



MICROFINANCE RESPONSES TO THE REFUGEE AND MIGRANT SITUATION IN EUROPE

The Experience of Microfinance Development (MD), Serbia

Milena Gojkovic, CEO

Athens, 2nd March 2016

Context



Snapshot	SERBIA
Total population	7.2 million
Urban population	55.45%
Nominal GDP (EUR)	33.06 billion in 2014
GDP growth	-1.8%
GDP per capita (EUR)	10,044 (Upper Middle Income Country)
Sectoral share (% of GDP)	8.2% (Agriculture) 36.9% (Industry) 54.9% (Services)
Unemployment rate	22.2%
MSMEs	283,386
Informal Economy	22%



Institutional Evolution



1997-2001: Danish Refugee Council- International NGO

2001-2009: Micro Development Fund – NGO

2009- : Micro Development L.L.C.

Future Goal: to become a regulated non-banking non-deposit deposit taking microcredit institution under the new legislative framework

Mission of Micro Development LLC



- Social
- Financial



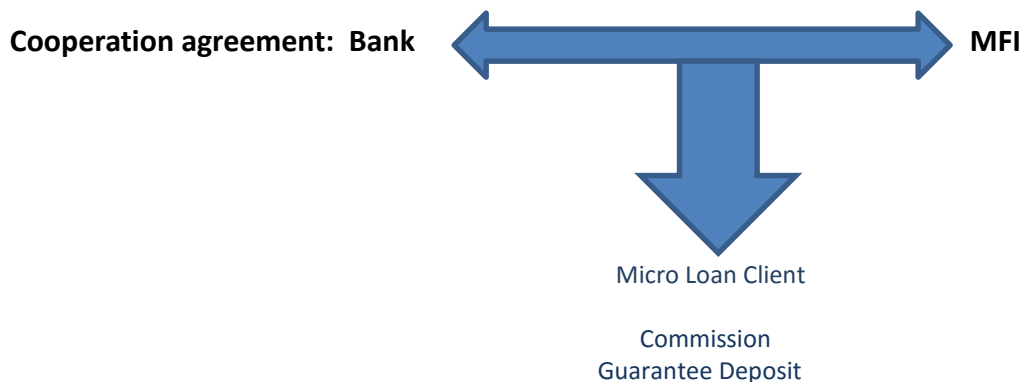
Micro credits represent financial support to disadvantaged, economically active people for start up and development of existing small-scale business activities, as they do not have or have hard access to commercial banks' credits.

Results and Business Model



MICRO LOANS: 1997 - 2015	Data
Number of supported MF	21,995
Amount	30,517,697 EUR
MF Effect on employments:	24,483 (52,758 sustained jobs)
Women	54.10%
Average loan amount	1,429 EUR
Average repayment time	21 m
VOCATIONAL TRAININGS: 2000 - 2012	4,439

Microfinance cooperation with the bank



Evolution of Refugee and IDP Population



- **Refugees** in Serbia: out of initially registered 500,000 Refugees 73,000 Refugees still have Refugee status remaining in Serbia after 15 years.

- **Internally Displaced People (IDP)** in Serbia: 220,227...UNHCR data as of June 2015

- New **asylum** applications lodged in Serbia (UNHCR data):
 - Arrived in 2014 = 16,558
 - in 2015 = 578,065

Responses to Refugee Needs



1. Emergency response phase

- humanitarian support services: shelter, food, health...

2. Self-Reliance Phase

- Provision of in-kind grants as business assets for: agricultural seeds, land cultivation or tools for variety of craft businesses;
- Housing kits (in-kind grant support: basic needs)

3. Financial Integration Phase: income generating

- Micro loans for entrepreneurship – start-up and developing business
- Housing loans
- Basic living conditions loans

4. Business Development Services

- Vocational Trainings
- Counseling services
- Referrals

MD Response to Refugee Needs



BUSINESS
BASIC NEEDS
LOANS

since
1997



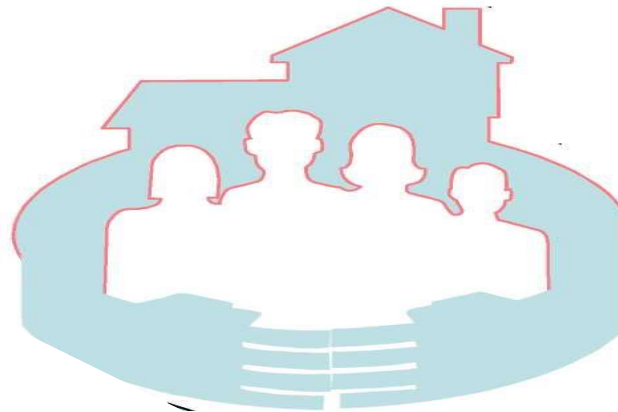
VOCATIONAL
TRAININGS

since
2000



HOUSING
LOANS

since
2007



Impact of Microfinance on Refugees



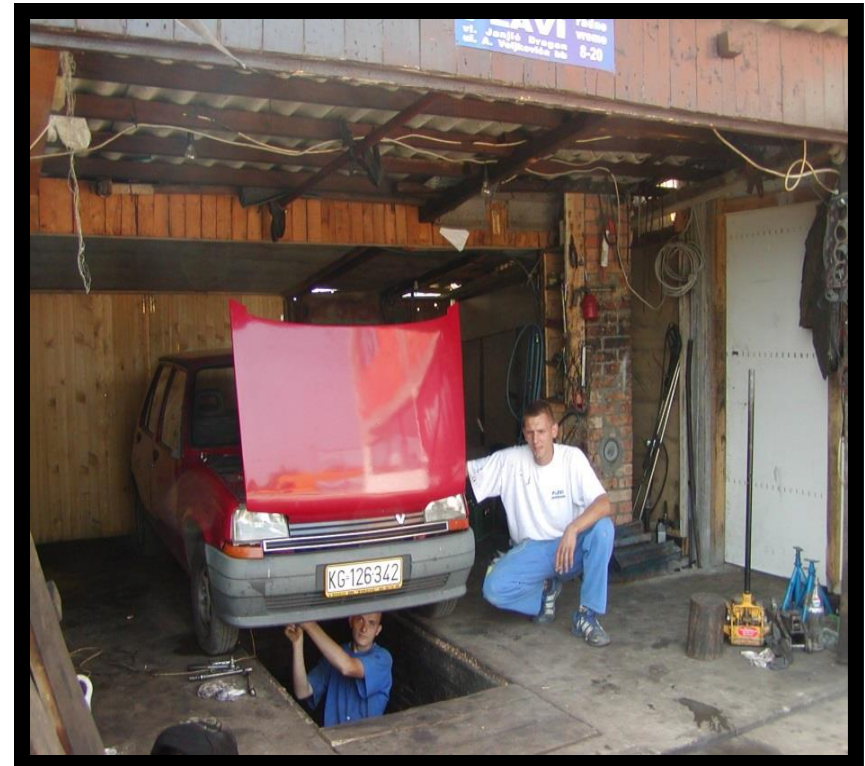
- Income generating focus– covering family needs
- Access to finance
- Job creation (self-employment...)
- Start up and development of sustainable business and income generating
- Development of family business

- Socio-economic inclusion, acceptance, socializing, integration
- Decent Housing living condition
- Less dependency on state support
- Self-reliance

Case Study of Janjić Dragan - Refugee from Bosnia



- Started car repair service in 2001
- Got microfinance support by MDF & MD through 8 loan cycles (EUR 1,200 – 2,850)
- Purpose of the loans: basic fixed assets for car mechanics, tools, machinery
- Created a new job / self-employed
- Sustained his job and created 2 new jobs
- Registered and developed business throughout 12 years
- Today: owner of car repair workshop in Jagodina
- Supports his family with 3 children





Milena Gojkovic

micizgbg@gmail.com

Micro Development L.L.C. :

www.mikrorazvoj.rs

office@mdf.org.rs

Tel. +381 11 3030 667

Thank you

www.fi-compass.eu