



## EaSI product financing for the agriculture sector

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European Investment Fund

 #ficompass

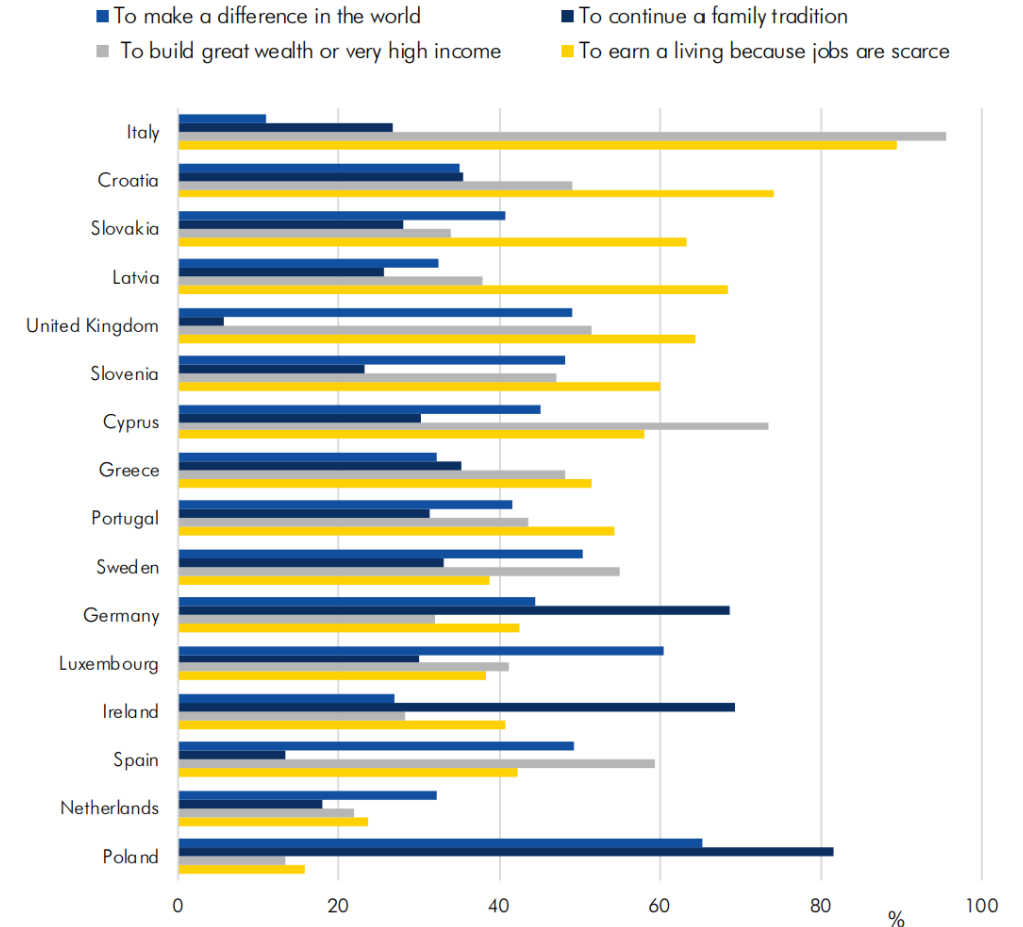


# Microfinance and entrepreneurship

## What is microfinance?

- Provision of **basic financial services to low income** people, who traditionally lack access to banking and other financial services
- An essential tool to facilitate **necessity-driven business creation**: People at risk of poverty and unemployed people are a potentially important group of business creators, since a decision to start a business often arises out of necessity, especially in low-income countries
- Microfinance needs **an integrated approach** - financial and non-financial services together for the benefit of the micro-entrepreneur

## Motivation to start a business



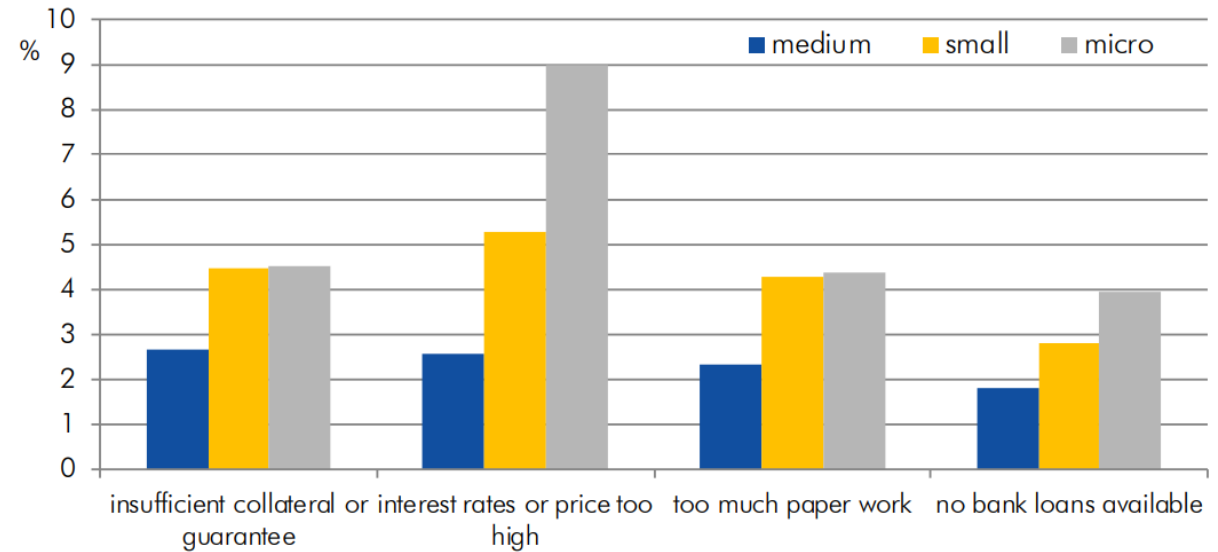
Source: Global Entrepreneurship Monitor (GEM) 2019

# Financial exclusion hinders entrepreneurship

## Why microenterprises do not access bank loans?

- Borrowers with limited track in both business and credit history
- Lack of appropriate collaterals or guarantees
- Inefficiencies of lending small amounts with relatively short maturities
- Relatively high interest rates – reputational risk considerations

Reasons for bank loans being not relevant (by enterprise size class), HY2/2019



Source: EIF Working paper 2020/67 – European Small Business Finance Outlook, June 2020

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# Micro and Social Portfolio Guarantee Product

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Enables financing for microenterprises and social enterprises to contribute to a caring and compassionate European social ecosystem.

Includes:

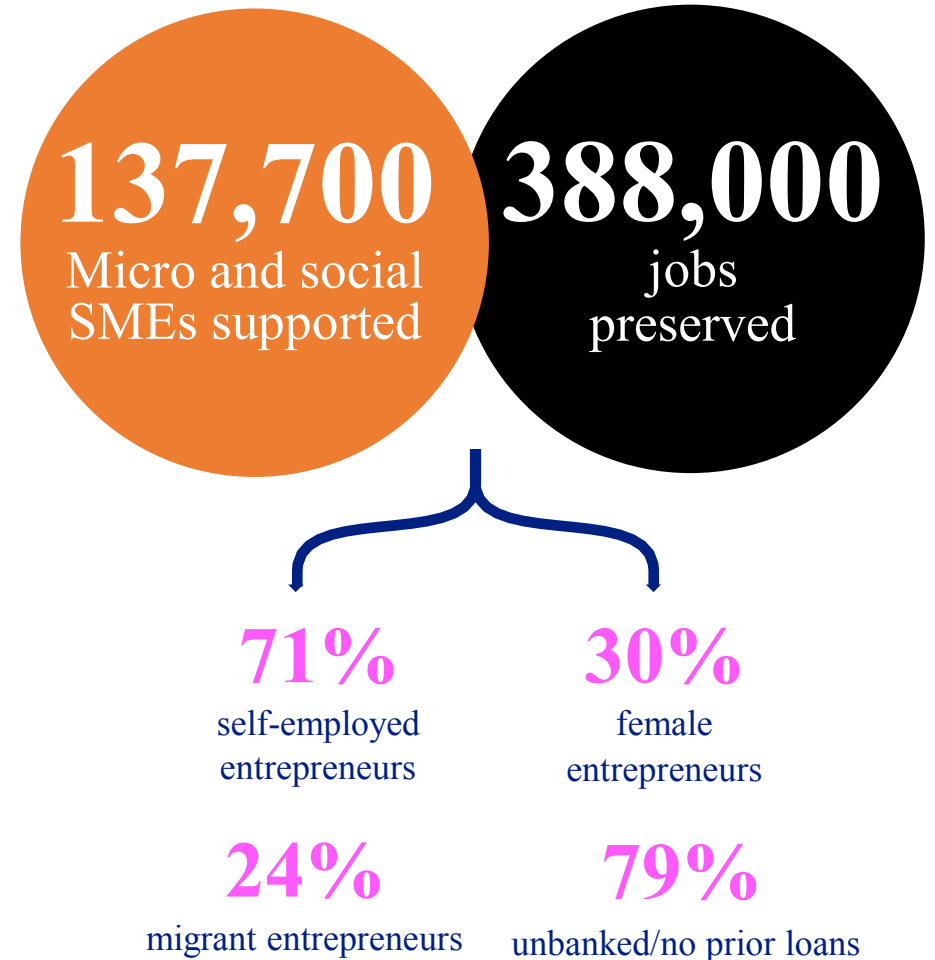
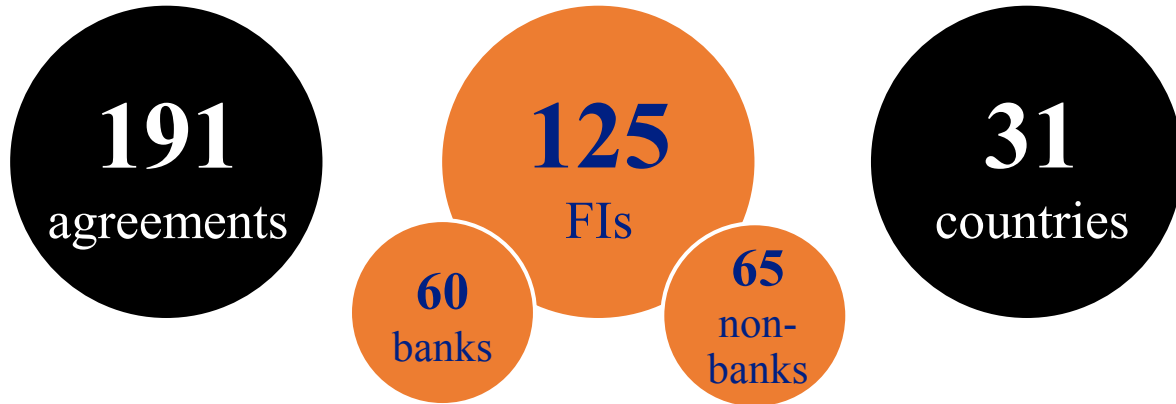
Microfinance: to provide sustainable employment and social inclusion - in particular for vulnerable groups

**Social enterprises:** to support active labour market participation & job creation in this still nascent market for a more inclusive EU

# EaSI\*\* - EU - outcomes & impact

Dedicated to increasing access to finance for vulnerable groups and social entrepreneurs

## €4.2bn\*



\*\* Portfolio guarantee - fully deployed  
Funded Instrument - available until 30.09.2023  
Capacity building Instrument – fully deployed

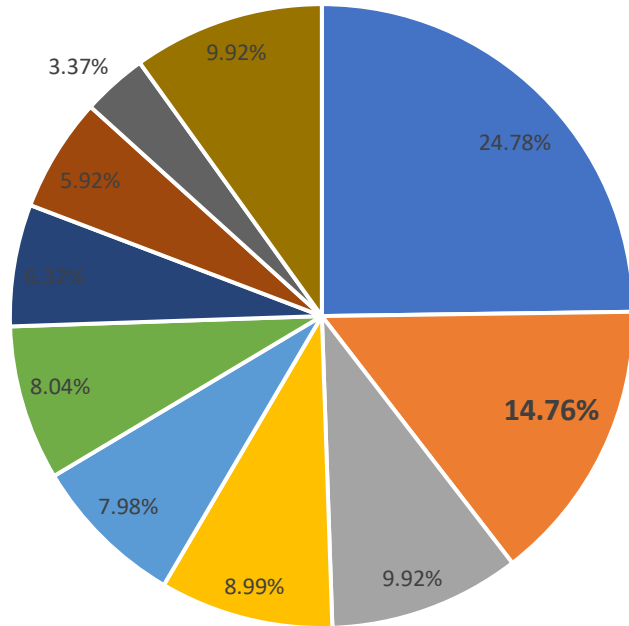
\*Source: EIF internal data as of 30 Sept 2021

# EaSI GFI

## Agriculture, forestry and fishing share in the portfolio

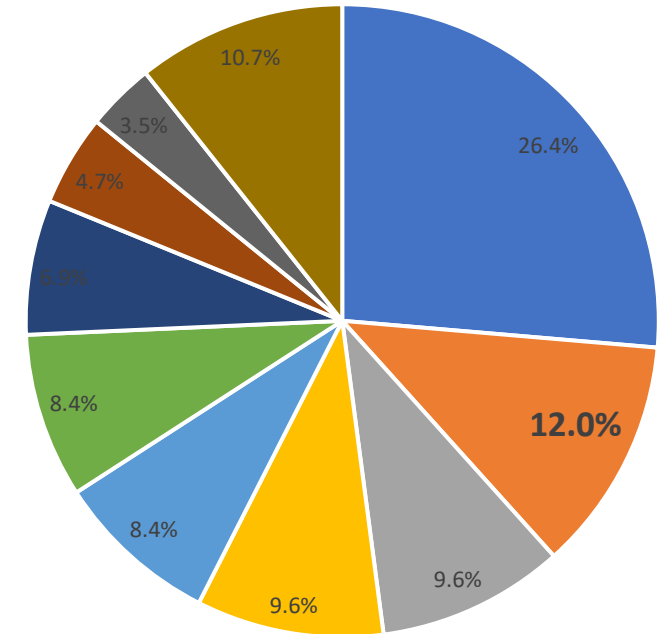
By Nb of FRs

- Wholesale and retail trade, repair of motor vehicles and motorcycles
- **Agriculture, forestry and fishing**
- Construction
- Accommodation and food service activities
- Transporting and storage
- Manufacturing
- Professional, scientific and technical activities
- Other services activities
- Administrative and support service activities



By Portfolio Volume

- Wholesale and retail trade, repair of motor vehicles and motorcycles
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*Microfinance and  
Social Portfolio  
Guarantee  
Product*

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*The successor of EaSI GFI, aims  
at enhancing access to finance for  
microfinance and social  
enterprises*

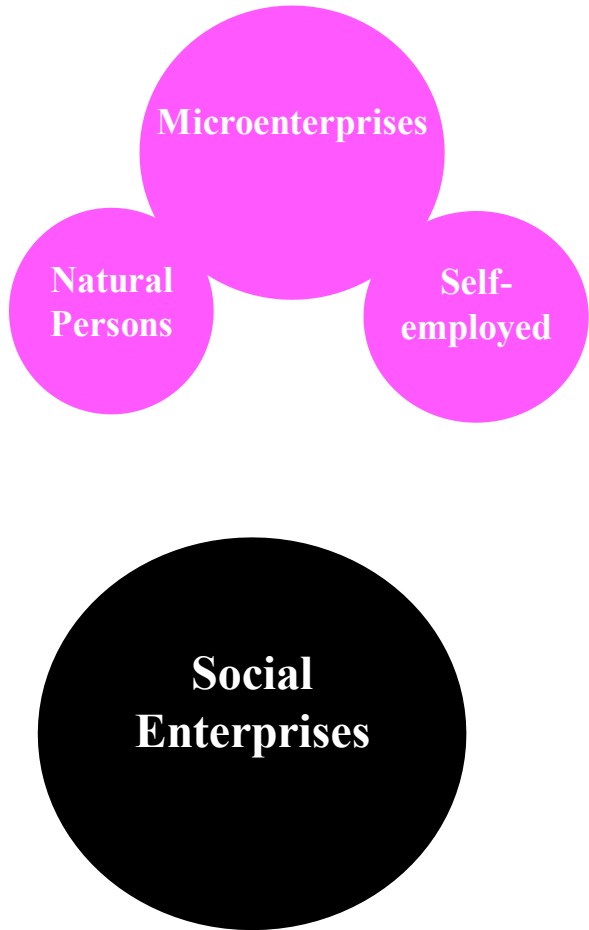
# InvestEU - Microfinance and Social Entrepreneurship

## Financial Intermediaries

## Final Recipients

### MICROFINANCE

Max FRT Amount:  
**EUR 50,000**



that experience difficulties accessing credit for the purpose of professional and revenue-generating activities..

### SOCIAL ENTREPRENEURSHIP

Max FRT Amount:  
**EUR 2,000,000**

- Achievement of measurable, positive social impacts,
- Provision of services/goods that generate a social return
- Predefined procedures and rules for profit distribution
- Managed in an entrepreneurial, participatory, accountable and transparent manner





Thank you!

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