



# KIEDF Annual Report - 2020

Microfinance Programs



KIEDF aspires to create employment opportunity and social equality in the Israeli private sector, focusing on economically and socially marginalized populations.

The programs target local entrepreneurs, with little or no access to financial services, who can improve their social and economic situation through a business activity.

Professor Muhammad Yunus on how Covid-19 impacts microfinance services: ***“Microcredit programs must learn to survive under all disaster situations. Giving up is not an option. One has to be innovative.”***

Financial Express

**In 2020**

**2,253 entrepreneurs supported**

**1,513 Loans distributed totaling NIS 13m**

**Services provided throughout Covid-19 crisis**

**Since 2006**

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**13,372 non-bank loans**

**With more than NIS 100m of credit**

**Only 1.95 in loan losses**







## COVID-19

With the challenges and restrictions resulting from Covid, KIEDF focused on new avenues to reach our clients. We concentrated on assisting clients in adapting their businesses to ongoing restrictions, focusing on necessary expenses while minimizing or delaying other costs. Clients were helped with understanding any applicable government assistance available. Staff worked with clients on using digital platforms to advance their businesses. Some clients have adapted their products and are providing deliveries when possible, sometimes even using other clients' services to make the deliveries.

With COVID restrictions, meetings took place in the open air, one on one meetings or small groups and when needed, through digital platforms. WhatsApp and Zoom regional groups were formed and utilized for ongoing networking and joint discussions.



# Client Details

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KIEDF microfinance programs target Arab, Bedouin and Druze women and Ethiopian entrepreneurs with micro businesses



## Location

- 43% from the north
- 22% from the south
- 35% from Jerusalem and central Israel



## Education

- 15% Elementary-Middle school
- 40% High school
- 28% Trade/Training
- 17% Academic

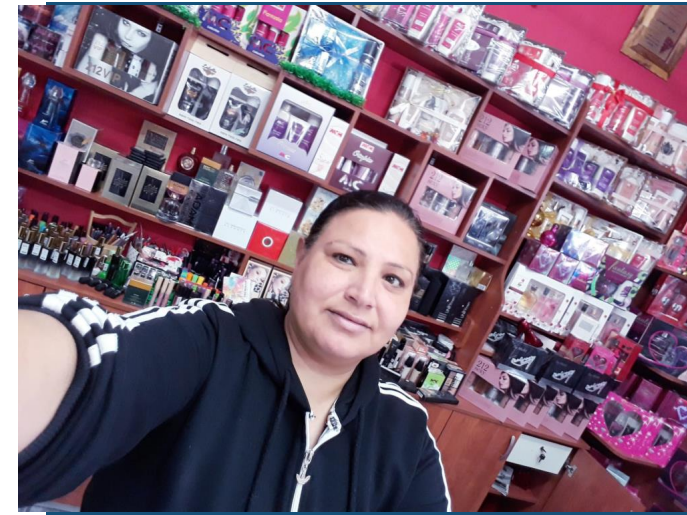
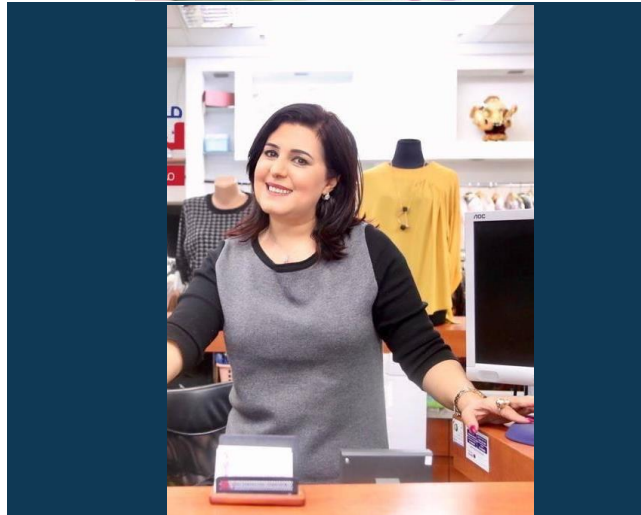


## Marital status

- 71% Married
- 19% Single
- 6% Divorced/Separated
- 4% Widowed



# Stories from the Field







**Amira** owns a private daycare with a staff of four. She provides excellent care, pre-school education and a loving environment. She is active in her community, volunteering and helping others in her town. Amira is dedicated to her daycare and ensuring the parents feel safe and secure in the care she is providing.

Amira utilized her loan to help cover costs during the Covid-19 shut downs and to pay for renovations in the restrooms and kitchen. She has worked with KIEDF staff on digital platforms to manage her business expenses and income, including payments to contractors.

Amira is proud of her business and the income it provides for her family. She wants to keep her daycare running professionally providing an excellent environment for the children in her care and for her staff.



# Sameh

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**Sameh** has a beauty parlor where she provides both cosmetic and medical treatments. She originally began providing beauty treatments from her home. As her client base grew and she gained additional professional training, she moved her business to a central location in her town, outside of her home.

Sameh used her loan for materials, equipment, a hair styling station and new stock of perfumes.

During the lockdowns of COVID, Sameh was still able to provide medical cosmetic treatments and each time businesses could fully operate, she reopened all services, as per the guidelines. In the future she wants to expand and hire staff while making sure her daughter gains an academic education.







**Shirin** has an exclusive clothing store where regular and new customers know they can find excellent quality and top professionalism. Shirin sells suits, dresses and on order specialty items. Unfortunately, several years ago her husband ran into financial difficulties but Shirin succeeded in dealing with these problems.

She has established a lovely clothing store, quite popular in her town. Over the last few years she has been able to strengthen both her business and her family.

During the COVID-19 crisis, Shirin has kept in touch with her customers and made sure to pay her rent and ongoing expenses. She is working on expanding her online sales while maintaining in store shopping.

**Noga** has always worked with challenged populations. While gaining her bachelor's degree in law she decided to focus on conflict resolution and mediation. In 2017, she opened her own family mediation and conflict resolution office, focusing mainly within the Ethiopian community. She is dedicated to taking the 'shame' out of getting counseling within her community

Courts refer patients to Noga and she has gained clients through referrals and simple word of mouth. Noga wants to expand her outreach and used her loan to build her website and a social media platform. She also needed help with her car expenses since house visits are part of her business.

Noga believes, whether the service is for divorce proceedings or to rebuild the family, only when you visit a client in their home, you can understand their problems and work in depth to mediate the most appropriate solutions.





**Fadu** studied carpentry and furniture refurbishing through special courses. Afterwards, she opened her business, refurbishing and decorating furniture and wood pieces. She sells throughout the region and is known for creating beautiful pieces. During the Corona crisis she remodeled her store and reached out to customers on social media, which enabled some of her sales to continue.

Fadu needed her loan to cover remodeling expenses, a new door, wood and supplies.

Fadu plans on making future investments in additional machinery to increase her production.





# Belkis

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**Belkis** is a true artist. Her business has been growing and she took training on selling through Amazon and E-bay and has increased her areas of distribution. Customers can see her pieces on social media and make orders. This expansion enabled Belkis to sell items for the holiday seasons during Covid restrictions and lockdowns

Belkis needed the loan for updates to her store and work area, a new picture orienting machine for specialty pieces and personal orders and for additional materials and supplies.

Belkis wants to include new artistic techniques into her pieces in the future and will expand her online sales while her business continues to strengthen.





**Manal** is a strong independent woman with clear goals and the determination to reach them. She opened her jewelry, feminine clothing and linen store several years ago. As her customer base grew, she expanded and moved to a larger, more central location last year. Manal has a steady customer base and after her expansion, she began gaining clients from nearby towns. During the Corona crisis, Manal has continued to run her store virtually, advertising online and through WhatsApp, enabling direct pickup by customers. Her sales have slowed but she continues and is beginning to see her clients return.

Manal is committed to maintaining her business and continuing its growth. In the future she plans to increase her staff and open an additional branch.

# Hadra

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**Hadra** is married and the mother of four. After her husband became handicapped, Hadra took the future of her family in her hands and began providing sewing and seamstress services. She opened a shop in the bottom of her home, located in the center of her town, and continues to gain a strong reputation. Hadra is known for providing professional alterations and for selling specialty pieces. Her daughter opened a clothing store in her area and sells some of Hadra's items. Customers also come to Hadra for new designs and made to order items.

Hadra used her loan for a cutting table, professional iron, closet, cloths and additional sewing items.

Hadra is proud of her ability to have provided for her family and she wants to continue and ensure a secure future. One day she wants to open another store that will sell cloths and materials in addition to some of her specialty items.







**Annan** is an extremely talented artist who has created well regarded paintings and art pieces. She gives art classes to youth through her local municipality and non-profits. She took the first loan from KIEDF in 2017 and opened her studio.

Her class sizes have expanded at a rate that required renovations in her studio.

She took a second loan to cover expenses during COVID and to make modifications to her studio to allow more participants in her classes.

Annan is working to develop an art school for children and adults



# Jamila

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**Jamila** has a lovely gift shop and Minimarket. During the COVID restrictions, most of the time her store was allowed to keep operating.

Jamila needed the loan to assist in covering ongoing expenses when her store was closed during the lockdowns and for new stock.

Jamila completed advanced business management courses. She is working to have her business thrive and develop her family's savings.



2020

### A look into the future

At the beginning of 2021, we have started operating a new non-bank Loan Fund for Arab Owned Small Businesses. Impact investments, together with the Ministry of the Economy enable the fund's operation, which will provide NIS 15M this year

A new partnership with Social Finance Israel is developing student loans for professional trainings by special target populations.

We continue to develop innovative services and financial tools for unique populations.



## קרן הלוואות לעסקים קטנים בחברה הערבית

**מה מציעה הקרן?**

- הלוואות חוץ בנקאיות
- עד 100 אלף ש"ח
- לתקופה של עד 4 שנים
- הלוואה עם ערב אחד

**למי מתאימה ההלוואה?**

- בעלות/בעלי עסק מהחברה הערבית המעוניינים/ות באשראי לקידום העסק
- ללא הגבלה בבנק או תביעה פתוחה בהוצאה לפועל
- עסקים שלא קיבלו הלוואה מהקרן בערבות המדינה

מה עלי לעשות בכדי לקבל את ההלוואה?  
להתקשר לעמותת קורת לטלפון 04-9588440 / 054-3204779



# *Thank you to our supporters & funders*

Our priority is to continue nurturing relationships with our clients. These entrepreneurs crave tools and services not available to them from other sources.

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Your support has enabled our growing outreach, increased our ability to assist entrepreneurs during COVID while also improving their business management and performance.

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