FIVE CASE STUDIES ON THE RELATIONSHIP BETWEEN MICROFINANCE AND THE EUROPEAN SOCIAL FUND (ESF)
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The research activities have been coordinated and performed by Microfinanza Srl, a fully independent company specialized in providing qualified services and technical support to the microfinance sector worldwide.

The analysis has been commissioned by the European Microfinance Network (EMN). Since April 2016, EMN has been an advisory partner in the “ATM for SMEs” project which aims to improve access to microfinance for small and medium enterprises. In the framework of the project, EMN is tasked with delivering a study that explores and showcases the potential of European Social Fund (ESF) for the microfinance sector in Europe.

This presentation is a short version of the full report.
ABOUT US

Microfinanza Srl is a leading Italian microfinance consulting company, with nearly 20 years of experience in providing worldwide consultancy and Technical Assistance services.

OUR AREAS OF INTERVENTION

- Outcome Analysis of Financial Inclusion and Social Entrepreneurship
- Financial Education and Social Entrepreneurship
- Financial Service Providers’ Strategy, Management, Operations and Performance
- Green and Rural Microfinance

OUR SERVICES

- Advisory and Technical Assistance
- Training and Capacity Development Assessment
- Studies and researches
- Evaluations
RESEARCH QUESTIONS

How can Managing Authorities (MAs) and Non-Bank Microfinance Institutions (MFIs) better coordinate in the use of ESF funds?

How can cooperation between MA and MFIs be improved?

How can ESF funds be used by MFIs to adopt a new bottom-up approach?
THE EUROPEAN SOCIAL FUND
Through ESF programmes, MAs identify financial intermediaries (FIs) working with microfinance

FIs disburse microcredits to final recipients, i.e. disadvantaged categories

FIs return lent funds to MAs

Through profits, final recipients repay the loans to FIs

Final recipients establish small businesses and self-employment activities

This mechanism is bidirectional. From MA to final beneficiaries, and vice versa.

A virtuous cycle is put in place
ESF Managing Authority (ESF Programme)

Financial Intermediaries work with microfinance and co-investors

Financial recipients and beneficiaries

The same scheme can be applied when credit guarantees are available. In this case, the ESF ensures guarantee funds that preserve the capital base of Financial Intermediaries and lower the risk of default in case final beneficiaries cannot repay their loans.
Managing Authorities have multiple options to identify an efficient microcredit scheme.
MICROFINANCE AND THE ESF (2/2)

• Choose the aim of the financial instrument, i.e. why the scheme has been created;
• Define the target group;
• Define the role of the MA, after assessing the ex-ante situation and appointing the Financial Intermediary as a manager of funds or as a manager of a specific financial instrument;
• Identify the implementing body, i.e. the financial intermediary, which can be public or private;
• Identify the financial product;
• Define the lending and the pricing policy;
• Define the non-financial services;
• Establish reporting and evaluation procedures.

IT IS KEY THAT ALL INVOLVED ACTORS WORK TOGETHER TO CREATE SUITABLE MICROCREDIT PRODUCTS WITH TAILOR-MADE NON-FINANCIAL SERVICES ADAPTED TO VULNERABLE PEOPLE
IMPLEMENTING FINANCIAL INSTRUMENTS (1/2)

Three thematic objectives (T0s) are key to implement the Europe 2020 Strategy through ESF funding and emphasize the role of microfinance

- **TO 8**: Microcredit can support self-employment and small business creation
- **TO 9**: Microfinance can support minorities and marginalized communities
- **TO 10**: Microcredit can be applied to student loans, increasing and encouraging further education

**MICROFINANCE IS A FUNDAMENTAL INSTRUMENT FOR THE ECONOMIC AND SOCIAL INCLUSION OF DISADVANTAGED CATEGORIES**
IMPLEMENTING FINANCIAL INSTRUMENTS (2/2)

Establishing a microcredit scheme that combines the potential of microcredit and the availability of ESF funds is one of the strategies adopted by the ESF to boost entrepreneurship and self-employment at the European, National, Regional and local levels.

**SUPPLY SIDE**
- ESF programming (combination of public and private funds)

**FIs**
- Bank intermediaries;
- Non-bank intermediaries

**DEMAND SIDE**
- Beneficiaries (disadvantaged people)

FIs IN THE MICROFINANCE SYSTEM RESPOND TO TRIPLE BOTTOM LINE SUSTAINABILITY: ACTING IN ACCORDANCE WITH SOCIAL, ECONOMIC AND ENVIRONMENTAL CAPITAL.
MARKET FAILURES, BUT...

According to recent research by the EMN and the MFC, investigating ‘unsuccessful’ cases of cooperation between the ESF, MAs and financial intermediaries in Europe, the primary failures identified are related to:

- Complexity
- Time consuming
- Lack clarity on the application process
- Reduced availability of information;
- Strict eligibility criteria
- Limited awareness of MAs
- No common policy for long-term commitment or focus on specific topics;
- Lack of cohesion around the strategy of national policies and MAs
Despite these issues accessing ESF funds, we demonstrate how five different cases have overcome these challenges.

**Belgium**
Azo!

**Bulgaria**
Risk-sharing Micro-finance Facility

**Italy**
Fondo Futuro

**Poland**
Cash on start

**Spain**
Xarxa Emprèn
### AZO!

<table>
<thead>
<tr>
<th>Name of the project</th>
<th>AZO!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of OP and origin of funding</td>
<td>Flanders - ESF</td>
</tr>
<tr>
<td>Total OP budget for 2014-2020</td>
<td>1,02 billion EUR (of which 398 million EUR EU contribution)</td>
</tr>
<tr>
<td>Total budget for the project</td>
<td>1,5 mln EUR</td>
</tr>
<tr>
<td>Managing Authority</td>
<td>Agency for Innovation &amp; Entrepreneurship - Department of Europe Economy and VDBA (public employment service of Flanders)</td>
</tr>
<tr>
<td>MFIs involved</td>
<td>microStart</td>
</tr>
<tr>
<td>Financial services</td>
<td>N/A</td>
</tr>
<tr>
<td>Non-financial services</td>
<td>Training offer BDS Free courses for the Business Management Exam</td>
</tr>
</tbody>
</table>
AZO! Project is an initiative that guides asylum seekers, recognised refugees and subsidiary protected people towards entrepreneurship in the Flanders region. AZO! is funded by the ESF and the Flemish Cofinancing Fund (VCF) while another implementing partners, microStart, delivers non-financial services such as BDS, training, mentoring and coaching.

The project consists of four phases:

- Inspirational sessions and Pre-labs, where participants are encouraged to discover their entrepreneurial potential;
- Creative labs, where participants share ideas to brainstorm and decide on their own project;
- Design Lab, where ideas are translated into real prototypes, focusing on skill building; and,
- Coaching and Referrals, the phase in which the idea is transformed into a real company through coaching.
AZO!

- RAISE AWARENESS ON MIGRANTS AND REFUGEES
- TRAIN REFUGEES ON ENTREPRENEURSHIP

microStart has increased contacts with refugees and delivered more Business Development Services and microcredits:

- 35% of refugees who have found microStart through outreach and prospecting activities
- 41% come from partnership activities in a similar field

Case takeaway: Example of microloans provided by private sources and non-financial services funded through the ESF
FUND MANAGER OF FINANCIAL INSTRUMENT IN BULGARIA - RISK SHARING MICRO-FINANCE FACILITY - BULGARIA -
**FMFIB - Risk Sharing Micro-Finance facility**

<table>
<thead>
<tr>
<th>Name of the project</th>
<th>Risk sharing Micro-Finance facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of OP and origin of funding</td>
<td>Human Resources Development - ESF/YEI</td>
</tr>
<tr>
<td>Total OP budget for 2014-2020</td>
<td>1,09 billion EUR (of which 938 million EUR EU contribution)</td>
</tr>
<tr>
<td>Total budget for the project</td>
<td>15,1 mln EUR</td>
</tr>
<tr>
<td>Managing Authority</td>
<td>Ministry of Labor and Social Policy</td>
</tr>
<tr>
<td>MFIs involved</td>
<td>SIS Credit</td>
</tr>
<tr>
<td></td>
<td>Mikrofond</td>
</tr>
<tr>
<td>Financial services</td>
<td>Loans for working capital (70%)</td>
</tr>
<tr>
<td></td>
<td>Loans for investments (30%)</td>
</tr>
<tr>
<td>Non-financial services</td>
<td>N/A</td>
</tr>
</tbody>
</table>
• Fund Manager of Financial Instruments in Bulgaria (FMFIB) EAD is a company fully owned by the Republic of Bulgaria and whose operations are governed by the National and the EU law.

• FMFIB has signed FI management agreements with the MAs of four Operational Programmes:
  - Innovations and competitiveness;
  - Environment;
  - Human Resource Development;
  - Growth Regions

• The total financing is BGN 952 million. A second financing agreement with the MA of the OP Environment is in the pipeline for the Water Sector in the amount of BGN 234 million.

• The FI allocations in the four OPs are managed by FMFIB as a Fund of Funds (FoF).
The main goals of FMFIB as the FoF manager include:

Structuring the FIs: Financial intermediaries are selected openly and transparently. The selected financial intermediaries must secure co-financing and make financial products available to the final recipients;

Sign operational agreements with financial intermediaries: Provide monitoring, risk management and operational and financial reporting of the FIs to ensure the achievement of the goals established in the respective OP.

Strategies for implementing and managing FIs under the OPs in 2014-2020 programming period are based on an ex-ante assessment using a standard EU methodology that evaluates the gap between supply and demand for financial products and determines the size and the type of FIs, factoring in the development goals set in the respective OP.

The use of the FI resources and the achievement of the goals laid out in the OPs are monitored and subject to auditing by authorities at the National and European level.
The Risk-sharing Micro-Finance facility model is an instrument funded through the OP Human Resource Development and represents one of the special purpose financing schemes co-financed with resources from the European Structural and Investment Funds (ESIF), national financing from the OPs and additional resources from the private and public sector.

- To achieve a more efficient use of public resources compared to grant funding
- To extend financial support to target groups implementing economically viable projects, alleviating identified market inefficiencies and contributing to the implementation of EU's strategic goals and policies

Through financing with risk sharing instruments FMFIB provides financing to FIs to build loan portfolios that meet the eligibility criteria of the respective OP
<table>
<thead>
<tr>
<th>Name of the project</th>
<th>Fondo Futuro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of OP and origin of funding</td>
<td>POR Regione Lazio - ESF</td>
</tr>
<tr>
<td>Total OP budget for 2014-2020</td>
<td>902 million EUR (of which 451 million EUR EU contribution)</td>
</tr>
<tr>
<td>Total budget for the project</td>
<td>31,5 mln EUR</td>
</tr>
<tr>
<td>Managing Authority</td>
<td>Regional Directorate of Education, Research, Innovation, School and University, Right to Study</td>
</tr>
<tr>
<td>MFIs involved</td>
<td>COFITER, CONFESERFIDI, Microcredito Italiano SPA</td>
</tr>
<tr>
<td>Financial services</td>
<td>Business microloans</td>
</tr>
<tr>
<td>Non-financial services</td>
<td>Tutoring, Mentoring</td>
</tr>
</tbody>
</table>
Fondo Futuro is a special section of the Regional Fund for Microcredit and Microfinance promoted by Lazio Region, and includes a second section called 'Liquidità Sisma' (Earthquake Liquidity) that was set up after the August 2016 earthquake, that hit several central Italian regions.

The Regional Fund for Microcredit and Microfinance was established by regional law (n. 7 - July 2013) in the frame of the previous programming period (2007-2013). The Regional Fund is also an initiative of the Operative Regional Program 2014-2020 that supports inclusive and sustainable growth. The Region prioritizes employment, education and research.

Fondo Futuro targets micro/small enterprises and entrepreneurs who lack access to traditional financing
Fondo Futuro

The Fund has EUR 31.5 million that can be used to finance self-employment projects, start-ups or new projects for existing enterprises. Loan amounts range from EUR 5,000 to EUR 25,000 with a 1% interest rate for a maximum duration of 84 months.

Fondo Futuro's target beneficiaries include:

- People under 35 yrs or over 50 yrs;
- Low-income individuals;
- Individuals who have taken part in other regional initiatives;
- Disadvantaged workers; and,
- Women.

Final beneficiaries who wish to apply for a loan need to contact one of the financial intermediaries established by convention with Lazio Innova
CASH ON START
- POLAND -
### Cash on Start

<table>
<thead>
<tr>
<th>Name of the project</th>
<th>Cash on start</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of OP and origin of funding</td>
<td>ROP Mazovian Voivodeship - ESF/ERDF</td>
</tr>
<tr>
<td>Total OP budget for 2014-2020</td>
<td>2,61 billion EUR (of which 2,08 billion EUR EU contribution)</td>
</tr>
<tr>
<td>Total budget for the project</td>
<td>1,3 mln EUR split between investment fund (1,3 mln EUR) and non financial support (45k EUR)</td>
</tr>
<tr>
<td>Managing Authority</td>
<td>Ministry of Infrastructure and Development</td>
</tr>
<tr>
<td>MFIs involved</td>
<td>KSWP</td>
</tr>
<tr>
<td>Financial services</td>
<td>Business microloans</td>
</tr>
<tr>
<td></td>
<td>Business loans</td>
</tr>
<tr>
<td>Non-financial services</td>
<td>Entrepreneurship training</td>
</tr>
</tbody>
</table>
Cash on Start

- The project offers loans for entrepreneurial activities that cover a broad range of expenses such as investment capital, turnover, current operational costs, the extension or modernisation of production and intangible assets related to the project;
- The initial implementation stage consists of:
  A one hour predisposition exam for each beneficiary.
- Beneficiaries receive four hours of personalized coaching to help write their business plan
- After the loan is granted, the personalized training continues. Applicants select the topic between three options: marketing, economics and taxes
Cash on Start

Programs are conducted in groups of 5 or more beneficiaries. The maximum loan amount is PLN 50,000 (approx. EUR 11,700) with an interest rate of 0.5%. The repayment period is up to 60 months. To access the program, participants need to present an unemployment or inactive statement from the government and they must be a resident of the Mazowieckie Province between the ages of 18 and 64 yrs old.

The project targets unemployed and inactive citizens of Mazowiecki.
<table>
<thead>
<tr>
<th><strong>Name of the project</strong></th>
<th>Xarxa Emprèn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of OP and origin of funding</strong></td>
<td>Comunidad Autónoma da Catalunya - ESF</td>
</tr>
<tr>
<td><strong>Total OP budget for 2014-2020</strong></td>
<td>609 million EUR (of which 304 million EUR EU contribution)</td>
</tr>
<tr>
<td><strong>Total budget for the project</strong></td>
<td>4,7 mln EUR in 2015</td>
</tr>
<tr>
<td><strong>Managing Authority</strong></td>
<td>Ministry of Employment and Social Security</td>
</tr>
<tr>
<td><strong>Financial and non-financial services provider involved</strong></td>
<td>Auoccupació</td>
</tr>
<tr>
<td><strong>Financial services</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Non-financial services</strong></td>
<td>Entrepreneurship training, Mentoring, Coaching</td>
</tr>
</tbody>
</table>
Xarxa Emprèn

- Xarxa Emprèn is a public-private network of entities that provides support and mentoring services to people who want to set up a company in Catalonia, during the first three years of the company’s life. The network operates within the framework of the Catalunya Emprèn programme of the Generalitat de Catalunya.
- The network involves more than 150 entities and 500 technical experts.
- Since 2013, more than 35,000 people have used Xarxa Emprèn services, and more than 4,500 companies have been supported in the start-up phase.

Services provided through Xarxa Emprèn target the following groups:

- Entrepreneurs who want to start a business in Catalonia;
- Entrepreneurs with a project to expand their activity that requires a process of analysis and reflection, that generates new jobs or makes important changes, as if it was a new one;
- Entrepreneurs and companies in bankruptcy to their business project.
The Xarxa Emprèn is funded by the regional government of Catalonia, using 50% of ESF funds.

The network offers a wide range of services to promote entrepreneurship and the creation of new companies in a favourable environment. General services include:

- Information and guidance;
- Advice;
- Training;
- Consolidation, including follow-up on topics such as general business strategy, economics and finance, HR, etc.

Specific services include:

- Procedures to start the business;
- Facilitating access to financing (loans, guarantees, microcredits, subsidies, coworking and incubators, second opportunity services, etc.);
- Other services
## Overall Comparison

<table>
<thead>
<tr>
<th>Name of OP and sources of fund</th>
<th>Belgium</th>
<th>Bulgaria</th>
<th>Italy</th>
<th>Poland</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total OP budget for 2014-2020</strong></td>
<td>1.02 billion EUR (of which 398 million EUR EU contribution)</td>
<td>1.09 billion EUR (of which 938 million EUR EU contribution)</td>
<td>902 million EUR (of which 453 million EUR EU contribution)</td>
<td>2.61 billion EUR (of which 208 billion EUR EU contribution)</td>
<td>609 million EUR (of which 304 million EUR EU contribution)</td>
</tr>
<tr>
<td><strong>Name of ESF project</strong></td>
<td>AZO/Project</td>
<td>Risk sharing Micro-Finance facility</td>
<td>Fondo Futuro</td>
<td>Cash on start</td>
<td>Xara Empren</td>
</tr>
<tr>
<td><strong>Total budget for the project</strong></td>
<td>1.5 min EUR</td>
<td>15.1 min EUR (1.7 min EUR first round financing; 13.4 min EUR second round financing)</td>
<td>31.5 min EUR coming from RDP ESF 2014-2020</td>
<td>1.3 million EUR (PLN 5.8 million) split between investment fund (EUR 1.3 million - PLN 5,6 million) and non-financial support (EUR 45,207 - PLN 193,970)</td>
<td>4.7 min EUR for 2015</td>
</tr>
<tr>
<td><strong>Managing Authority</strong></td>
<td>Agency for Innovation &amp; Entrepreneurship - Department of Europe Economy and VDWA (public employment service of Flanders)</td>
<td>Ministry of Labour and Social Policy</td>
<td>Regional Direction of Education, Research, and Innovation, School and University, Right to Study</td>
<td>Ministry of Infrastructure and Development</td>
<td>Ministry of Employment and Social Security</td>
</tr>
<tr>
<td><strong>Program design: Area of intervention (i.e. education, employment, etc.)</strong></td>
<td>Employment - support to start-up and BDS for refugees</td>
<td>Employment</td>
<td>Employment – support to business planning and start-up</td>
<td>Employment</td>
<td>Employment</td>
</tr>
<tr>
<td><strong>Program design: Types of beneficiaries (i.e. women, migrants, young, etc.)</strong></td>
<td>Target groups: refugees and migrants</td>
<td>Target groups: people with disabilities (50%); start-ups (30%)</td>
<td>Target groups: administrators and entrepreneurs with difficulties in access financing</td>
<td>Target groups: rural and urban population, unemployed, people on welfare, disabled, people excluded from mainstream financial services</td>
<td>Target groups: entrepreneurs who want to start a business in Catalonia; entrepreneurs with a project to expand their activities; entrepreneurs and companies in bankruptcy, for the reformulation of their business project</td>
</tr>
<tr>
<td><strong>Program implementation: Presence of MFI (y/n) and type (private/NOGO)</strong></td>
<td>Yes, microStart (MFI)</td>
<td>Yes; SIS Credit (MFI) and Mikrofond (MFI)</td>
<td>Yes; COFITER (MFI), COFIFERDI (MFI), and Microcredito Italiano Spa (MFI)</td>
<td>Yes; KSWP (MFI)</td>
<td>Yes; Autoocuapcio (non-financial services provider)</td>
</tr>
<tr>
<td><strong>Program implementation: Presence of financial instruments (y/n) and type (e.g. for women, youth, migrants, unemployed, disabled, etc.)</strong></td>
<td>microStart does not use ESF funds to disburse loans in this project</td>
<td>Yes; Loans for working capital (70%) and for investments (30%)</td>
<td>Yes; Business microloans</td>
<td>Yes; Business microloans, business loans</td>
<td>Autoocapcio does not disburse loans</td>
</tr>
<tr>
<td><strong>Program implementation: Presence of non-financial instruments (y/n) and type (e.g. support to entrepreneurship, financial education, etc.)</strong></td>
<td>Yes; Training offer, BDS, free courses for the Business Management Exam</td>
<td>No</td>
<td>Yes; Tutoring and mentoring</td>
<td>Yes; Entrepreneurship training</td>
<td>Yes; Information, guidance and procedures to start the business; advice; training; consolidation; mediation for access to financing</td>
</tr>
</tbody>
</table>
The five cases represent a starting point to structure and inspire further steps for the next programming period (2021-2027), such as:

- Community Led Local Development
- ESF+

The cases may inform other existing schemes or strategies. In this sense, existing funds may be used for special projects in the current 2014-2020 programming period, exploiting public-private schemes like the Multi-fund National OP Metropolitan Cities implemented by the Municipality of Milano, which is outlined in the full report.
COMMUNITY-LED LOCAL DEVELOPMENT
CLLD is a method for involving partners at the local level. Civil society and local economic actors can help to design and implement local integrated strategies that improve their community and aid the transition to a more sustainable future.

GUIDING PRINCIPLES:

- Focus on sub-regional areas;
- Leadership of local action groups composed of public and private actors;
- Integrated and multi-sectorial area based local development strategies;
- Innovation;
- Networking and cooperation
ELEMENTS INCLUDED:

- Definition of the community and the concerned population;
- Analysis of the development needs and potential of the area, including strengths and weaknesses;
- Description of the strategy and its objectives;
- Description of involvement at the community level;
- Action plan establish the objectives;
- Financial plan to implement the strategy.
THE EUROPEAN SOCIAL FUND PLUS (ESF+) WILL MERGE:

- European Social Fund
- Youth Employment Initiative
- Fund for European Aid to the Most Deprived
- EU Programme for Employment and Social Innovation
- EU Health Programme

KEY CHALLENGES:

- Supporting the principles of European pillars of social rights;
- Providing a "helping hand" to youth;
- Fostering social inclusion;
- Supporting EU actions for social innovation, mobility and health
Provisional budget for 2021-2027

EUR 101 billion in shared management with Member States (EUR 98 billion of the amount provided through merged programmes)

FOCUS ON:
• EDUCATION
• EMPLOYMENT
• SOCIAL INCLUSION
RECOMMENDATIONS
THE ROLE OF MFIs

- MFIs can be effectively supported by the ESF through BDS offers;
- MFIs are well-positioned to deliver on the objectives of MAs and should be involved from project conception to delivery;
- MFIs can be supported by the ESF through capital support (guarantees or loans);
- MFIs can play a role in CLLD strategies
APPLICATION PROCESS

- **Strengths**: possibility to apply online; clear application criteria
- **Weaknesses**: long assessment process; mismatch between financial resources and market needs; confusing eligibility criteria for final beneficiaries

ACCESS AND USE OF ESF FUNDS

- **Strengths**: continued ESF support throughout the projects
- **Weaknesses**: access criteria to financial resources too restrictive; need to invest own capital to start up; time consuming reporting requirements
Both MAs and Non-Bank MFIs agreed that MFIs can be promoters of new and innovative financial instruments and schemes to reach ESF goals, such as Community-Led Local Development.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom-up initiative, i.e. a broad participation of the local community in the creation and implementation of strategies</td>
<td>Lack of precision because needs are not clearly stated</td>
</tr>
<tr>
<td>Territoriality, i.e. it is a local strategy of development prepared for a particular and coherent area</td>
<td>Possible social disadvantage as the democratic preferences of the majority could prevail over minority preferences</td>
</tr>
<tr>
<td>Partnership as a local group works together towards social and economic partnership</td>
<td>Risk of discontinuity as more involved actors could lead to a &quot;moving away&quot; from OP</td>
</tr>
<tr>
<td>Innovativeness at a local scale</td>
<td>Possibility of fraud</td>
</tr>
<tr>
<td>Decentralization of management and financing</td>
<td>Networking and co-operation as exchange of experience and dissemination of good practices</td>
</tr>
</tbody>
</table>
IN BRIEF

- Stricter collaboration between involved actors is needed at all levels (Local, Regional, National and European)
- MFIs should be more involved in the design and implementation of schemes and financial instruments
- The ESF application should be simplified. Currently the application is too complex and difficult to understand in some cases, especially for smaller MFIs
- MFIs need support, especially technical assistance, to enhance their capability to access ESF funds since microfinance is an instrument in line with ESF objectives and fundamental in achieving better economic and social inclusion of disadvantaged populations
- CLLD strategies need to be further promoted and disseminated
- To make their voices heard, MFIs need to be more proactively engaged in the process