



EU-level financial instruments to support employment and social innovation

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E.1 Job Creation

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Microfinance, Social entrepreneurship and Job creation

- Microfinance to vulnerable groups and micro-enterprises
- Social enterprise
- EU support for social- and micro-enterprises to start-up, innovate and grow



Policy context

- ***Europe 2020***
Contribution to the Europe 2020 objectives:
Inclusive, Smart and Sustainable growth
- ***EU employment package***
Chapter "Support job creation", promote and support self-employment, social enterprises and business start-ups
- ***Social Business Initiative Action plan***

Why is EU support needed

- **Mismatch** exists between demand and supply
- **Market imperfections** at intermediary level: access and availability of funding, deficient institutional capacities
- Available **investment does not suit the needs** of social enterprises



Progress Microfinance (2010 – 2016)

Main results from interim evaluation
2010-2013

Volume

- Target volume:
46,000 microloans (€ 500 M)
- Actual volume:
>35,000 microloans (€ 333 M)



Implementation set-up



FI: Financial intermediary
ME: Micro-enterprise

Coverage

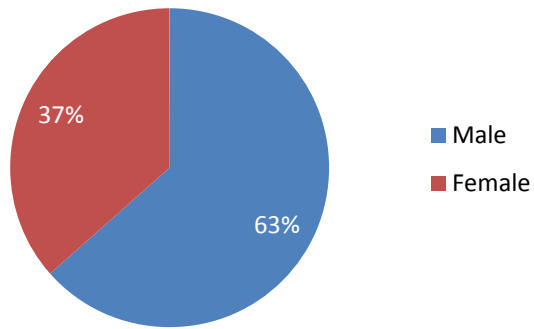
22 Member States

83 operations
with 63 MFIs

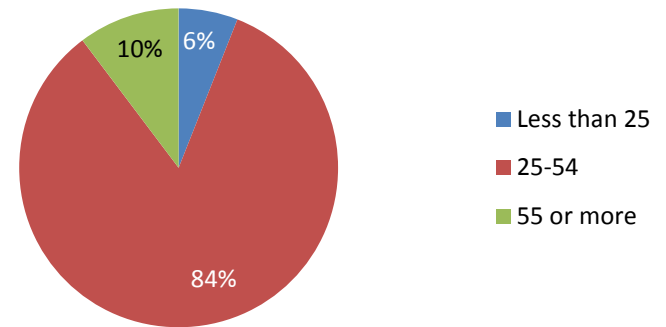


Outreach to disadvantaged groups

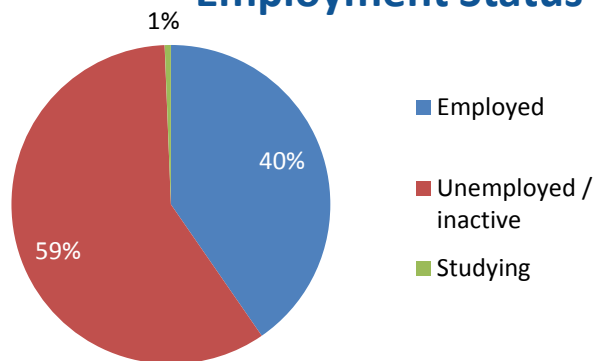
Gender



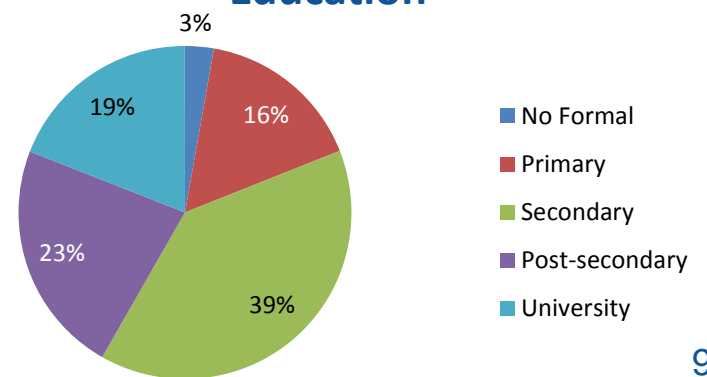
Age



Employment Status



Education



Jobs

- **60,800 jobs created or maintained** after receiving microcredit
- **Half of the micro-borrowers** state that they have been able to **increase their turnover** since the microcredit*

* Interim evaluation European Progress Microfinance Facility, May 2015

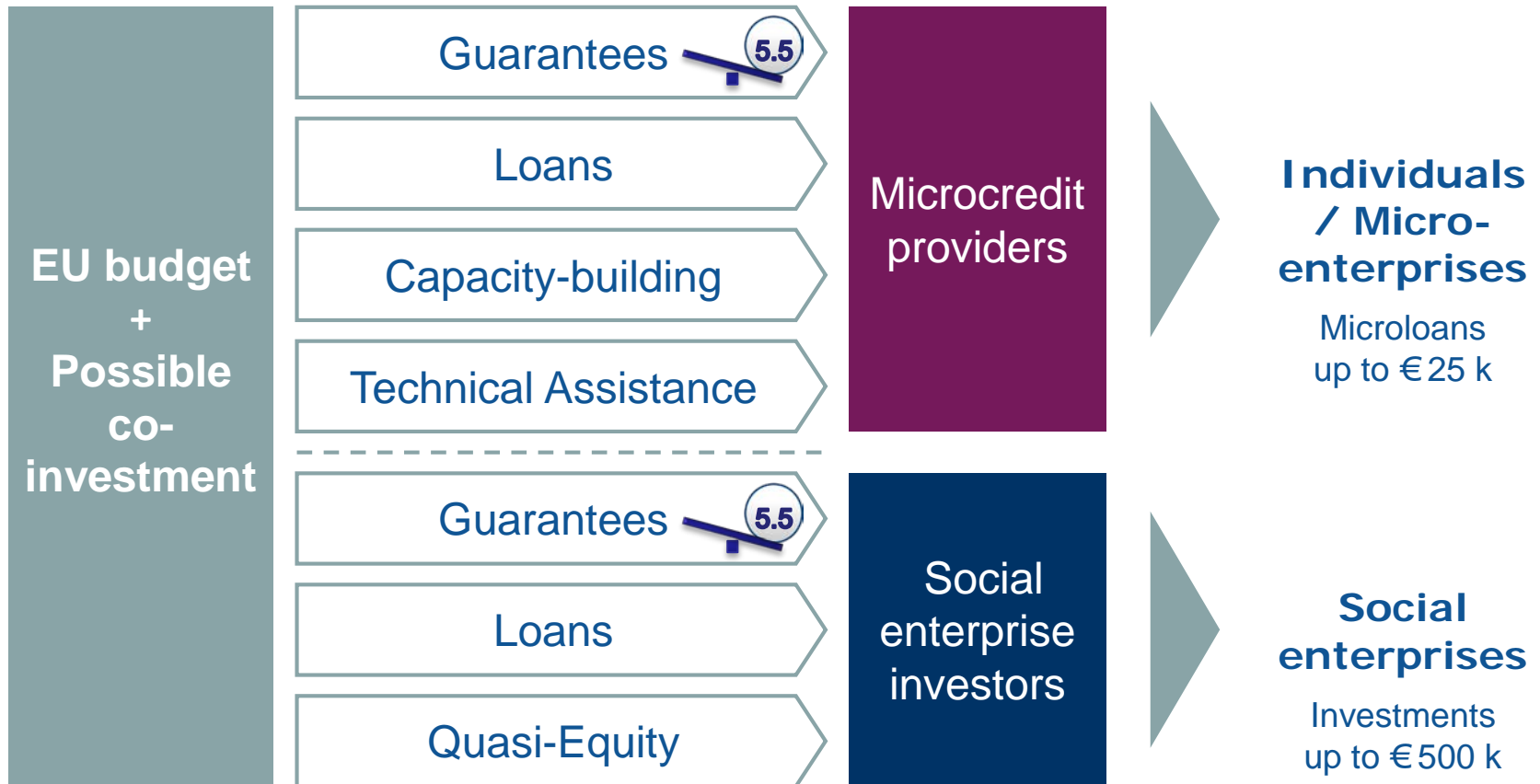


EaSI

Microfinance Facility and Social Entrepreneurship axis

2014 – 2020

Implementation set-up



New elements

- Social entrepreneurship strand
- Funding for capacity building
- Need for compliance with the Code
- Updated reporting requirements (EaSI MicPro)
- Modified terms for guarantees
- Extended geographical coverage

Intermediaries

Public or
private
entities

established
and
operating in



* Other countries might join EaSI later



EaSI Technical Assistance

- Continuation of JASMINE-type activities
- Rating / Assessment
- Tailor-made training
- Training on the Code of Good Conduct
- Evaluation of compliance with the Code of Good Conduct



Code of Good Conduct for Microcredit Provision (CoGC)

- Microcredit providers (MCPs) adhere to high standards concerning governance, management and customer protection in line with the principles of the CoGC
- The CoGC sets obligations incumbent upon MCPs towards their customers that include:
 - fair and transparent lending process
 - right to redress
 - avoidance of customer over-indebtedness (e.g. prevention of granting loans at a high interest rate)

Pilot projects on the supply and demand side of the social finance market

- Develop and establish instruments/mechanisms for social entrepreneurship support or investment readiness support to social enterprises
- 21 pilot projects from 15 EU countries, examples:
 - OksigenCrowd: crowdfunding platform for social enterprises in Belgium
 - Portuguese Social Investment Taskforce
- Recipe book for social finance



Thank you for your attention



More information

Microfinance:

<http://ec.europa.eu/social/microfinance>

Social Entrepreneurship:

<http://ec.europa.eu/social/socialentrepreneurship>