

4th European Microfinance Day

The sector calls for innovative funding sources to keep supporting entrepreneurship and employment

- European microfinance consolidates its capacity to support financial inclusion through the provision of financial and non-financial services
- The sector reached an outstanding gross microloan portfolio of €3.2 billion in 2017, serving almost one million active borrowers

Brussels/Warsaw, 19th October – On the 20th October, the European microfinance sector will celebrate the **4th European Microfinance Day**, an initiative co-organised by the European Microfinance Network (EMN) and the Microfinance Centre (MFC). About **20 members** from both networks and from **11 European countries**¹ are involved in more than **25 local actions** over the month of October, including round tables, open meetings, high-level events, special discounts on loans, national conventions, seminars and strong communication campaigns. All these activities are carried out to raise awareness among the general public, policy makers and the media about **the impact that MFIs have on the financial and social inclusion of European citizens**.

To stress the message, the 4th European Microfinance Day has been launched with the slogan **E=mc²**. In our context, the very well-known formula created by Albert Einstein has a different meaning: *E* for *Entrepreneurship*, *Empowerment*, *Employment*, which all come as a result of the power of *MicroCredit squared*.

In other words, as several impact studies from MFIs² have demonstrated, **access to microcredit, a financial service, for those who are excluded from traditional banking, combined with non-financial services**, such as mentoring, counselling, BDS, training **have an exponential effect on the beneficiaries' situation and the society**.

Almost half a million clients reached through non-financial services in 2017

According to the joint EMN-MFC publication "**Microfinance in Europe: Survey Report 2016-2017**"³, **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%)** and growth of existing businesses (10%). Women are the most targeted client group by the respondents followed by rural populations, the unemployed/welfare recipients and young people.

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%)**. Overall, 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%)**.

¹ Belgium, Bosnia and Herzegovina, France, Greece, Italy, Kosovo, Macedonia, Montenegro, Netherlands, Romania, Serbia.

² See <http://bit.ly/MFIs-impact-studies>

³ The eighth edition of the Report on microfinance in Europe provides an overview for the period 2016-2017, based on data collected by EMN and MFC from 156 MFIs across 28 European countries. Available on the [EMN](#) and [MFC](#) websites as of December 2018.

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The survey aims to provide a reliable picture of the different microfinance activities of various organisations in the sector and to compare a diverse range of social and financial performance indicators of European MFIs.

In this sense, the previous EMN-MFC surveys show that microfinance has developed strongly within the EU in recent years in response to growing demand.

Innovative funding sources for the future development of the sector

This also explains why, in this edition of the European Microfinance Day, both networks want to highlight that the **support of innovative funding sources is fundamental for the further positive development of the sector and for creating new opportunities for entrepreneurship and employment**: thus, for **empowerment**.

“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. That is why microfinance organisations deserve strong support from local and European governments!”, says **Elwin Groenevelt, EMN President**.

Cristian Jurma, Director of the MFC Board, adds that *“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”*.

For more information:

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- EMN website [4th European Microfinance Day](#)

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About the European Microfinance Day

The European Microfinance Day initiative was 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 European Microfinance Day 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 works in Europe and how it supports and helps 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 local members to draw the spotlight on their achievements and their missions at local level

About EMN

The [European Microfinance Network's \(EMN\)](#) 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.

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About MFC

The [Microfinance Centre's \(MFC\)](#) 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.

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