

United Nations Economic Commission for Africa

**Report on Selected Good/Best Practices
in Gender Mainstreaming**

**Algeria
Promoting Women's Access to Employment:
the Micro credit Facility**

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ACRONYMS

ANGEM	Agence nationale de gestion du microcrédit/ National Agency for the Management of Microcredit
ANSEJ	National Youth Employment Support Agency
BADR	Algerian Rural Development Bank
BDL	Local Development Bank
BNA	National Bank of Algeria
CNAC	Caisse nationale d'assurance Chômage/ National Unemployment Insurance Fund
CNES	Conseil national économique et social/ National Economic and Social Council
CPA	Algerian People's Credit Union
CRASC	National Centre for Social and Cultural Anthropology Research
DZD	Algerian dinar
ESIL	Local Initiative Employment
FGMMC	Fonds de Garantie Mutuelle des Micro Crédits/ Microcredit Mutual Guarantee Fund
GDP	Gross Domestic Product
ILO	International Labour Organization
MDCFCF	Ministère délégué chargé de la famille et de la condition féminine/ Ministry for the Family and Status of Women
MDGs	Millennium Development Goals
ONS	National Office of Statistics
PNR	Free Loan
PPP	Purchasing Power Parity
GPHC	General Population and Housing Census
SDGEA	Solemn Declaration on Gender Equality in Africa
UGTA	General Union of Algerian Workers
USD	US dollar

1 DZD = 0.015 USD

Chart 1: Algeria



I. INTRODUCTION

1. Background: Country profile

1. Algeria is located in northwestern Africa, bordering the Mediterranean Sea between Morocco and Tunisia.

2. It has a total surface area of almost 2.4 million square kilometres, more than four fifths of which is desert (the tenth-largest country in the world and the second-largest in Africa).

3. Algeria is a multi-party republic with a constitution. It observes separation of powers among the executive, legislative and judicial branches of government. The President is the Head of State and Commander-in-Chief of the armed forces, as well as Minister of National Defense.

4. Algeria has a bicameral parliament. The lower chamber is the 389-member National People's Assembly (Assemblée Populaire Nationale—APN), and the upper chamber is the 144-member Council of the Nation. Members of the APN are popularly elected for five-year terms.

5. Algeria is divided into 48 provinces (wilayas), which are further subdivided into daïras and communes. A Wali (governor appointed by the President and falling under the Ministry of Interior) heads each wilaya, while a chief heads each daïra. Elected assemblies govern each province and commune.

6. As at July 2007, Algeria's population was estimated at 33.3 million, growing at an annual rate of 1.2 per cent. More than 90 per cent of the country's population is concentrated along the Mediterranean coast, which constitutes only 12 per cent of the country's land area. About 59 per cent of Algeria's population is urban¹.

7. In 2007, the distribution of the population by age was as follows: 0–14 years, 27.2 per cent; 15–64 years, 67.9 per cent; and 65 years and older, 4.8 per cent. As this distribution indicates, Algeria has a very young population, which poses a challenge for the labour market and the education system. According to the National Economic and Social Council², life expectancy in 2007 was 75.7 years (74.6 years for men and 76.7 years for women). In the same year, the birth rate was estimated at 17.11 per 1,000 people³, and the death rate was estimated at 4.62 per 1,000 people. The infant mortality rate was 28.78 per 1,000 live births; the fertility rate was 1.86 children per woman, and the maternal mortality rate was 88.9 women/100,000 live births down from 174.

8. Algeria is making progress toward its goal of “reducing by half the number of people without sustainable access to improved drinking water and basic sanitation by 2015⁴.” Given its young population, the country favours preventive health care and clinics over hospitals⁵. In keeping with this policy, the Government maintains an immunization programme. Access to

¹ ONS. GPHC 1998.

² CNES (conseil national économique et social). Human Development Report 2007.

³ 62.5 per cent of women now use methods of birth control.

⁴ National MDG report. Objective 7. Target 10. Page 67. 2005.

⁵ National programme against child mortality/national school health / national health programme for adolescents/ Policy for Prevention.

health care is enhanced by the requirement that doctors and dentists work in public health for at least five years. However, doctors are more easily found in the cities of the north than in the Sahara region in the south. Reproductive health and maternal and child care are a State priority outlined in the national public health policy.

9. Algeria's literacy rate is estimated at 69–70 per cent, 79 per cent for males and 61 per cent for females. Despite progress since independence in 1962, women are still lagging behind. Education consumes one quarter of the national budget. Education is free and officially compulsory for Algerians up to age 16, but actual enrolment is not yet at 100 per cent. Algeria has 10 universities, seven university centres and several technical colleges. It should be noted that, given the high rate of school attendance for girls at all levels of education and the successes they have obtained, the proportion of female students at university is often superior to that of males in several disciplines (around 69 per cent⁶).

10. The illiteracy rate is 27.2 per cent among the population aged 15 and over. The gender gap is widening more for the older generations. The goal of reducing female illiteracy, particularly in rural areas, has been further underlined by the Head of State⁷.

11. The increasing investment in educational and vocational training offers an opportunity for people wishing to acquire quality training and qualifications, with women benefiting more. In 2007, girls represented 37.64 per cent of students enrolled in vocational training. Branches and annexes have been established in rural areas to facilitate girls' access to these facilities.

12. In Algeria, the proportion of the population living on less than one dollar⁸ a day decreased from 1.9 per cent in 1998 to 0.8 per cent in 2000 (reduction by more than half before the end of 2015). If the purchasing power parity (PPP) dollar is considered, then the reduction went from 3.6 per cent in 1998 to 1.9 per cent in 2003. Nevertheless, in Algeria, poverty as outlined in the MDGs is marginal, with a realistic chance of being eradicated⁹.

13. Algeria's economy is in the midst of a transition from State control to an open market. The economy depends heavily on the hydrocarbons industry. In the current high-price environment for oil and natural gas, Algeria's economy is experiencing an upswing, and hydrocarbons account for about 60 per cent of revenues, 30 per cent of gross domestic product (GDP¹⁰), and 95 per cent of exports. Algeria is aware of the need to diversify its economy, partly to reduce the country's high rate of unemployment (13.8 per cent in 2007¹¹), but also to promote stability and assist with the transition to a market economy. Under the leadership of President Abdelaziz Bouteflika, the Government is pursuing an economic reform programme that embraces not just diversification, but also other initiatives such as deregulation, banking reform and trade liberalization.

14. Institutional reforms are being pursued to consolidate the rule of law, strengthen the participation of all citizens in the development process, and in keeping with equity and equality principles, reduce any lingering disparities within some social settings and regions.

⁶ National strategy for gender equity and equality. MDFCF. Page 13. July 2008.

⁷ Point 5. Human Development. www.cg.gov.dz/dossiers.htm. June, 13 2007.

⁸ Definition of poverty in the MDGs.

⁹ National Human Development Report. CNES. 2007.

¹⁰ GDP / PPP estimated per capita in 2006 at \$ 7416.2. National Human Development Report. CNES. 2007.

¹¹ Activity, employment and unemployment in the 4th trimester 2007. Newsletter n° 489. Page 3. ONS.

2. Methodology

15. As mentioned in the terms of reference (TOR) of the consultancy, the major objective of the proposed document is to gather and analyse information on the effectiveness of *the microcredit facility* in helping to promote women's access to employment in Algeria. This document is part of a compendium related to good practices, and it offers examples of what different actors in different parts of the African continent are doing to address the diverse gender equality and women empowerment issues that prevent women and men from enjoying the full range of their rights and the highest possible level of well-being based on available resources. This compendium is not intended to evaluate the progress achieved, but to track the most striking and sustainable examples in gender mainstreaming.

16. Thus, the methodology followed was as follows:

- Collection of information and data on the microcredit facility.
- Review of various documentations related to the progress made on gender and women's empowerment.
- Meetings and interviews with officials from the institutions providing the microcredit facility in Algeria:
 - from the MDCFCE: Ms. Farida Belahcene and Ms. Ouahida Boureghda, Minister's advisors
 - from ANGEM: Mr. Fewzi Benachenhou, director general, Mr. Mohamed Hadi Aouidjia, director of finance and accounting and Mr. Farid Haouari, general counsel.
- Preparation of an analytical description on the effectiveness of the microcredit facility in empowering Algerian women economically and improving their employment opportunities.

PROGRESS ACHIEVED IN ALGERIA ON GENDER AND WOMEN'S EMPOWERMENT

17. Algerian women have made significant advances as a result of major legislative and institutional reforms and strategies for their advancement and empowerment put in place with the absolute support of His Excellency Mr. Abdelaziz Bouteflika. The President has consistently affirmed the need to reinforce the concept of equality between citizens, in order to make Algeria a model country for the rule of law.

18. Strengthening the role of women in Algeria is one of the priorities of the national authorities in the fields of education, health and political and economic participation of women.

19. Algeria has ratified all the conventions on the protection of human rights, including: (i) the 1979 Convention on the Elimination of All Forms of Discrimination against Women (ii) various conventions on the elimination of discrimination in employment, and (iii) the

Treaty on the Political Rights of Women, ratified by the General Assembly in its resolution No. 640 (7) of 20 December 1952 and ratified by the Algerian Council of Ministers on 8 March 2004.

20. The Constitution, the basic law of the nation, states unambiguously the principle of equality between citizens and guarantees them equal rights in all areas, as evidenced by the following articles:

- Art. 29 - All citizens are equal before the law and discrimination on grounds of birth, race, sex, opinion or any other condition or personal or social circumstance is prohibited
- Art. 31 - Institutions should ensure equal rights for all citizens by removing obstacles to the development of the human person and the effective participation of all in political, economic, social and cultural activities.
- Art. 51 - Equal access to functions and jobs within the State is guaranteed to all citizens, without any conditions other than those laid down by law.
- Art. 52 - Private property is guaranteed. The right of inheritance is guaranteed. The property of "Wakf" and those of beneficiary associations are recognized and their use is protected by law.
- Art. 53 - The right to education is guaranteed. Education is free under the conditions laid down by law. Basic education is compulsory. The State organizes the educational system. The State ensures equal access to education and vocational training.

21. In line with the Constitution, chapter IV of the Government's programme states that: "Public policies towards women and women's position in society help in the national development effort and strengthen social cohesion. They also help with child protection, disease prevention and the fight against social marginalization, and mobilize the support of women in economic and social affairs. Finally, the Government will continue to promote the status of women, whether in public employment or in access to decision-making positions or participation in economic investment. "

The country's will to advance the cause of women was shaped in the early 1990s, with the creation of the Ministry for the Family and Status of Women (MDCFCF)¹², which is responsible for the convergence of the different ministerial approaches to form a "national family policy" involving representatives of civil society and NGOs. Besides the MDCFCF, other Government departments are directly involved in the advancement of women in their jurisdictions particularly the Ministries of Health; Justice;

In pursuance of the Government's programme adopted in May 2004, the main actions of MDCFCF are:

- To define a national policy for family and women.
- To establish mechanisms for consultation and coordination for the implementation of a national policy towards the family, women and children.
- To support national development and the strengthening of national cohesion through actions directed towards the family and women.
- To strengthen and enhance the activities and

¹² A plan of action on gender equity and equality in Algeria is currently under way.

Interior; Education; Agriculture and Rural Development; Employment and National Solidarity; Labour and Social Security; and Education and Vocational Training.

the potential of women, especially in economic and social development.

- To consolidate the instruments of research, studies, surveys, database ... in terms of women and family promotion.
- To develop a communication plan in the area of family, women and child protection and promotion.

22. In social terms, the implementation of Government policies has created a favourable context for the advancement of women. Algerian society is emerging from one of the most difficult phases of its history, which has seen a regression of women and some dislocations in the family structure.

23. Significant progress in the situation of women in society has been observed since the enactment of various ordinances, such as: (i) the Family Code, where equity measures have been introduced to reduce the gap in human rights between men and women in the family, (ii) the Algerian Nationality Code, which allows a mother to transmit Algerian nationality to her descendants, (iii) the electoral law, which has given women the opportunity to express their political choices freely.

24. On the economic front, the Economic Recovery Plan 2000-2004 and the Plan of Support for Economic Growth have fostered local and human development.

25. Particular attention has been placed on improving living conditions, developing employment opportunities or entrepreneurship, and strengthening social protection. The country's financial situation remains favourable for business start-up initiatives, and in particular for women's initiatives.

26. The percentage of employed women has increased significantly over the last decade (compared to men). The number of employed women rose from 109,000 in 1966 to 1.41 million in 1998, with an average growth rate estimated at 59 per cent. The female employment rate also rose from 2 per cent in 1966 to nearly 15.7 per cent in 2007¹³.

27. Nevertheless, the number of working women remains low. The pressure exerted by general demand across the country, especially over the last five years, led the authorities to encourage private initiatives developed by the Ministry of the National Solidarity to enable women to access several programmes, including:

- **Local initiative employment (ESIL¹⁴)**, a mechanism which proposes to meet the needs of young people without significant training or qualifications, as well as those who are excluded from education, to establish temporary and seasonal jobs locally in different areas of the public sector. It represents the most effective outlet for the social and professional integration of young job seekers living in disadvantaged areas. Women's participation in this programme was 48.9 per cent in 2005.

¹³ ONS. Activité, emploi et chômage au 4ème trimestre 2007.

¹⁴ Ref: Emploi salariés: une initiative locale/salaried employment : a local initiative. This programme has been launched in 2006.

- **Microenterprise** is designed for young entrepreneurs aged 19 to 35 years (40 years for managers, if the project generates three direct jobs). It is implemented by the National Agency to Support Youth Employment (ANSEJ) and aims to promote and enhance the production of goods and services as well as the creation of direct and indirect jobs, with a limited investment of 10 million DZD. Two financial arrangements are available:

The State has funded several employment facilities that have mostly benefited more women than men

- *Nearly half of the recipients of local initiatives employment (ESIL) are women.*
- *Nearly 7,000 enterprises funded by the ANSEJ facilities have been initiated and carried out by women.*

Nearly 65 per cent of the beneficiaries of microcredit are women.

Speech by Algeria 52nd session of the Commission on the Status of Women. New York. March 2008.

- Triangular, involving banks, the State and the promoter
- Mixed, involving the State and the promoter only.

28. The mechanism helps young people establish their own businesses through interest-free or reduced-rate bank loans and even financial aid. It should be emphasized that microenterprises created by women represented 17.5 per cent of all microenterprises in 2005.

• **Microcredit:** This programme was created in 1999 and represents a means of professional and social integration for the purpose of fighting unemployment and poverty by creating income-generating activities. Operational since October 2004 and managed by the National Agency for the Management of Microcredit, the programme is aimed at unemployed citizens of any age, especially housewives, having no income or unstable or irregular income. The proportion of women using this mechanism was estimated at 64.9 per cent in 2005.

• **The pre-employment contract** is designed for unemployed graduates of higher education, to allow them to acquire the professional experience required in the labour market. The number of applications has reached 147,968 persons over the past four years, with women representing 65 per cent of the total.

• **The unemployed aid:** The mechanism, established since March 2004 and managed by the National Unemployment Insurance Fund (CNAC), is intended for job seekers aged 35 to 50 years, and for workers who lose their jobs for economic reasons. This instrument supports those who want to create a microenterprise with an investment of up to 5 million DZD.

29. These programmes and mechanisms translate the clear political will of the Government to give men and women access to economic independence, which remains a vital element in promoting women's human rights.

30. It should be noted that the number of women involved in agricultural activity and possessing the *Fellah Card*¹⁵ reached 22,315 by December 2005. Women farmers who receive this title have several advantages, including access to specific sources of funding and loans granted by the State to farmers (women and men) without discrimination. As part of the

¹⁵ The recognition of a farmer in the Chamber of Agriculture.

implementation of development programmes, financial facilities have been granted to rural women active in the craft industry, with 18 small projects identified in 35 wilayas¹⁶.

31. However, despite great progress in girls' education and the growth of the educational level of women, their integration into the labour market remains low in relation to their potential and their real capabilities.

As part of the overall promotion of women's rights and the principle of equality, Algerian women now occupy positions of Ministers of State, ambassadors, presidents of courts, professors at universities and various senior posts in central Government and several institutions, as prescribed in the Constitution and the laws of the Republic since 1963.

Algerian women have been participating in parliament since the inception of the first legislative body following independence. This fact has been consolidated with the different electoral laws that ensure equal and fair representation of women and men in elected assemblies, including organic law n° 17-91 of 1991, amending and supplementing law n° 89-13 of 1989, which replaces the system of election by proxy. Nevertheless, women remain underrepresented in the two chambers of the bicameral parliament.

At the highest positions of the State three (3) women were ministers in the last Government in 2004, four (4) were ambassadors (2), one (1) woman was also named Wali for the first time in 1999, followed by two (2) other Walis (governors), a Wali delegate, one (1) secretary-general of a ministry, four (4) heads of cabinet of ministries, three (3) general secretaries of wilayas, three (3) general inspectors of wilayas and eleven (11) chiefs of daïras. In addition, a woman also occupies the post of vice-governor of the Bank of Algeria and member of the council of money and credit, the highest financial authority of the country. The faculties of science and literature of the University of Science and Technology are all headed by women.

Table 1: Women in parliament

	2002 - 2007		2007-2012	
National Assembly (Parliament)	Total	Women	Total	Women
	389	27	389	30
		6.94 per cent		7.75 per cent
Council of the Nation (Senate)	144	4	144	4
		2.78 per cent		2.78 per cent

MICROCREDIT IN ALGERIA

1. Promoting women's access to employment: the micro credit facility

32. Women are a significant entrepreneurial force that contributes greatly to local, national and global economies. Women produce and consume, manage businesses and households, earn income, hire labour, borrow and save, and provide a range of services for businesses and workers. They represent an increasing proportion of the world's wage earners and their activity rates are rising. In Africa, Asia and Latin America, they represent over one third of the officially enumerated workforce (WISTAT, 2000).

Unemployment in Algeria, for about twenty years now, has affected mostly young people.

"Microfinance has proven its value in many countries as a weapon against poverty and hunger. It really can change peoples' lives for the better -- especially the lives of those who need it most."

Kofi Annan, United Nations Secretary-General. 2005.

¹⁶ Ref: National Strategy for gender equity and equality. MDFCF. July 2008.

33. Currently, no less than 75 per cent of the unemployed people are less than 30 years of age¹⁷, following the deep changes that have occurred in the Algerian economy and society (demographic transition, higher levels of school enrolment for girls, higher number of female job seekers, and so on). The Government took into account these developments in labour market demand and implemented several facilities and programmes to help young job seekers find employment opportunities. Female job seekers can also resort to two national agencies — ANSEJ and ANGEM — to help them to start up a small business, thereby fostering their self-employment.

2. ANGEM, its missions and organization

34. Following recommendations made at an international seminar held in December 2002¹⁸ on "the experience of microcredit in Algeria" which brought together a large number of experts of microfinance, the National Agency for the Management of Microcredit (ANGEM) was officially created by Executive Decree No. 04-14 of 22 January 2004.

35. The main objectives of ANGEM are¹⁹:

- To combat unemployment and job insecurity in urban and rural areas by promoting self-employment, home work and crafts, especially among the female population.
- To stabilize rural populations by creating income-generating activities.
- To develop entrepreneurship in order to foster the social integration and individual development of people.

36. Under the supervision of the Ministry of the National Solidarity, Family and the National Community Abroad, ANGEM represents one of the instruments for implementing the Government's policy to combat unemployment and job insecurity. Its main tasks are to:

- Manage the system of microcredit in accordance with the laws and regulations.
- Support, advise and assist the beneficiaries of microcredit in the implementation of their activities.
- Notify beneficiaries of the various supports granted.
- Monitor the activities of beneficiaries, ensuring compliance with the terms and specifications binding them to the agency.
- Support the beneficiaries of microcredit on behalf of institutions and organizations involved in the implementation of their projects.

37. Thus, to achieve its missions, ANGEM adopted a template based on a decentralized organization and the establishment of 49 representative committees per wilaya (including two

¹⁷ Sex-disaggregated data are not available.

¹⁸ Organized by the Ministry of the National Solidarity.

¹⁹ The letter of the Agency. N°1. ANGEM.

for the capital Algiers) and a coordinator for each daïra. This distribution is adequate for outreach work and for reducing the time needed to take quick and appropriate decisions.

38. The Microcredit Mutual Guarantee Fund (FGMMC²⁰), created by Executive Decrees N°04-16 and 05-02 in 22/01/2004 and 01/01/2005 respectively, is represented in each committee by a counsellor. The FGMMC guarantees up to 85 per cent promoters' bank loans (whose estimated project costs range from DZD 100,000 to DZD 400,000).

39. The regional branches provide a functional link between the headquarters of ANGEM and the local branches (local representative committee). It is a streamlined structure covering an average of five local representative committees that coordinate and monitor its activities. Ten regional branches constitute a network covering all the wilayas of the country.

(a) Definition of microcredit by ANGEM

40. ANGEM defines microcredit as per the decree of January 2004.

1. Microcredit is a loan for projects. The amounts granted are as follows:
 - 30,000 DZD for the purchasing of raw materials for start-up
 - 50,000 to 400,000 DZD for the purchase of small and other materials for start-up.
2. The term of repayment can range from one to five years.
3. It is aimed at housewives and all citizens who have no income or who have irregular or unstable income.
4. It is aimed at the economic and social integration of people through the production of goods and services.

(b) Conditions of eligibility for microcredit

41. The conditions of eligibility are as follows, without gender discrimination:

- Be aged 18 and over.
- Be without income or with low income or irregular or unstable income.
- Have a fixed residence.
- Have a diploma or a recognized equivalent education level, or have proven expertise in the planned activity.
- Not have received another creation activity aid.

²⁰ Fonds de Garantie Mutuelle des Micro Crédits.

- Mobilize, depending on the type of financing, personal contributions as following:
 - 3 to 5 per cent of the total cost of the activity, as appropriate, for the acquisition of small equipment
 - 10 per cent of the total costs, which cannot exceed 30,000 DZD, for the purchase of raw materials for processing.
- Contribute to FGMMC if the developer seeks a bank loan.
- Commit to repay the loan and interest to the bank according to a planned schedule.
- Commit to reimburse ANGEM the amount of the free loan (PNR) according to a planned schedule.

(c) Support and benefits granted to recipients of microcredit

42. ANGEM offers many benefits and support to beneficiaries of microcredit. These include:

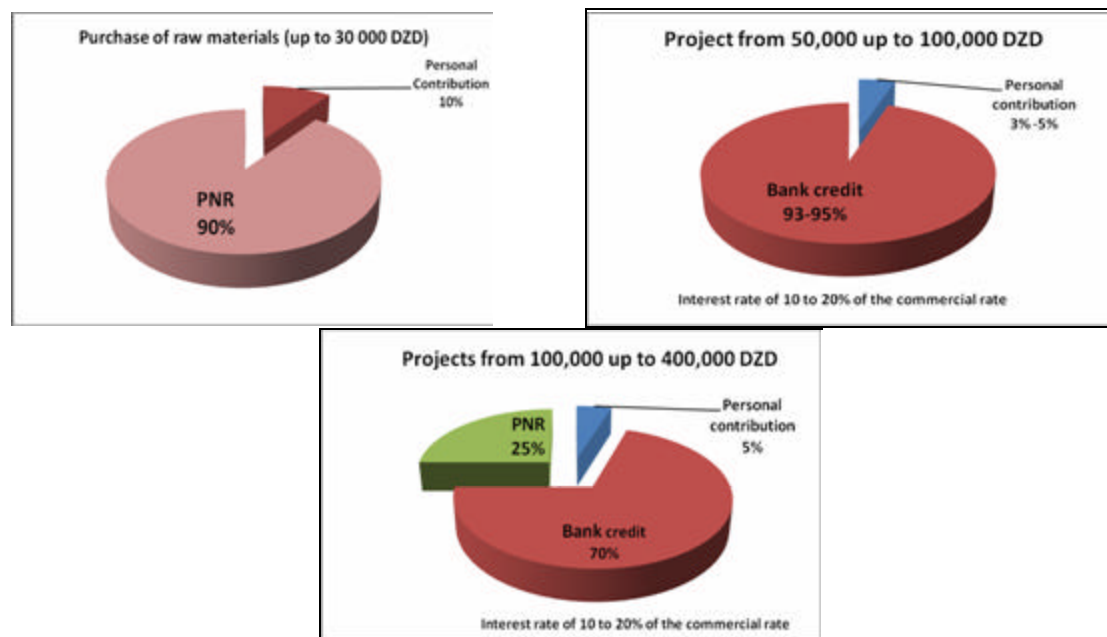
- Advice, technical assistance and support for promoters.
- Credit granted at a reduced interest rate (10 to 20 per cent of the rate charged by banks and financial institutions); the difference with the commercial interest rate is supported by the public treasury.
- A free loan (PNR) equivalent to 25 per cent of the overall cost of the project can be granted if the amount of the project is between 100,000 and 400,000 DZD. This rate may be increased to 27 per cent of the cost of the project:
 - If the promoter has a degree or an equivalent recognized level of education
 - If the activity is located in a specific area in the south or the high plateaus.

43. For the purchase of raw materials, the PNR represents 90 per cent of the overall project cost, which cannot exceed 30,000 DZD.

(d) Types of financing

44. ANGEM manages three types of financing, from small survival loans (PNR funded by ANGEM with a maximum limit of 30,000 DZD/\$489), to larger loans (from 50,000 DZD/\$814 up to 400,000 DZD/\$6,512) which require a financial package from a bank.

Chart 2: Projects



Source: *ANGEM and its programmes*. ANGEM. June 2008.

Table 2: Conditions regarding the promoter's profile

Project size	Promoter's profile	Personal contribution (%)	Bank credit (%)	PNR %	Interest rates (%)
50,000 up to 100,000 DZ	Graduated or located in a specific area	3	97	-	10* in specific area 20* in other areas
	Other profiles	5	95	-	
100,000 up to 400,000 DZD	Graduated or located in a specific area	3	70	27	10* in specific area 20* in other areas
	Other profiles	5	70	25	
30,000 DZD	All the profiles for raw material purchasing	10	-	90	-

Source: *ANGEM and its programmes*. ANGEM. June 2008.

*: Interest rates charged to the beneficiary (10 or 20 per cent of the bank rate).

3. Impacts of microcredit

(a) The State, the lead supporter of microcredit

45. The experience of microcredit in Algeria is relatively recent, dating only from the early 2000s. Microcredit in Algeria is unique in that it enjoys broad support from the State, not only through the legislative and regulatory framework, but also through the mobilization of substantial funding and guarantees for microcredit.

46. It is primarily aimed at providing loans ranging from DZD 50,000 to DZD 400,000 to women homemakers, in place of the Social Development Agency (ADS). ANGEM has been disbursing its microloans of up to DZD 30,000 directly since April 2005. In view of the long repayment terms, there are still no meaningful statistics about the repayment rate. ANGEM has signed agreements with a few Government banks for disbursing larger amounts, but the first disbursements have yet to be made.

47. On the institutional front, there were plans to decentralize ANGEM within the next two to three years to set up a network of local cooperative bodies linked to ANGEM by partnership agreements covering refinancing and subsidies. This move would strengthen Algeria's civil society.

48. The two institutions established in 2004 — ANGEM and FGMMC — are not only reinforcing capacity-building of their own teams, but also are stimulating NGOs to become more involved in meeting the needs of their communities. Indeed, the State is fully involved in the microcredit process in Algeria. However, ANGEM has signed agreements with many representatives of associations to inform men and women about the process. Agreements have been established with representatives of civil society organizations that implement specific programmes, such as the social reintegration of prisoners, the fight against stigmatization of people living with HIV/AIDS, students, women in difficulty, and the disabled.

49. The microcredit system in Algeria is also unique because of the existence of the PNR²¹, the interest rate subsidy and training services, which are all provided by ANGEM. In April 2007, 14 permanent facilitators were trained as trainers for managers of *very small enterprises* (nearly half of whom are women). These are people who would be called upon by ANGEM, CNAC and CNAM to lead training sessions for prospective developers of projects in the various regions.

50. The first national employment exhibition organized by ANGEM was held in January 2007 with the following main objectives:

- To allow beneficiaries of various types loans to present their products or services to the public.
- To provide for promoters a forum for exchanging and sharing information and experiences.
- To popularize microcredit and collect points of view from the public.

²¹ Free loan

51. ANGEM requested the private sector to contribute financially to the exhibition. Women seemed to be heavily represented, although data desegregated by sex are not yet available. The presence of several ministers at the closing session of the exhibition demonstrated the Governments' interest in such an initiative. A second exhibition is scheduled for 2008.

(b) Some results in 2008 (up to June 2008)

Table 3: Demand

Overall cumulative demand	Demand distribution by gender		Distribution by activity sector				
	Women	Men	Agriculture	Industry	Buildings and public works	Services	Craft
137 793	56 791	81 002	29 715	10 462	5 337	35 755	43 829
Percentage	41	59	22	8	4	26	32

Source: *ANGEM and its programmes*. ANGEM. June 2008.

52. It should be noted that women are familiar with the mechanism and represent a fair amount of overall demand.

Granted loans

53. Over 63 per cent of loans granted by ANGEM are dedicated to women²². It has been difficult to collect data from ANGEM on the distribution of activities funded by gender (especially to make a comparison with men and to obtain a profile of female demand). The data obtained were global in nature, without gender disaggregation. The same situation is observed for the reimbursement of bank loans.

54. However, ANGEM noted that women repayed their loans better and got into debt less than men.

Table 4: Granted loans

Funding programme	Loans	
	Number	Amount (DZD)
Joint funding ANGEM-promoter (1)	51 539	1 379 257 103.91
Triangular funding ANGEM-bank-promoter (2)	3 169	290 633 128.31

Source: *ANGEM and its programmes*. ANGEM. June 2008.

²² Microcredit situation at June 2008. ANGEM. June 2008.

Table 5: Distribution of granted loans by gender and activity sectors

Activity sectors	Women	Percentage of Women	Men	Percentage of men	Total	Percentage of activities
Agriculture	6 666	48.67	7 031	51.33	13 697	20.59
Small industry	16 061	64.08	9 002	35.92	25 063	37.68
Building and public works	89	3.20	2 696	96.80	2 785	4.19
Services	6 167	53.52	5 355	46.48	11 522	17.32
Craft	12 777	95.04	667	4.96	13 444	20.21
Total	41 760	62.79	24 751	37.21	66 511	100.00

Source: *ANGEM and its programmes*. ANGEM. September 2008.

Table 6: Loans from banks

Loans granted by banks	Distribution by bank (all are public banks)				
	BNA	BDL	BEA	CPA	BADR
1 929	715	721	166	270	57
Percentage	37	37	9	14	3

Source: *ANGEM and its programmes*. ANGEM. June 2008.

(c) Results through gender analysis

55. However, even as women enter markets and engage in production, they may face different constraints and opportunities than men. Social and cultural prescriptions assign productive and reproductive roles to men and women that can limit their access to markets and restrict their occupational and sectoral mobility.

56. This is particularly true in Algeria, where the gender division of labour within the household underpins fundamental differences in the rights and responsibilities of men and women. In the rural areas, for example, women are responsible for household provisioning: food crop production; gathering fuel and hauling water; and caring for children and the elderly. In return, men are expected to meet certain cash requirements of the household. This division of labour affects women's ability to participate in paid employment, to access education and training, and influences their choice of productive activities.

57. Clearly, women workers and entrepreneurs are not an undifferentiated mass. Age, literacy, education, rural or urban location, language, health and physical well-being also influence market access. Additionally, mobility constraints that limit women's ability to travel can restrict their access to financial institutions that are not in their community or neighborhood.

58. In Algeria, it is not easy to assess the access of women to microcredit facilities and a fortiori their control over this resource. A major constraint is that data related to the beneficiaries of microcredit are not disaggregated by gender. Except for some available results, it is not possible to access reliable information on:

- The number (or percentage) of women and men who actually have access to banks

- The type of loans by gender
- The amounts granted to women and men (by banks)
- The repayment rate of women and men
- The fields of activities carried out through the microcredit facility by women and men
- The sustainability of operations undertaken by women and men.

59. ANGEM is aware of the need to set up an information system based on data disaggregated by gender and regularly updated. A new management information system is under way, which should satisfy this need.

Conclusion

60. The Algerian State is aware that microfinance is a powerful tool in the fight against poverty and that it is one way of setting up financial systems accessible to the poor through the establishment of accessible and permanent local financial institutions. However, the State also considers that its current involvement is necessary to initiate what is a relatively recent process in the country, striving to ensure the availability and accessibility of microcredit mechanisms.

61. Women are actively sought as potential recipients of microcredit, first because they are targeted by a variety of policies, and second because their work often guarantees an improved livelihood for their households.

62. Even though women make up only 41 per cent of the demand for microcredit from ANGEM, they represent the largest proportion of the beneficiaries (63 per cent). This demonstrates, once again, the particular interest and support of the Government in the work of women.

63. Although the microcredit mechanism has been in place in Algeria for less than a decade, women have appropriated it and have been able to advocate for their projects to banks and at trade shows. As genuine entrepreneurs, they are exploring and conquering markets, and participating in the development efforts of the whole country.

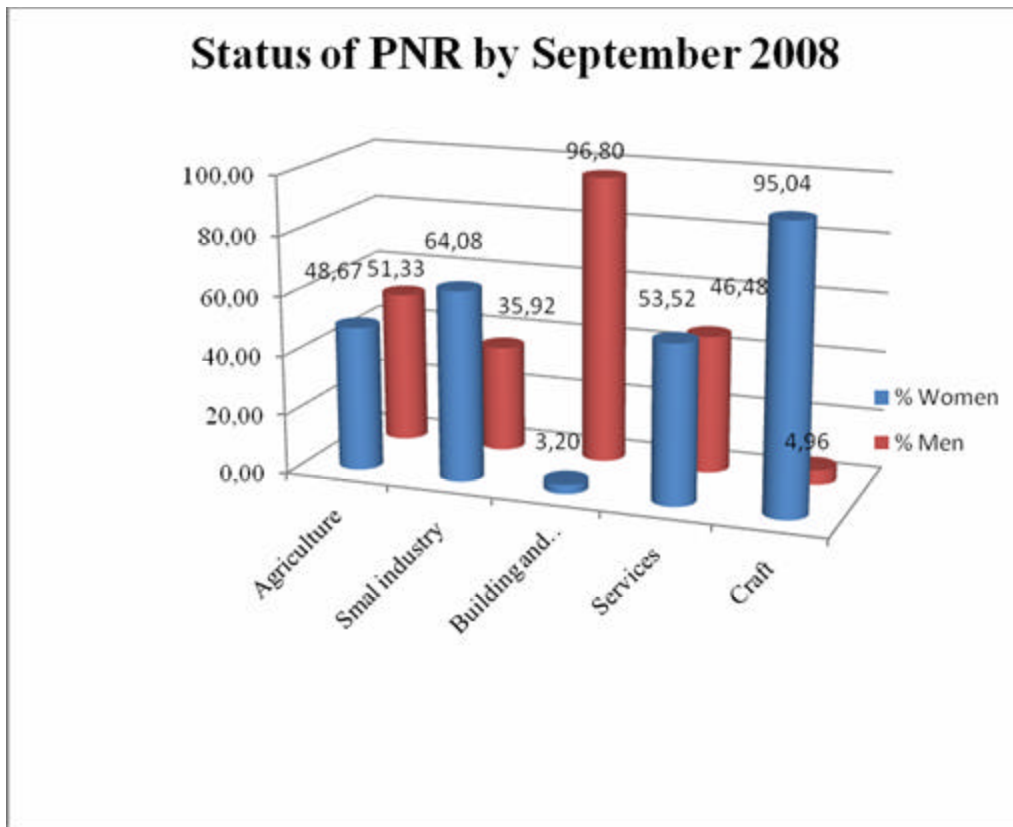
ANNEX 1

Table 7: Main activities funded by microcredit

Sector activities	Types of activities
Small industry	Food industry Manufacturing pasta, couscous, traditional bread Pastry and traditional cakes Chocolate and confectionery, ice manufacturing Roasting and milling of coffee Packaging of anchovy Preparation of peanuts (roasting and packaging) Garment industry Ready-to-wear clothing Clothing manufacturing, tailoring Hosiery and knitwear Manufacture of home apparel, bed linen, kitchen furniture.... Working leather Manufacture of shoes and leather clothing Working wood Production of furniture and wooden items Basketry Working metals Manufacture of locks, hinges, hardware
Agriculture	Agriculture Livestock Feeder cattle Feeder sheep and goats (production of meat and milk) Poultry (production of chicken, turkey and eggs) Rabbits Beekeeping: production and packaging of honey, beeswax and pollen Land work Seed production Production of fruits and vegetables (including drying and packaging) Nursery flowers and ornamental plants
Craft	Traditional weaving and tapestry Manufacture of traditional clothing (djelleba, bathrobe..) Traditional embroidery (medjboud, fetla...) Painting on silk, velvet and glass Manufacture of accessories and traditional jewelry Manufacture of decoration and garnishing Pottery, glass, woodcarving
Service	Computer services, multiple services Hair and beauty Fast food Repair: automechanics , decoration, miscellaneous equipment, etc.
Building and public works	Masonry work Electricity, painting, plumbing, carpentry Production of small construction materials: bricks , decorative plaster, plaques

Source: *ANGEM and its programmes*. ANGEM. June 2008.

ANNEX 2



Source: *ANGEM and its programmes*. ANGEM. June 2008.

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