



Supporting entrepreneurs and the self-employed – Microfinance in Europe

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About EMN



- The [European Microfinance Network \(EMN\)](#) was launched in April 2003. Currently counts with 109 members in 25 European countries.
- Activities:
 1. Facilitation of capacity building activities;
 2. Advocacy at EU and national level.
- Working with Managing Authorities on exchange of information on MF projects financed by ESF since 2010.



Microcredit definition



*“a **loan** or lease under **EUR 25,000** to support the development of **self-employment** and **micro-enterprises**. It has a double impact: an economic impact as it allows the creation of income generating activities and a social impact as it contributes to financial inclusion and therefore to the social inclusion of individuals.”*

(EIF 2015)

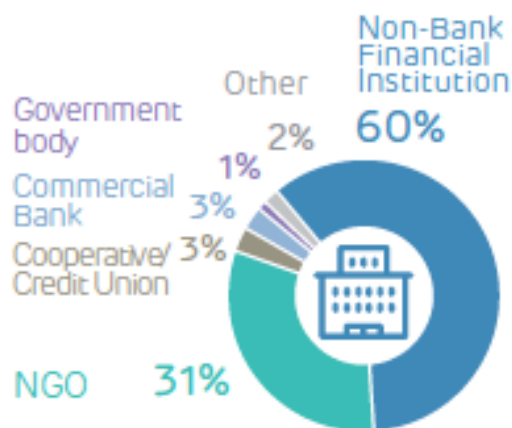


Key facts

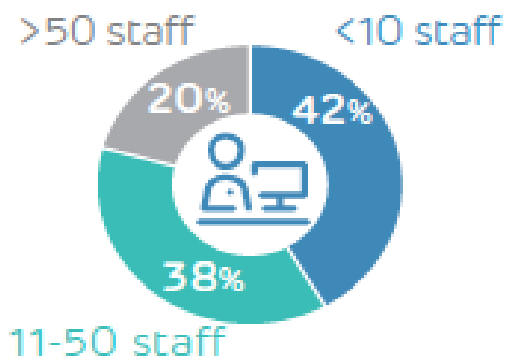


1. Institutional diversity (i)

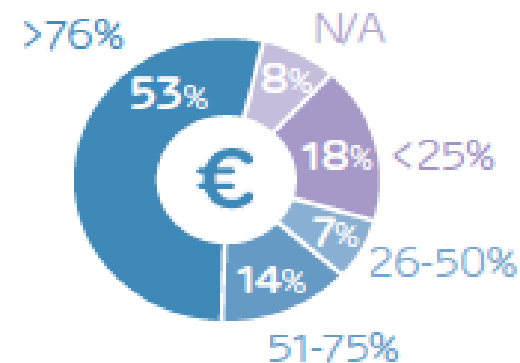
Legal Types



Size (size by number of full time staff)



Specialisation (share of MFIs by turnover from microlending)

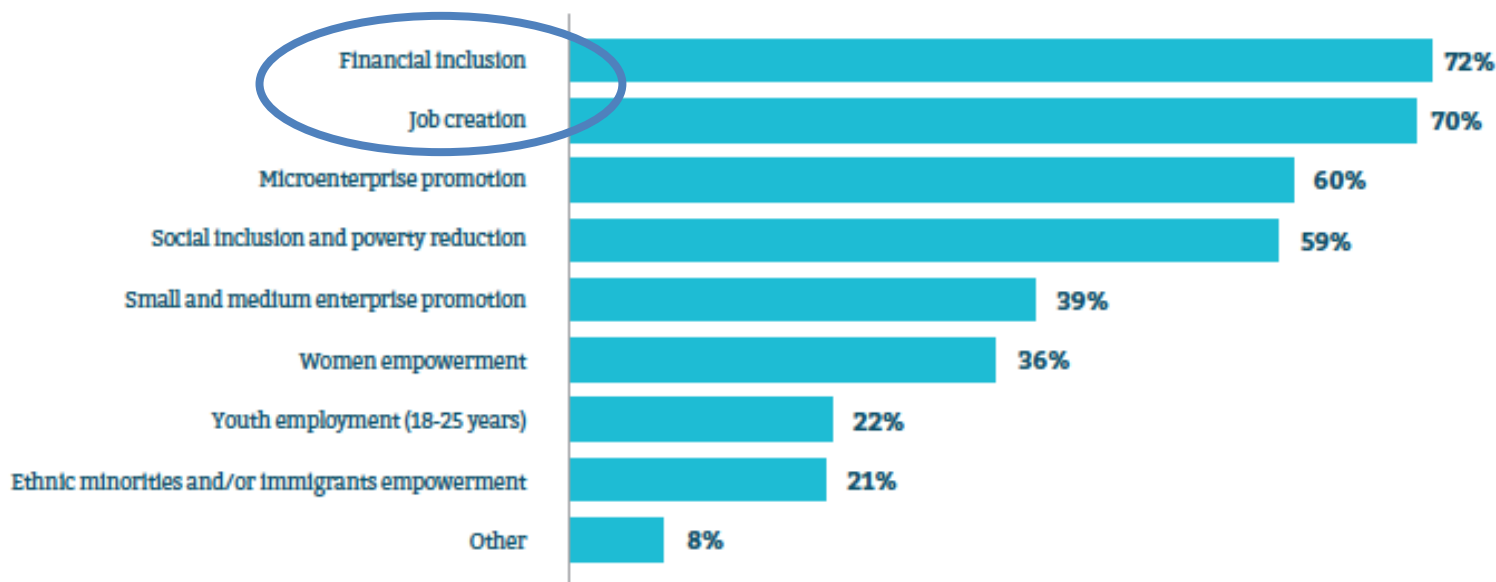


Key facts



1. Institutional diversity (ii)

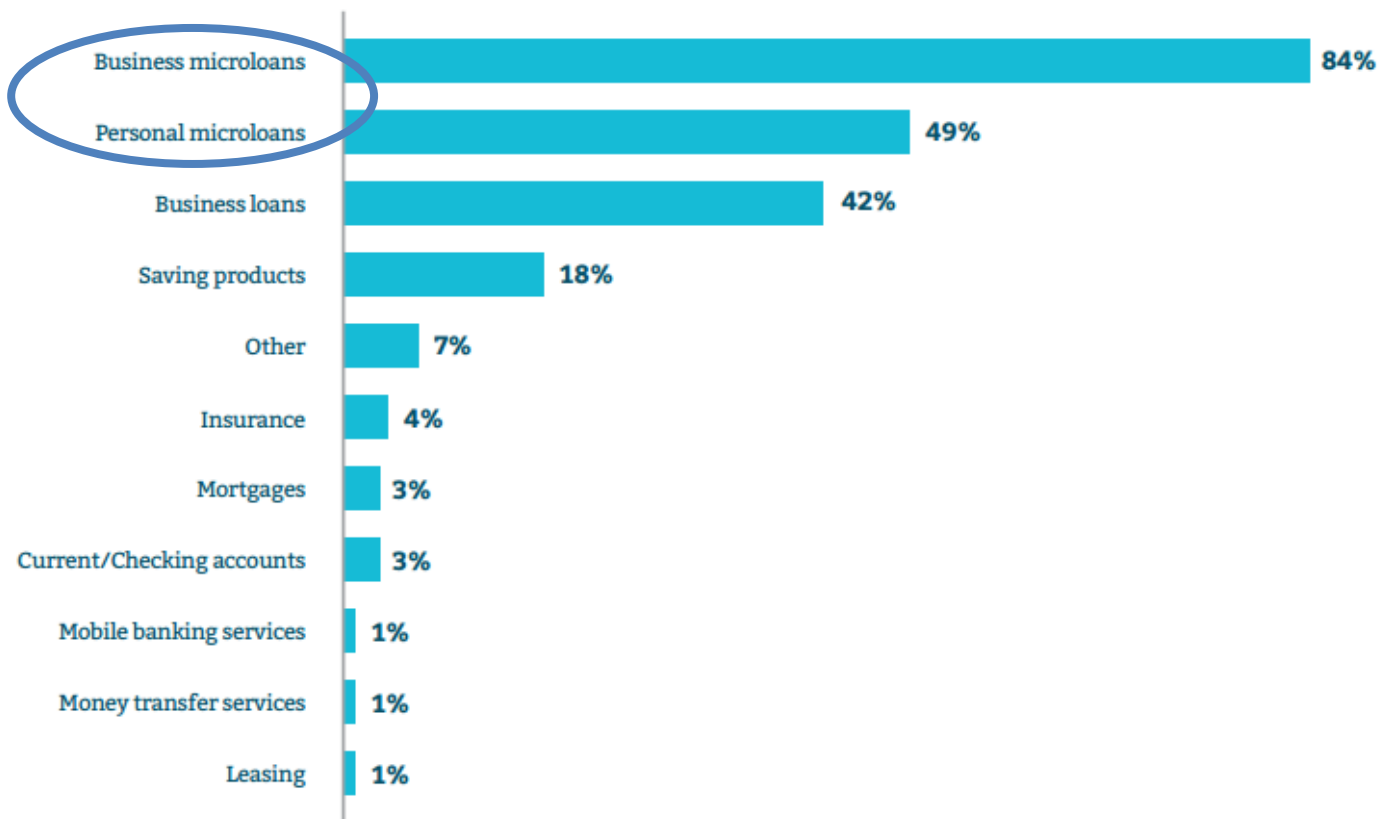
MFI's Mission



Key facts



2. Range of Products



Key facts



3. Outreach

Outreach
(by Dec 2015)

€ 2.5 bn
Gross Microloan
Portfolio
Outstanding

747,265
Active
Borrowers



Key facts



3. Outreach

Outreach
(by Dec 2015)

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747,265
Active
Borrowers

23%

of the Active Borrowers
were unemployed when
they received a microloan
in 2015



Key facts



4. Support to entrepreneurship and self-employment (i)

Business microloans

402,365

Active Borrowers were supported
by business microloans in 2015

€ 1.8 bn

Outstanding Portfolio of
Business Microloans by 2015

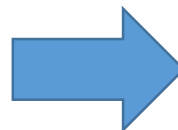
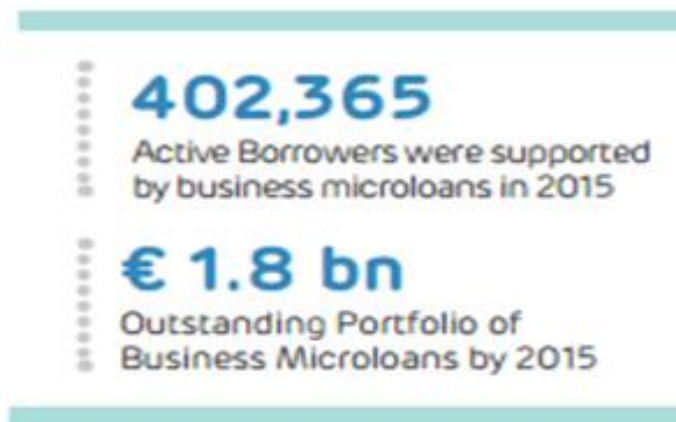


Key facts



4. Support to entrepreneurship and self-employment (i)

Business microloans



Informal/ unregistered
businesses

self-employed without
employees

registered businesses with
less than 5 employees

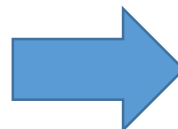
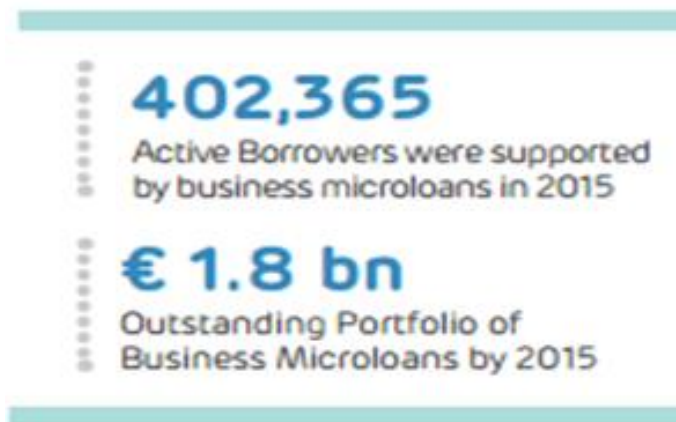


Key facts



4. Support to entrepreneurship and self-employment (i)

Business microloans



Average outstanding loan size	€7,947
Average microloan term	41 months
Average Annual Interest Rate*	10.7%



Key facts



4. Support to entrepreneurship and self-employment (ii)

Non-financial services

Non-financial services (NFS) are a prevalent component of European microfinance provision

58%
of the MFIs offer NFS



Business Development Services & Financial Education are the most common NFS offered



205,943
clients were reached by NFS in 2015



Microfinance proposed definition



Target clients: socially or financially excluded people lacking access to mainstream sources of finance;

Objective of the operation: social and financial inclusion;

Tailor-made delivery system that:

- 1) analyses the repayment/financial capacity, ensures the prevention of over-indebtedness and the adequacy of offered products and terms;
- 2) offers access to well-tailored measures accompanying finance;



Microfinance proposed definition



Products:

- *Business microloan* for the creation or expansion of income-generating and job-creating activities or micro-enterprises, i.e. the financing of investment and/or working capital;
- *Other*. Personal inclusion microloans, micro-insurance, micro-saving facilities, etc. (for business or personal purpose) targeted at protecting/building personal/household/enterprise assets;

A small amount of the individual transaction with - as a rule - a maximum equal to the EU per capita GDP.



Microfinance proposed definition



*“all those **activities** oriented to provide access to financial services of individual amounts normally smaller than the EU per capita GDP, to **socially or financially excluded people** (generally without collateral nor credit history), lacking access to traditional sources of finance, with a social and not for-profit objective, on terms adapted to the analysed **financial capacity** and coupled with access to high quality **financial education and/or business development services**”*





financial instruments
 revolving capacity building
 added value **ERDF** funding agreement
 governance **ESF** EU guidance
 technical support seminars leverage financial intermediaries ex-ante assessment
 co-financing **ESIF** microfinance case studies
 investments **fi-compass** final recipients
 business plan **Thank you** thematic objectives
 advisory services guarantees banks loans **EaSI** equity
 private investors life cycle combination of support
 conferences **EAFRD** factsheets
 fund of funds **EMFF** investment strategy **CF**
 managing authorities manuals