



InvestEU Advisory Hub – Social Investment and Skills Window

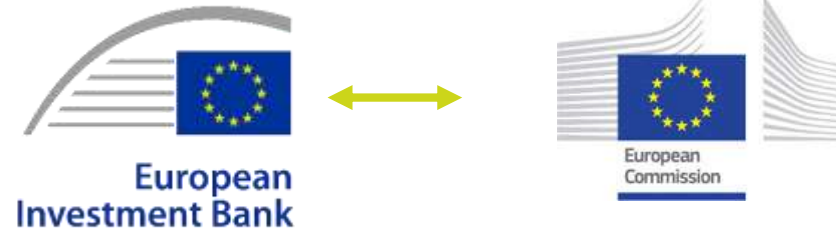
PRESENTATION OF THE AVAILABLE INVESTEU FINANCIAL INSTRUMENTS AND SERVICES UNDER THE INVESTEU ADVISORY HUB

DATE: 26 SEPTEMBER 2023 – BUCHAREST - POLICY FORUM

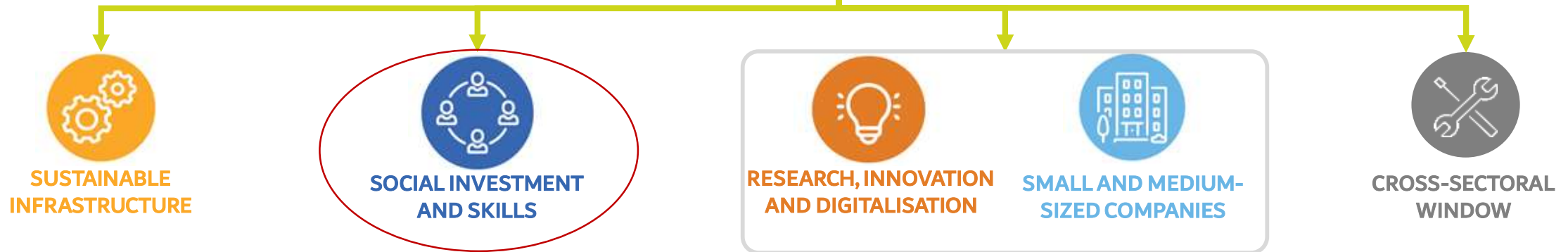
Social Inclusive Finance Technical Assistance (SIFTA) within the InvestEU Advisory Hub

Sursa: Prezentare SIFTA - EMN anual Conference Paris June 2023

About the Invest EU Advisory Hub

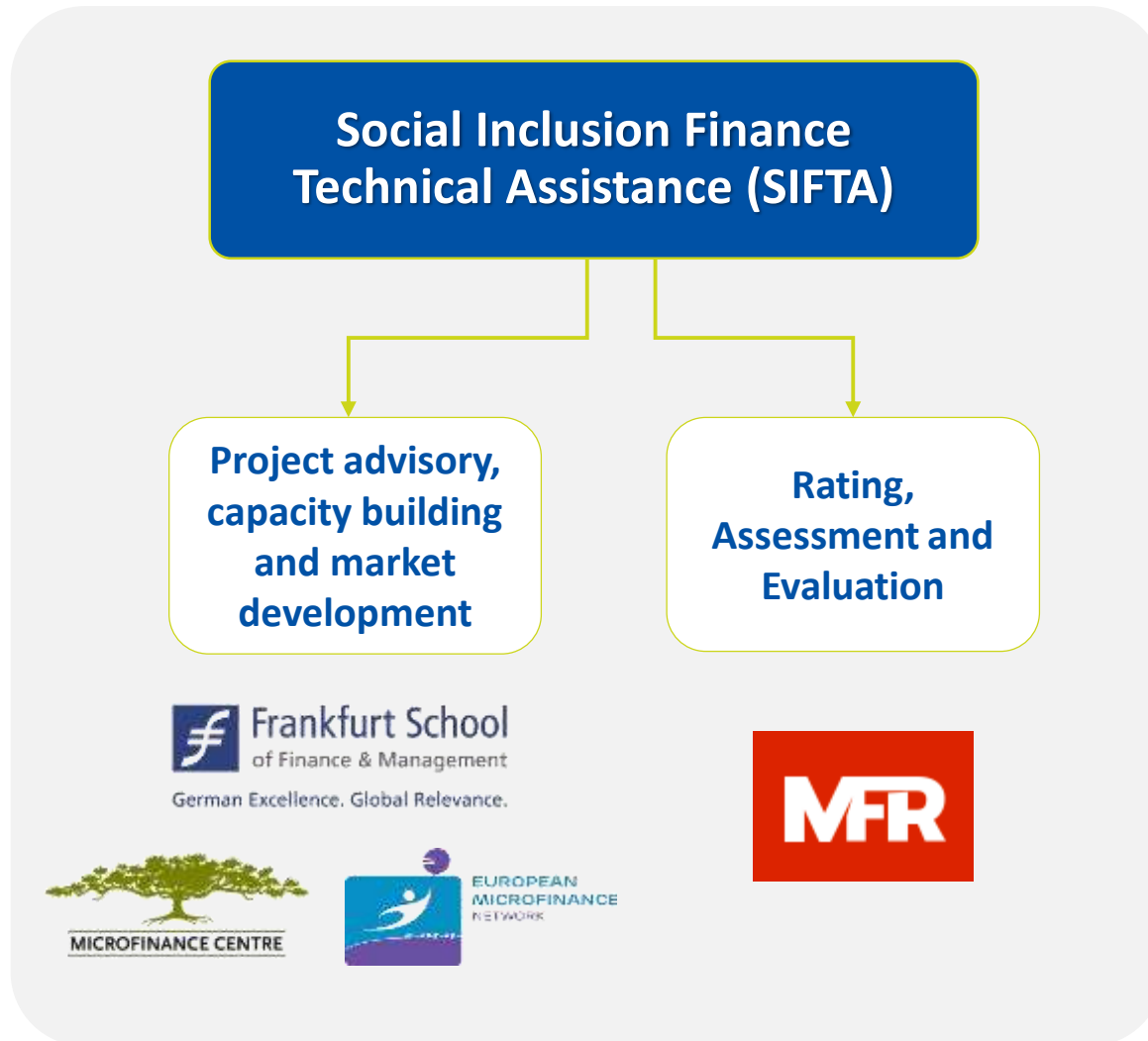


The InvestEU Advisory Hub



**Social Inclusion Finance
Technical Assistance (SIFTA)**

SIFTA - Reinforcing the European Microfinance and Social Enterprise Finance Sectors



- EIB is in charge of managing the SIFTA initiative which provides **targeted capacity building, project advisory** and **market development support** to financial intermediaries active in the microfinance and/or social entrepreneurship space
- Services provided to financial intermediaries active in the microfinance and/or social entrepreneurship spaces:
 - **Targeted capacity building, project advisory** and **market development support** → provided by a consortium of FS, MFC and EMN
 - **Rating, assessments and code evaluation services** → provided by MicroFinanza Rating
- **Continuation and enhancement** of the EU Programme for Employment and Social Innovation (EaSI) Technical Assistance

SIFTA – Services provided

Services tailored to **specific needs of SIFTA beneficiaries**

Targeted Capacity Building and Technical Assistance Services

- » Tailored and Investment-readiness Trainings
- » Trainings / Coaching on the Code of Good Conduct for Microcredit Provision
- » Peer-to-peer trainings and Study visits
- » Portfolio Analysis & Pipeline Building



Ratings, assessments and code evaluation services

- » Institutional Assessments
- » Institutional Ratings
- » Evaluation of compliance with the EU Code of Good Conduct for Microcredit Provision
- » Impact Assessments
- » ESG Assessments



SIFTA – Capacity Building & Technical Assistance Services



Tailored training 15 days*

- Staff training targeting areas of improvement



Investment-readiness training 3 days*

- Preparation for financial instruments under InvestEU or other MF/SE financial instruments mandates managed by the EIB



Code Training 3 days*

- Trainings on the updated Code and assistance towards compliance of MF providers



Post-Evaluation Consultancy 3 days*

- Assistance to improve the level of compliance with the Code of MF providers



Portfolio analysis & Pipeline building 15 days*

- Expertise in building portfolios and evaluating associated risks
- MF/SE providers with a MF/SE financial instrument from the EIB Group

Note: * maximum duration



Peer-to-peer Training

2 days*

- Opportunity for MF/SE providers to learn from experiences and practices of other MF/SE providers



Study visit

2 days*

- An experienced and/or innovative MF/SE provider that hosts the study visit shares their experience with other MF/SE providers

Note: * maximum duration

SIFTA – Services provided

Services open to **all Microfinance and Social Enterprises finance providers**



Microfinance and Social Enterprise Finance workshops

Exchange practices in applying advanced tools and disseminate good practices and provide information about the EU and EIB programmes for MF/SEF



Analytical Support

Provide general guidance to MF and/or SE on how to apply to for financing

SIFTA – progress to date

SIFTA was officially launched in September 2022

91

Financial intermediaries
have shown interest in SIFTA

50

Eligible application
received

25

Assignments completed

37

Capacity Building Workshops:

- Digitalisation
- AML/KYC policies
- Managing green transition
- Impact Measurement
- ...

1,675

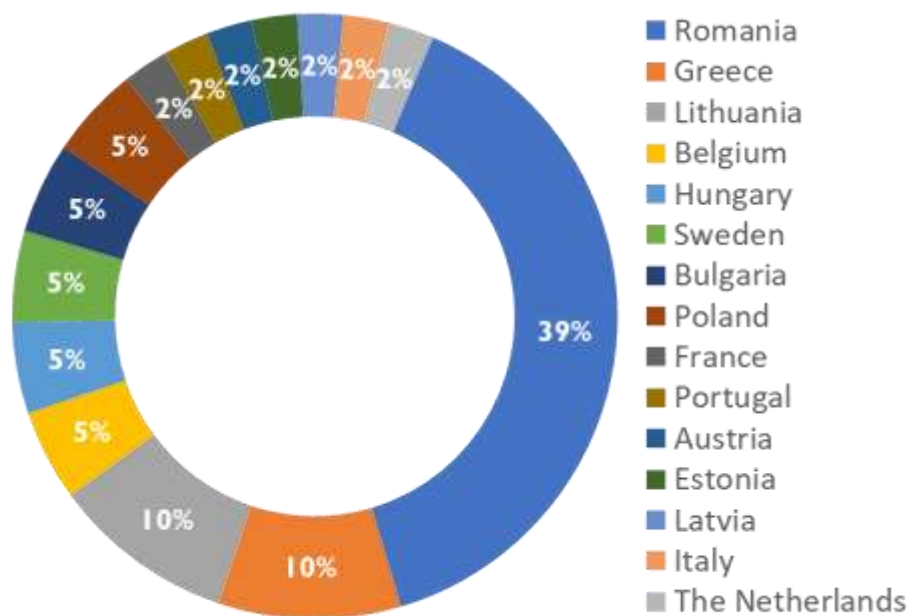
Participants,
(61% female)

89%

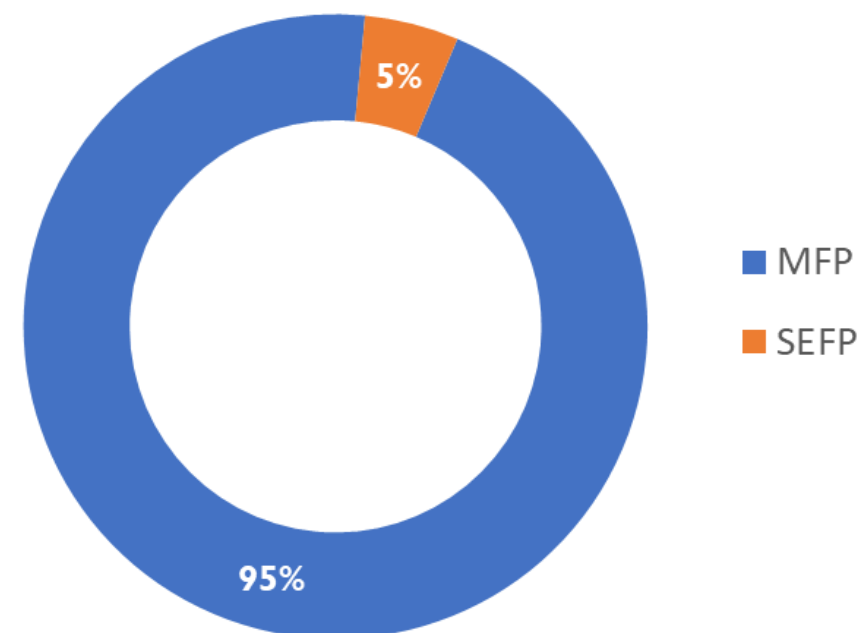
Average satisfaction
rate

Portfolio update

Eligible applicants by country



Eligible applicants by type of provider



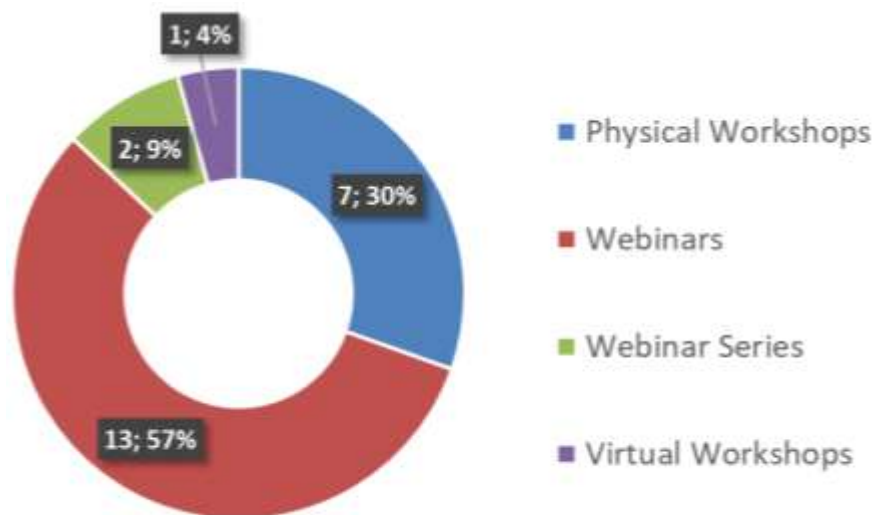
Portfolio update (cont.)

Services requested by eligible applicants

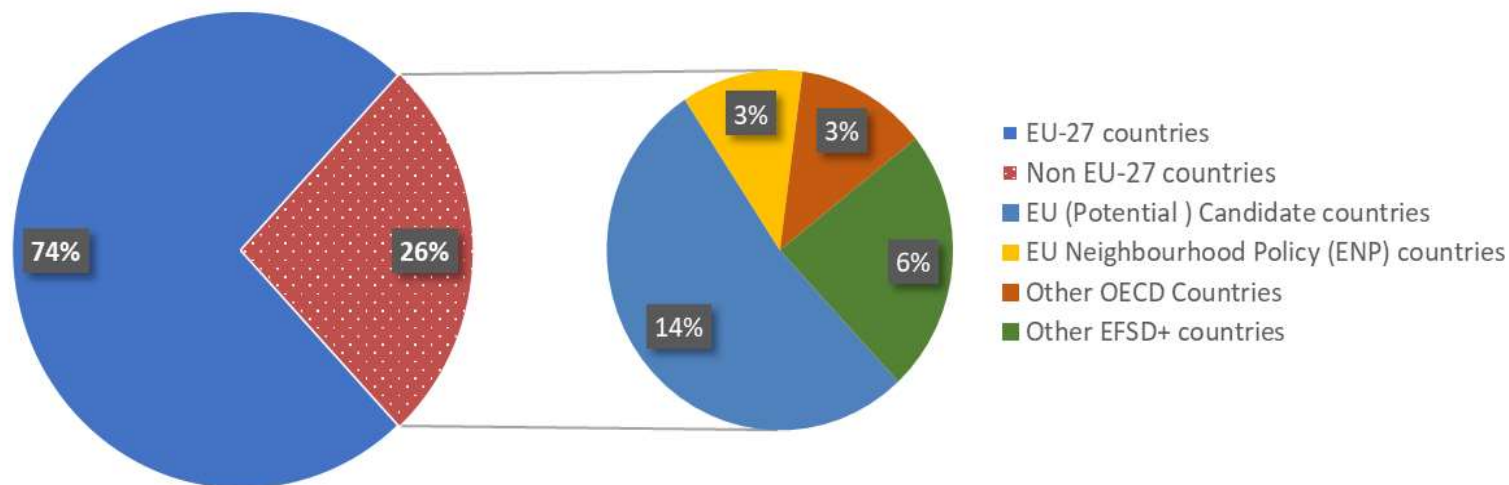


TOTAL = 199

Snapshot on Microfinance and Social Enterprise Finance workshops in 2022

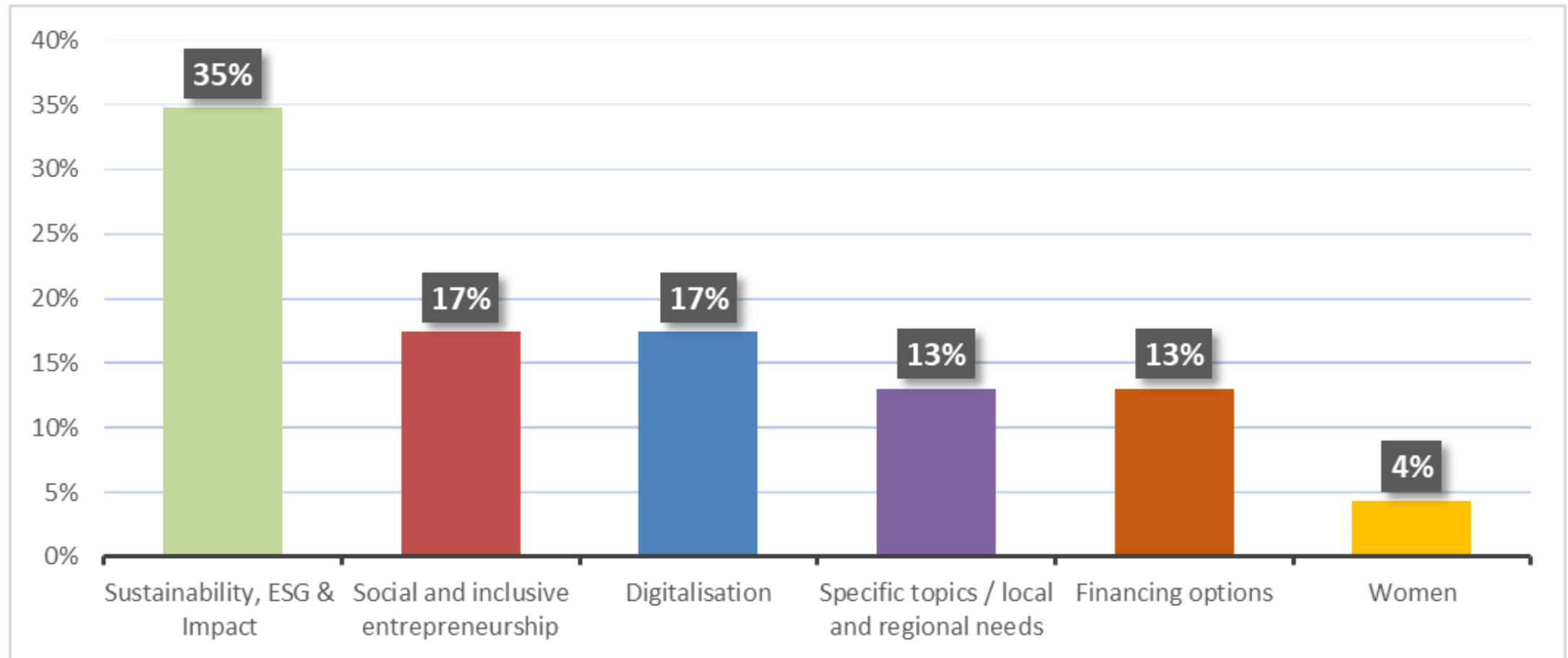


23 workshops
61% female participation
87% satisfaction rate



EU-27 countries: participants from 20 Member States
From EU (Potential) Candidate countries of Bosnia Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Serbia, Turkey

Snapshot on topics of Microfinance and Social Enterprises finance workshops in 2022



Highlights on SIFTA activities for capacity building in 2023

- ✓ Kicking off capacity building services to **50** Microfinance and Social Enterprise Finance providers; topics cover amongst others the following areas:
 - *Governance*
 - *ESG reporting requirements*
 - *Impact measurement and assessment*
 - *Product development, online marketing*
 - *Digitalisation*
 - *Credit and risk management*
 - *Good practice in microcredit analysis*
 - *Investment readiness*
 - *Portfolio analysis and pipeline building*
- ✓ Continuation of implementation of **over 60** Social enterprise and microfinance workshops throughout the year *covering latest developments for: sustainability, ESG, impact measurement, digitalisation, social entrepreneurship and social finance, inclusive entrepreneurship and microfinance, digital learning methods, risk management, strengthening the ecosystems etc.*

How to start with SIFTA?

SIFTA – How to benefit



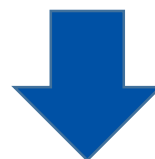
Geographical eligibility |
EU-27



- **Microfinance Providers**
(Microfinance Institutions, Licensed Banks, Guarantee granting entities, Fintechs,...)
- **Social Enterprise Finance Providers**
(Incubators, Accelerators, Private or Public Investment Funds,...)



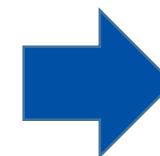
Timeframe | **Initial budget available until December 2024**



Target beneficiaries can request support at

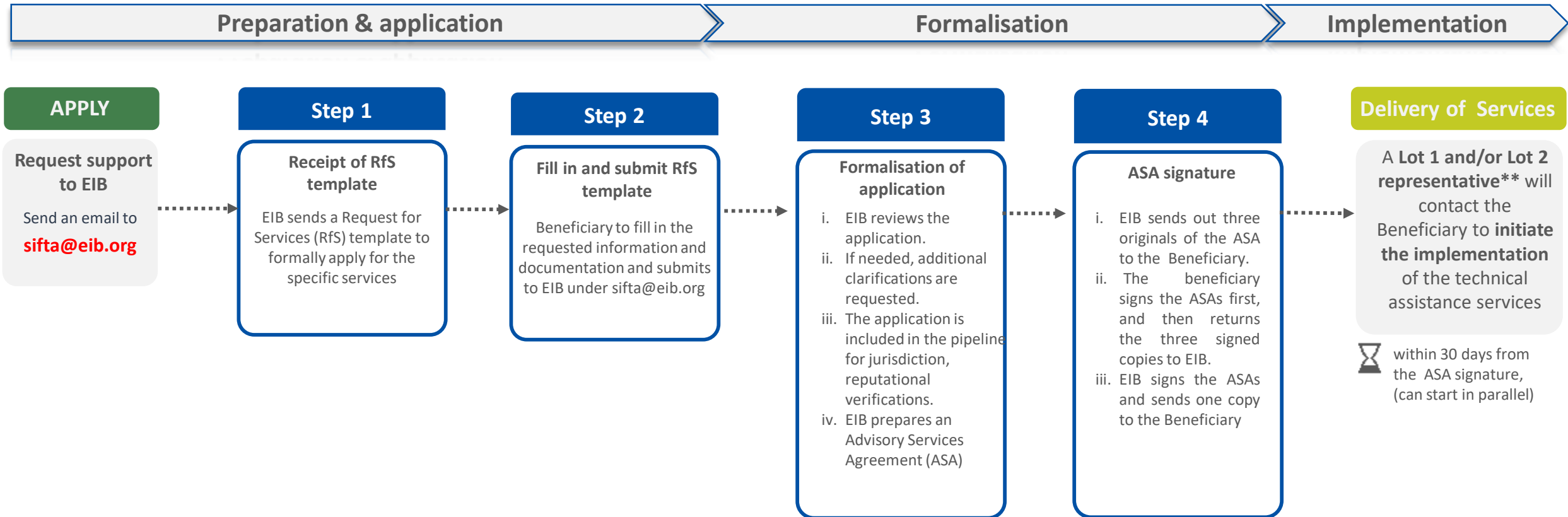


sifta@eib.org



A Request for Services (RfS) template will be sent to the beneficiaries to formally apply to the specific services

SIFTA – Application Process: overview



Notes:

* depends on when the beneficiary submits the documents to EIB; time starts after submission

** Lot 1: Capacity Building Services (Frankfurt School, MFC, EMN); Lot 2: Evaluation Services (MFR)

European Code of Good Conduct for Microcredit Provision (EuCode)



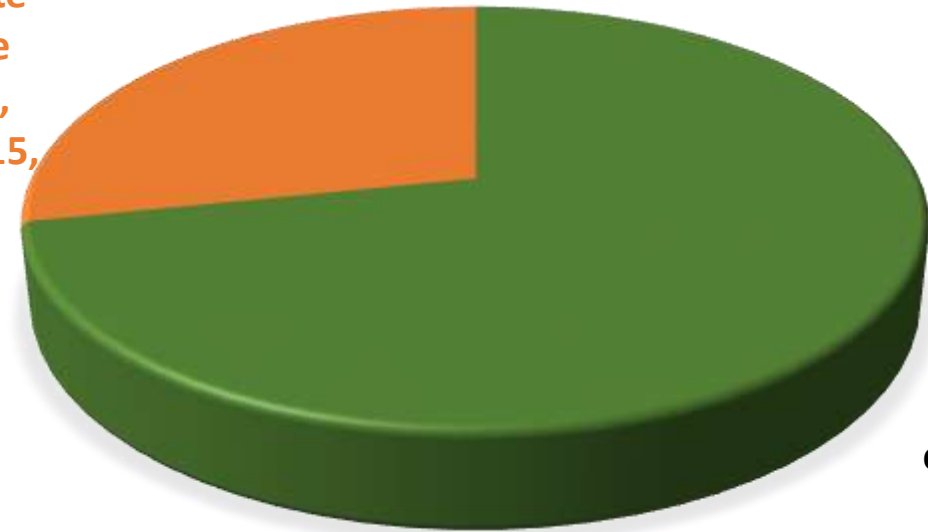
- The European Code of Good Conduct for Microcredit Provision defines a unified set of standards for the microfinance sector in Europe.
- It serves as a self-regulation tool and a quality label for microfinance institutions committed to ethical finance.
- The Code has been developed based on recognised best practices in the sector in close consultation with stakeholders.
- Signing up to or endorsing the Code is a prerequisite for microfinance institutions and banks to benefit from EU financial support.
- Update of Code in 2021; certificate of compliance for non-bank microfinance providers (before 3 years, now 4 years with some interim reporting requirements)

[Publications catalogue - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

European Code of Good Conduct for Microcredit Provision (EuCode)



**39,3% Institutions
with a certificate
for compliance
from Romania,
total 26, CARs: 15,
IFN : 11**



**Institutions
with a
certificate for
compliance
(July 2023):
total 66**

[Publications catalogue - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](https://european-commission.europa.eu/publications-catalogue-employment-social-affairs-inclusion)

Implementation:

Delivery of Services

A Lot 1 and/or Lot 2 **representative**** will contact the Beneficiary to **initiate the implementation** of the technical assistance services



within 30 days from the ASA signature, (can start in parallel)

First services usually provided:

- Institutional assessment/ Rating (if there is not current one with less than 24 months)
- Eu Code technical assistance (can start already)

Based on the assessment reports and interviews with the beneficiary, SWOT analysis, the themes of the Tailored training services are established, planned and delivered by experts selected and approved by EIB and Consortium: Frankfurt School – EMN – MFC as well as EIB and MFR (for evaluation services)

Other services could also start independently as peer-to-peer training, study visit or investment readiness training.

SIFTA – Get In Touch With Us



Information about SIFTA Services can be found here:
[Social Inclusive Finance Technical Assistance \(SIFTA\) \(eib.org\)](https://eib.org/sifta)



Applicants of microfinance and social enterprise finance providers can apply for specific SIFTA services by sending EIB an email at sifta@eib.org



A *Request for Services* template will be sent to the beneficiaries to formally apply to the specific services.



Presentation Invest EU Financial Instruments – EIF

Sursa: Informatii prezentate la Policy forum 2022 - EIF

EaSI Instruments — Implementation in Romania

EIF - Inclusive Finance

Who are we

EIF - Inclusive Finance was born in response to

- Huge **demand for microfinance** in Europe: Market gap estimated at EUR 12.9 billion.
- New **MFIs** are established around Europe
- High **political commitment** for supporting financial and social inclusion through financial services, i.e. microfinance

Our impact



EaSI implementation in Romania

Mobilizing funding available for Final Recipients

€475m*

13 guarantees
3 EaSI CBI
4 EaSI Funded

16
FIs

6
banks

10
non-
banks

Patria Bank
Libra Bank
Idea Bank
BCR/Erste Group
Unicredit Group
Raiffeisen Bank
Patria Credit
OMRO
BCR Social Finance
Vitas
FAER
ROMCOM
BT Mic
Agricover
AsCAR-RV
Mikro Kapital

22,600
Micro and social
SMEs supported

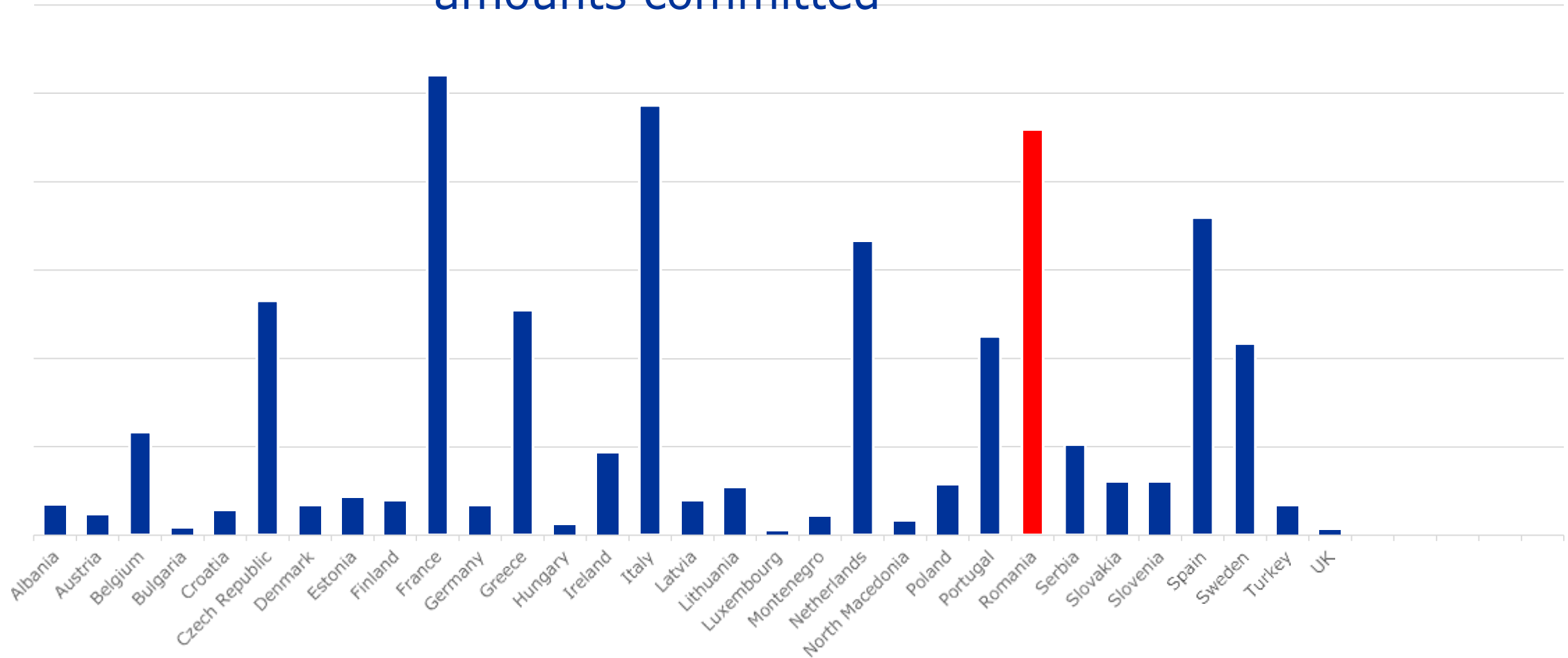
61% unbanked/no prior loan

92% self-employed

33% female entrepreneurs

EaSI implementation in Romania

EaSI guarantee Instrument - amounts committed -



Toolbox

EU-wide programs to support microenterprises and social entrepreneurship:

- *EaSI Funded Senior and Subordinated Loans*
- *InvestEU Microfinance and Social Guarantees*
- *InvestEU Capacity Building Investments*

EIF Inclusive Finance Toolbox

• GFI
(2015-2022)
Fully allocated

• **Funded**
(2019-2023)

• CBI
(2017-2021)
Fully allocated

2015 - 2023

InvestEU

• **Microfinance and Social
Portfolio Guarantee**

• **Capacity Building
Investments**

2022 - 2027

EaSI Funded Senior and Subordinated Loans

Type of Instrument	Exposure limit	Maturity	Currency	
Senior and Subordinated Loans	Up to 100% of Equity	Long-term	EUR or local currency	
Pricing	Security	Disbursement	Repayment terms	
<div> <div>Market rates</div> <div>Fixed rates</div> <div>Floating rates</div> </div>	None	Minimum 2 tranches	Interest payment Semi-annually	Principal payment Individually agreed schedule

Funded instrument key terms

Type of instruments	Senior loan Subordinated loan
Lending conditions	Unsecured, market rates
Tenor	Long term Senior: 5-8 years Subordinated: Up to 10 years
Repayment terms	Quarterly repayments Bullet
Grace Period	Up to 3 years
Disbursement period	Min 2 tranches during a 24 months period
Inclusion period	Up to 3 years
Max EIF commitment(*):	100% of equity of the FI, max Eur 10m

InvestEU guarantee products overview

*Six guarantee products to
incentivise debt financing and a
capacity building instrument:*

Overview

- *Sustainability*
- *SME Competitiveness*
- *Innovation and Digitalisation*
- *Culture and Creative Sectors*
- *Microfinance and Social
Entrepreneurship*
- *Skills and Education*

Thematic focus

Mobilising private resources through risk sharing instruments and support in key areas of policy focus



Thematic focus

Innovation & Digitalisation

Competitiveness

Culture & Creativity

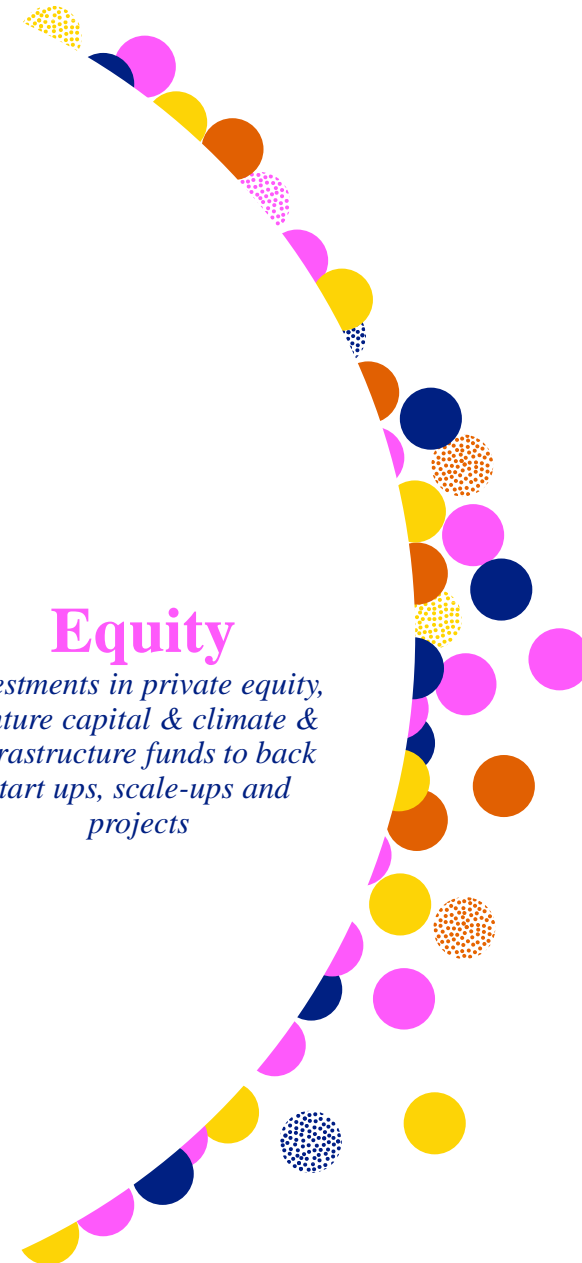
Climate & Sustainability

Social Impact & Inclusion

Skills & Education

Advisory Support




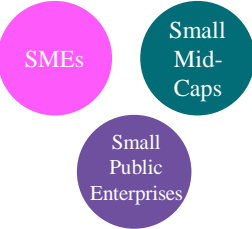
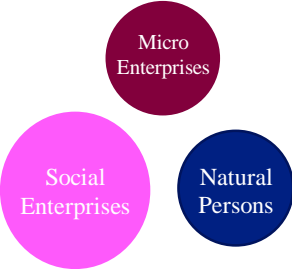

Equity
investments in private equity, venture capital & climate & infrastructure funds to back start ups, scale-ups and projects



Comparison of guarantee key features (1/2)

	SME Competitiveness	Sustainability	Innovation & Digitalisation	Cultural & Creative	Micro & Social Entrepreneurship	Skills & Education
Type of instrument	Capped Portfolio Guarantee				Capped Portfolio Guarantee	Capped Portfolio Guarantee
	All Higher Risk Categories	<ul style="list-style-type: none">SMEs & Small Mid-CapsNatural persons - zero and low emission mobility	All eligibility criteria	All eligibility criteria		
Guarantee rate	Uncapped Portfolio Guarantee				All eligibility criteria	All eligibility criteria
	Higher Risk Category 3 only	<ul style="list-style-type: none">SMEs & Small Mid-CapsNatural persons & housing associations – RE & EE	All eligibility criteria	All eligibility criteria		
Guarantee rate	Up to 50% Higher risk category 1&2	Up to 70% SMEs & Small mid-caps	Up to 70%	Up to 70%	Up to 80%	Up to 70% All categories except for A
	Up to 70% Higher risk category 3	Up to 80% Natural persons and housing associations				Up to 80% Category A
Up to 80% Rate applicable to Cohesion and/or Just Transition Regions						
Cap rate	Up to 25%				Up to 30%	Up to 25%
Guarantee fee	0.2% p.a. Capped Portfolio Guarantee	0.75% p.a. Uncapped Portfolio Guarantee for any Final Recipient Transaction that is not in the form of Subordinated Debt			Free of charge (uncapped inapplicable)	
		1.2% p.a. Uncapped Portfolio Guarantee for Subordinated Debt				

Comparison of guarantee key features (2/2)

	SME Competitiveness	Sustainability	Innovation & Digitalisation	Cultural & Creative	Micro & Social Entrepreneurship	Skills & Education
Target final recipients						 For Category A
Maximum debt financing principal amount	<div>€7.5mPrivate Financial Intermediary</div> <div>€2mWhere Financial (Sub-) Intermediary is National Promotional Bank or Institution (as a direct lender)</div>				<div>€50kMicrofinance</div> <div>€2mSocial Entrepreneurship</div>	<div>€30k*Category A</div> <div>€2mAll Categories except for A</div>
Debt financing maturity range	12mHigher Risk Category 1&2	12 months			3 months	12 months
	3yrsHigher Risk Category 3	No maximum maturity provided that the coverage of the Final Recipient Transactions shall not extend beyond Individual (Counter-) Guarantee Termination Date.				

* In duly justified circumstances, such amount may be increased up to EUR 50 000. Please see Call for Expression of Interest for more information

Microfinance and Social Portfolio Guarantee Product

The successor of EaSI Guarantee Facility, aims at enhancing access to finance for microfinance and social enterprises

Microfinance & Social guarantee key terms

Type of Instrument	Guarantee cap rate	Guarantee fee	Guarantee rate
Capped Portfolio Guarantee	Up to 30%	Free of charge	Up to 80%
Target final recipients	Maximum Guarantee transaction amount	Transaction maturity	
Micro-Enterprises	€50k	Minimum	Maximum
Natural Persons	€2m	3 months	N/A*
Social Enterprises	Microfinance		
	Social Entrepreneurship		

* No maximum maturity - provided that the coverage of the Final Recipient Transactions shall not extend beyond Individual (Counter-) Guarantee Termination Date.

Enhanced access to finance measures

	SME Competitiveness	Sustainability	Innovation & Digitalisation	Cultural & Creative	Micro & Social Entrepreneurship	Skills & Education*
Enhanced access to finance implementation measures	<p>Final Recipients falling within one of the 3 categories below:</p> <ul style="list-style-type: none"> • Higher risk category 1 (start-ups, previously excluded SMEs and higher credit risk financing) • Higher risk category 2 (the most risky debt financing in the Financial (Sub-) Intermediary's SME loan book) • Higher risk category 3 (final recipients established prior to 2019 which suffered a 5% turnover decrease in 2020 or 2021) 	<ul style="list-style-type: none"> • Reduction of cost of financing • Reduction of collateral requirements (not applicable for Cultural & Creative) • Reduction in down-payment (in case of leases) <ul style="list-style-type: none"> • Increase in financing volumes • Support to excluded segments • Financing at longer maturities • Bespoke financing arrangements • Any Subordinated Debt Transactions 			<ul style="list-style-type: none"> • Reduction of cost of financing • Support to excluded segments • Reduction of collateral requirements • Financing at longer maturities <ul style="list-style-type: none"> • Bespoke financing arrangements 	<ul style="list-style-type: none"> • Reduction of cost of financing • Reduction of collateral requirements • Reduction in down-payment (in case of leases) • Increase in financing volumes • Support to excluded segments • Financing at longer maturities <ul style="list-style-type: none"> • Bespoke financing arrangements • Any Subordinated Debt Transactions

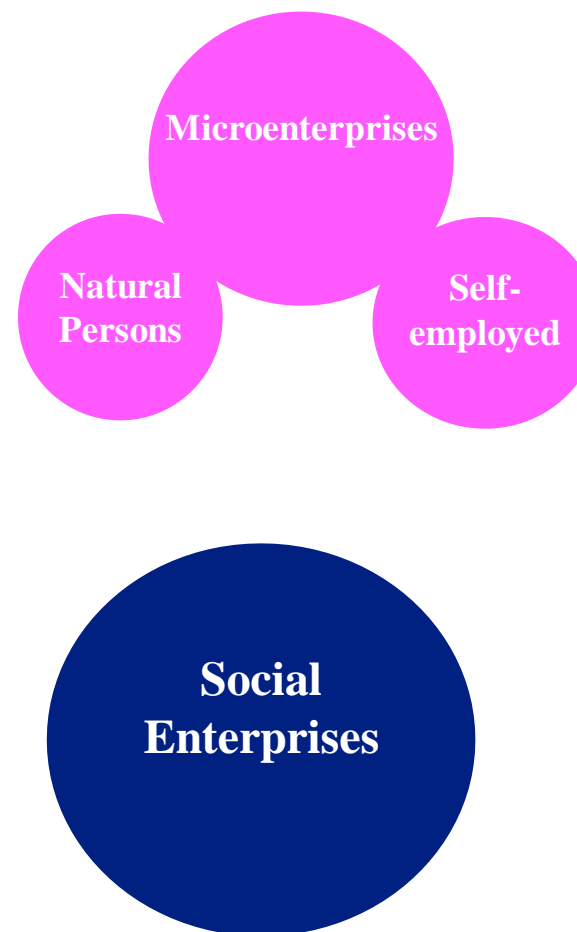
* Enhanced access to finance measure are differently applicable with respect to the different categories of Product Eligibility Criteria (Category A, B, C or D, as specified in the related term sheet)

Eligibility

Financial Intermediaries



Final Recipients



that experience difficulties accessing credit for the purpose of professional and revenue-generating activities..

- Achievement of measurable, positive social impacts,
- Provision of services/goods that generate a social return
- Predefined procedures and rules for profit distribution
- Managed in an entrepreneurial, participatory, accountable and transparent manner

MICROFINANCE

Max FRT Amount:
EUR 50,000

SOCIAL ENTREPRENEURSHIP

Max FRT Amount:
EUR 2,000,000

Capacity building investment product



Aims to build up the *institutional capacity* of Financial Intermediaries that have not yet reached sustainability (including Greenfield Financial Intermediaries) or that are *in need of risk capital* to sustain their *growth and development* in the *microfinance, social entrepreneurship* or the *skills* and education space.

Capacity Building Projects



Organizational Development and Expansion

Investment in **organizational development and expansion**:
new offices

- IT infrastructure
- New staff
- New branches
- ...

Operational and Institutional Capabilities

Strengthening operational and institutional capabilities,
aimed at contributing to the sustainability of the FI, i.e.
operational expenses coverage
for a certain period of time

Enhancing the Indebtedness Capacity

Increasing the indebtedness capacity of the FI, while
supporting them to retain a
balanced socio-commercial
orientation

Application, approval and implementation

Roles and responsibilities

During the application process (pre signature)

Apply to the relevant call for expression of interest

Our EU mandates have open calls.

Applications are assessed on a first come first serve basis.

All current open calls are published here.

Submit relevant documentation & data for assessment

Our process require complete submissions of all relevant information and data.

Quantify the expected transfer of benefit or improved financing conditions to eligible micro, small & mid cap business

Our role is to improve SME and mid cap access to finance.

Improvements such as lower interest rates, better terms, increase in lending must be evidenced

FI

EIF

Provide guidelines on eligibility criteria

We can help you navigate the different calls for expression of interest and help you assess which mandate is most relevant for you or your clients.

Conduct a risk mapping

We analyse your portfolio data, using a risk mapping to reach a common understanding of your risk- This will be used to determine the guarantee rate, cap rate and fee (if applicable)

Liaise with the Mandator about the transactions features

Structure the transaction

We, together with you, set-up the client/loan transaction eligibility criteria, agree on the transfer of benefits features, or any other specific lending and/or financial conditions

InvestEU – how to apply

The application process in three steps

I am...

A financial intermediary
interesting in
applying for:

- *One or more Guarantee products*
- *The Capacity Building Investment Product*

Step 1

New

On-line

Explore the EIF's new *Information Point for Financial Intermediaries* to gain a first overview of the InvestEU products on offer & to understand where your interests may lie

Step 2

**Open until
30 June 2027**

Head over to www.eif.org to dig deeper into the *Call for Expression of Interest documentation*, which includes:

- detailed product term sheets
- reporting requirements & templates
- FAQs
- ... and more

Step 3

For Guarantees & CBI, submit your application via the *dedicated email address*

Roles and responsibilities

Post signature

Preparation phase *Training & marketing, including
dedicate webpage
IT set up to support reporting*

Loan origination phase
Regular contact with EIF on origination pace

Life time of the transaction
*Quarterly/semi-annual reporting on inclusions, guarantee
calls, recoveries
Communication & promotion*

FI

EIF

Monitoring and feedback
*Transaction monitoring and feedback by your EIF
relationship manager*

Reporting assistance
*Reporting monitoring and assistance by our
middle/back office*

Payments
*Guarantee payments within 60 days of quarter end
Guarantee call submission by our middle/back office*

- Monitoring visit(s)
- Regular feedback
- Audit visits (if applicable)

Where to find relevant information

Important links

- **The InvestEU information package and call for expression of interest is now live on EIF website:**
[The EIF and InvestEU](#)
- **One call** with common terms for direct guarantees and counter-guarantees respectively:
[Call for expression of interest](#)
[Appendix 1 to Call for expression of Interest – Glossary of Terms](#)
[Annex I – Expression of Interest for Financial Intermediaries](#)
- **Horizontal term sheets** - the following annexes are applicable to all InvestEU portfolio guarantee products:
[Annex II – Direct guarantee term sheet](#)
[Annex III – Counter-guarantee term sheet](#)

Important links

- **Specific terms per product are outlined in dedicated product annexes, one for each thematic area:**

[Annex IV\(a\) – SME Competitiveness guarantee term sheet](#)

[Annex IV\(b\) – Sustainability guarantee term sheet](#)

[Annex IV\(c\) – Innovation and Digitalisation guarantee term sheet](#)

[Annex IV\(d\) – Cultural and Creative guarantee term sheet](#)

[Annex IV\(e\) – Microfinance and Social Entrepreneurship guarantee term sheet](#)

[Annex IV\(f\) – Skills and Education guarantee term sheet](#)

- **Other documents:**

[Annex V – Terms of Confidentiality](#)

[Reporting template for direct guarantee](#)

[Reporting template for counter-guarantee](#)

- **Core reporting structure is identical** for all products, but some special fields apply only to certain thematic areas.