



EIF managed instruments in support of social finance

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Europe's social challenge – Where does it come from?



- Collateral damage of financial crisis is not cured
- State finance – welfare state system challenged in its foundations
- 10 years of precariousness is a long time and for many it isn't over
- Social tensions: “home-made” vs. “imported”
- Disconnect between social policy and the perceived reality of communities in need
- Who benefits from growth?





Impact Finance Initiatives





“ We understand the crucial importance of micro-entrepreneurs for the economy ”



<p>Ensuring access to finance and financial services and equal opportunity to start a business regardless of personal characteristics and background</p>	<p>Targeting non-bankable people (incl. the unemployed, young or senior inactive people, ethnic minorities, disabled people)</p>	<p>Providing</p> <ul style="list-style-type: none">• microfinance,• social entrepreneurship finance <p>via various types of financial institutions</p>	<p>Resulting in economic (employment of vulnerable groups, innovation) and social (increased labor markets, less social exclusion) benefits</p>
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Microfinance – EIF's first social finance pillar



“ With EC and EIB Group funding we have developed schemes to assist non-bankable entrepreneurs and implement EU 2020 objectives ”



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

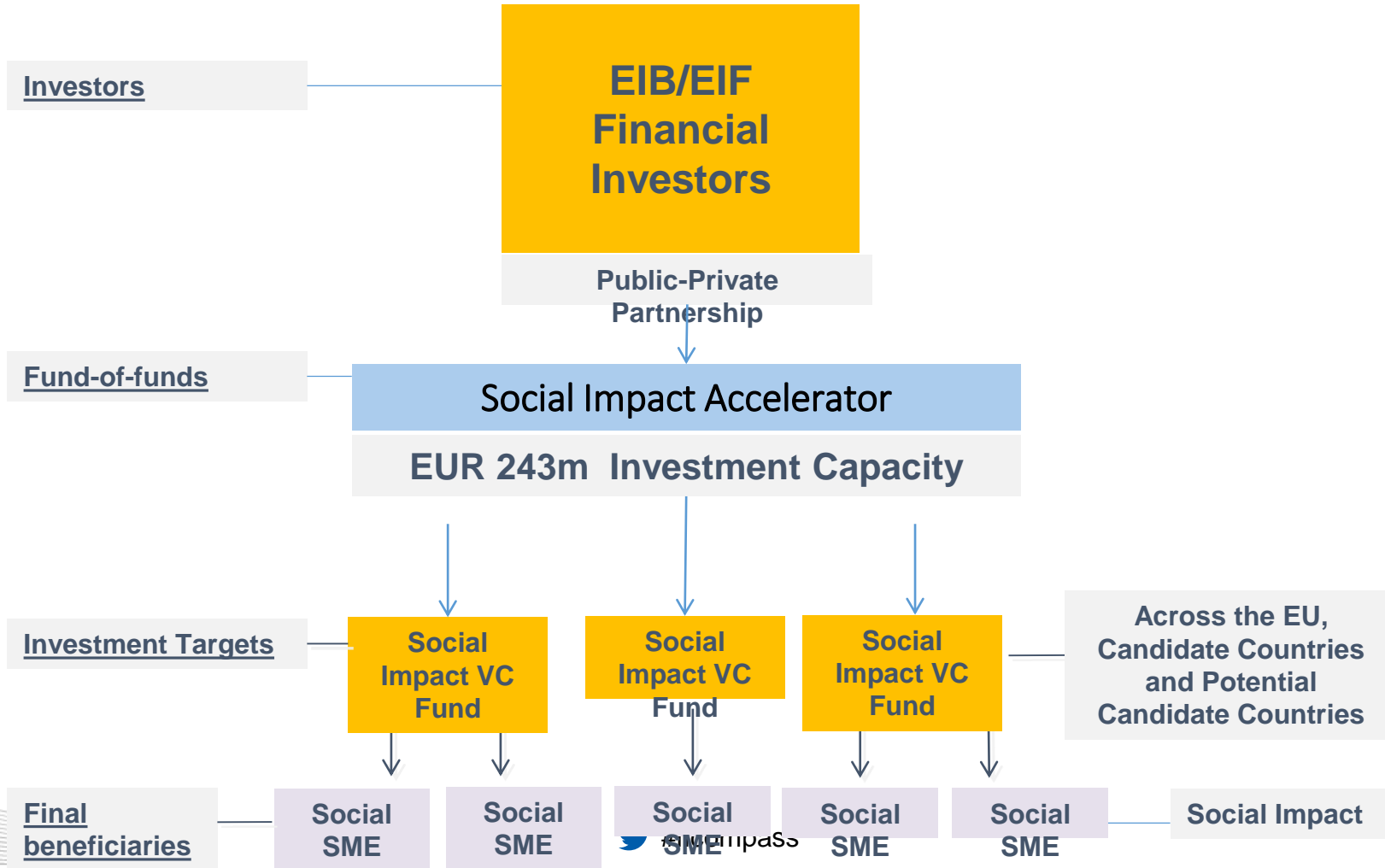
Objective:

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



Impact Investing Tools

Social Impact Accelerator (SIA)



New tools for impact investing: EFSI Equity Instrument



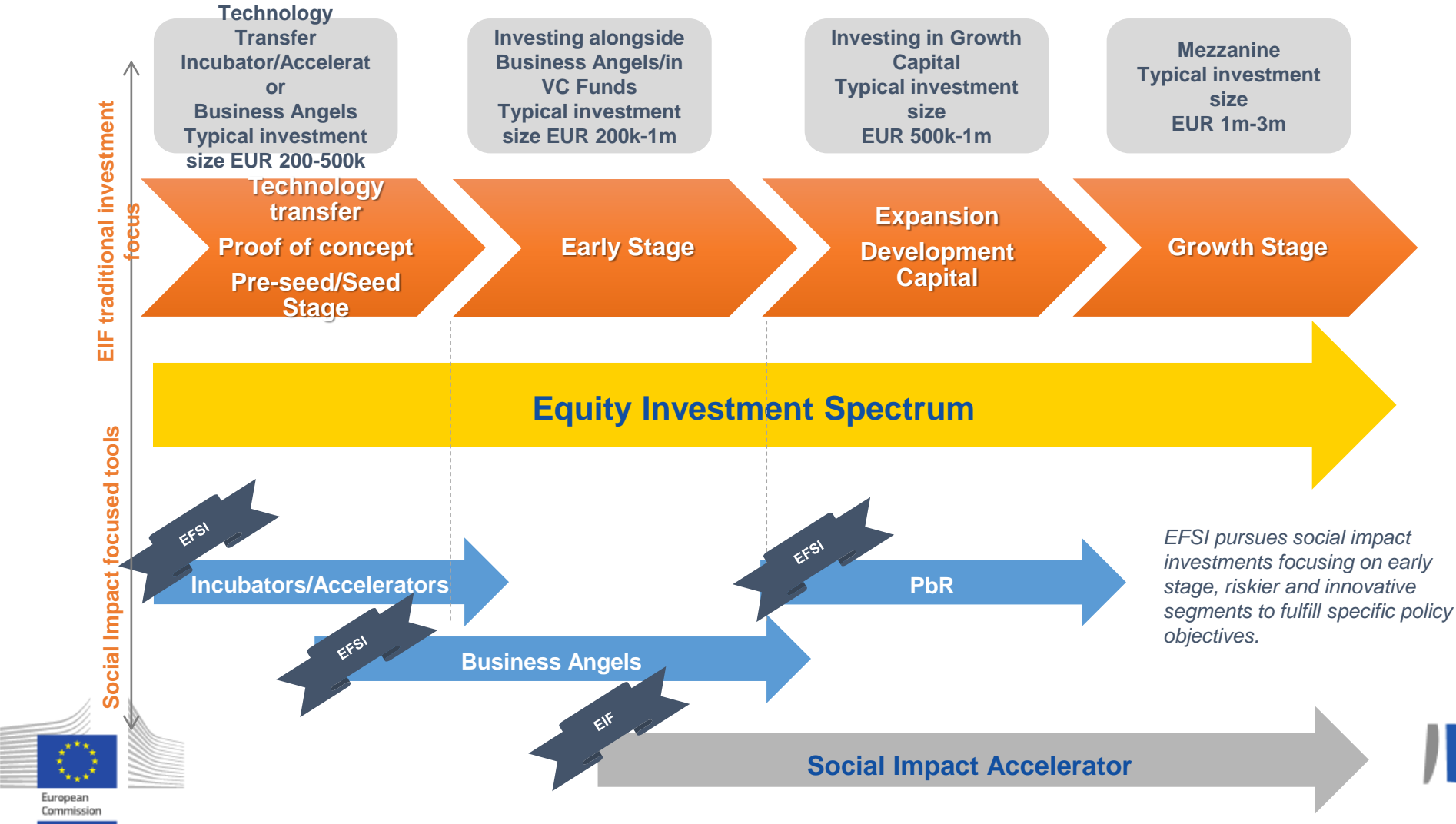
New tools for impact investing

Investments in/alongside intermediaries **linked to incubators/accelerators** targeting social enterprises

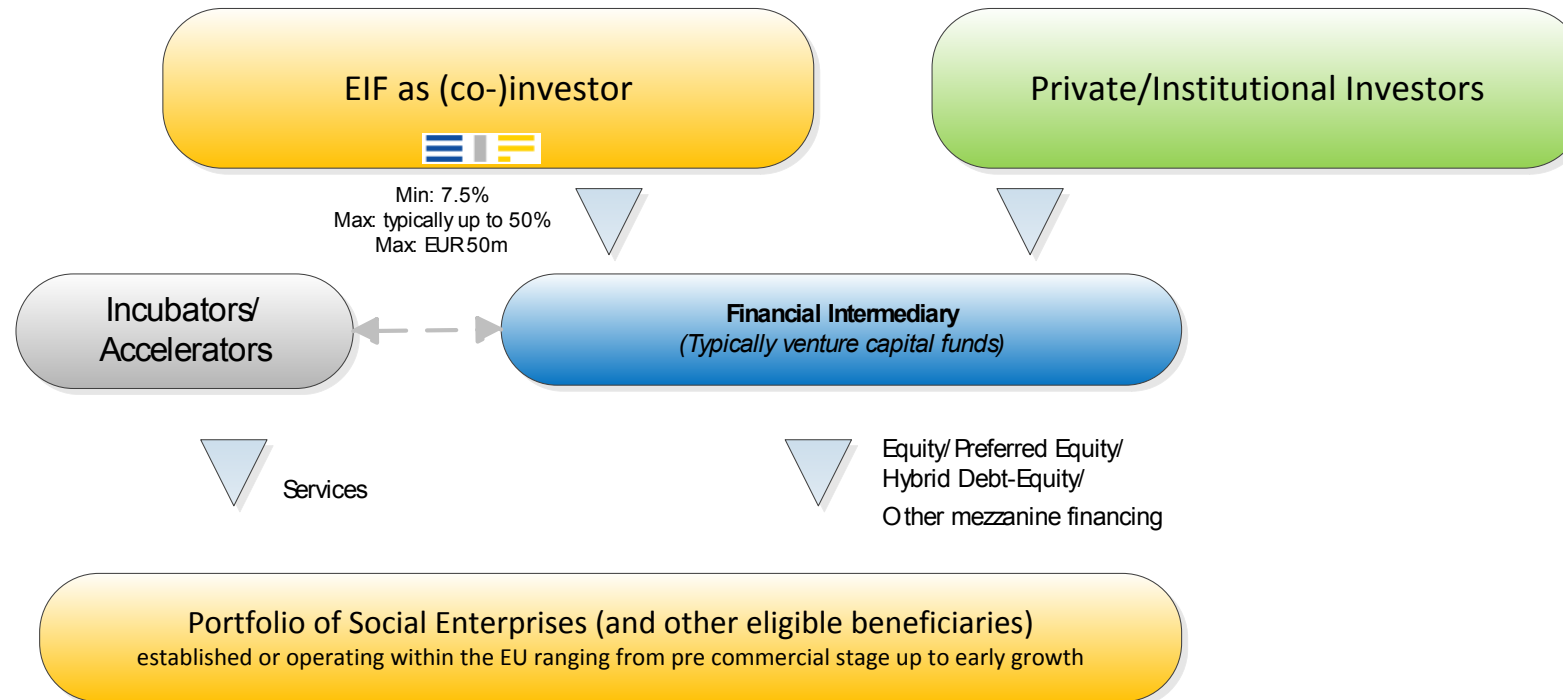
Investments in business angels funds or co-investments **alongside business angels** targeting social enterprises

Payment by Results investment schemes targeting social sector organizations at large

Impact Investing: Serving the full food chain



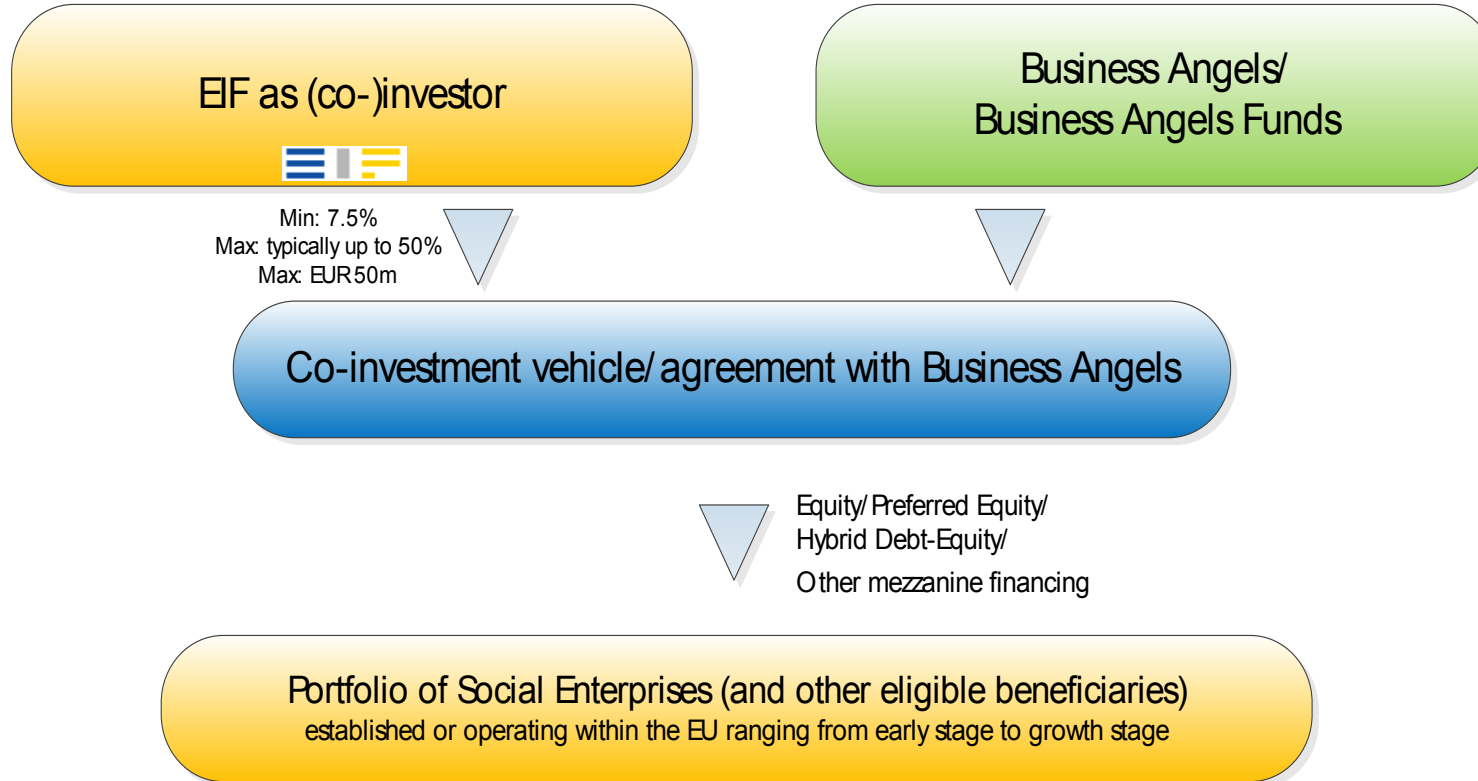
Financial Intermediaries linked to incubators/ accelerators



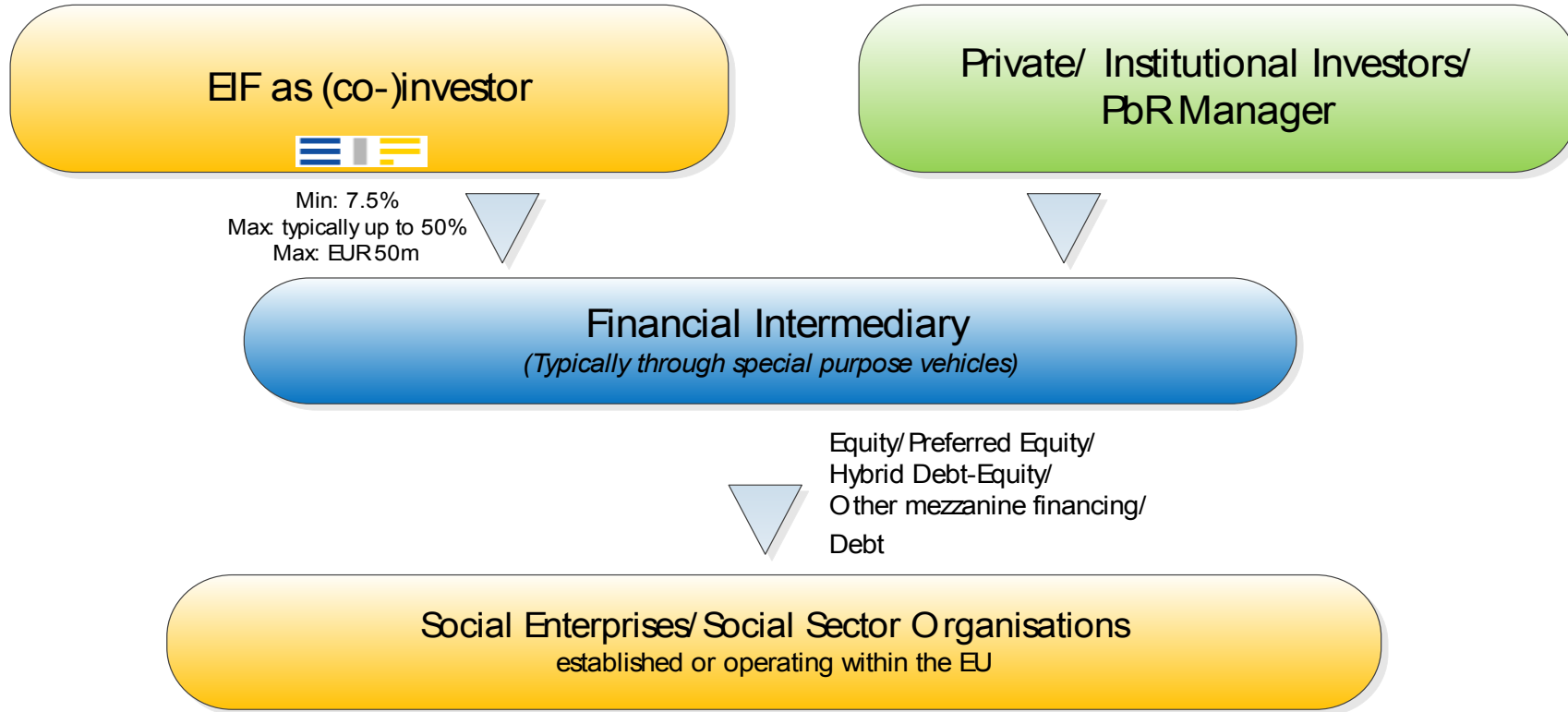
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Co-investment with Business Angels



Payment-by-Results Instruments



Delivering on Europe's social challenge: what does it take?



- Mind the objective
 - Mind the means – if it serves the objective
 - Entrepreneurial Innovation
 - Solution-driven finance for scale
 - Hybrid finance for common objective instead of common finance for hybrid objectives
 - Protect impact instead of protecting a sector
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- Take inspiration from social enterprises to encourage diversity: It isn't a problem, it is tangible value!





financial instruments revolving capacity building
 added value **ERDF** funding agreement **ESF** EU guidance
 technical support seminars leverage financial intermediaries microfinance
 co-financing **ESIF** case studies
 investments **fi-compass** final recipients
 business plan **Thank you** thematic objectives
 advisory services guarantees banks loans **EaSI** equity
 private investors life cycle combination of support
EAFRD conferences factsheets
 fund of funds **EMFF** investment strategy **CF**
 managing authorities manuals