



FINANCIAL INSTRUMENTS IN SUPPORT OF MICROFINANCE AND SOCIAL ENTERPRISES

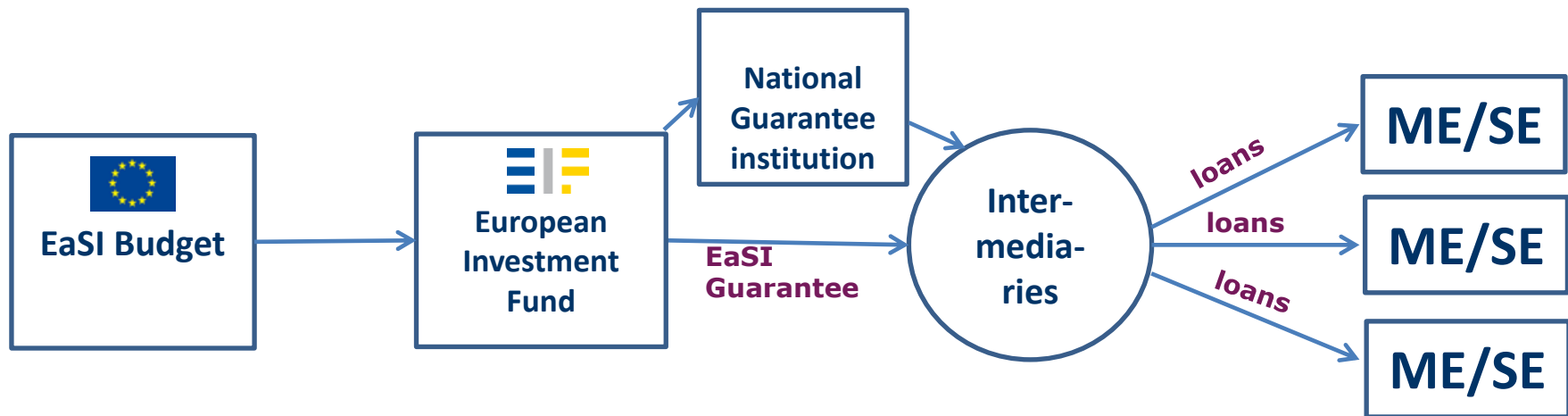
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1. EaSI Guarantee for microfinance and social enterprise finance

Budget EaSI Financial Instruments

EU Budget in EUR	Microfinance	Social entrepreneurship	Total
Guarantees	56 million	40 million	96 million
Funded instruments	At least 30 million	At least 46 million	max. 97 million
Total	At least 86 million	At least 86 million	193 million

Overview implementation

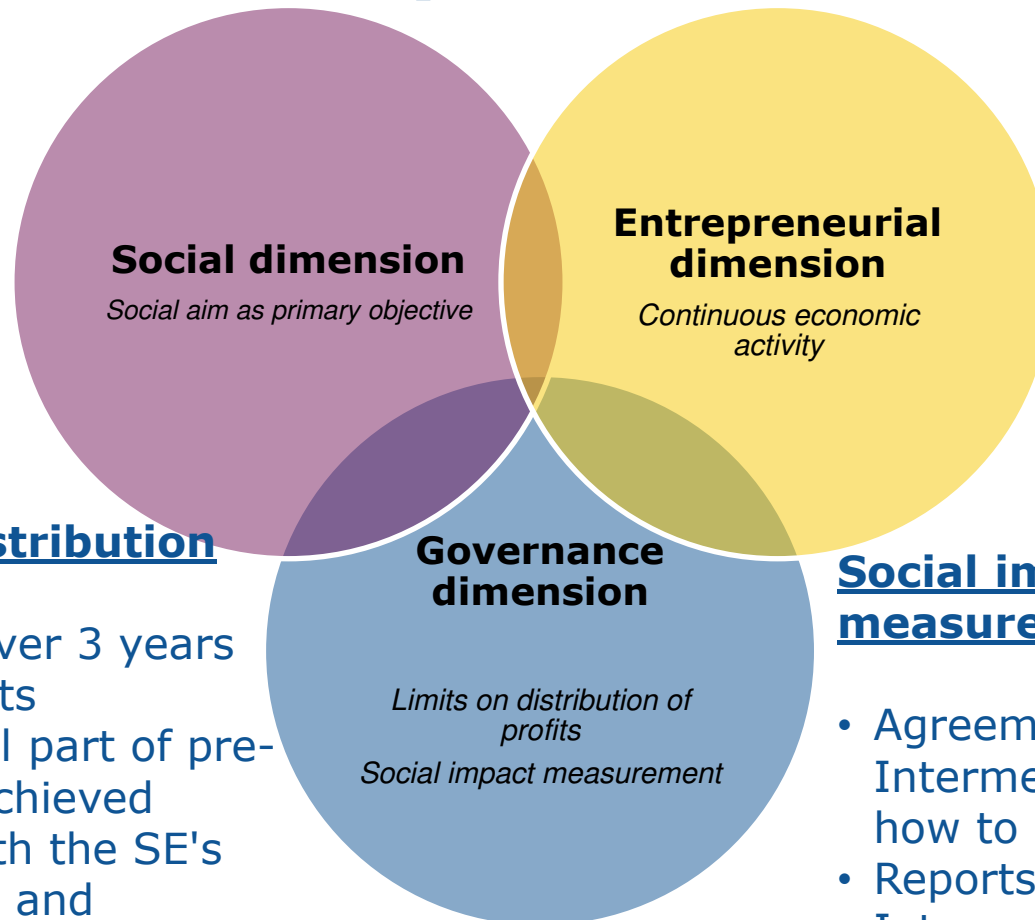


- **Implementation by the European Investment Fund (EIF) on behalf of the Commission**
- **Implementation via intermediaries**

Microfinance vs social entrepreneurship finance

	Microfinance	Social entrepreneurship
Target group	Vulnerable individuals + micro-enterprises	Social enterprises (turn-over and balance sheet max. EUR 30 million, not listed in the stock-market)
Amounts	Up to 25 000 €	Up to 500 000 €
Other	-	Social impact measurement

MFIs as final recipients?



Limited profit distribution

- rolling average over 3 years
max. 1/3 of profits
- only if substantial part of pre-defined impact achieved
- in accordance with the SE's pre-defined rules and procedures

Social impact measurement

- Agreement between Intermediary and SE on how to measure
- Reports to Intermediary on this basis

Overview: A variety of products for intermediaries

Part 1:
Guarantees

Part 2:
Loans/quasi-
equity

Part 3:
Equity
(with EFSI)



European
Commission

2. Pilot projects in the area of the social investment market

Developing the social finance market

- Project period: 1 January 2014 – 15 September 2015
- Budget: EUR 2 million for grants

Supply side	Demand side
Development and establishment of financial instruments/mechanisms for social entrepreneurship support	Instruments / Schemes for investment readiness support to social enterprises

- 21 pilot projects from 15 EU countries

Results

- *Project examples*
 - ✓ OksigenCrowd – crowdfunding platform for social enterprises in Belgium
 - ✓ Portuguese Social Investment Taskforce
 - ✓ Polish Impact Fund
- *Recipe book for social finance*

3. European Fund for Strategic Investments

Equity instruments

- *For Incubators, accelerators and funds providing incubation services (at least EUR 30m)*
- *Business Angel Facility (at least EUR 25m)*
- *Payment-by-results scheme (without EaSI funding) (at least EUR 25m)*

Next steps

- *Calls for expression of interest to be published on EIF website*

EFSI will re-inforce the EaSI Guarantee



More information

Websites:

EU Microfinance

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

EU Social entrepreneurship support

www.ec.europa.eu/social/socialentrepreneurship

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