

Social Rating (1st)

enda inter-arabe(“enda”)

Tunisia



The institution shows a very high level of social return thanks to a combination of excellent *Social Results* and high *Social Commitment*.

Social Results **Excellent**

Social Commitment **High**

Date of visit	July 08
Previous MicroRate Rating	n.a.
Date of Previous MicroRate Rating	n.a.
MicroRate Social Ratings realized	0

Primary Performance Indicators

<i>Social Profile of Tunisia</i>	Dec-07
Poverty Index	n.a.
Extreme Poverty Index	n.a.
Cost of Basic Basket of Goods	\$260*
Unemployment Rate in Urban Areas	14.5%

enda Indicators

Number of clients	63,794
% of Rural areas served	22%
% Female Clients	80%
Average Size of New Loan	\$251
Client Attrition rate	21%

* as of December 2005.

Summary Description

Enda inter-arabe serves both the financial and social needs of the Tunisian population by providing financial and non-financial services to the poor. The institution offers a wide variety of Business Development Services (BDS) and awareness rising workshops on various topics as well as 6 microcredit products. Enda primarily serves the urban and semi-urban market.

Rating Rationale

Enda's very good social rating is a combination of excellent social results and a high social commitment. It has achieved excellent social results in an uncompetitive market serving the needs of micro-entrepreneurs and households that have limited access to the traditional banking system. While enda focus on the lower-end of the urban and sub-urban market, the MFI plans to intensify coverage of more rural areas. Enda is currently segmenting its market and expanding its range of products, with the strong desire to better satisfy the specific needs of its clients. 80% of enda's clients are female.

Enda has maintained very good levels of social efficiency, resulting from relatively low cost per client and operating expense ratio. The comfortable level of operating margin has allowed enda to lower its interest rate without putting its financial position at risk.

Its solid and well-managed operations are accompanied by a high social commitment, including a good level of institutional responsibility to staff, clients, and communities. MicroRate notes that enda's social commitment extends to the environment on a limited level.

Its social commitment is further strengthened by enda's plan to institutionalize a social performance management (SPM) system to track achievements in this area, and to prevent potential mission drifts. While the institution is rapidly growing, enda's challenge will be to ensure proper internal communication of its social mission with all employees at both the head-office and field level thereby ensuring continued high levels of social results and social commitment into the future.

Highlights

Social Results

- Better market segmentation allowed for higher diversification of products
- Very good levels of social efficiency
- Growing outreach
- Focus on non-financial services

Social Commitment

- Institutional mission is well-known
- Strategic plan developed around the social mission
- Incentive scheme was reviewed in line with new social objectives