



## EaSI Microfinance Guarantee

### The Business Development Services Pilot

#### Important Disclaimer

*This document is for information purposes only. This document is an outline of the principal operational guidelines for the product described herein, which are subject to change and non-exhaustive.*

*This document is intended to provide a basis for discussions and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the European Investment Fund (the “EIF”) and/or any other person to enter into one or more transaction(s). Any finance commitment by the EIF can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The EIF does not act as adviser to you or owe you any fiduciary duty. The EIF does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document.*

*In this document, capitalised terms and expressions shall have the meaning attributed to them in this document and as defined in relevant documents forming part of the Call for Expression of Interest (the “Call”).*

## 1. The Business Development Services Pilot

One of the key objectives of the EaSI programme is to stimulate the financial and social inclusion of borrowers wishing to set-up or develop their micro-enterprises and who may have limited or no access to the conventional credit market. To this end, under the EaSI Microfinance Guarantee, the offering of non-financial support in the form of business development services (“BDS”)<sup>1</sup> as a complement to the microloan disbursed to micro-borrowers and micro-enterprises, is an important requirement for selected intermediaries<sup>2</sup>.

As part of the EaSI programme, the EU has launched a EUR 1 million pilot, the Business Development Services Pilot (the “BDS Pilot” or the “Pilot”), to further strengthen the provision of BDS to refugees and migrants and therefore contribute to their financial and social inclusion. The objective is to provide partial coverage for the costs incurred by intermediaries when providing such services, with the aim to boost entrepreneurship amongst these vulnerable groups that are often confronted with a challenging environment when setting up and developing a business in a different country than their country of origin (language barriers, administrative burden, lack of knowledge of local legislation, etc.).

## 2. Application process

The BDS Pilot will take the form of a new feature embedded within the existing EaSI Microfinance Guarantee for which the **Call**<sup>3</sup> was launched in June 2015 and subsequently amended on 20/12/2018.

The Pilot is addressed and restricted to interested parties that have entered already into an agreement with the EIF under the EaSI Microfinance Guarantee (“**Existing Financial Intermediaries**”) or that may qualify to become Financial Intermediaries (“**New Applicants**”) under the EaSI Microfinance Guarantee and wish to also submit an application in accordance with the parameters set out in the Call.

Existing Financial Intermediaries can directly express their interest in the BDS Pilot within the existing Guarantee Agreement by sending an email to [EaSI@eif.org](mailto:EaSI@eif.org).

New Applicants shall apply to the Call in accordance with the procedures set out in [section 6 of the Call](#), specifying their interest in the Pilot.

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<sup>1</sup> Typically in the form of Training, Coaching and Mentoring, as defined in the Appendix I

<sup>2</sup> For further information, please refer to the [Annex II to the Call](#)

## Annex IV to the Open Call for Expression of Interest to select Financial Intermediaries under EaSI Guarantee Financial Instrument

EIF will assess the requests submitted on a first-come, first-assessed basis, taking into due account the information presented by each interested party with respect to:

- a. Estimated number of targeted Final Recipients for the purpose of providing BDS; and
- b. The type of BDS to be provided to Final Recipients (including the estimated number of hours) expected to be eligible under the BDS Pilot.

During the entire selection process for the purpose of the BDS Pilot, EIF has full discretion to consider applicants or not and no applicant has any claim or other right or may expect to be ultimately selected for the purpose of the BDS Pilot. Any negotiation of terms and conditions by no means entails an obligation for EIF to enter into any agreement with an applicant.

EIF will communicate the outcome of the selection to each applicant via e-mail.

The deadline for receiving application for the BDS Pilot is 31 December 2020], provided that EIF may, in agreement with the EU, determine that the deadline will end on a different date depending, inter alia, on the availability of the budgetary resources for the BDS Pilot or any amendment to the EaSI programme. Any change in the deadline will be announced officially in the section dedicated to the EaSI Guarantee on the EIF's website.

### 3. Main features

For every eligible Final Recipient who has benefited from BDS, intermediaries under the EaSI Microfinance Guarantee will be eligible for a lump-sum of EUR 400. The maximum aggregate amount of BDS Support payable to a Financial Intermediary shall be set out in the relevant Guarantee Agreement entered into by the EIF with the selected Financial Intermediary and, in any event, it shall not exceed EUR 100 000 .

A Financial Intermediary is eligible for receiving the BDS Support once:

- a. It has entered into a Microfinance Guarantee<sup>4</sup>; and
- a. after its selection it has provided the BDS, directly or indirectly, to a Final Recipient; and
- b. The Final Recipient qualifies as Refugee<sup>5</sup> and/or Migrant<sup>6</sup>. If the Final Recipient is a legal entity, its shareholder, director, member of the board or other corporate body or other legal representative shall qualify as a Refugee and/or a Migrant and shall be the recipient of BDS.

Financial Intermediaries selected for the purpose of the BDS Support shall:

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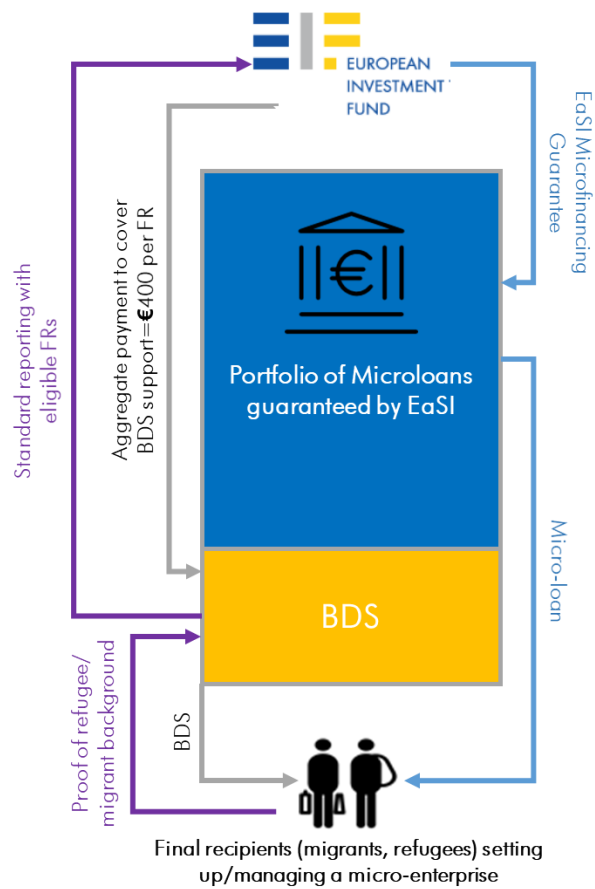
<sup>4</sup> In the case of Existing Financial Intermediaries, the relevant Guarantee Agreement will be amended accordingly

<sup>5</sup> For the purpose of the BDS Pilot, Refugee means a person who benefits from international protection/refugee status in the relevant jurisdiction.

<sup>6</sup> For the purpose of the BDS Pilot, Migrant means a person whose country of origin differs from the Participating Country where he/she is residing, evidenced by a relevant residential permit in accordance with the applicable laws of the country.

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- i) undertake to keep (and to provide, upon request by the EIF) for a period of 7 years following the termination of the relevant Guarantee Agreement to the extent allowed under the applicable laws and regulations, evidence that the BDS Support has been used for the purpose of partially contributing to the costs related to such provision of BDS;
- ii) undertake to provide additional information as reasonably requested by the European Commission and the EIF for the purpose of monitoring and evaluating the Pilot;
- iii) report on the number of Final Recipients having received BDS Support.



## Annex IV to the Open Call for Expression of Interest to select Financial Intermediaries under EaSI Guarantee Financial Instrument

### Appendix I

The term Business Development Services (“BDS”) refers to non-financial services provided, directly or indirectly, by Financial Intermediaries to micro-entrepreneurs, typically including mentoring, coaching and training services defined as follows:

- **Coaching:** a more hands-on form of one-to-one tailored-made training in which a coach supports a (potential) micro-entrepreneur to attain a specific goal (i.e. starting up or developing a business) by providing business advice and guidance, which includes (but is not limited to): support on the development of the business plan, and support on accessing funds.
- **Mentoring:** typically a one-to-one learning relationship between an experienced individual who shares knowledge, experience and network to guide a mentee i.e. micro-entrepreneur in the development of their business. It usually takes place after the loan disbursement.
- **Training:** any attempt to improve the skills set of (potential) micro-entrepreneurs in order to enhance business performance and sustainability. Training can be individual or group-based and can take place before and/or after the creation of the micro-enterprise. It includes (not limited to): financial education, training on how to set up a business, and day-to-day business administration.