



Inclusive Finance Activity at European Investment Fund

Enabling a paradigm shift for microfinance under the ESF

Samuel Clause, EIF microfinance team

Brussels, 3 February 2016

Microfinance - what EIF has done up to now



“ We have developed schemes to assist non-bankable entrepreneurs and implement EU 2020 objectives ”

EPPA	Progress Microfinance	Jasmine	Trustee	Direct Investment
EUR 4m envelope under which EIF has made for risk capital investments and loans	EUR 203m flagship initiative funded by EC (DG-Employment) and EIB, and managed by EIF	Tech assistance funded by EC (DG-Regio) through which EIF has arranged ratings, institutional assessments and trainings for 70 NBFIs	for the EC (DG-Enlargement) Investment in EFSE	Equity and Bond Investor in CoopEst, for example

EPMF outreach as of Sep '15



≈ **EUR 400m**
microcredits

≈ **43,000**
micro-beneficiaries
supported



61%
were
unemployed

75% start-ups

16%
were in youth or
senior age brackets

≈ **60,000**
Jobs preserved

37%
were female
micro-entrepreneurs



“ A new programme to support micro- enterprises and social entrepreneurship ”

Microfinance

Objective:

- Increase access to microfinance for **vulnerable persons, micro-enterprises** in both start-up and development phase
- Build up the **institutional capacity of micro-credit providers**

Social Entrepreneurship

Objective:

- Support the **development of the social investment market**
- Facilitate **access to finance** for social enterprises

Who's potentially* eligible under EaSI guarantee?



Microfinance

Financial Institutions

Banks, microfinance institutions/providers, credit unions, credit cooperatives, leasing companies, guarantee schemes, guarantee institutions, etc...

Borrowers

Micro-borrowers

Vulnerable persons who have lost or are at risk of losing their job, or have difficulty in entering or re-entering the labour market, or are at risk of social exclusion, or are socially excluded, and **are in a disadvantaged position with regard to access to the conventional credit market and who wish to start up or develop their own micro- enterprises**

Micro-enterprises

Micro-enterprises in both start-up and development phase, especially micro-enterprises which employ persons as referred to in the above mentioned definition of Micro-borrowers



Social entrepreneurship

Financial institutions, guarantee schemes, guarantee institutions, foundations, family offices, social investment funds, etc...

Social Enterprises

Entities with either an annual turnover not exceeding EUR 30 million, or an annual balance sheet total not exceeding EUR 30 million



EIF inclusive finance and ESF?



- Leverage on EIF's expertise in providing financing and guarantees to microfinance providers through:
 - A possible combination of EIF financial products and mentoring services financed by ESF;
 - A simplification from the Intermediaries standpoint to access EU schemes.
- Market practice of EIF shows a strong demand in particular for first loss risk taking in loan portfolio guarantees.



Thank you

www.fi-compass.eu

