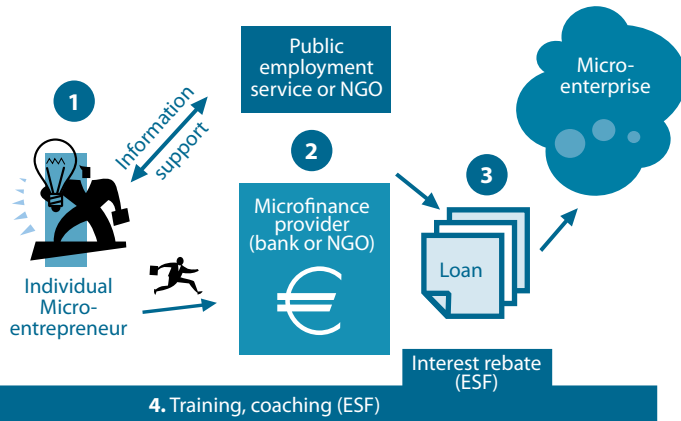




HOW CAN THE INDIVIDUAL BENEFIT FROM THE FACILITY?

1. The 'micro-entrepreneur' applicant obtains information about the possibilities offered by the facility from a local Public Employment Services office (or from their on-line website) or from an appropriate non-governmental body (NGO).
2. The applicant is directed to an appropriate microfinance provider (a Bank or NGO) where he or she submits a proposal.



3. If the proposal is successful, the applicant makes a contract with the microfinance provider. The applicant may also benefit from an interest rate rebate from the European Social Fund.
4. From the provision of initial information through to the actual running of the business, the applicant can receive support from the European Social Fund in the form of training, coaching, guidance and mentoring where this is foreseen in local funding.
5. Support is also tailored to the needs of micro-enterprises, employing fewer than 10 people. The new facility will likewise help unemployed people who want to go into self-employment.

WANT TO KNOW MORE?

Information on the European Progress Microfinance Facility

<http://ec.europa.eu/epmf>

The European Commission's website on the social impact of the crisis

<http://ec.europa.eu/social/main.jsp?langId=en&catId=736>

Do you know what social Europe can do for you?—factsheets

<http://ec.europa.eu/social/main.jsp?catId=816&langId=en>

OTHER EU MICROFINANCE INITIATIVES:

JEREMIE:

http://ec.europa.eu/regional_policy/funds/2007/jjj/jeremie_en.htm

JASMINE:

http://ec.europa.eu/regional_policy/funds/2007/jjj/micro_en.htm

Competitiveness and Innovation Framework Programme:

<http://ec.europa.eu/cip/>

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Printed in Belgium
PRINTED ON WHITE CHLORINE-FREE PAPER



Publications Office

KE-32-10-254-EN-D

Microfinance: a new facility for you



European Commission

The European Progress Microfinance Facility providing micro loans to people who want to start or develop their own small business

The European Progress Microfinance Facility was agreed in the Council of Ministers in Brussels in March 2010. The facility will be operational from June 2010. In launching it, László Andor, the EU Commissioner for Employment, Social Affairs and Inclusion, said:

"The Microfinance Facility offers a lifeline to people suffering from the effects of the crisis and will help create new jobs. The initiative specifically aims to help vulnerable groups find an alternative route out of unemployment. It will also boost entrepreneurship and the social economy in Europe. We expect the facility to provide small loans to around 45 000 budding entrepreneurs over the next eight years."

A NEW EU INITIATIVE

A new EU initiative has been launched to make it easier for people who want to start or develop their own small businesses, to access credit. It is called the European Progress Microfinance Facility.

Would you like to start your own business, or set up your own activity? The European Progress Microfinance Facility could be what you are looking for!

The facility will provide micro loans i.e. up to 25 000 euro for you to set up a small commercial operation. This could be a small restaurant, transport service, local manufacturing, care service, etc.

Do not hesitate – the facility will particularly help those who normally have difficulty accessing credit and who will have found it even harder in present times (unemployed, young or older people, people who have taken time out of the labour market, or those in a disadvantaged position, ...).

People wanting to apply for a loan under the facility will be able to do so in their own locality through specific microfinance providers⁽¹⁾. These are banks, not-for-profit micro lenders, institutions providing finance guarantees, and other providers of micro finance to micro-enterprises. These providers will, in turn, access funds through the European Investment Fund.

If you have the idea, find out more about getting the finance at: <http://ec.europa.eu/social/main.jsp?catId=836&langId=en>

Support is tailored to the needs of micro-enterprises, employing fewer than 10 people. It will likewise help unemployed or inactive people who want to go into self-employment.

GUIDANCE AND ADVICE

Finance on its own is not enough to ensure business success. Hence micro-entrepreneurs who seek funding under the Microfinance Facility can also benefit from guidance and coaching with the support of the European Social Fund (ESF). The ESF will also play an important role in informing potential micro borrowers of the new facility through existing channels.

The ESF can also grant interest rate rebates for the individual, which can also improve access to funds for micro-entrepreneurs. Ask the ESF managing authority in your country for more information.

More info on ESF: <http://ec.europa.eu/esf>

HOW CAN I APPLY?

The first step is to find out whether there are micro loan providers working under the facility near you. This you can check with:

- Your local public employment service: <http://ec.europa.eu/social/main.jsp?catId=585&langId=en>
- The managing authority of the European Social Fund: <http://ec.europa.eu/esf>

They will provide you with more detailed information about the scheme, and put you in contact with a micro loan provider⁽²⁾: a bank or another financial provider, whichever seems the most appropriate.

They can also tell you how you can get help in the preparation of your application (filling in forms, setting up a business plan, training, mentoring) through the Entrepreneurship operational programmes funded by the European Social Fund.

If you are successful with your application, you will then sign a contract with the microfinance provider. This contract will specify the amount of the loan, its duration, and the rate of interest you have to pay.

⁽¹⁾ Provided these operators receive support from the facility. Information on the selected operators will also be made available on the website of the European Investment Fund: <http://www.eif.europa.eu/>

⁽²⁾ Provided these operators receive support from the facility. Information on the selected operators will also be made available on the website of the European Investment Fund: <http://www.eif.europa.eu/>