

A record year for Microfinance Ireland and an additional €30M commitment from EU for micro-enterprises in Ireland over the next 5 years

- **European Investment Fund provides guarantee to support Microfinance Ireland lend a further €30M over the next 5 years**
- **Record number of loans approved in 2017 – 400 loans totalling €5.5M**
- **1,141 jobs created or sustained by Microfinance Ireland in 2017 bringing the total number of jobs supported to almost 4,000**

The European Investment Fund (EIF) has signed a second agreement with Microfinance Ireland (MFI) to support 2,100 micro-entrepreneurs under the European Commission's [EU Programme for Employment and Social Innovation](#) (EaSI) after the first one signed in 2015. As a result of the EU support, the EaSI guarantee provided by the EIF will enable MFI to provide an additional EUR 30 million in loans to micro-borrowers including migrants and entrepreneurs over the next five years. This new financing agreement was made possible by the European Fund for Strategic Investments (EFSI), the core of the Investment Plan for Europe.

In a record year for the Government funded not-for-profit lender, figures released by Microfinance Ireland (MFI) show that demand for its services continue to grow with application volumes up 10% in 2017. A record number of 400 loans totaling €5.5 million were approved in 2017, supporting the creation and sustainment of over 1,100 jobs. This brings to 3,952 the number of new jobs supported by MFI through €22.6 million in approved loans to 1,567 businesses since it was established as part of the Government's Action Plan for Jobs in late 2012.

European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen**, said: *"Thanks to this new financial boost of €30 million from the EU, more than 2000 micro-entrepreneurs will get financial support to start up or develop their business. Considering that Microfinance Ireland already created 4000 jobs through loans to small businesses, we can safely say that these loans are an excellent means to boost jobs and growth, whereby the most vulnerable people in the labour market are not left behind."*

EIF Deputy Chief Executive, **Roger Havenith**, commented: *“We are delighted to have signed a new EaSI guarantee agreement with MFI which is crucial for the continuation of EIF support to Irish micro-entrepreneurs looking to start and grow small businesses”*

Minister for **Trade, Employment and Business**, Pat Breen TD said: *“I welcome the news that Microfinance Ireland has signed a second agreement with the European Investment Fund that ensures a continued flow of funding for Irish micro-entrepreneurs. The very positive results achieved by Microfinance Ireland in 2017 show how valuable the facility is to the development of small enterprises across all regions in Ireland.”*

Cyril Forbes said *“As non-executive MFI Chairman, I am delighted with the ongoing progress being achieved by Microfinance Ireland who last year supported the creation and sustaining of over 1,100 jobs, by providing loans to over 400 small businesses at a cost of under €2500 each, the cheapest rate of any Government job initiative, across every town and county in Ireland, many in vulnerable sectors such as youth, unemployed, females, migrants and seniors. The guarantee from EIF is an important endorsement for the valuable support provided by MFI to small businesses who may be having difficulties in accessing much needed finance for their business. This five year guarantee from EIF which enables MFI to continue to support financially vulnerable micro-enterprises is a very welcome development.”*

Commenting on the announcements, Microfinance Ireland CEO, Garrett Stokes, said: *“Microfinance Ireland is delighted that 400 loans were approved to businesses in 2017 who were either setting up or trying to expand. None of these businesses were able to get the finance they needed from either banks or other lending institutions to support their business ideas. We are also very grateful to EIF for providing us with this new guarantee. This enables us to continue to support financially vulnerable microenterprises that cannot borrow through traditional lending channels. Through these future loans, MFI will support the creation and sustainment of more than 4,000 jobs in the next 5 years.*

For further information about Microfinance Ireland loans and mentoring services go to www.microfinanceireland.ie.

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For all media queries please contact:

The Media Group

Tel: 01 2185961/conall@mediagroup.ie

EIF: David Yormesor

Tel.: +352 42 66 88 346, e-mail: d.yormesor@eif.org

Notes to the Editor

About Microfinance Ireland (MFI) www.microfinanceireland.ie:

Microfinance Ireland is a not-for-profit lender established in 2012 to deliver the Government's Microenterprise Loan Fund. Microfinance Ireland benefits from a guarantee funded by the European Union under the Programme for Employment and Social Innovation (EaSI). Microfinance Ireland provides an alternative source of funding to micro-enterprises* – both new and existing - who may be having difficulties in accessing finance from commercial providers. It ultimately supports the creation and/or retention of jobs.

* Micro-enterprises are defined as any business with less than 10 employees and annual turnover of less than €2M.

About EIF

The European Investment Fund (EIF) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. More information on EIF's work under EFSI is available [here](#).

About EaSI

The European Commission's Programme for Employment and Social Innovation (EaSI) aims at supporting EU's objective of high level employment, adequate social protection, fighting against social exclusion and poverty and improving working conditions. The EaSI guarantee scheme was launched in June 2015 by the European Commission and managed by EIF.

It provides support to financial intermediaries that offer microloans to entrepreneurs or finance to social enterprises. The objective is to increase access to microfinance for vulnerable groups who want to set up or develop their business and micro-enterprises, notably through loans of up to EUR 25 000. In addition, for the first time, the European Commission is helping social enterprises through investments of up to EUR 500 000. The microfinance and social entrepreneurship support is currently being implemented through the EaSI guarantee scheme, which enables financial intermediaries to reach out to micro-entrepreneurs and social enterprises that would not have been able to gain finance otherwise due to risk considerations.