

Adie's Mobility Offer

Objective of the Good Practice:

To enhance access to, or stability in, the job market by fostering clients' mobility through microloans (vehicle acquisition & leasing, driving licence funding purposes, etc.), microinsurance (vehicle insurance) and "good deal" offers (preferred prices on fuel, car maintenance & repair, etc.)

Year of Inception of Good Practice:

2009

Keywords:

Mobility, Partnerships, Leasing

Institutional profile

Created 30 years ago, Adie is a French NGO. Adie's core activity is to offer business loans and business development services to unemployed people who plan to start or develop an existing micro-business but cannot access loans from the traditional French banking sector. Adie also proposes microinsurance schemes as well as personal "mobility" loans, aimed at enhancing employability. In 2018, Adie financed more than 23,000 clients.

Overview of Good Practice

For 30 years, Adie has been financing and supporting low-income people in their professional projects. Being mobile is often a prerequisite to get a job. In 2017, one in two people living with less than 1000€/month declared having declined a job offer because they did not have the means of transportation. On the ground, the main purpose of the personal loans Adie disburses is to cover transport-related expenses (vehicle acquisition, obtaining a driving licence). For that reason, since 2010, Adie has gradually developed a comprehensive "mobility approach" aimed at meeting the needs of its clientele:

- Mobility microloans (<5000€) notably allowing customers to acquire, from Adie's partner, a brand-new car through a lease with purchase option, at a discounted price (up to 40%).
- Vehicle microinsurance products with adapted guarantees, offered with insurance companies (Allianz...).
- Good deals: preferred rates for Adie clients on car repair, fuel, etc. provided by Adie partners.

Innovativeness

In order to build this comprehensive "mobility offer" – which combines lending, leasing, business development services and good deals – Adie established, together with the "action tank" of HEC Paris, some innovative partnerships with big private & public companies such as Renault, Diac, Total, Pole Emploi, La Banque Postale, Allianz... This new approach to social business allows Adie to diversify its product portfolio and gives its partner companies the opportunity to do business while reaching out a clientele they usually do not have access to.

Efficiency and Sustainability

Thanks to these partnerships, the operational costs (client sourcing, appraisal, claim handling) as well as the financial costs (credit risks and guarantees, insurance claims, car damage) are shared among partners. The portfolio at risk on mobility microloans, which is satisfactory (5.29%), mitigates the financial costs of the overall scheme and fosters sustainability as it encourages all parties to pursue their collaboration in the long run, while also keeping in mind the meaningful impact and client satisfaction that comes from it (see Success Story below).

Outcomes

In 2016, Adie conducted an impact study on its mobility microcredit, which showed that 80% of clients considered that the mobility microcredit was useful in finding or keeping a salaried job. In 2018 alone (as of end-November), Adie issued 5,748 mobility microcredits (one fourth of Adie's total activity over the period) and delivered 800 car microinsurance, which enabled more than 3,500 people to access the labour market or keep their job.

Type of Organisation

NGO

Country

France

Products & Services provided

- **Financial:** Business microloans, personal microloans, insurance.
- **Non-financial:** Entrepreneurship training, mentoring, e-learning courses.

Gross Loan Portfolio

€ 146 million
(as of November 2018)

Number of clients

51,026 active clients (2017)

Target Audience

Rural population, Urban Population, Unemployed people or people on welfare, Women, Youth, Ethnic minorities and/or immigrants, people excluded from mainstream financial services.

Organisation Website

<https://www.adie.org/>

Lessons Learned

Adie believes that its approach is adaptable wherever a vulnerable population faces the same mobility issues and therefore the same difficulties in accessing the labour market, as described above and observed in France. Any MFI willing to adopt such an approach has first to understand its customers' needs in terms of mobility, in order to design products & processes that match their expectations.

Partnerships are also essential to the success of such an offer, as they allow the practitioner to acquire expertise from outside, and to propose new and bespoke services to its clients. To spread out the mechanism, it should also be flexible and allow local staff to take initiatives on the ground such as building partnerships with local stakeholders.

Lastly, this scheme, and in particular the micro-leasing concept, is a replicable model that could eventually be applied to support microfinance customers in other fields such as access to professional equipment (computers, farm vehicles, cash register supplies etc).



In Practice: Success Story



Azad is a Syrian Kurd who obtained refugee status six years ago. His cousin told him about Adie as he was searching for ways to finance the purchase of a vehicle. At that time, Azad used to walk to his workplace every day, which took him about an hour. The acquisition of a vehicle thanks to Adie's microcredit was a huge relief and substantially improved his daily life, and that of his family.

Today, Azad's personal situation is stable. He has a full-time job and has seamlessly integrated into French society. In 2015, his wife managed to join him in France. They currently live in Toulouse and have one child.



Further Readings

