

Showing the new era of microfinance

As part of the European Microfinance Day in October 2019, an international workshop on microfinance and sustainable development was organized by the Spanish University of Cadiz in Jerez, with speakers from Europe and South America.

Tibor Szekfű, president of the Hungarian Microfinance Network and Peter Vonnák, vice-president of the network were invited to the event. Peter Vonnák held a presentation about “Micro entrepreneurs and microfinance: the Hungarian experience”. He also presented the “ATM for SMEs” project, the partnership and the main goals of the project. He described the learning process which already led to real policy changes, facilitating the access to microfinance schemes in the different countries. The good practices collected within the project helped the development of the action plans, which are the main outcomes of the project. The complete realization of the action plans can result in significant developments in the field of microfinance: extended social outreach of microfinance programmes, new funding schemes, capital funds and innovative actions for engaging private partners in microfinance.

According to Mr Vonnák, these initiatives elaborated in the ATM for SMEs project can show the path towards the future of microfinance in Europe. The more **effective utilization of public funds** in microfinance can lead to social and economic benefits across the regions, which go far beyond the loan disbursement.

The **project film “Dare to live”** was also presented to the audience and it was received with great appreciation.

Link to the project film “Dare to live”:

https://www.youtube.com/watch?v=TBmD_El0rdc&t=1425s



The **future of microfinance in Europe**, as the ATM for SMEs project partners see:

- **better utilization of public money** in microcredit programs, which can lead to increased social impact of microfinance
- **prioritizing people’s wellbeing** rather than financial return: the performance of microfinance programmes should be measured from the aspect of social sustainability and quality of life
- returning to the **initial idea of microfinance** – **complex tool to help people**, especially the financially excluded ones. This is a completely different mindset than the requirements of the financial sector

The project “ATM for SMEs” is aiming at giving comprehensible answers to these questions and also showing the ways how decision makers can exploit the potential of nonprofit microfinance schemes.

ATM for SMEs project: focus on the action plans

After 3 years of intensive learning, the ATM for SMEs project reached the monitoring phase, where the focus is on the implementation and monitoring of action plans. The action plans, prepared by all regional partners, are a set of local initiatives in the field of microfinance and SME development, inspired through the interregional learning and exchange of good practices.

These local actions include interesting initiatives such as: Burgos Open Innovation programme (PP3), Beehive model for supporting SMEs (PP4), new loan scheme for Social and Economic Inclusion (PP6), new partner model for implementing financial instruments (PP9).

The realization of the regional actions should be the result of board cooperation at local level. The ATM project partners continue the stakeholder meetings even in the monitoring phase to ensure the involvement and commitment of the local partners. In many cases we see that the realization of the local actions go beyond the responsibility of the ATM project partner – there are many external factors such as available funding which can influence the timeframe planned. However, all local actions can start in the monitoring phase (till March 2021), and many of them can even deliver results by then.

Upcoming events:

- **Dissemination event:** September 2020, in Hungary (organized by PP5 – ZMVA)
- **Final project conference:** March 2021, in Hungary (organized by LP – FEA)

The regional action plans can be accessed here:

<https://www.interregeurope.eu/atmforsmes/library/>

Local events: Stakeholder meeting in Székesfehérvár

The recent stakeholder meeting, organized by LP – FEA on 26 February 2020, was an excellent opportunity to discuss the status of action plan implementation. Tibor Székfü, director of FEA, spoke about the importance of a national microfinance fund, which can revitalize the non-profit microfinance in Hungary.



Upcoming: EaSI Technical Assistance workshop in Budapest

The next EaSI workshop, „Investment Readiness”, will take place in Budapest, Hungary on 19 March 2020. The main objectives of the event are to provide updated information to the participants on the EU funded technical assistance and financial programs and resources available for the support of the national microfinance sectors’ sustainable development.

The technical assistance program can be particularly useful for non-profit microcredit institutions who are planning to access the EaSI financial instruments.

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