

Target Final Recipients

What are the definitions we use?

1 For Microenterprises (including self employed)

Microfinance refers to **debt financing** provided on an **unsecured basis** (debt financing benefitting only from a personal guarantee or similar*). This should be **coupled with accompanying business development services**, such as individual counselling, training and mentoring.

This type of financing is to be extended to **persons and micro-enterprises** that experience **difficulties accessing credit** for the purpose of professional and revenue-generating activities.

or

2 For social enterprises

Social enterprise: refers to an undertaking or a natural person that;

- has the achievement of **measurable, positive impact** as its primary social objective, and
- uses its **profits** first and foremost **to achieve its primary social objective**, and
- is managed in an **entrepreneurial, participatory, accountable and transparent manner**, in particular by involving workers, customers and stakeholders on whom its business activities have an impact.

* Except in duly justified cases

NB the present information provides a summary of the terms for educational purposes, for the full T&Cs please refer to the Call for Expression of Interest documentation available on www.eif.org

Finance Intermediary Eligibility

Microfinance

Financial intermediary	<p>Banks, Non-Banks, Credit cooperatives, Leasing companies, etc.</p> <p>Two pre-eligibility criteria to be met:</p> <ul style="list-style-type: none"> • Sign-up or endorse the EU Code of Good Conduct for Microfinance Providers • Provision of Business Development Services (training, mentoring, coaching)
Target clients	Micro enterprises, including self-employed
Client size	Any SME < 10 FTE and <2m annual turnover
Financing scope (Loan size, loan term...)	<ul style="list-style-type: none"> • Up to EUR 50,000 max per transaction • Min 3 months • Senior / subordinated loans, financial leases, bank guarantees
Eligible financing	• Working capital • Tangible & intangible investments • M&A (business transfers)
Maximum collateral requirements	Personal guarantee

Finance Intermediary Eligibility

Social Enterprises

Financial intermediary	Banks, Non-Banks, Credit cooperatives
Target clients	<ul style="list-style-type: none"> • Social-enterprises • Entity (SME, NGO, etc.) developing an entrepreneurial activity, which has as its primary objective the achievement of positive social impact rather than profit
Client size	Any entity whose social objective is to obtain positive, measurable social impact rather than profit
Financing scope (Loan size, loan term...)	<ul style="list-style-type: none"> • EUR 2,000,000 max. per transaction • Min 3 months • Senior/subordinated loans, bank guarantees, leases
Eligible financing	<ul style="list-style-type: none"> • Working capital • Tangible & intangible investments • M&A (business transfers)