



The Italian case study: **SELFI**Employment – a revolving Fund for youth self-employment

Brussels, February 2nd 2016



Agenda

1. Delivery of NEET employment policy – demand and supply analysis
2. Addressing the market failure by using a FI: why we go for it
3. Governance model, products provided and available resources
4. Action plan for the implementation of the FI: next steps and expected results



1. *Delivery of NEET employment policy – demand and supply analysis*

The NEET issue in Italy and the Youth Guarantee



In the need to effectively face the youth unemployment issue, Italy delivers the Youth Guarantee via a National OP, financed by ESF, YEI and national resources and implemented by the Ministry of Labour and Social Policies (MA) and Italian Regions (Intermediate Bodies)

9 different measures delivering high quality training and adequate job offers for NEETs.

The MA relies on the **Self-entrepreneurship as one of the most effective measures** for a quick recover of the youth employment rate.



The ex-ante assessment showed that:

- a **market failure** exists in quantitative terms
- **86.436 NEET** registered to YG aged 19-29 and proxied by self-employment propensity
- **No measures** specifically addressing **NEET**
- Risk of **cannibalization and crowding-out effect for NEET** due to excessive fragmentation of resources



Need to address the demand with **tailored** and **specific** measures for promoting **NEET self-employment** initiatives

- A FI **fills a market gap** without negatively affecting competition
- The measure is **complementary to existing financial instruments** and training measures, not only within the YG scheme
- Whole number of NEET able to be targeted only via a **revolving mechanism**
- A FI at national level ensures a **greater critical mass** compared to its implementation at regional level



2. Addressing the market failure by using a FI: why we go for it

How we support self-employment at the moment...



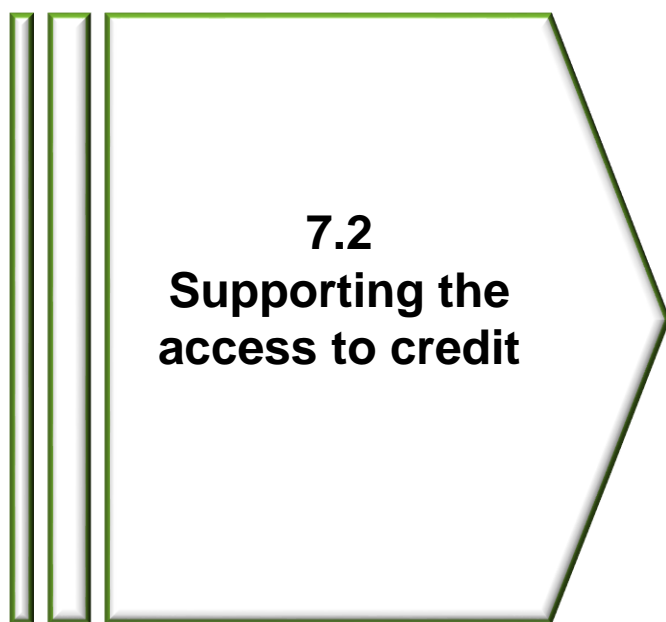
YEI NOP Measure n. 7 supports NEETs registered to YG programme in two complementary ways:



... and how we will complete it with a FI



After providing NEETs with training and tutoring, sound business ideas are in need to access credit:



MA intended to deliver this sub-measure via a Financial Instrument.

SELFIEMPLOYMENT NATIONAL REVOLVING FUND

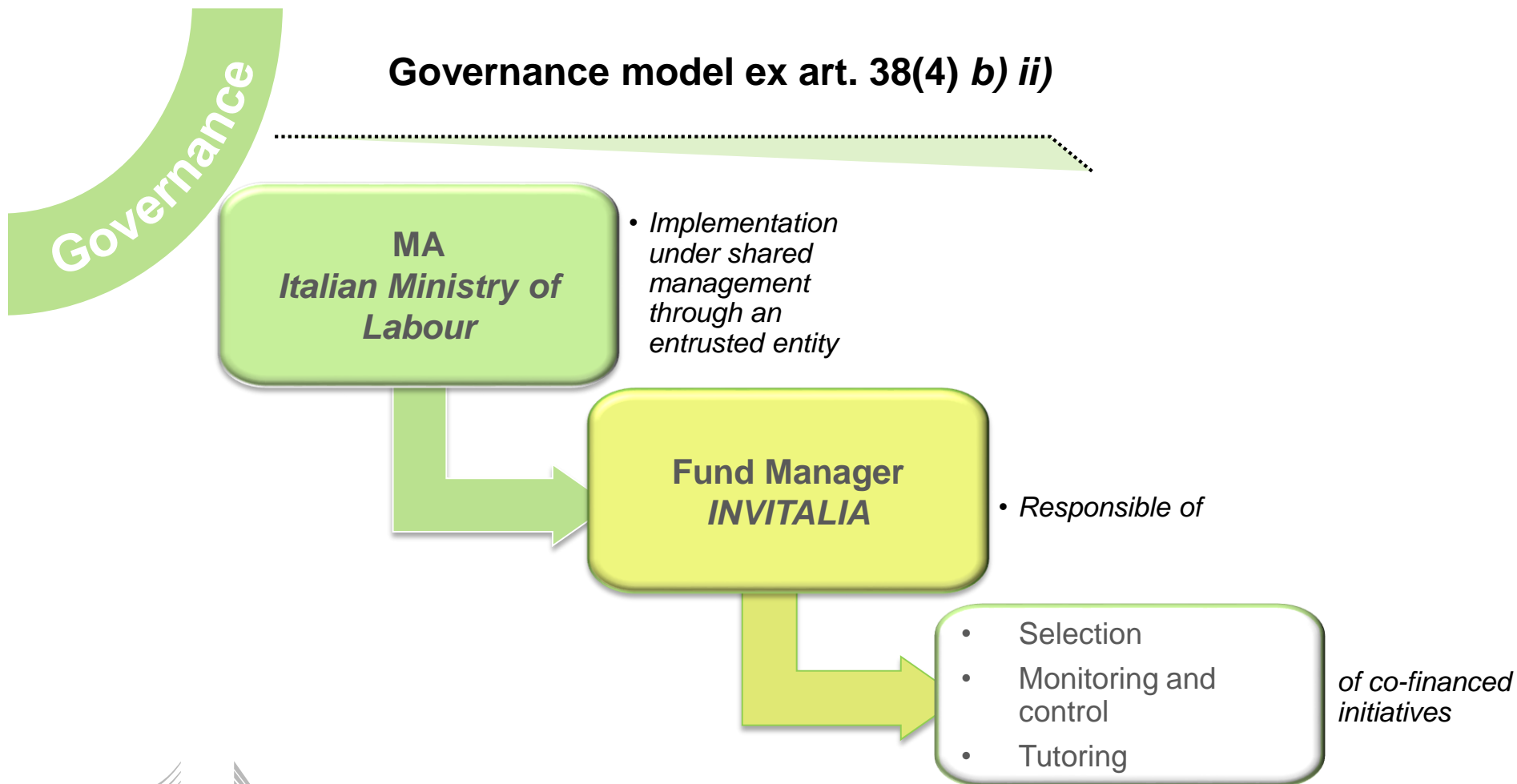


3. Governance model, products provided and available resources

How SELFIEmployment works



Governance model ex art. 38(4) b) ii)



Financial products provided



Different credit size for different needs



1 Microfinance within € 25 000
no guarantees required

2 Extended Microfinance between € 25 000 and € 35 000
no guarantees required

Small loans between € 35 000 and € 50 000:

- 3** ➤ 1° Tranche: Max 50% of the eligible expenditure
➤ 2° Tranche: Residual part of the eligible expenditure, at the completion of the expenditure plan



*The **Investment Strategy** follows directly from the results of the market analysis and lessons learnt*



Max reimbursement period
7 years



Available resources



More than
€ 124 million



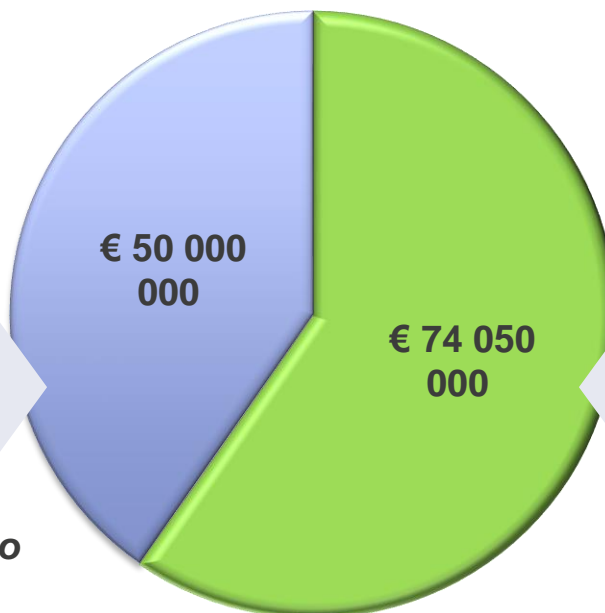
SPAO (ESF) National OP resources

MA allocated to *SELFI* Employment an amount of **ESF resources** addressing **NEETs** from the whole national territory.



YEI National OP resources

7 Regions allocated to *SELFI* Employment an amount of **YEI resources** addressing their **Regional NEET target**.



ESF resources will contribute in the future to widen the FI targets





4. Action plan for the implementation of the FI: next steps and expected results

Next steps & expected results



1st

Call for the selection of final recipients to be launched

8 000

and more proposals expected to be submitted

4 200

and more NEETs will be financed



Reload of *SELF*Employment and following Calls



More Regions expected to contribute to the FI



ESF resources to address a wider target of final recipients (young entrepreneurs up to 35 y.o.; long term unemployed, etc.)





Thank you

www.fi-compass.eu

