position at this firm?

3. Combien de temps travaillez vous chez ce firme? How long have you worked at this firm?

4. Ce firme, pratique t’il le micro finance souvent? Does this firm often practice microfinance?

5. Quelles sont les activités financées, en général par votre institution? What are the general financial activities practiced by your institution?

6. Comment déterminez-vous si une personne est admissible à un prêt de micro finance? How do you determine if a person qualifies for a microfinance loan?

7. Est-il possible que vous me montriez une demande pour un prêt? Is it possible for you to show me a loan application form?

8. Quels types de garanties acceptez vous normalement pour les prêts? What types of collateral do you normally accept for loans?

9. Quelles sont les conditions pour accéder au crédit? What are the conditions to gain access to credit?

10. Quels sont les plus petits prêts que vous offrez aux individus? What are the smallest loans you offer individuals?

11. Quelles sont les conditions pour ouvrir un compte dans votre institution? What are the conditions for opening an account at your institution?

12. Comment déterminez-vous les taux d'intérêt sur les prêts? How do you determine the interest rates for the loans?

13. Quelles sont en général les catégories socioprofessionnelles des bénéficiaires de vos crédits? Generally, what category of employment do the beneficiaries of your loans usually fall under?

14. Quelle est la répartition par genre (homme, femmes) des bénéficiaires de vos crédits? What is the breakdown by gender, of the people who receive credit from your institution?
15. Quel sera le taux d’intérêt sur un prêt de 100,000 CFA ? What would be the interest rate on a loan of 100,000 CFA?

16. Combien de temps donnez-vous aux clients pour repayer le prêt ? How long do you give clients to repay the loans?

17. Que faites-vous pour assurer que les clients utilisent le prêt de manière productive ? Est-ce qu’ils ont à présenter un plan d’affaires en premier ? What do you do to insure clients use the loans in a productive manner? Must they present a business plan first?

18. Que faites-vous dans le cas qu’une personne ne peut pas repayer le prêt ? What do you do in the case of a person being unable to repay the loan?

19. Quel est le pourcentage de prêts de microfinance que vous estimez sont remboursés ? What percentage of microfinance loans do you estimate are repaid?

20. À votre avis, est-ce que le microfinance est une stratégie d’investissement efficace ? In your opinion, is microfinance an effective investment strategy?

21. Quels types de règlements pour le secteur bancaire sont mis en place par le gouvernement Sénégalais ? What type of regulations for the banking sector does the Senegalese government have in place?
Appendix B: Questions used for Small Business Owners

1. Comment vous vous appelez? *What is your name?*
2. Quel est le nom de votre entreprise ? *What is the name of your business (if any)?*
3. Quels sont les services offerts par votre entreprise ? *What are the services offered by your business?*
4. Quand est ce que vous avez commencé votre entreprise ? *When did you start your business?*
5. Avez vous utilisé un prêt pour commencer votre entreprise ? *Did you use a loan to start your business?*
6. Où avez-vous obtenu le prêt ? *Where did you get the loan?*
7. Quel était le montant du prêt ? *What was the amount of the loan?*
8. Combien de temps vous a été donné pour rembourser le prêt ? *How much time were you given to repay the loan?*
9. Est ce qu’il y’avait des garanties nécessaires ? *Was there any collateral necessary for the loan?*
10. Quel était le taux d’intérêt sur le prêt ? *What was the interest rate that you were charged on the loan?*
11. Avez vous utilisé d’autres prêts ultérieurs pour acheter des marchandises ? *Have you used subsequent loans to buy goods?*
12. Si oui, en général, quelle est la gamme des taux d’intérêts que vous devez payer sur les prêts ? *If yes, generally, what range of interest rates do you pay on the loans?*
13. Quelles étaient les conditions que vous avez acceptées si vous étiez incapable de rembourser le prêt ? *What were the terms you agreed to if you were unable to repay the loan?*
14. Avez-vous eu des difficultés à rembourser les prêts a cause des taux d’intérêts ? *Did you have any difficulty repaying the loans because of the interest rates?*
15. Croyez vous que la micro finance est un outil efficace pour les économies en développement ? *Do you think microfinance is a useful tool for developing economies?*
Appendix C: Government Women’s Loan Application

<table>
<thead>
<tr>
<th>FONDS NATIONAL DE CREDIT POUR LES FEMMES</th>
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<tbody>
<tr>
<td>République du Sénégal</td>
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<tr>
<td>Un Peuple – Un But – Une Foî</td>
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<tr>
<td>Ministère de la Femme, de l’Enfant et de l’Entrepreneuriat Féminin (M.F.E.E.F.)</td>
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<tr>
<th>OBJECTIF DU FONDS</th>
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<tr>
<td>L’objectif général du Fonds est de contribuer à la lutte contre la féminisation de la pauvreté tout en améliorant la culture d’entreprise chez les femmes, à travers des micros crédits leur favorisant la création de richesse et d’emplois pour les propulser dans l’entrepreneuriat féminin.</td>
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<th>ZONES CIBLEES :</th>
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<td>À L’ECHELLE NATIONALE LES QUATORZE REGIONS</td>
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<tr>
<th>CATEGORIES D’ACCES</th>
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<tr>
<td>a/ Pour les organisations de femmes et de jeunes filles</td>
</tr>
<tr>
<td>- Une étude de projet</td>
</tr>
<tr>
<td>- Un questionnaire dûment rempli</td>
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<tr>
<td>- Une copie de la CNI de la présidente et de la trésorière</td>
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<tr>
<td>- La copie du document légal de constitution de l’organisation</td>
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<tr>
<td>- Le certificat de domicile de la présidente et de la trésorière</td>
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<tr>
<td>b/ Pour les promotrices individuelles</td>
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<td>- Une étude de projet</td>
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<td>Partenaire financiers</td>
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<tr>
<th>CONDITIONS DE FINANCEMENT</th>
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<tr>
<td>CATEGORIE 1 :</td>
</tr>
<tr>
<td>BENEFICIAIRES : Femmes et Jeunes filles sans revenus, sans expérience crédit (à titre individuel ou collectif)</td>
</tr>
<tr>
<td>MONTANT : 250.000 à 500.000 FCFA</td>
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<tr>
<td>DUREE : 12 mois dont 04 de différent maximum</td>
</tr>
<tr>
<td>TAUX : 5%</td>
</tr>
<tr>
<td>APPORT : Néant</td>
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<tr>
<td>GARANTIE : Caution morale</td>
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| CATEGORIE 2 : |
| BENEFICIAIRES : |
|  - Promotrices bénéficiaires de la catégorie avec beaucoup de réussite |
|  - Femmes et Jeunes filles dont projets sont en difficulté |
|  - Femmes et Jeunes filles dont projets sont en difficulté inexpérience ou manque formation (à titre individuel collectif) |
| MONTANT : 500.001 à 2,500.000 FCFA |
| DUREE : 24 mois dont 04 de différent maximum |
| TAUX : 5% |
| APPORT : Caution solidaire |

| CATEGORIE 3 : |
| BENEFICIAIRES : |
|  - Promotrices bénéficiaires de la catégorie avec beaucoup de réussite et désireuses d’accroître leur entreprise |
|  - Femmes et Jeunes filles ayant une expérience de crédit |
| MONTANT : 2,500.001 à 5.000.000 FCFA |
| DUREE : 36 mois dont 04 de différent maximum |
| TAUX : 5% |
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Appendix D: Sample Loan Application

DOSSIER DE PRÊT

Région: .................................................... Chef de Région: ....................................................
Bureau: .................................................... Chef de Bureau: ....................................................

I. SOMMAIRE

DATE ELABORATION: __________________________ Matricule #: __________________________

NOM DU CLIENT

ADRESSE DOM: __________________________

ADRESSE ENTR: __________________________

PORTE D'ENTREE: __________________________ Tél: __________________________

Tél. maison: __________________________ Tél. ENTREPRISE: __________________________ Cell: __________________________

ACTIVITE: __________________________

INVESTISSEMENT PROPOSE __________________________

MONTANT INVEST: __________________________ PRET: __________________________

NBRÈ ECHANCES: __________________________ ECHÉANCE (P+I): __________________________

GARANTIE: __________________________ VALEUR __________________________

GARANTIE: __________________________ VALEUR __________________________

Banque: __________________________ N° de compte: __________________________

(Demander le relevé de compte)

II. EXPERIENCE DE CREDIT ET D'EPARGNE

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<td></td>
</tr>
</tbody>
</table>

Le client a-t-il des comptes d'épargnes: __________________________ où __________________________ solde __________________________ (relevés de compte)

Le client a-t-il des comptes bancaires: __________________________ où __________________________ solde __________________________ (relevés de compte)

COMITE DE CREDIT

Avis du Chef de Région: __________________________

Avis du Juriste: __________________________

Avis de l'auditeur: __________________________

Décision du comité: __________________________

1/7
III PRESENTATION DE L'ACTIVITÉ
3.1. Description de l'entreprise
3.1.1. Activité principale

3.1.2. Activités secondaires

3.1.3. Description des équipements existants

3.2. Présentation de l'entrepreneur
3.2.1. Structure de gestion

DIRECTION

Entrepreneur ........................................ gérant ........................................ les deux

Liens de parenté entre les deux ?

Age entrepreneur ...................................... âge entreprise ......................................

En cas d'absence qui gère ? ...................................... Tél ......................................

Qui contacter en cas d'absence : ......................................

Adresse ...................................... Tél : ......................................

PERSONNEL

Saliés permanents ...................................... salariés temporaires ...................................... apprentis ......................................

Masc ...................................... masc ...................................... masc ......................................

Fém ...................................... Fém ...................................... Fém ......................................

Entrepreneur / Années Expérience : ......................................

Gérant / Années Expérience : ......................................

Education Entrepreneur : ......................................

Education du gérant : ......................................

Entrepreneur / Activité antérieur : ......................................

Comptabilité ...................................... Inventaire ...................................... Arch. Fact ......................................
IV SITUATION FAMILIALE DE L’ENTREPRENEUR

Situation matrimoniale : marié (e) [ ] célibataire [ ] autres [ ]
Nombre de conjointes :

Nombre d’enfants : Mineurs : Majeurs : Ecoïliers : Collégiens : Etudiants :

Autres personnes à charge :
Nom du conjoint (e) ___________________________ Tél ____________
Le conjoint (e) est-il informé du crédit ? [ ] Oui [ ] Non
Commentaires :

V. INVESTISSEMENT PROPOSE :

5.1 Détails sur l’investissement et objectifs visés :

________________________________________________________

5.2 Concurrence et avantages comparatifs de l’entreprise :

________________________________________________________

5.3 Impact du précédent crédit sur l’activité (pour client existant) :

________________________________________________________

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VI. SITUATION PERSONNELLE DE L'ENTREPRENEUR (Budget familial):

6.1. DEPENSES DOMESTIQUES MENUELLES

<table>
<thead>
<tr>
<th>Dépenses</th>
<th>Montant</th>
<th>Revenus hors entreprise</th>
<th>Montants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ration alimentaire</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eau, électricité</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loisirs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santé</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scolarité</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conjoint (dépenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>discrétionnaires</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remboursement de dettes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imprévisus et autres</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
</tr>
</tbody>
</table>

Surplus menuel des revenus hors entreprises (revenus - dépenses) = ........................................... F

VII. INVENTAIRE DU PATRIMOINE PERSONNEL:

<table>
<thead>
<tr>
<th>Nature</th>
<th>Nombre</th>
<th>Valeur estimée</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

VIII. ENQUETE DE MORALITE (personne contactées, leur référence):

IX. GARANTIES:

9.1 Description et évaluation:

9.2 Caution:

Nom et prénom:
Adresse dom:
Adresse prof:
Tel dom:   Tel prof:   Cel:  

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X. ETUDE FINANCIER DE L'ENTREPRISE :

10.1 Compte d'exploitation :

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Du</td>
<td>Au</td>
</tr>
</tbody>
</table>

|                             |                  |
| Ventes (a)                  | f                |
| Coût d'achat des matières premières |                  |
| ou des marchandises vendues (b) | f                |
| Marge Brutte (c) c = (a-b)   | f                |

Charges d'exploitation

|                              |                  |
| Frais de personnel           |                  |
| Eau et électricité           |                  |
| Impôt et taxes               |                  |
| Carburant                    |                  |
| Transport                    |                  |
| Loyer                        |                  |
| Téléphone                     |                  |
| Autres                       |                  |

| TOTAL CHARGES (d)            | Fcfa             |

| RESULTAT NET SUR LA PERIODE (e) = (c-d) | Fcfa | % |

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<table>
<thead>
<tr>
<th>Actif</th>
<th>Bilan de l'entreprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Mettre toutes les dettes et l'épargne dans le bilan de l'entreprise)</td>
<td></td>
</tr>
<tr>
<td>Immobilisation (a)</td>
<td></td>
</tr>
<tr>
<td>Terrains :</td>
<td></td>
</tr>
<tr>
<td>Construction :</td>
<td></td>
</tr>
<tr>
<td>Equipements</td>
<td></td>
</tr>
<tr>
<td>Véhicules</td>
<td></td>
</tr>
<tr>
<td>Autres</td>
<td></td>
</tr>
<tr>
<td>Actif circulants (b)</td>
<td></td>
</tr>
<tr>
<td>Stock de marchandises</td>
<td></td>
</tr>
<tr>
<td>Stock de produits finis</td>
<td></td>
</tr>
<tr>
<td>Stocks de matières premières</td>
<td></td>
</tr>
<tr>
<td>Clients</td>
<td></td>
</tr>
<tr>
<td>Valeurs disponibles</td>
<td></td>
</tr>
<tr>
<td>Autres</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL ACTIF (a+b)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>PASSIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitaux permanents (c)</td>
</tr>
<tr>
<td>Capitaux propres</td>
</tr>
<tr>
<td>Dettes à long termes</td>
</tr>
<tr>
<td>Dettes à court termes (d)</td>
</tr>
<tr>
<td>Fournisseurs</td>
</tr>
<tr>
<td>Portions exigibles</td>
</tr>
<tr>
<td>Créateurs divers</td>
</tr>
<tr>
<td>Autres</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL PASSIF (c+d)</th>
</tr>
</thead>
</table>

Valeur nettes de l'entreprise = total actifs - Total dettes =
### Détails des dettes de l'entreprise

<table>
<thead>
<tr>
<th>Liste</th>
<th>Dettes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Montant total (solde)</td>
</tr>
<tr>
<td>Fournisseurs</td>
<td></td>
</tr>
<tr>
<td>Banques</td>
<td></td>
</tr>
<tr>
<td>Autres</td>
<td></td>
</tr>
</tbody>
</table>

### 10.3. CAPACITE DE REMBOURSEMENT DU CREDIT

a) résultat net de l'entreprise
b) revenus hors entreprise
c) Charges domestiques
d) remboursement dettes existantes (montant mensuel)
e) montant échéances ACEP

Fcfa
Fcfa
Fcfa
Fcfa
Fcfa

Comparer le résultat de (a+b) - (c+d) au montant de l'échéance ACEP

La capacité de remboursement est bonne : faible : négative :
(Sans compter les revenus hors entreprise)

Commentaire du chef de région :

XI. CERTIFICATION

Je soussigné, déclare :
→ Avoir visité l'entreprise et le domicile
→ Avoir vérifié l'existence des garanties proposées
→ Avoir fourni au client toutes les conditions relatives au crédit et à l'épargne
→ Avoir vérifié tous les originaux afférents au dossier de crédit
→ Que le client est propriétaire de l'entreprise

Signature de l'agent
REPARTITION DU FINANCEMENT PAR SECTEUR D’ACTIVITE ET PAR OBJET DE FINANCEMENT

(Conformément au niveau référentiel comptable (pages 42 à 44)

REPARTITION PAR SECTEUR D’ACTIVITE

Veuillez cocher obligatoirement un seul secteur

☐ Agriculture, chasse et sylviculture
☐ pêche, pisciculture, aquaculture

☐ Activités extractives
☐ activité de fabrication

☐ Constructions
☐ Commerce, réparation véhicules et articles domestiques

☐ Production et distribution (eau, gaz, électricité
☐ hôtels et restaurants

☐ Transports et communication
☐ activités financières
☐ Education

☐ Immobilier, location et services aux entreprises
☐ activités d’administration publique

☐ Activités de santé ou d’action sociale
☐ activités à caractère collectif ou personnel

☐ Activités des ménages (employeurs personnel domestique)

☐ Activités des organisations extraterritoriales

REPARTITION PAR OBJET DE FINANCEMENT

Veuillez cocher obligatoirement un seul objet

☐ Crédits d’équipement
☐ crédits de trésorerie

☐ Crédits de consommation

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