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The European Commission and the European Investment Fund open up access to finance for microenterprises, mobilising €237 million in loans to support 20,000 European micro-enterprises.

20,000 micro-enterprises will get access to loans worth €237 million under the European Programme for Employment and Social Innovation (EaSI). On the 19th October, the European Investment Fund (EIF), which manages the EaSI guarantee on behalf of the European Commission, and six microfinance institutions are signing guarantee agreements that will open up access to finance for microenterprises. The European Commission will contribute with €17 million to the guarantees signed today, which are expected to result in microloans worth €237 million.

Marianne Thyssen,
Commissioner for Employment,
Social Affairs, Skills and Labour

Mobility, said: "I congratulate the six microcredit providers from France, Ireland, Italy, the Netherlands, Romania and Spain which are signing their guarantee agreements - easing access to finance for new microenterprises. Microfinance is an essential instrument to promote entrepreneurship and fight against social and financial exclusion. The Juncker Commission is committed to creating growth and jobs and today we are delivering concretely on this priority."

EIF Chief Executive, Pier Luigi Gilibert said: "I am delighted to be signing our first microfinance agreements only a few months after the EaSI Guarantee was launched. €237 million provides a boost to the microfinance sectors and will help to support disadvantaged micro-entrepreneurs, many of which were previously unemployed. I am also pleased that we are concluding agreements with these institutions today, many of

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whom have successfully deployed EU microfinance support in recent years. We also expect to sign similar transactions in the coming months.”

The six guarantee agreements target those who wish to start or further develop their own micro-enterprises, in particular people who have difficulties in entering the job market or in accessing finance.

These first deals, enabling loans contracts to micro-enterprises, will be signed between the EIF and Qredits Microfinanciering (The Netherlands), Association pour le Droit à l'Initiative Economique (France), Microfinance Ireland (Ireland), PerMicro (Italy), Laboral Kutxa/Caja Laboral Popular (Spain) and Nextebank (Romania), covering six countries and only 5 months after the launch of the EaSI initiative.

In total, the EaSI Guarantee of €96 million is expected to provide a leverage of more than €500 million in loans over the 2014-2020 period in order to promote jobs and growth in Europe for the next 15 years, unlocking a total of 30,800 microloans and 1,000 loans to social enterprises. The €96 million guarantee for microfinance or social finance providers is managed by the EIF on behalf of the European Commission.

The EIF will not provide direct financial support to enterprises

but will implement the facility through local financial intermediaries, such as microfinance, social finance and guarantee institutions, as well as banks active across the EU-28 and additional countries participating in the EaSI programme. These intermediaries will deal with interested parties directly to provide support under the EaSI Guarantee.

About the Programme for Employment and Social Innovation

Under the European Programme for Employment and Social Innovation (EaSI), the European Commission supports microfinance and social entrepreneurship finance with an overall envelope of €193 million for the period 2014-2020. Out of this, €96 million will be used as a guarantee for loans. The aim is to increase access to microfinance, i.e. loans of up to €25 000, in particular for vulnerable persons and micro-enterprises. In addition, for the first time, the European Commission will also support social enterprises through investments of up to €500 000. The microfinance and social entrepreneurship support will be first implemented through the EaSI Guarantee, which will enable microcredit providers and social enterprise investors to reach out to entrepreneurs that would not have been able to gain finance otherwise due to risk considerations. The

European Commission has selected the EIF to implement the EaSI Guarantee.

About the European Investment Fund

The European Investment Fund (EIF) is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. The EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, the EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. EIF's total net commitments to private equity funds amounted to over 8.8 billion euro at the end of 2014. With investments in over 500 funds, the EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and early-stage segments. The EIF's guarantees loan portfolio totalled over €5.6 billion in over 350 operations at end 2014, positioning it as a major European SME guarantees actor and a leading micro-finance guarantor.