



Clarification on the Call for Expressions of Interest No. JER-010/2010/2 to select Financial Intermediaries that will receive resources from the European Investment Fund acting through the JEREMIE Holding Fund for Sicilia to implement the Funded Risk Sharing Financial Instruments for Microcredit.

Reference number: Call for Eol No. JER-010/2010/2

The Deadline for the submission of Expressions of Interest is the 25th of February 2011.

Q13:	Is a financial entity regulated by art. 106 TUB allowed to submit a proposal under Call for Expression of Interest or is the call only for banks?
EIF Answer:	The call is open to all eligible entities (Financial Intermediaries) which can legally receive funds from the JHF and disburse them to SMEs. The Intermediary itself has to confirm that it fulfils the eligibility requirement to be authorised to carry out business as credit institution under the applicable regulatory framework. However the EIF will undertake due diligence to ensure that the Financial Intermediaries submitting proposals are acceptable banking counterparts for the EIF with a minimum rating level.
Q14:	Can an intermediary, as defined by art. 106 of TUB (Testo Unico Bancario) - Law 385/95, apply in joint venture with a bank, playing the coordinating entity and lender role?
EIF Answer:	Yes, however the EIF will require all entities to be jointly and severally liable for the performance of all obligations under the operational agreement.
Q15:	Given high expenses for tutoring, coaching, etc. Would it be possible to increase management fees?
EIF Answer:	It is not possible to increase the maximum management fee (i.e. 4%). Management Fee is paid on an annual basis for their origination and servicing of the portfolio.
Q16	In order to secure microcredit loans a guarantee would be of great support and with this regard, is it possible to secure a portion of the micro-loan with a Confidi's guarantee?

EIF Answer:	Yes, provided that Confidi's guarantee is not backed by other EU resources. Please see above Q10 about pari-passu guarantee.
Q17:	In the case of a joint venture between a Microfinance Institution (MFI) and a large banking group, can the MFI have the direct relationship with the JHF even if it has no official credit rating?
EIF Answer:	Yes, although the rating is one of the criterion of evaluation. Please note however, that the EIF will require all entities to be jointly and severally liable for the performance of all obligations under the operational agreement.
Q18:	Does a non banking microfinance provider (operating as Financial Intermediary, as defined by art. 106 of TUB) applying to the call for expression of interest in quality of lender entity (therefore assuming the credit risk) obtain a lower score than a banking institute?
EIF Answer:	The proposal will be evaluated taking into consideration Eligibility Criteria and Quality Assessment Criteria. Nonetheless, should a MFI be chosen - notwithstanding a low credit standing - additional risk mitigants will be negotiated.
Q19:	What is meant by "Loan Portfolio"? Does it mean direct micro-loans or also guarantee and co-guarantee of micro-loan?
EIF Answer:	It means micro-loans to micro-enterprises only.
Q20:	Are the interests perceived by each micro-loan to be shared with EIF? What really is the profit for the Financial Intermediary on each micro-loan?
EIF Answer:	The interests paid for the micro-loans will not be shared with the JHF, as the JHF provides its part of the funding free of charge. However, the overall pricing charged by the Financial Intermediary is an important element taken into consideration during the selection process.