



# Newsletter

#3/2018

## Let microfinance make the change!

Microfinance is not only a financial instrument, but a complex tool which can contribute to a high level of sustainable employment, encourage new businesses, self-employment and stimulate economic growth on local level. Therefore, it is in the public interest that microfinance schemes should be available and easily accessible for the target groups. Many European countries dedicate public funds to finance microcredit programmes; and such schemes have already proved their efficiency and sustainability.

***Why should governments allocate public funds for microfinance programmes?***

***What are the benefits of microfinance to the target groups?***

***What are the differences between non-profit microfinance and bank loans?***

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 non-profit microfinance schemes.

### The 2 most important outputs of the project:

***Project film*** – featuring real clients and showing the benefits of microfinance

The project video follows the important events of the "ATM for SMEs" project. It contains interviews of project partners and real clients who tell how microfinance helped them moving forward. The video clearly demonstrates that microcredit is the only way out from the financial exclusion and can literally change the life of the entrepreneurs who run small businesses.

***Release date: end of 2018***

***Study*** – Utilization of public funds in microfinance

The comparative study will analyse the legal framework of microfinancing in the participating regions, the utilization of public funds in microfinance programmes and the implementation of the European provisions towards microfinance and the so-called "Roman directives" (common recommendations for non-profit microcredit providers). The study will also formulate proposals towards decision makers on how to run microfinance schemes.

***Release date: end of 2018***

### ***Project background***

The "ATM for SMEs" project is implemented in the framework of the INTERREG EUROPE programme. The aim of the project is to prevent the lack of access to credit and financial exclusion, which represents a serious obstacle to business creation, through the exchange of local policies, innovative solutions and good practices.

The "ATM for SMEs" consortium is led by Fejér Enterprise Agency (HU), and is characterized by a balanced proportion of managing authorities and microfinance institutions, and a European level advisory partner.

### ***Project information***

***Number of partners: 10***

***Countries involved: Hungary, Germany, Poland, Italy, Spain, Norway, Croatia, Belgium***

***Main outputs: 9 regional action plans, 6 study trips, 9 improved policies, 6 new projects generated***

***Project duration: 4/2016 – 3/2021***

***ERDF funding: 1.341.720 €***



## Recently happened: Study trip in Poland

The meeting was hosted by project partner the Marshall Office of the Świętokrzyskie Voivodeship in Poland. The 3-day meeting included a policy exchange seminar, exchange of good practices and a steering group meeting.

The study trip started with a welcome speech **Mr. Grzegorz Orawiec Director of Regional Policy Department** as well as the **Sandomierz Mayor**, followed by an introduction by **Tomasz Janusz, Deputy Director of Regional Policy in Marshal Office** who stressed the relevance of the project and gave information about the Financial instruments in Regional Operational Program of Świętokrzyskie Region 2014-2020. Also the participants exchanged experiences and knowledge about microfinance issues not only in Poland but also throughout Europe focusing on:

- What to do to make the business or work created by microfinance more sustainable?
- Guarantees as collateral for loans or grants - differences, defects and advantages
- What is better in the context of job creation? Grant or microloan?



The event focused on the partners' Good Practices referring to the topic "**MICROFINANCE AS A TOOL TO LOCAL EMPLOYMENT**" and an afternoon session dedicated to valuable experiences in Poland from the ATM Local Stakeholders Group.

## London

The leaders of the microfinance network of the European Union met in London, in the Westminster Palace. Mr Tibor Szekfu and Mr Peter Vonnak represented the Hungarian Microfinance Network from Hungary. The goal of the Hungarian experts is to develop the conditions of accessing microcredit. In Hungary, the favourable scenario would be to dedicate more funds to the microcredit programmes. The greatest problem nowadays with microcredit is the "investor" approach, often experienced on behalf of donors and decision makers. This approach counts only with economic benefits of a microfinance programme, and ignores the positive social effects of the microcredit programmes, on national economic level. A change of approach would be necessary – as Mr Szekfu summarized the findings of the meeting. The "ATM for SMEs" project can contribute to this goal, by promoting the social microfinance programs and good practices among the decision makers.

## Stakeholder

**Stakeholder meeting in Székesfehérvár, Hungary  
organized by Fejér Enterprise Agency on 13/03/2018**



The stakeholder partners recognise during the meeting the good practices which were presented by the project partners in Burgos. Péter Vonnák (Business Development Manager of FEA) introduced good practices from KIZ SINNOVA and Microfinance Norway. The key learning of the meeting was that the micro-finance programs how can support the priority groups especially focus on the gender equality.



# Student Entrepreneur Contest

## The future starts with the successful student entrepreneurs

Outstanding interest follows the National Student Entrepreneur Competition in Hungary – **126 applicant teams, 200k views on-line**



The Hungarian Student Entrepreneur Competition, selected as Good Practice in the ATM for SMEs project, was organized for the second time by the Fejér Enterprise Agency (FEA). The patron of the contest was Mihály Varga, minister of national economy.

The objective of the competition was to promote entrepreneurship among students between 14-18 years of age. The participants were involved in a series of interesting and innovative exercises, e.g. shooting a video about a business idea, simulating a business environment and on-line team games.

The competition was organized and managed through the [www.diakvallalkozo.hu](http://www.diakvallalkozo.hu) website. The high number of applicant teams was due to the professional nation-wide campaign. The uploaded videos registered an outstanding number of views, more than 200.000. FEA was very successful in reaching the generation “z” target group of the contest.

The event was organized on a professional manner, thanks to the efforts of FEA – highlighted the minister. Mihály Varga also expressed that this competition could really contribute to nurture the entrepreneurial spirit of the young generation.

## Stay in contact:

<http://www.interregeurope.eu/atmforsmes/>