



Helenos



## 4<sup>th</sup> European Microfinance Day Brussels Closing Event

### Juncker Plan: new EUR 25 million fund benefits from first capacity building agreement in Europe to support microfinance providers

**Brussels, 26.10.2018** - Today, the European Microfinance Network and the Microfinance Centre have closed in Brussels the [4<sup>th</sup> European Microfinance Day](#), an initiative launched in 2015 to highlight the impact of the microfinance sector in Europe from a social and an economic perspective. This 4<sup>th</sup> edition has underlined the importance of the support from innovative funding sources for the further positive development of the sector, which in 2017 reached an outstanding gross microloan portfolio of €3.2 billion and served 988,457 active borrowers<sup>1</sup>.

**EMN President, Elwin Groenevelt**, said: *"The European microfinance sector has developed into an important channel for entrepreneurs and individuals to be financially independent and socially included. This has resulted in more jobs and lower welfare benefits and that is good news for the individual, the government and the local economy".* And added: *"That is why microfinance organisations deserve strong support from local and European governments!"*.

**The Director of the MFC Board Christian Jurma**, said *"Microfinance in Europe is gradually being consolidated as an essential tool of social policy for the promotion of self-employment, microenterprise support and the fight against social and financial exclusion. Going beyond the figures, there are in fact men and women who are willing to take control of their futures with the help of microfinance institutions"*.

During the event, the European Investment Fund (EIF) and the Helenos Fund have signed the first capacity building agreement in Europe under the [EU Programme for Employment and Social Innovation](#) (EaSI) to support microfinance providers across Europe. This new agreement was made possible by the European Fund for Strategic Investments (EFSI), the heart of the [Investment Plan for Europe](#).

This first ever EaSI capacity building agreement allows to launch Helenos with a targeted investment capacity of EUR 25 million for equity and quasi-equity investments to around 25 microfinance institutions (MFIs) and social finance providers across Europe over the next 5 years. Helenos targets greenfield, early stage and developing microfinance institutions as well as

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<sup>1</sup> **Microfinance in Europe: Survey Report 2016-2017**, EMN-MFC, 2018

financial institutions primarily seeking social enterprises. Those financial intermediaries will be able to benefit from expansion capital to support organisational and operational development under the EU supported programme. Originally sponsored by the French Crédit Coopératif and Adie International, the Fund has received beside EIF commitment, the support of prominent European responsible private investors: Crédit Coopératif (France), BNP Paribas, BRED, Mirova, Soficatra among others.

European Commission Vice-President for Jobs, Growth, Investment and Competitiveness Jyrki **Katainen** said: *"The Investment Plan is delivering on our common objectives of jobs and growth while promoting social fairness, equal opportunities and access to the labour market. We need a solid European microfinance landscape to promote entrepreneurship and social and financial inclusion. Today's agreement brings us one step closer and is great news for microfinance institutions and social finance providers across Europe."*

**EIF Chief Executive, Pier Luigi Gilibert**, said: *"The EIF is delighted to play a pivotal role in the launch of Helenos, one of the first dedicated equity providers in the European microfinance landscape. Capacity building, which blends economic and social returns, is fundamental for finance providers to be able to deliver sustainable support for micro-borrowers."*

**Impulse Investment Manager CEO, Bruno Dunkel**, said: *"Helenos is a major step for boosting inclusive finance in Europe and Impulse as investment manager, will demonstrate how to increase outreach and impact in both microfinance and social enterprises sectors. We will operate with the same competence and passion we have dedicated to manage CoopEst and CoopMed funds over the last 12 years".*

**EIB Vice-President Ambroise Fayolle** said: *"Microfinance providers play a crucial role in supporting the most vulnerable people in the labour market. Today's announcement shows again that the European Investment Bank is committed to supporting micro-entrepreneurs who bring new opportunities and foster job creation in local economies. Obtaining finance is still a challenge in Europe for micro-entrepreneurs and this agreement will help microfinance institutions to further support borrowers with an entrepreneurial spirit."*

The EaSI Guarantee scheme was launched in June 2015 and is funded by the European Commission and managed by the European Investment Fund. Microfinance institutions wishing to apply for capacity building support under EaSI, can contact Helenos directly.

EIF will not provide direct financial support to enterprises but will implement the facility through local financial intermediaries, such as microfinance, social finance and guarantee institutions, as well as banks active across the EU-28 and additional countries that are participating in the EaSI programme. These intermediaries will deal with interested parties directly to provide support under the EaSI Guarantee.

**Ends**

## **About the European Microfinance Day (EMD)**

Launched in 2015 as a tool to highlight the impact of the microfinance sector in Europe from a social and an economic perspective, the main objectives of the EMD are:

- To raise awareness among European citizens on the existence of microfinance and on its value to fight unemployment and social exclusion.
- To draw the attention of European media on how microfinance supports the unemployed and European citizens excluded from the traditional financial sector.
- To exchange experiences within the European microfinance sector by giving visibility to the work of EMN & MFC members.
- To allow members to draw the spotlight on their achievements and missions at local level

## **About European microfinance sector**

The 8th edition of the joint EMN-MFC publication "Microfinance in Europe: Survey Report 2016-2017" provides an overview of the sector based on data collected by EMN and MFC from 156 MFIs across 28 European countries. Some key figures:

- In 2017, the total number of microloans disbursed for the sample was 660,330 (+5% compared to 2016) with a total value of €2.1 billion (+16%).
- The total number of active borrowers served by MFIs was 988,457 (+8% compared to 2016) with a gross microloan portfolio outstanding of €3.2 billion (+6%).
- 68% of MFIs offer non-financial services to complement their financial products.
- In 2017, 443,825 clients were reached through non-financial support, more than half of whom were not actually active borrowers.
- In terms of social performance, the majority of MFIs support financial inclusion (60%) as a primary mission, followed by job creation (14%).
- The majority of MFIs support solo-entrepreneurs/self-employed and microenterprises younger than five years-old.
- Women are the most targeted client group by MFIs, followed by rural populations, the unemployed/welfare recipients and young people.

## **About the European Microfinance Network (EMN)**

The [European Microfinance Network](#)'s mission is to build up universal and open access to appropriate financial and complementary support services suited to society's needs at affordable prices allowing people to deploy their talents in order to create wealth and value while having a positive social impact. EMN is empowering its members to become acknowledged actors and partners in the financial sector that reach out to a large number of enterprising people who, in turn, create jobs and contribute to sustainable growth. EMN primarily focusses its activities in the European Union and EFTA/EEA member states.

## **About the Microfinance Centre (MFC)**

The [Microfinance Centre](#)'s mission is to contribute to poverty reduction and the development of human potential by promoting a socially-oriented and sustainable microfinance sector that provides adequate financial and non-financial services to a large number of poor families and micro-entrepreneurs. MFC primarily focusses its activities in Central and Eastern Europe and in the Commonwealth of Independent States.

## **About the Programme for Employment and Social Innovation**

The European Commission's Programme for Employment and Social Innovation ("EaSI") aims at supporting the EU's objective of high level employment, adequate social protection, fighting against social exclusion and poverty and improving working conditions, in line with the European Pillar of Social Rights. The microfinance and social entrepreneurship axis of the EaSI programme

provides support to financial intermediaries that offer microloans to entrepreneurs or finance to social enterprises. The objective is to increase access to microfinance, which includes microcredit i.e. loans of up to EUR 25,000, in particular for vulnerable persons and micro-enterprises. In addition, for the first time, the European Commission is supporting social enterprises through investments of up to EUR 500,000. The microfinance and social entrepreneurship support is currently being implemented through the EaSI Guarantee, which enables financial intermediaries to reach out to (potential) entrepreneurs that would not have been able to gain finance otherwise due to risk considerations. It is also being implemented through the 'EaSI Capacity Building Investments Window' to reinforce the capacity of financial intermediaries in the areas of microfinance and social finance through equity investments mostly. The European Commission has selected EIF to implement the EaSI Guarantee and the EaSI Capacity Building Investments Window.

Furthermore, the Commission is reinforcing the social dimension of the EFSI for both microfinance and social entrepreneurship. Overall, the total amount of support to these areas is expected to increase (from EUR 193 million under the EaSI programme) to about EUR 1 billion, mobilising some EUR 3 billion in additional investment.

### **About the European Investment Fund**

The European Investment Fund (EIF) is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

For further information on EU microfinance and social entrepreneurship support please refer to:

[Easi Programme](#)

[EU support to social entrepreneurship](#)

### **About the Investment Plan for Europe**

The Investment Plan for Europe, the Juncker Plan, is one of the EU's top priorities to boost investments and to create jobs and growth by removing obstacles to investment, providing visibility and technical assistance to investment projects, and making smarter use of existing and new financial resources. With guarantees from the European Fund for Strategic Investments (EFSI), the EIB and EIF are able to take on a higher share of project risk, encouraging private investors to participate in the projects. As of October 2018, the Juncker Plan is set to trigger more than EUR 344 billion in investment across the EU.

### **About Helenos**

Helenos is the first private equity fund for inclusive finance in Europe. Helenos support the growth of promising greenfield, small and medium financial institutions targeting micro and social enterprises. The main objective is to improve access to tailored financial services for entrepreneurs, to create jobs and improve their well-being. Helenos has an initial investment capacity of EUR 10.5 M and will expand to EUR 25 M by end 2019. At present Helenos is funded by: EIF, Crédit Coopératif, Mirova, BNP Paribas, Prometheus, BRED, France Active and Soficatra.

### **About Inpulse**

Helenos is managed by Inpulse, a Brussels-based investment manager with special know-how on social investments and microfinance. Inpulse has a core expertise in cooperative equity

financing, strong skills in managing alternative investment funds providing long-term financing to socially driven financial intermediaries. Through a team based in three countries (Belgium, Poland and France), Inpulse currently advise two other active MIVs (CoopEst and CoopMed) for a total aggregate investment capacity of EUR 70 M.**About the Investment Plan for Europe**

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### **About Crédit Coopératif**

Bank of the social and solidarity economy, of the companies of the real economy and of the citizens sharing the same humanist vision of the world, Crédit Coopératif commits itself alongside its customers-members to build an economy that is fairer, more local, more environment-friendly, more human. Pioneer and land-clearer of new borders, Crédit Coopératif stands and innovates for a finance always more responsible, giving its clients the power to act individually and collectively.

### **About BNP Paribas**

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 73 countries, with more than 196,000 employees, including around 149,000 in Europe. The Group has key positions in its three main activities: Domestic Markets, International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. Engaged since 30 years financing microfinance institutions, BNP Paribas develops also since 2013 a dedicated strategy supporting Social Entreprises and impact investing. Through a global commitment of more than €1.2 billion, BNP Paribas tries to put all possible means dedicated to these companies who have a strong social or environmental impact.

### **About MIROVA:**

Mirova is an investment manager dedicated to sustainable investment and an affiliate of Natixis Investment Managers. Through a conviction-driven investment approach, Mirova's goal is to combine value creation over the long term with sustainable development. Mirova's talents have been pioneers in many areas of sustainable finance. Their ambition is to keep innovating to propose the best tailored and most impactful solutions to their clients.

**For the other investors in the Helenos Fund, please refer to the following links:**

[BRED](#), [Prometheus](#), [France Active](#), [Soficatra](#)

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