

European Progress Microfinance Facility for employment and social inclusion

2009/0096(COD) - 30/10/2014 - Follow-up document

This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

Financial instruments are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

The European Progress Microfinance FCF-FIS for employment and social inclusion

EU Microfinance Platform is structured as a Luxembourg “fonds commun de placement – fonds d’investissement spécialisé” (FCP - FIS) governed by the law of 13 February 2007 relating to specialised investment funds and launched on 22 November 2010.

It is established as an **umbrella fund**, which may have several sub-funds. At 31 December 2013, the Fund has had a single sub-fund - the European Progress Microfinance Fund - created with a limited duration ending on 30 April 2020.

The Fund does not have legal personality. The Fund is therefore managed in the exclusive interests of the Unit-holders (the European Union, represented by the Commission, and the EIB) by the Management Company (EIF) in accordance with Luxembourg laws and the Management Regulations.

In 2013, which was the last year of the Union budgetary commitments, the Commission committed EUR 22 million to be deployed by the investment vehicle. No further budgetary commitments have been made by the Commission since the end of the commitment period on 31/12/2013.

The payments made in 2013 amount to a total of EUR 12.43 million for the FCP-FIS. As of 31/12/2013, from the start, the Commission had already paid some EUR 63.43 million for this funded instrument. For 2014, the forecasted budgetary payments amount to EUR 16.6 million.

As of 30/09/2013, EIF had signed 20 loan agreements in 10 Member States including a Commission contribution of EUR 42 million. 6236 micro-enterprises and vulnerable persons had been supported under the Facility and they had created 11 487 jobs.

The financial contribution from the Union budget to the EPMF Fonds Commun de Placement – Fonds d’Investissement Spécialisé (EPMF FCP-FIS) for the period from 1 January 2010 to 31 December 2013 amounts to EUR 80 million.

Sub-fund - the European Progress Microfinance Guarantee Fund (EPMF-G)

The EPMF Guarantee Facility is implemented by the European Investment Fund in accordance with the Fiduciary and Management Agreement entered into on 1 July 2010 between the European Union, represented by the Commission and EIF. Under the Agreement, the Commission mandated EIF to provide direct guarantees and counter guarantees on micro credit loans in its own name, but on account and risk of the European Union.

The aim of the instrument is to increase access to and availability of microfinance.

As of 30/09/2013, EIF has signed 19 guarantee agreements in 12 Member States for a total amount of EUR 14.08 million. During the implementation of the Facility, 6748 micro-enterprises and vulnerable persons have been supported and 8684 jobs have been created.

Currently the market demand exceeds the original budgetary allocation of EUR 23.8 million. An increase of this budget in the envisaged **EaSI microfinance guarantee facility**, the successor of the EPMF-G, will be most likely fully utilised.