

RESILIENCE

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**ANNUAL  
REPORT**  
2020



AFI

ACTION  
FINANCE  
INITIATIVE



RESILIENCE  

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**ANNUAL  
REPORT**  
2020



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**Resilience:** *The ability to recover from or adjust easily to misfortune or change.*

# ANASTASIA TSILOGLOU

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## AFI / General Manager

Life is what happens while we are busy making other plans. In 2020 we were all caught by surprise, disconnected from any conditions we took for granted, and impacted severely, in all aspects of our being.

In AFI, as in everywhere else, we had to put most of our initial plans on hold, to roll up our sleeves, put new priorities in place, reinvent operations, and most importantly stand alongside micro and small businesses who were called to fight an unfair fight with all their might and main.

In 2020 inevitably all AFI efforts were focused on the following main areas:

- Supporting and training micro-entrepreneurs to understand, navigate, adjust, reinforce, and reformulate their business model amidst unprecedented conditions,
- Advocating intensely for the first microfinance law in Greece, which was voted in the parliament in July 2020,
- Preparing the transition of the organization into the new regulatory framework for microfinance to become a direct lender to micro and small businesses,
- Continuing funding micro and small businesses, while managing the risk of the crisis,
- Securing extra funding to help selected businesses hit by Covid-19 to sustain job positions with grants.

Both AFI and the microentrepreneurs we supported throughout the years had to challenge our respective modus operandi, embrace technology front and back-end more than ever before, explore new business development initiatives, create new infrastructure, and strengthen skills to survive the pandemic.

In such a difficult historical moment, AFI managed to fund 117 new businesses, train, mentor, and coach almost 1.500 unique entrepreneurs, manage its credit risk, form new strong funding partnerships. At the same time, AFI celebrated the introduction of the new microfinance law, that will enable us to become an independent financial institution in 2021 and set the foundations for the 2.0 version of the organization. In addition, in 2020 AFI renewed the European Code of Good Conduct for Microfinance Provision, ensuring once again that the organization is fully aligned with European best practices in the field.

This Annual Report is dedicated to all microentrepreneurs who fought with great resilience, all partners that stood alongside us during a tough time without hesitation, to new collaborators we met and worked together with optimism and vision despite the gloomy reality, to all mentors and volunteers who exceeded our expectations with endless training and mentoring hours selflessly offered to small businesses.

You all have our deepest respect, appreciation, and admiration!

# WHO WE ARE

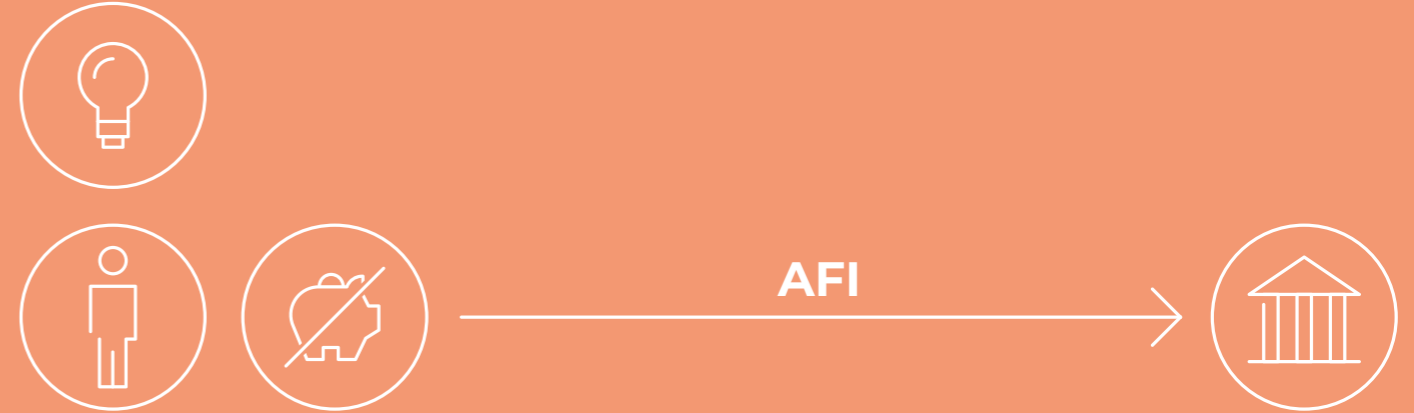
AFI is the first and leading microfinance organization in Greece, founded by the European microfinance pioneer with 30+ years of microcredit experience, ADIE and ActionAid Hellas. AFI has already 7 years of field experience in Greece, having funded almost 500 micro and small businesses with 5mln Euros and having educated/coached 3.500 micro-entrepreneurs in the country.

Through microfinance provision and supplementary business development services, AFI has supported the creation of 850 new job positions, 50% of which are undertaken by ex-unemployed people and 40% by female entrepreneurs. According to the Social Return on Investment study, performed by our strategic partner PwC Greece, 1 euro invested/donated to AFI, creates 2x value to the Greek society/economy. From 2014 and for 6 years of exhaustive advocacy efforts, AFI consistently promoted a more suitable fiscal and institutional environment for microcredit and

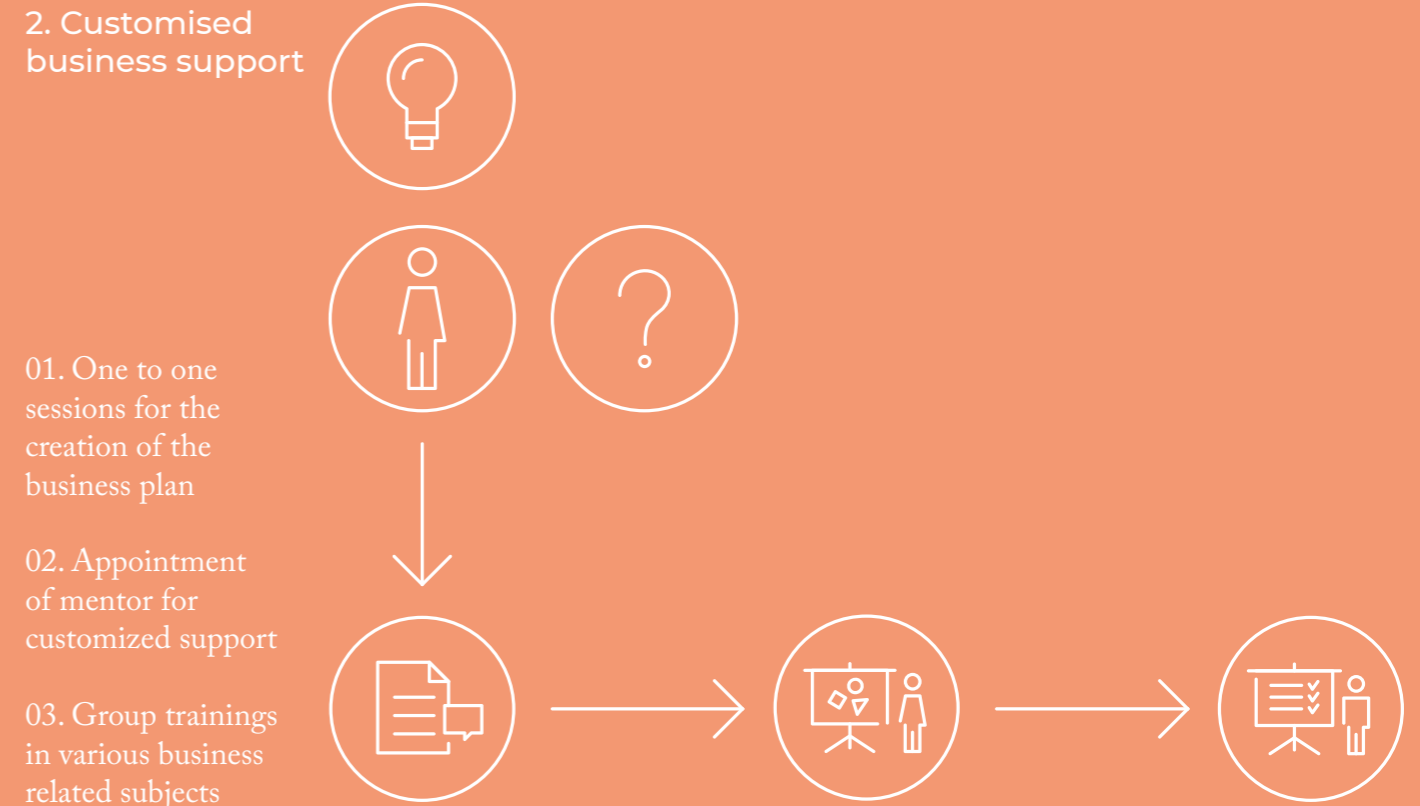
entrepreneurship to flourish. The organization during this period sensitized its ecosystem, including key representatives from three different governments and regulators, about the most appropriate microfinance framework in Greece based on EU best practices that led to the voting of the first microfinance law on July 1st, 2020. The major breakthrough of this law to the sector was that licensed Microfinance Institutions can finally operate independently from banks for the final microloan disbursement, aligning to the most mature microfinance environments in Europe.



## 1. Access to funding



## 2. Customised business support



## ATHENS TEAM



## THESSALONIKI TEAM



## AFI BOD

Akis (Ted) Petroulas

*Private Investor*

**Chair**

Grégoire Héaulme

*Regional Director, ADIE*

**Vice Chair**

Bianca Glavanis

*Member BoD, Member of Finance  
& Audit Committee / ActionAid Hellas*

**Secretary**

Xenia Kazoli

*Member of Supervisory Board, Hellenic  
Corporation of Assets and Participations S.A.*

**Treasurer**

Ulysses  
Kyriakopoulos

*Private investor, Businessman*

**Member**

Adrien  
Gizon

*Director, ADIE International*

**Member**

Svetoslav  
Danchev

*Head of Microeconomic Analysis  
and Policy Unit , IOBE*

**Member**

# AFI ACHIEVEMENTS

The crisis hit Greece, like the rest of the world very hard. Greece went into lockdown very early on, meaning that almost the whole country was frozen since March and the small businesses and freelance entrepreneurs were severely impacted. As a crisis management measure, AFI focused a lot in supporting its existing beneficiaries in the best way possible.

Almost all activities were moved online throughout 2020, including all training sessions, loan appraisals, business planning meetings and mentoring sessions.

During this extremely rigid period, AFI continued to provide constant support and training to the entrepreneurs and furthermore the organization focused on being resilient and flexible by adjusting Its webinars to the new circumstances.

# AFI IN NUMBERS

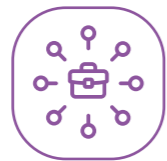
	Loans Disbursed	New Businesses	Amount Disbursed
2015	16	13	119.900
2016	46	19	378.250
2017	61	44	477.040
2018	82	58	811.500
2019	157	93	1.574.200

## 2020



Loans Disbursed

117



New Businesses

80

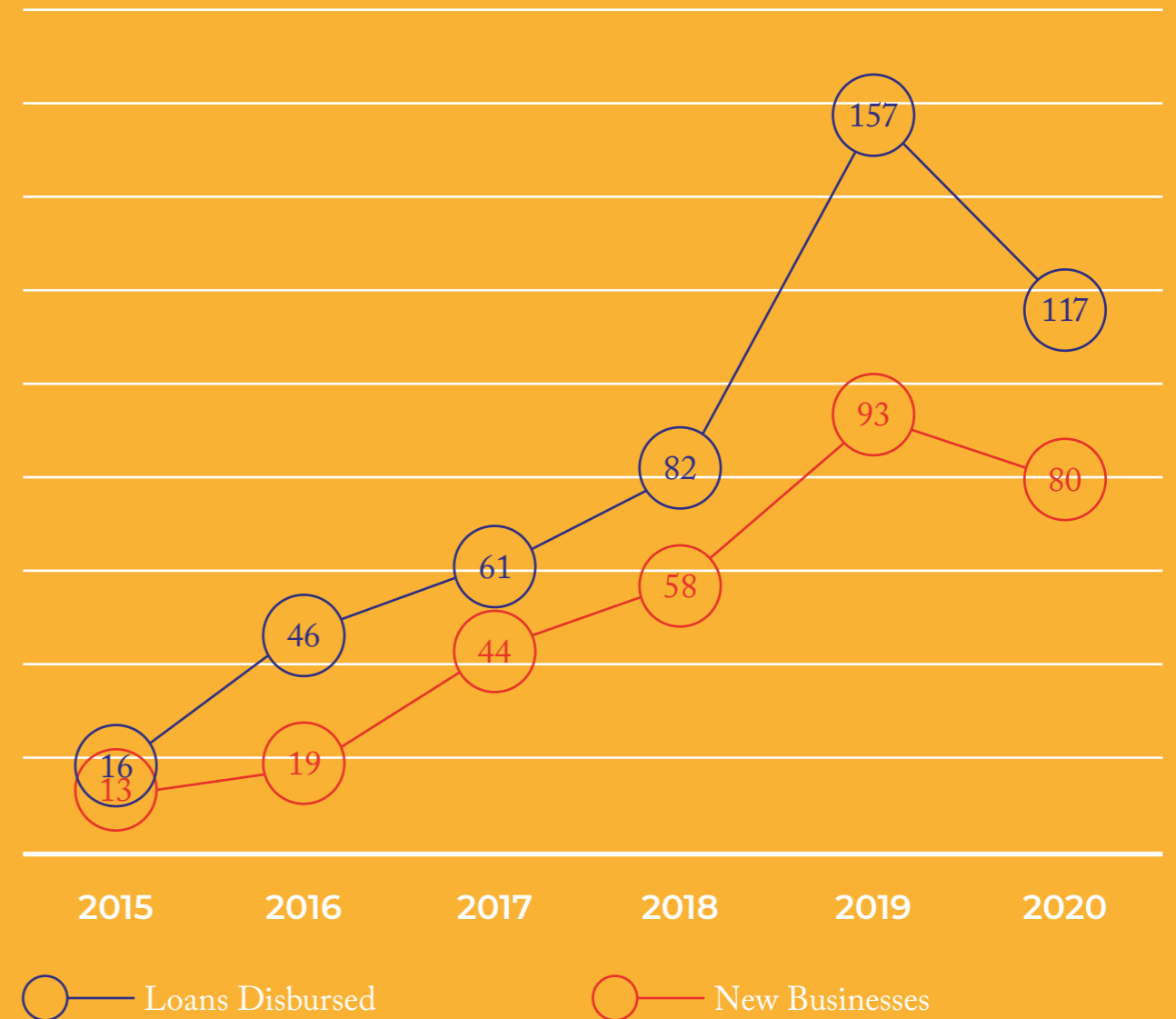


Amount Disbursed

1.221.250



# AFI PRODUCTION





## SOCIAL IMPACT



New Jobs  
Created

147  
2020



Average Jobs  
Created per loan

1,3  
2020



New Businesses

68%  
2020



14

## CLIENT PROFILE



Female  
Entrepreneurship

52%  
2020



Youth  
Entrepreneurship

10%  
2020



Unemployed

50%  
2020



RISK AS AT 31.12.2020

9%  
PAR 30

5%  
PAR 90

1,5%  
LOSS

15

# BUSINESS DEVELOPMENT SERVICES

After the microloan disbursement, AFI provides mentoring and customized support according to the needs of each entrepreneur up to the full repayment of the loan. Each beneficiary may have more than one mentor at some times, in varied specialties, depending on the training needs. The meetings take place in our offices at a frequency which depends on the individual needs of the entrepreneur.

AFI mentors come from various backgrounds and have experience in many different verticals and industries, in order to be able to cover a wide range of mentoring needs. Many of them are at a CxO level and have had international careers, others are current or ex-entrepreneurs, specialists in various areas, such as sales, online marketing, accounting, e-commerce, UX/UI, licensing, law and many others.

In total 609 BDS sessions took place and 1461 unique people attended at least one training session on several entrepreneurial thematic areas. All group trainings are very aimed to provide practical and immediately applicable solutions and improvement methods to all attendants. Also, all AFI beneficiaries that receive a loan are offered a mentor to support them in their business needs. This year we implemented with great success online BDS trainings. This led us to the provision of 20 free of charge webinars for the second half of 2020. Furthermore, the full 9-episode e-learning was uploaded on AFI's website and was provided free of charge to everyone from AFI's website.



Unique Individuals Trained

1.461  
2020



Training Sessions

609  
2020



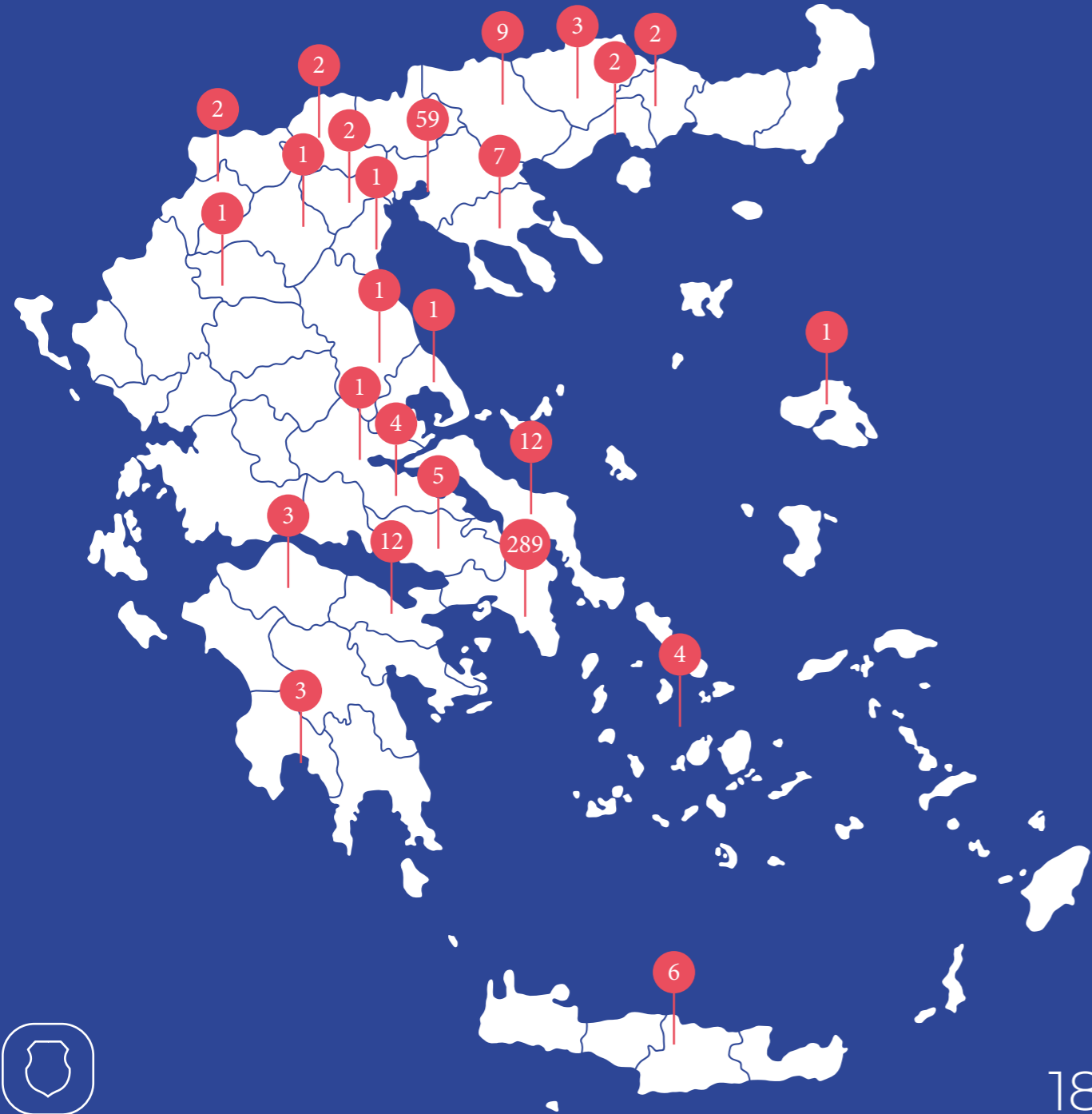
Hours of Business Support

1.218  
2020



Registered Volunteers

50  
Total



## AFI MAP

In 2020 AFI supported 117 entrepreneurs (61 women) with access to microloans and business development services, 74 in total (39 women) in Southern Greece, and 43 (22 women) in Northern Greece. Refer to the table below for a detailed breakdown of the location of supported clients.

Area	2020	Total
Lesvos	1	1
Chios	0	1
Crete	2	6
Phthiotis	1	4
Cyclades	2	4
Evoia	3	12
Corinth	6	12
Lamia	0	1
Kalamata	1	3
Achaia	0	3
Attica	57	289
Viotia	1	5
Larissa	0	1
Thessaloniki	22	59
Pella	0	2
Halkidiki	2	7
Imathia	2	2
Kozani	0	1
Grevena	0	1
Kastoria	0	2
Serres	5	9
Kavala	1	2
Drama	2	3
Pieria	0	1
Magnesia	0	1
Xanthi	1	2
Other	8	10
<b>Total</b>	<b>117</b>	<b>479</b>





# SIGNIFICANT EVENTS

## AFI AT THE IMPACT AWARDS

The Hellenic Initiative (THI) through the institution of the Venture Impact Awards (VIA) that took part for the first time this year, awarded for the first time Action Finance Initiative – AFI. The awards recognized the practical support that AFI offers to the economy and its positive multiplier effect in Greek society. This distinction is extremely valuable and important as AFI stood out of 123 participating companies and organization. Just 14 were able to be awarded, based on their contribution to the Greek society and the role they represent in shaping up the future.

We at AFI would like to extend our gratitude towards the Greek Diaspora and in particular at Helidoni Foundation & Charles Condes Estate which actively provide their financial support to all those who strive for the elevation of Greece. With the money prize AFI managed to strengthen its financial position that was negatively impacted by the pandemic.

The awards' ceremony took place on December 17th giving us the opportunity to congratulate all participants and thank The Hellenic Initiative once more for their support.



**THE VENTURE  
IMPACT AWARDS**

## AFI EMERGENCY FUND

Three separate surveys were conducted online and by telephone to existing businesses that have been impacted by the crisis. One in March, one in May and one from July – September.

The results of the two first surveys helped us to better understand the needs of these businesses to adjust our services better to the specific.

The results of the second survey were to help us to design and fundraise towards an emergency response fund. We received 15.000 euros from one of our supporting donors and this was given, after thorough evaluation and rigorous examination of needs, to 10 of our beneficiaries as grants of 1.500 euros each. Fundraising for supporting the existing clientele with funds continues throughout 2020 and 2021.

# SUPPORTING WOMEN EMPOWERMENT AND INCLUSION THROUGH ENTREPRENEURSHIP IN BELGIUM AND GREECE

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## Chanel Fondation Project

Women are more unemployed and only a few consider entrepreneurship as an alternative. The main reasons are the lack of confidence, the fact that they are still mainly in charge of the household and kids, lack of access to financial services and information about entrepreneurship (WIDE 2009). OECD showed that 58% of Belgian women and 70% of Greek women do not have access to information/training about entrepreneurship and 69% (90% Greeks) lack access to funding.

### Greece:

- 37,5% of female entrepreneurship driven by necessity (gemconsortium)
- 23% of women are entrepreneurs (statistics.gr)
- 56% of the unemployed population are women
- 72% of unemployed women are long-term unemployed

Alongside, with Microstat in Belgium we took on a number of initiatives in empowering women and support their social inclusion through the promotion of entrepreneurship. The project was funded by Fondation Chanel.



# FEMALE ENTREPRENEURSHIP WEEK

## Chanel Fondation Project

AFI organized a female entrepreneurship week in December, under the umbrella of the female entrepreneurship campaign. This included a series of 4 webinars and a speed mentoring session that was broadcasted live on Facebook. Here, female entrepreneurs were invited to send their questions beforehand, which were answered live at the event by 5 accomplished mentors, amongst whom they could find CEOs, entrepreneurs from different industries, business consultants and gender specialists.

169 unique participants attended the events, out of which 151 (89%) were women. Special videos were also prepared for this week, where female AFI beneficiaries answered questions relating to entrepreneurship and their personal journey.



# FIRST MICROFINANCE LAW IN GREECE

From 2014 and for 6 years of exhaustive advocacy efforts, AFI consistently promoted a more suitable fiscal and institutional environment for microcredit and entrepreneurship to flourish. The organization during this period sensitized its ecosystem, including representatives from three different governments, about the most appropriate microfinance framework in Greece based on EU best practices. AFI delegates joined frequent meetings with the ministries of Economy and Development, local and European General Secretaries for the European Social Fund and Public Investments, Deputy Ministers to the Prime Ministers, Directors of the Hellenic Manpower Employment Organization, the European Investment Bank, as well as regulators and lawyers from Bank of Greece.

AFI proposed numerous articles of the microfinance legal framework and participated in the open discussion at the parliament in light of the new law. On July 1st, 2020, the first microfinance law was enacted in Greece, that established the rules towards the undertaking, management and supervision of microfinance granting, and according to which licensed Microfinance Institutions can operate independently from banks. This has been the most significant development of the sector since its launch, and AFI will be driving and leading the transition to the new direct microfinance model in 2021 with the aim to service, educate, and fund vulnerable and non-bankable beneficiaries all over Greece to start and/or grow their businesses.



# YBI / GOOGLE.ORG SUPPORT MICROENTREPREURS DURING THE PANDEMIC

On May 2020, AFI began a new project managed by Youth Business International and funded by Google.org focusing mainly on supporting existing businesses, young people, and women as a relief and recovery support for the post-COVID period. This includes mentoring, training, and webinars for existing businesses throughout Greece that have been negatively impacted by the situation. The project will end in mid-April 2021.

During the first and second phase of the project which covered the period from mid-May 2020 through to the end of December 2020, some of the key results that AFI achieved are highlighted in the followings:

- In total, 79.566 people accessed AFI's outreach, helplines, and informative newsletters aimed at supporting businesses in the front line.
- 1.103 existing businesses accessed group and individual training and mentoring.

Subjects included professional coaching on how to handle stress in uncertain conditions, how to manage employees in uncertain times, social media advice during the Covid-19 crisis, business communication, digitalization of non-digital business, and business survival and crisis management at an individual level.

Out of these, 534 people reported increased knowledge and skills to manage risk and uncertainty.





# YBI / GOOGLE.ORG SUPPORT MICROENTREPREURS DURING THE PANDEMIC

## E-Learnings

Three separate surveys were conducted in 2020 online and by telephone to existing businesses that have been impacted by the crisis. One in March, one in May and one from July- September.

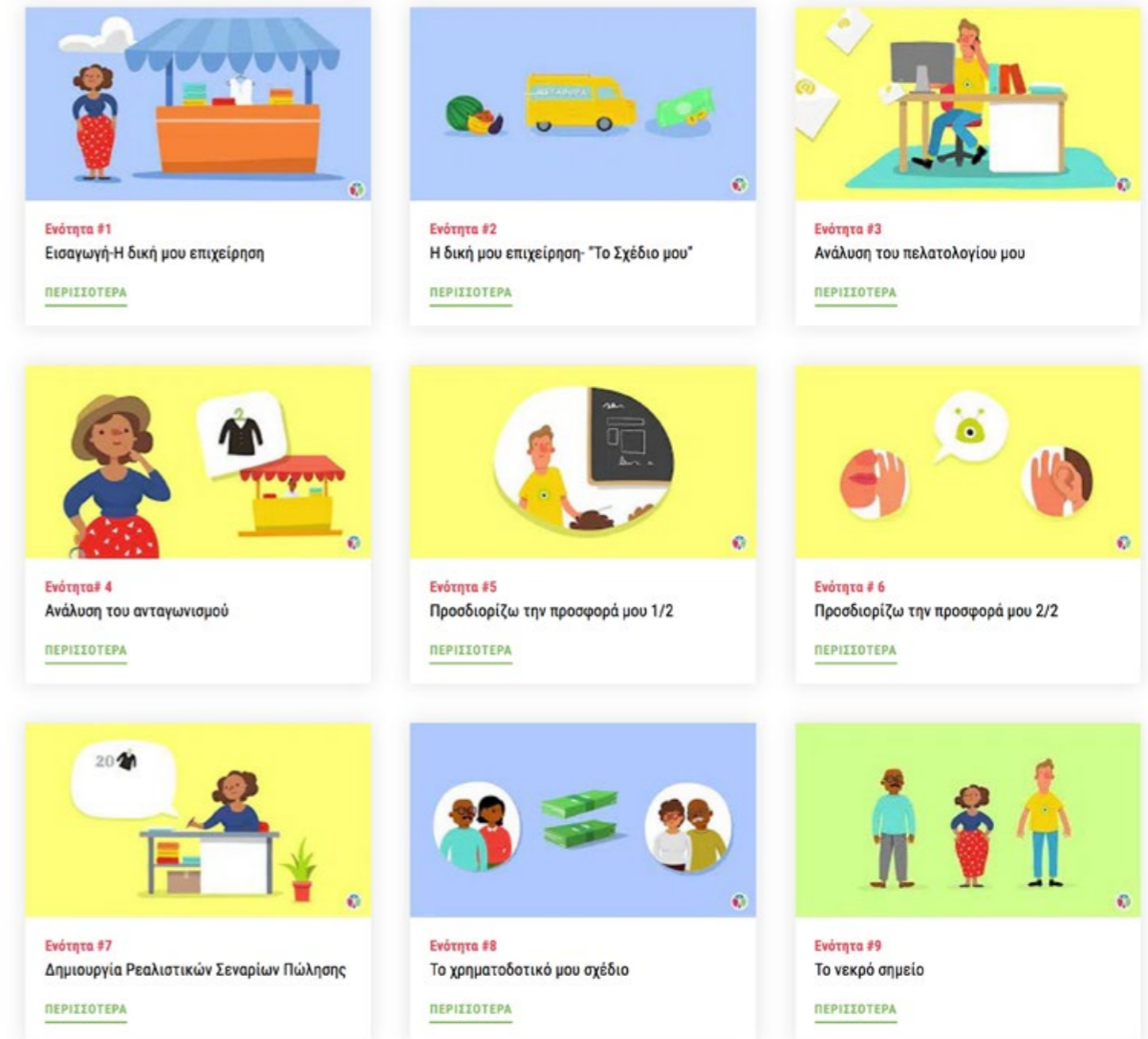
The results of the two first surveys helped us to better understand the needs of these businesses to adjust our services better to the specific needs. A feedback that we received a lot, is the lack of a comprehensive platform that addresses specific needs as part of their professional and business development. As a result we created 9 e-learnings that got fully translated and uploaded to our website in response to this feedback.

The E-learnings offered free of charge upon an initial registration. These videos offer a comprehensive step-by-step guide to creating and understanding a business plan.

Titles to e-learnings include:

- Introduction
- My own business plan
- Analyzing my clientele
- Analyzing competition
- Defining my offering
- Creating realistic sales targets
- My financial plan
- Break even point

In total, in 2020 enrolled to watch 263 people out of which 175 were females.



με την υποστήριξη του Youth Business International και του Google.org

# DONORS



## Foundations



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## Private Philanthropists

## In - kind Donors



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## Banking Partners





# RESILIENCE STORIES



## CHRISTINA PAPADIMITRIOU

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### A.K.A. Architecture Kids

Christina is giving courses, revolving around architectural history, theory, design and other topics related to the built environment of Athens. The courses are designed for children and teenagers, as well as tourists.

Christina Papadimitriou is an architect and she created A.K.A. Architecture kids Athens, a unique business which is combining with the most efficient way teaching and pleasure.

Christina has worked for the Greek Ministry of Culture, and practiced as an architect in Greece, she has taught architecture and art history at the SOA Princeton and the Department of Art and Archaeology at Princeton University.

A.K.A Architecture Kids Athens is a company based in Athens, Greece. It operates in the cultural and educational sector.



## **KATERINA OIKONOMIDOU & ANNA SARANTIOGLOU**

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### Paraty Nature Lingerie

Paraty Nature Lingerie is the creation of two friends from Greece, Anna & Katerina. The brand name was inspired by the location 'Paraty', one of the beautiful places in Brazil, which since 2019 has been included in Unesco's World Heritage Sites. Also, the word "Para ti" which means "for you" in the Spanish language.

The idea was conceived from Anna's & Katerina's need for comfortable, health ensuring lingerie, yet at the same time, impressively elegant. Each collection is developed by a Greek designer. All products are 100% Greek and the lace in the Romantic collection is from France.

They came to AFI to find the necessary start-up capital to purchase raw materials and create samples of their final products before they hit the market. As well as for the mentoring services they received, that assisted them in the initial guidance and planning of the business plan.



# ALEXANDRA PAPADIAMANTAKI

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## Mediterranean Gold Grocery store

Alexandra prior to her own business has worked for many years as philologist in private schools and also as private teacher. In parallel, she was working in the family business, a grocery store situated in the traditional open food market of Thessaloniki.

Alexandra's wish was to continue the family tradition and open her own grocery store. The store is found in the traditional open food market of 'Kapani', which is a market that is operating for years. Her store is visited not only by locals, who seek to buy good quality traditional Greek food products, but also by tourists so there is a big range of customers. Her store sells traditional Greek products such as olive oil, olives, honey, pasta, legumes and sweets.

Alexandra came to AFI with the intention to expand the variety of her selling products with vegan and bio products. Furthermore, she wanted to conclude the renovation of her shop and purchase of essential equipment.

# CONSOLIDATED FINANCIAL STATEMENTS

	2019*		2020*	
	Operations	Loan guarantees	Operations	Loan guarantees
<b>Revenues</b>				
<i>Donations</i>				
By Individuals			30.400 €	
By Corporations	1.295 €		67.500 €	
In kind Donations				
By Foundations	242.428 €		397.184 €	
<b>Total Donations</b>	<b>243.723 €</b>		<b>495.084 €</b>	
<i>Other Revenue</i>				
Investment Income		1.601 €		947 €
Loan origination fee	63.251 €		45.490 €	
Total Other Revenue	63.251 €	1.601 €		947 €
<b>Total Revenues</b>	<b>306.974 €</b>	<b>1.601 €</b>	<b>540.574 €</b>	<b>947 €</b>
<b>Expenses</b>				
<i>Program expenses</i>				
Salaries	152.469 €		187.207 €	
Withholdings, Taxes etc	41.771 €		50.966 €	
Transportation	15.419 €		7.256 €	
Marketing and communication	28.803 €		31.391 €	
Training / GEO Expansion	1.801 €			
Other Expenses			15.000 €	
Bank loss reimbursement		17.561 €	23.008 €	
<b>Total Program Expenses</b>	<b>240.263 €</b>	<b>17.561 €</b>	<b>314.827 €</b>	<b>- €</b>
<i>Administrative</i>				
Salaries	52.833 €		40.728 €	
Withholdings, Taxes etc	18.874 €		16.949 €	
Office supplies	26.148 €		5.808 €	
Office rent & office expenses	10.894 €		22.343 €	
Third parties services	4.923 €		47.904 €	615 €
<b>Total Administrative</b>	<b>113.672 €</b>	<b>- €</b>	<b>133.732 €</b>	<b>615 €</b>
<b>Total Expenses</b>	<b>353.934 €</b>	<b>17.561 €</b>	<b>448.559 €</b>	<b>615 €</b>
<b>Net Change in Assets = ([1] - [2])</b>	<b>-46.960 €</b>	<b>-15.960 €</b>	<b>92.015 €</b>	<b>332 €</b>

# STATEMENT OF FINANCIAL POSITION

	2019*		2020*	
	Operations	Loan guarantees	Operations	Loan guarantees
<b>Assets</b>				
Cash & Cash Equivalents	155.619 €	223.235 €	297.979 €	224.024 €
<i>Receivables</i>				
Grants Receivables				
Origination Fees				
Other	4.234 €		3.555 €	
Prepaid expenses	12.495 €		7.514 €	
Investments				
Office & other equipment	336 €		336 €	
<b>Total Assets</b>	<b>172.684 €</b>	<b>223.235 €</b>	<b>309.384 €</b>	<b>224.024 €</b>
<b>Liabilities and Net Assets</b>				
<i>Liabilities</i>				
Accounts payable	28.047 €		70.811 €	
Accrued expenses				
Other obligations	16.578 €		19.183 €	
<b>Total Liabilities</b>	<b>44.625 €</b>	<b>- €</b>	<b>89.994 €</b>	<b>- €</b>
<i>Net Assets</i>				
Unrestricted	128.059 €		219.389 €	
Pledged as Loan Guarantees		223.235 €		224.024 €
<b>Total Net Assets</b>	<b>128.059 €</b>	<b>223.235 €</b>	<b>219.389 €</b>	<b>224.024 €</b>
<b>Total Liabilities and Net Assets</b>	<b>172.684 €</b>	<b>223.235 €</b>	<b>309.384 €</b>	<b>224.024 €</b>



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FINANCE  
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