

✓ Unit 6: Entrepreneurial Environment in Algeria (Part 2)

💰 *Financing Institutions for Entrepreneurs in Algeria*

🌀 Lesson Overview

In this unit, we examine the key **public financing mechanisms** available to entrepreneurs in Algeria. The goal is to help students understand the conditions, procedures, and advantages of accessing funding from national agencies, such as ANGEM, CNAC, ANADE (formerly ANSEJ), and AAPI. These institutions provide support to youth, unemployed individuals, women, and other categories to launch sustainable economic activities.

📘 1. ANGEM – National Agency for Microcredit Management

Agence Nationale de Gestion du Microcrédit

◆ Objective:

Support micro-projects through **microloans** for unemployed individuals and women, especially in rural and disadvantaged areas.

◆ Key Features:

- Created in 1999, operational since 2004.
- Provides **interest-free loans** or loans with low-interest rates for income-generating activities.
- Prioritises women and vulnerable populations.
- Encourages **self-employment and local development**.

◆ Loan Conditions:

- Age: 18 years and older.
- Must have an activity idea or micro-enterprise project.
- Can be granted **individual or group loans**.
- No prior business experience required.

◆ Advantages:

- High accessibility in rural regions.
- Loans can be up to **1,000,000 DZD**.
- May cover up to **100% of project cost**, depending on project type.

- Simplified procedures and local offices in all wilayas.

■ 2. CNAC – National Unemployment Insurance Fund

Caisse Nationale d'Assurance Chômage

◆ Objective:

Help unemployed individuals aged **30–50 years** start their businesses.

◆ Key Features:

- Created in 1994 to compensate unemployed persons.
- Expanded into a **business creation support mechanism** post-2010.
- Offers both **financial and non-financial support**.
- Focus on **sustainable, job-creating projects**.

◆ Loan Conditions:

- Age: 30–50 years.
- Must be officially registered as unemployed.
- Contribution (self-financing): **1%–2%** of total project cost.
- Loan amount: between **500,000 and 5,000,000 DZD**, with grace periods and subsidised interest.

◆ Advantages:

- Encourages the reintegration of unemployed individuals into the economy.
- Promotes **economic inclusion and diversification**.
- Covers feasibility studies, equipment purchases, and operational costs.

■ 3. ANADE – National Agency for Entrepreneurship Support and Development

(Ex-ANSEJ: Agence Nationale de Soutien à l'Emploi des Jeunes)

◆ Objective:

Support **young entrepreneurs aged 19–40** in launching innovative or traditional businesses.

◆ Key Features:

- Created in 1996 (as ANSEJ), restructured as ANADE in 2020.
- Offers **startup funding**, coaching, follow-up, and business creation incentives.
- Focuses on project ideas with **economic and employment potential**.

◆ **Loan Conditions:**

- Algerian nationality and age between 19 and 40.
- Feasible and clearly defined project.
- Personal contribution required, amount varies depending on project value.

◆ **Advantages:**

- Can finance up to **70% of the project cost**.
- Support throughout project lifecycle: pre-launch, launch, and post-launch.
- Partnerships with banks, FGAR, and CGCI for loan guarantees and risk coverage.

■ **4. AAPI – Algerian Investment Promotion Agency**

Agence Algérienne de Promotion de l'Investissement
(Formerly ANDI)

◆ **Objective:**

Promote and facilitate investment in Algeria, including **entrepreneurial projects**.

◆ **Key Services:**

- Guides investors through **administrative procedures**.
- Offers **fiscal incentives and land access**.
- Connects entrepreneurs with investment partners.
- Helps with international investment support and exports.

◆ **Advantages:**

- Streamlined one-stop shop for large and medium-sized project holders.
- Encourages transparency and institutional coordination.
- Attracts both **domestic and foreign investors**.

5. Other Support Mechanisms

- **FGAR** (Fonds de Garantie des Crédits aux PME): Guarantees SME loans.
- **CGCI** (Caisse de Garantie du Crédit Immobilier): Covers real estate-related business loans.
- **IBS & TAP Programs**: Industrial startups and micro-project support.

6. Challenges in Financing

- Bureaucratic procedures and slow disbursement.
- Limited awareness of existing programs.
- Mismatch between youth ideas and eligibility conditions.
- Difficulty in providing guarantees or personal contribution.

Conclusion

Algeria has developed a broad range of institutions to support entrepreneurship through financing. Each institution addresses specific categories of people, sectors, and project types. Understanding their roles, eligibility conditions, and application procedures is essential for any entrepreneur navigating the Algerian business ecosystem.