

# Financing migrant integration projects via financial instruments – workshop with Managing Authorities

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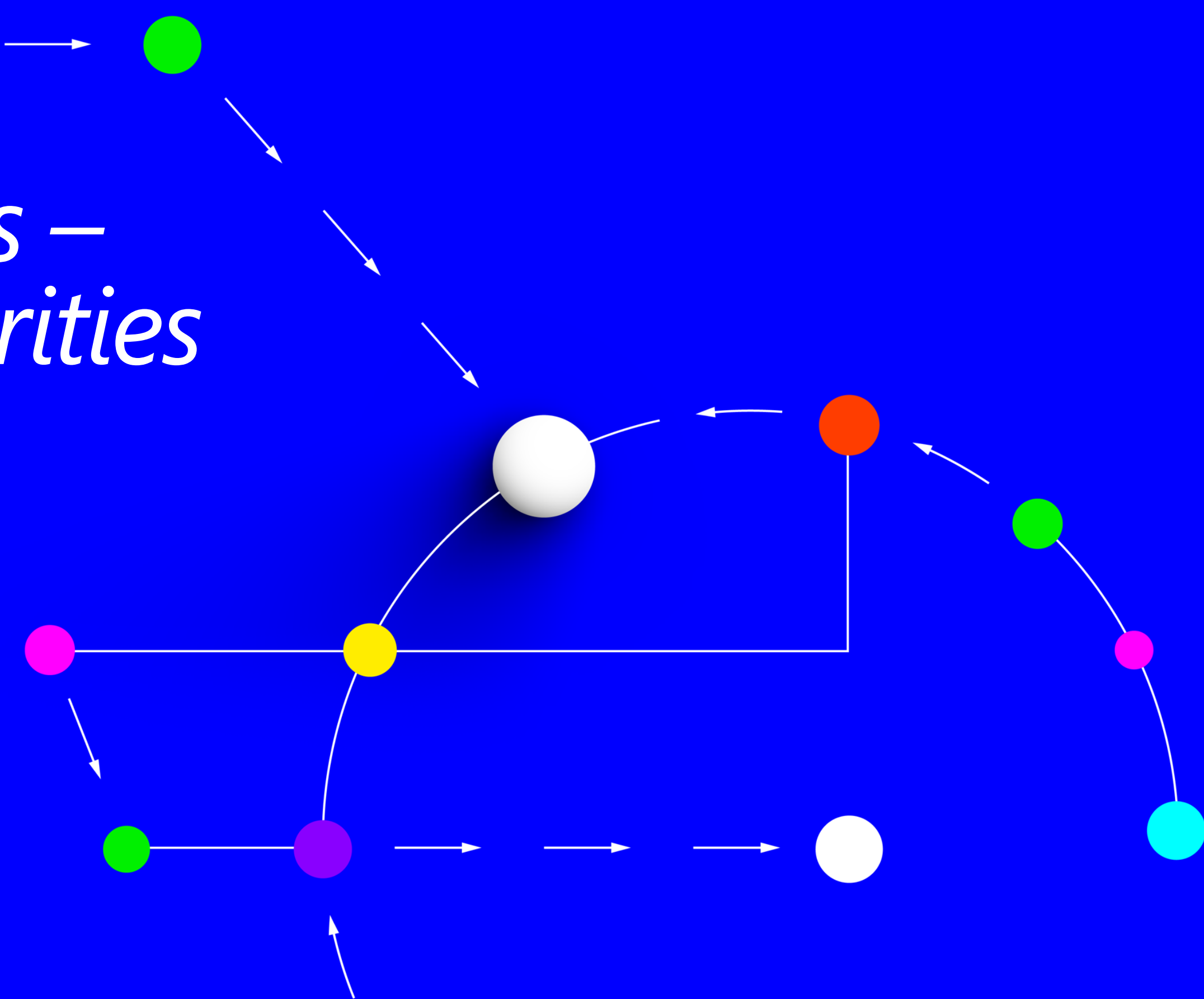
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# The benefits of financial instruments



## Revolving effect

Additional flows of money – generated through repayments or cost savings as well as realisation of investments, that can be reused for further investments



## Leverage effect

Capacity to attract additional public and private resources. Combination with grant to support project development or meet part of costs can further enhance the potential range of instruments



## High Impact

Financial instruments are closer to the market and delivered by financial intermediaries with expertise in the sector. Structured investment decisions based on an agreed Investment Strategy can have high impact on the ground

# Key considerations

## Financial instruments supporting the integration of migrants



- Migrants already benefit from financial instruments co-financed through e.g. ESF+, ERDF or national resources in the 2014-2020 programming period.
- AMIF resources may be deployed for the first time in the 2021-2027 programming period through financial instruments, i.e. loans, guarantees and equity/quasi-equity.
- The Common Provisions Regulation (CPR 2021/1060) governs the implementation of financial instruments.
- Financial instruments do not aim to replace grants. They can be combined with grants and provide market-based support for 'bankable' projects.
- Projects supported by financial instruments should be financially viable, able to generate revenues or cost savings to pay back the support.



# Combination of support with grant and other EU Funds

- Broad opportunities of the CPR 2021/1060 to combine financial instruments and grants are available to managing authorities of AMIF and other shared management funds, aiming to support migrants in the 2021-2027 period.
- For complex measures targeting third-country nationals, financial instruments can also be created using AMIF in combination with resources from other EU shared management funds, as well as InvestEU.
- The delineation between AMIF and other shared management funds is that AMIF focuses on early integration measures, whereas the other Funds support medium and long-term integration.



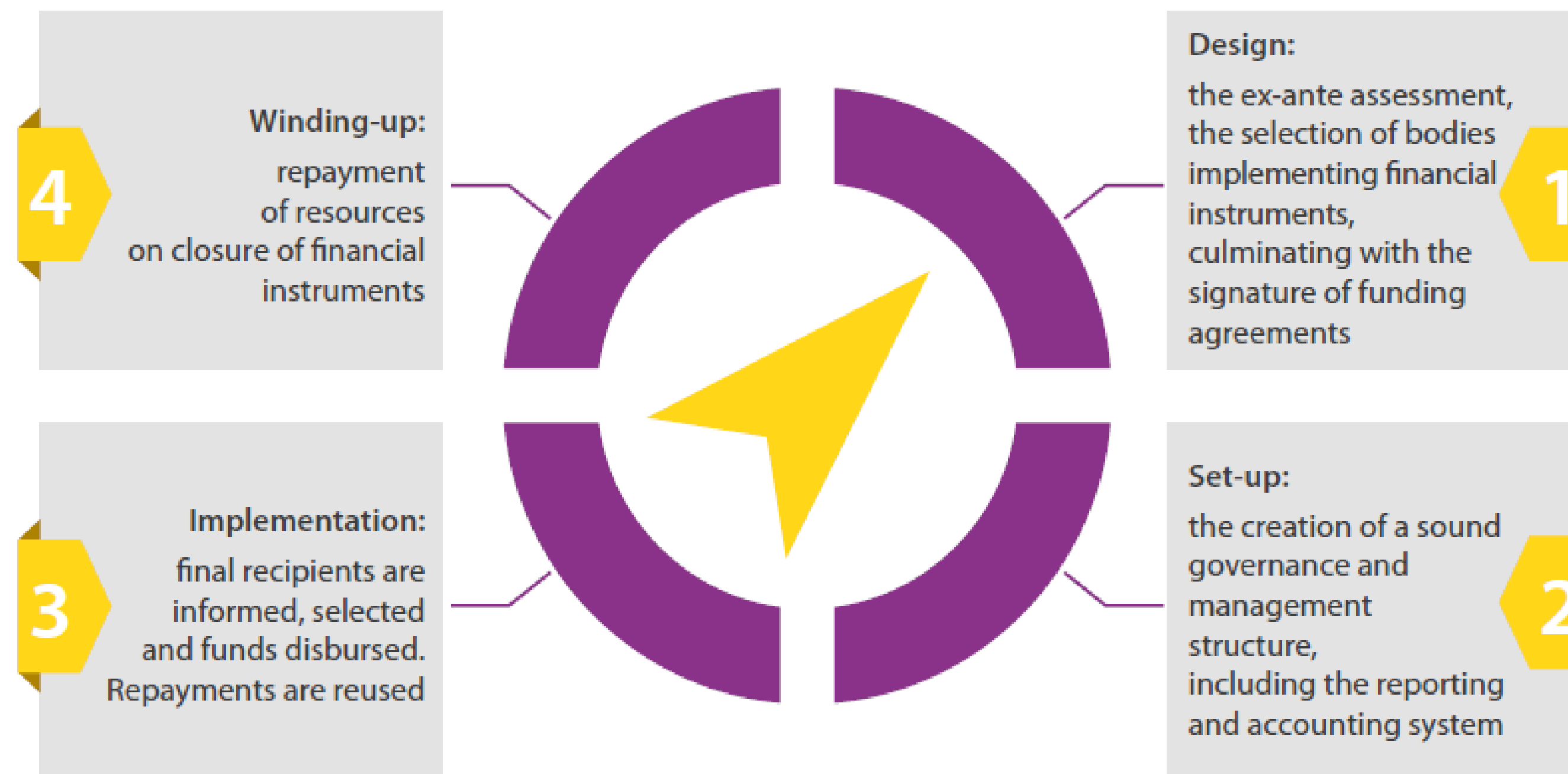
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# Implementation of financial instruments under shared management funds

- Financial instruments can be introduced any time during the implementation of the national programmes.
- Prior to launching any financial instrument, an ex-ante assessment needs to be carried out.
- Financial instruments can be implemented either directly by the managing authority or indirectly through a body selected by the managing authority to implement the financial instrument.





# Key areas of support

Financial instruments in the area of integration of migrants



## MICROFINANCE

supporting low cost loans to entrepreneurs through specialist institutions that also provide non-financial support to help support the successful launch of the business.



## HOUSING

financing all or part of the costs of provision of temporary accommodation, for example as part of an urban development financial instrument lending to municipalities and other public authorities.



## IMPACT INVESTING

equity and quasi-equity investment in small and medium-sized enterprises (SMEs), including social enterprises that provide services or facilities that help achieve AMIF policy objectives, including social outcomes contracting projects.

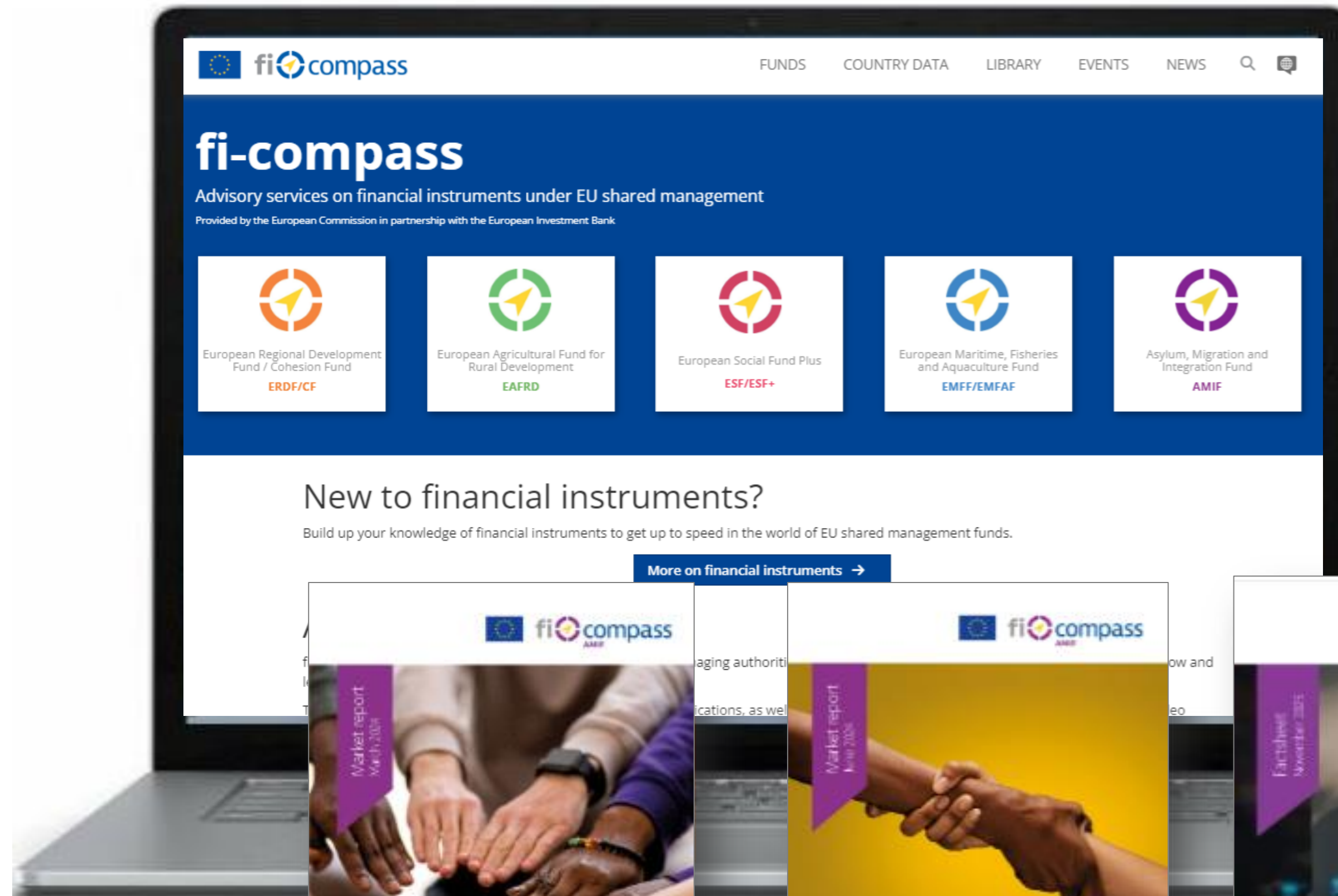
# fi-compass advisory support on financial instruments under shared management funds

A broad spectrum of tools to support stakeholders wanting to learn more on FIs



[www.fi-compass.eu](http://www.fi-compass.eu)

The one-stop-shop for resources on financial instruments in the 2021-2027 programming period



New to financial instruments?

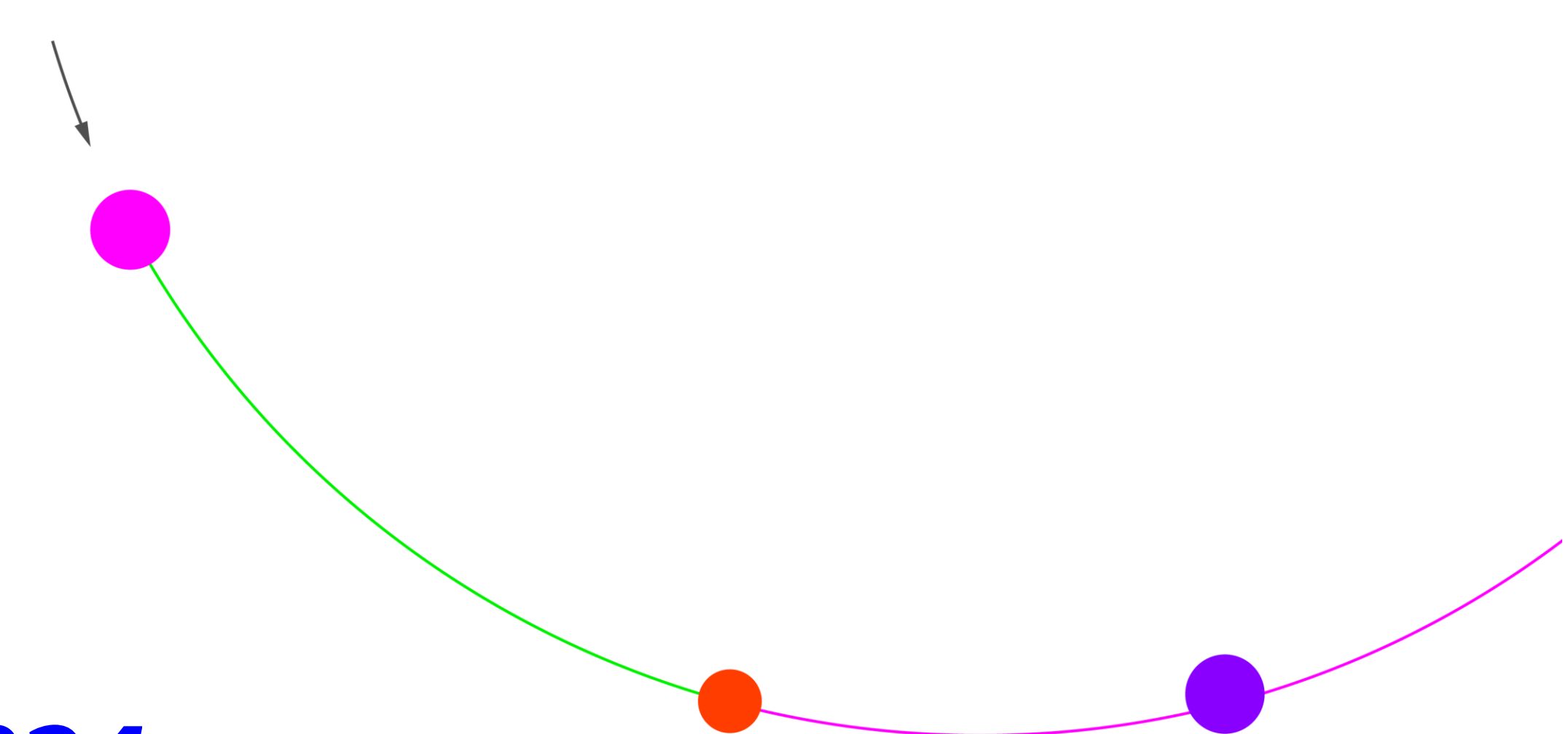
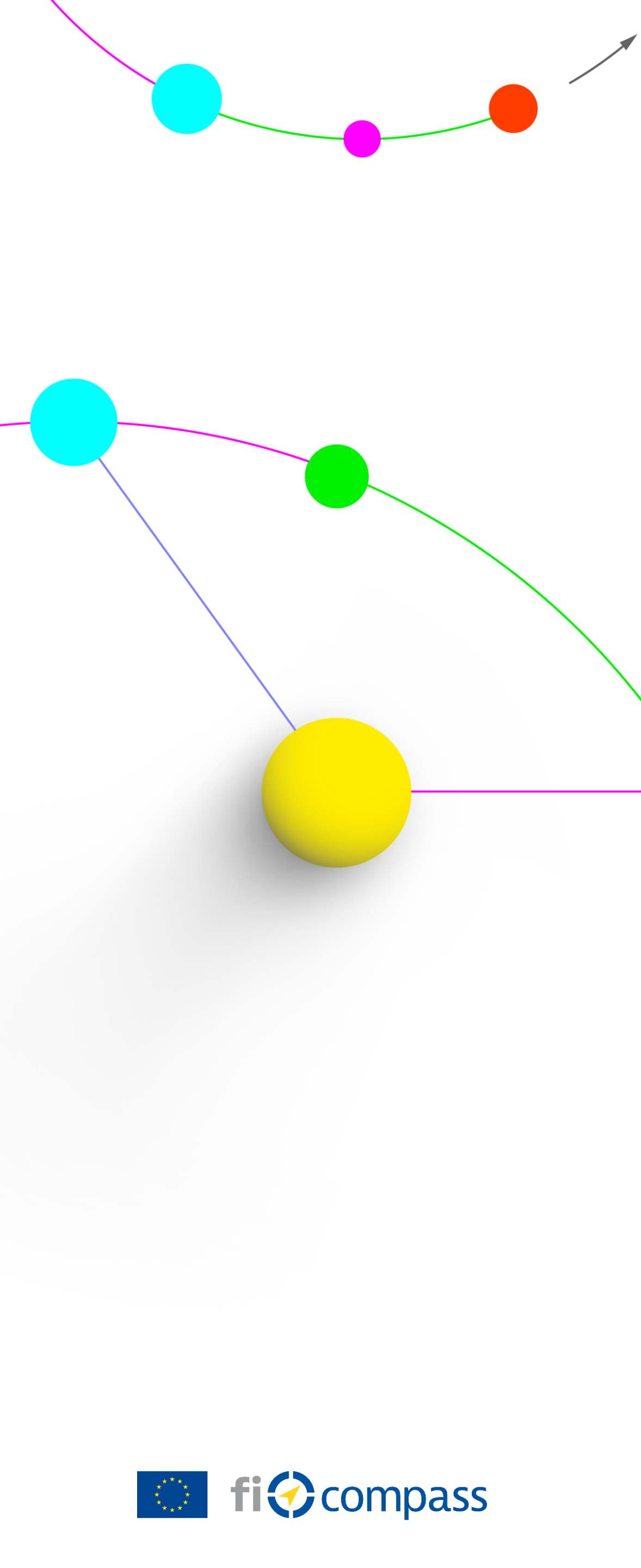
Build up your knowledge of financial instruments to get up to speed in the world of EU shared management funds.

[More on financial instruments →](#)



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# FI *Campus 2024*

Thank you



# Financing housing projects for vulnerable people, including migrants

Florian Ott,  
ERSTE Bank, Austria



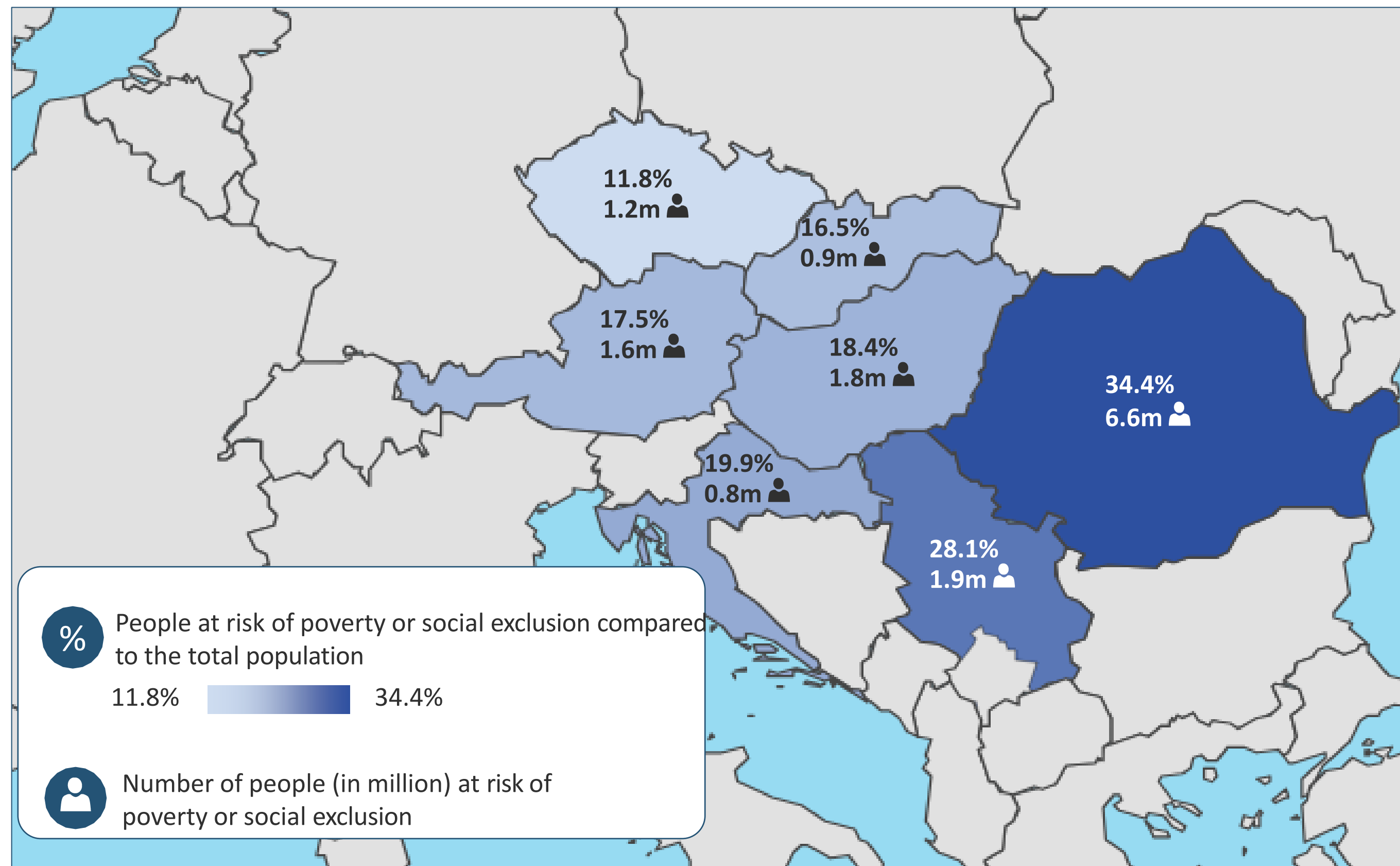
# Erste Group – Social Banking

## Helping where it matters

The target market consists of Central and Eastern Europe (incl. Austria), where substantial capital investments via new funding solutions are required to address local social challenges.



### Geographical target market



% People at risk of poverty or social exclusion compared to the total population

11.8% 34.4%

Number of people (in million) at risk of poverty or social exclusion

Source: EUROSTAT (2022)

### Rational and target group

**People at risk of poverty or social inclusion** correspond to persons who are either at risk of poverty, or severely materially and socially deprived or living in a household with a very low work intensity. In the **Central and Eastern European (CEE)** region, despite economic growth, income inequality remains high, leaving many struggling to make ends meet and **access basic needs such as housing, healthcare, and education.**

Our objective is to **build inclusive societies** that promote social and economic mobility, thus offering a positive impact on communities in need while **reducing poverty and advancing social cohesion.**

**ERSTE** | Social Banking  
Group



A photograph of a Roma settlement in east Slovakia. The foreground is dominated by a large, messy pile of garbage, including plastic bags, sticks, and other debris. In the background, several wooden houses with corrugated metal roofs are visible. A few people, including children, are standing in a dirt area between the houses. The overall scene depicts a state of poverty and neglect.

**If people do not do well,  
other topics become a second priority...**

Roma settlement east Slovakia

# Social and affordable housing solutions

Financial instrument solutions from the private sector



# Rental Microloan

Reducing access barrier to affordable rental housing



## Access barriers to rental housing

Even if the ongoing rental costs can be met, there are barriers to entry for moving into a rental apartment:



~3 months rent deposit



Moving into and furnishing the apartment (especially kitchen and furniture)

## Financial solution

The rental deposit loan by Zweite Sparkasse makes it easier to access rental options

Die Zweite  
**SPARKASSE**

## Conditions



- Social partner referral
- Repayment capacity check
- Check of purpose, legal situation, family structure...

- max. 5.000 EUR
- 5 years, monthly installments
- Fix interest, no fees

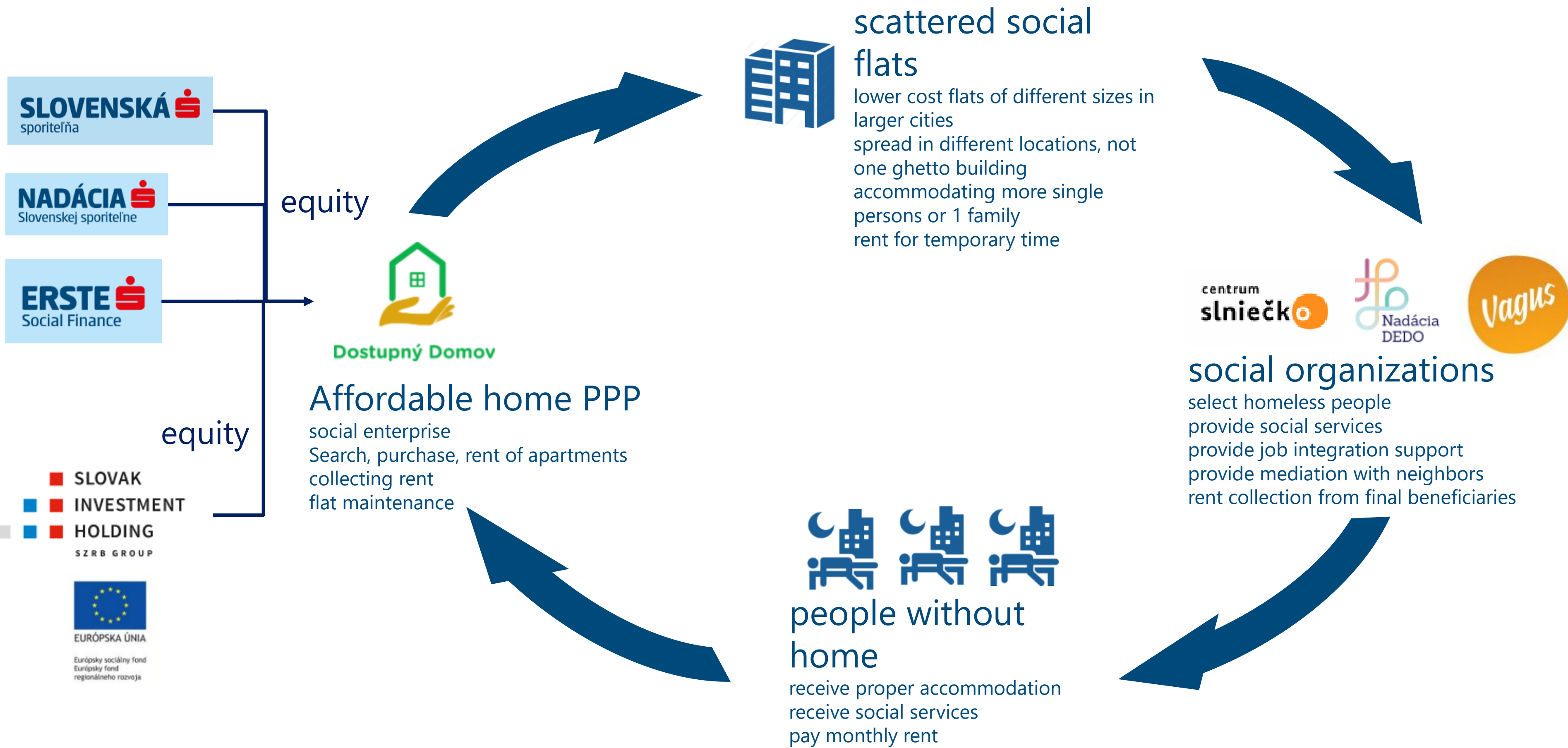
- ✓ Guarantee provided by ERSTE Foundation



**ERSTE**  
Stiftung

# Social Housing joint-venture in Slovakia

Increase access to social and affordable rental market



# Scaling social & cooperative housing development

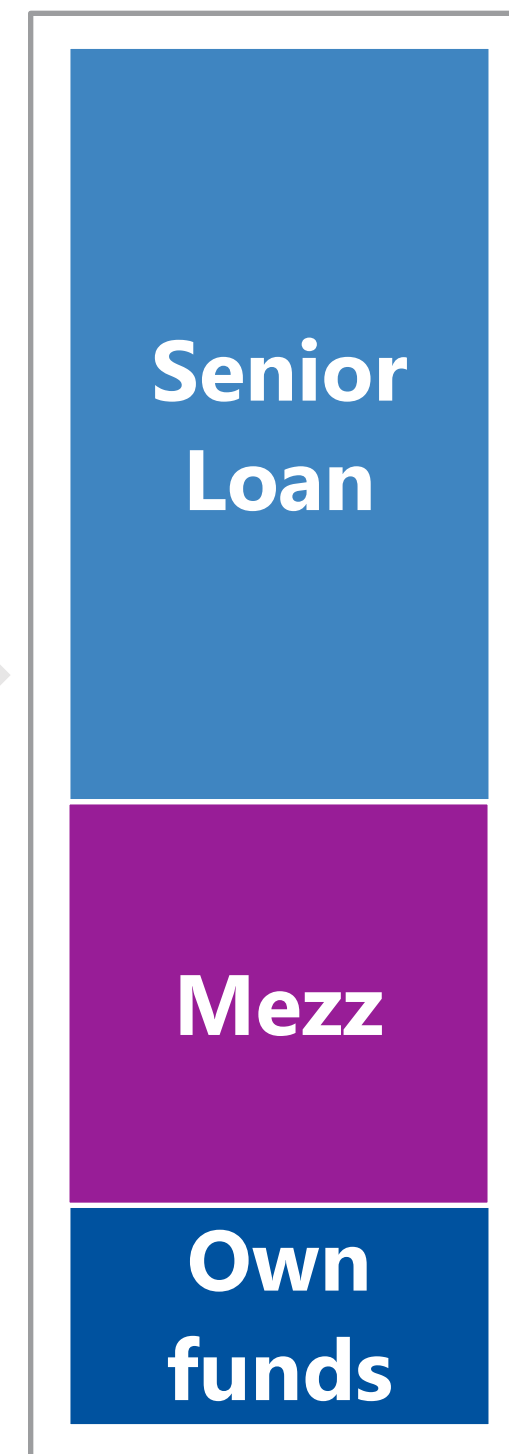
Mezzanine to scale social impact



**X** Investment need



**✓** Realised investment



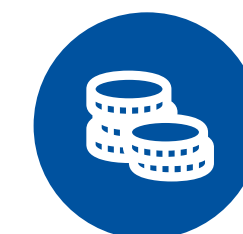
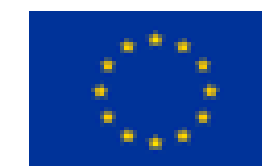
Senior loan:  
~60% of TIC

Mortgage-backed loan on SPV level



**Mezzanine:**  
**max. 30% of TIC / EUR 200k – EUR 3 M**

- Fixed-interest and/or impact-link components
- Interest capitalization until operation
- Quarterly interest payments
- Flexible repayment mechanism based on the respective business case
- Benefits from InvestEU guarantee



Equity from project initiator:  
min. 10% of TIC

Costs for internal management services can be used at market rate

**Barrier** for social and affordable rental housing development:  
Missing regulatory framework in CEE

# Meet Adriana & Igor, clients of Housing Program



I am happy that we build our own house so that we can live better, have everything needed for life – water, electricity...

More about Adriana und Igor here





# FI Campus 2024

## Thank you

[www.fi-compass.eu](http://www.fi-compass.eu)

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