

PROGRESS MICROFINANCE FACILITY

Q&A for Individuals and Micro-enterprises

Who is eligible to receive financing?

The European Progress Microfinance Facility is an EU initiative to support entrepreneurship and employment through microfinance activities. It aims to increase access to finance for micro-entrepreneurs, including the self-employed, or individuals facing uncertainty in the job market who wish to set up their own micro-enterprises. It has a particular focus on, but is not restricted to, groups with limited access to the conventional credit market. Examples include female entrepreneurs, young entrepreneurs, entrepreneurs belonging to a minority group, entrepreneurs with a disability, sole traders, etc.

How will financing under the facility be provided?

The EIF does not provide direct financing to micro-enterprises or individuals. Financing is made available through intermediaries participating in the Facility. Eligible intermediaries are any public and private institutions that provide microfinance loans and/or guarantees to individuals, or micro-enterprises established in the EU Member States.

What type of support is available?

Intermediaries will provide beneficiaries with micro-credit guarantees (direct or counter-guarantees) or with different forms of loans.

The financing can be used for the setup and/or development of micro-enterprises, including for investment, leasing, and working capital needs, as well as the acquisition of licenses and other start-up costs. Financing cannot be used to cover credit lines such as overdrafts or short-term revolving facilities

Which countries can participate in the Facility?

Intermediaries operating in the EU-27 Member States are eligible to apply for support under the European Progress Microfinance Facility.

How can I apply for financing?

Please note that the EIF will not provide direct financing to micro-enterprises or individuals. The EIF cooperates with microfinance intermediaries who will make micro-credits available to micro-enterprises or individuals. Thus, interested micro-enterprises or individuals should contact intermediaries in their specific region or country to learn about specific application requirements and procedures in the local market.

Where can I find information about microfinance providers in my area?

A list of financial intermediaries participating in the Facility and broken down by country will be published shortly on our website.

What will it cost to apply for financing?

Interest rates and fees will be set by the intermediaries offering financial support under the European Progress Microfinance Facility and will vary in each case. For detailed information, we advise you to contact the respective intermediary directly

How long will it take to receive financing?

The timeframe will depend on the specific procedures and guidelines of the respective intermediary and can thus vary.