

Conclusions

**Framework operation #31 for Microfinance, Social and Skills Guarantee Product / Microfinance and Social Enterprises (Multi-country)
INVEU-ICR-0076-2023 – Social Investment and Skills Window (SISW)**

Short description of the financing or investment operation and its objectives

Type of the financial intermediaries	National promotional Institutions, specialized providers of microfinance and social entrepreneurship finance, ethical and cooperative banks, other banking players, alternative lenders
Type of final recipients	Natural persons, micro-enterprises, not-for-profit organisations and social enterprises
Countries of implementation	EU-27
Implementing partner	European Investment Fund (EIF)

This Framework Operation is the third one introduced in Microfinance and Social Entrepreneurship areas due to the numerous applications received from financial intermediaries, confirming the high market demand for this product.

The Framework Operation will include: (i) Sub-Projects in the microfinance area, targeting intermediaries providing debt financing to micro-enterprises and micro-borrowers on an unsecured basis coupled with accompanying services, such as counselling, training and mentoring, as well (ii) Sub-Projects in the social entrepreneurship space targeting social enterprises.

A large variety of sectors are expected to be covered, from wholesale and retail trade to agriculture and human health or social care activities, just to name a few.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 9 November 2023 for the above-mentioned operation.

The Framework Operation will address market failures related to market funding gap for microfinance and lack of access for bank loans for social enterprises. Furthermore, knowledge



Investment Committee of the InvestEU Fund

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about social enterprises mechanism is still insufficient in the banking system, thus limiting the ability for those enterprises to get financial support.

The use of the EU Guarantee will allow EIF to support in a substantially higher manner final recipients in the Microfinance and Social Entrepreneurships areas, which otherwise would have remained underserved due to lack of programmes targeting these policy areas at such scale. Thus, the Investment Committee recognizes the additionality of the Framework Operation in the mobilization of funding resources to micro and social enterprises, contributing towards creating and preserving jobs in the respective geographies, which will further constitute the basis for the financial and social inclusion of micro and social entrepreneurs.

The Framework Operation is, therefore, expected to contribute to the implementation on the European Pillar of Social Rights and the Social Economy Action Plan.