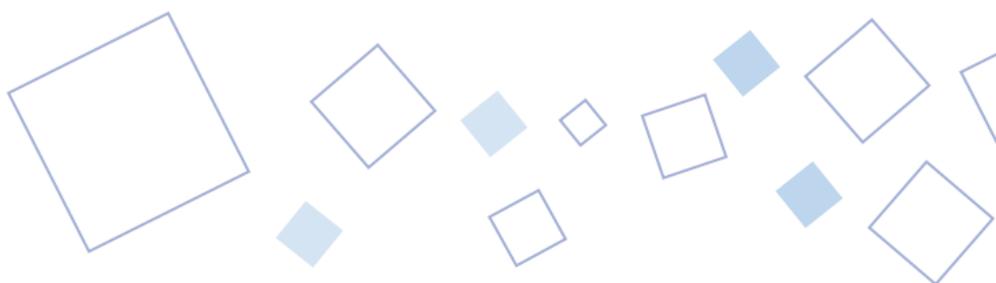




EaSI Guarantee Financial Instrument



What is EaSI?

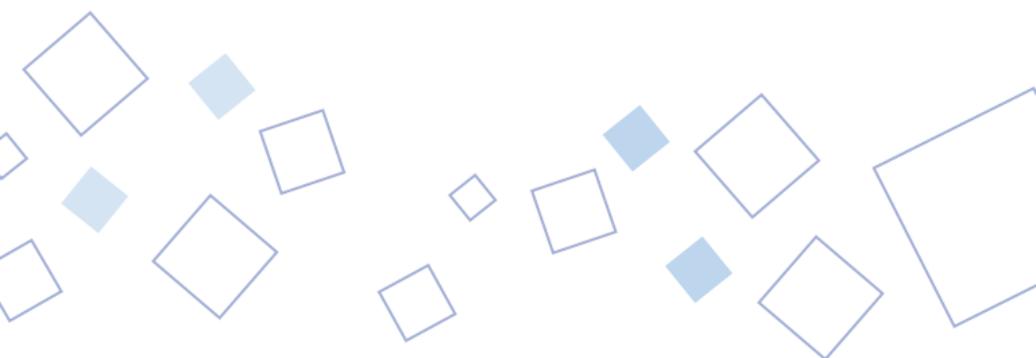
The Employment and Social Innovation (EaSI) initiative is a new EU programme to promote sustainable employment, and help guarantee adequate and decent social protection. It aims to combat social exclusion and poverty, and improve working conditions in line with the Europe 2020 strategy.

The financial instruments of the EaSI programme have an overall indicative envelope of EUR 193m for the period 2014-2020. Out of this, an indicative EUR 96m are dedicated to the EaSI Guarantee instrument which kicked off in June 2015, and is managed and implemented by the European Investment Fund (EIF) on behalf of the European Union.

The EaSI Guarantee is a first-loss capped guarantee or counter-guarantee that EIF offers through selected financial intermediaries to cover loan portfolios in the areas of microfinance (targeting micro-borrowers and micro-enterprises) and social entrepreneurship (aimed at social enterprises).

The EaSI Guarantee builds on the success of its predecessor programme, the European Progress Microfinance Facility (EPMF) which EIF has been implementing on behalf of the European Union since 2010. A list of transactions concluded already under EaSI is available at:

www.eif.org/easi



Which financial instruments are available under EaSI?

EaSI offers two different financial instruments to selected financial intermediaries:

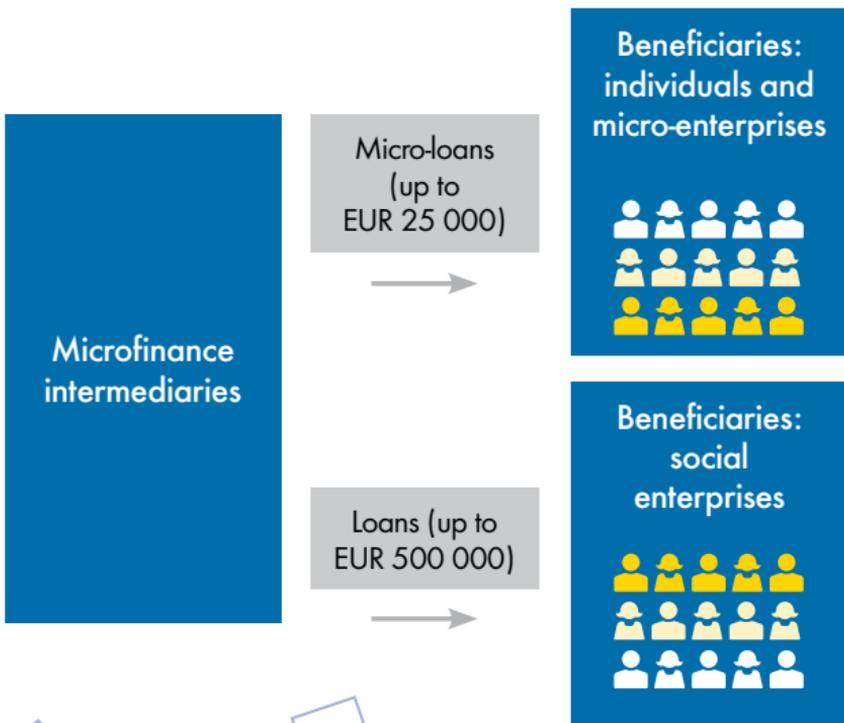
- **Microfinance (Counter-) Guarantee Facility**
- **Social Entrepreneurship (Counter-) Guarantee Facility**

Further financial instruments will be offered in 2016, including funded instruments and capacity building investments.



What are the main features of the EaSI guarantee?

- Free of charge
- Guarantee rate: maximum 80%
- Cap rate: maximum 30%
- Availability period: up to 60 months
- Guarantee coverage for credits (including revolving facilities)
- Unconditional guarantee (regulatory capital relief benefits)
- Microloans up to EUR 25 000
- Loans to social enterprises up to EUR 500 000



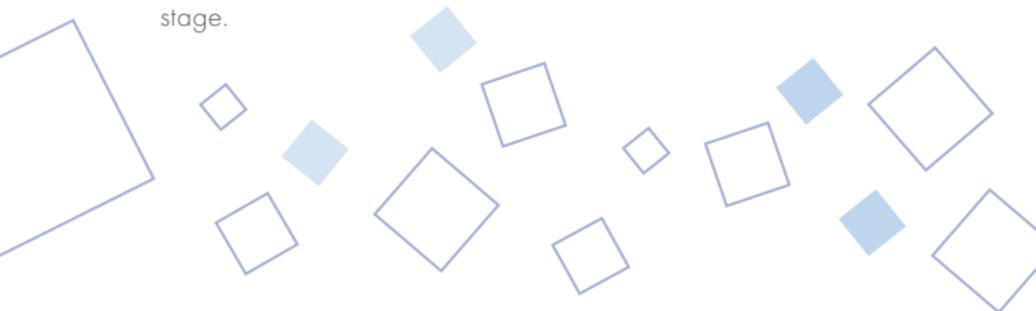
Who can benefit from EaSI?

EaSI was created to support micro-borrowers and micro-entrepreneurs. It is also the first EU-level financial instrument dedicated to support social entrepreneurship. These groups of targeted beneficiaries should be established and operating in the EU-28; however, the EaSI guarantee instrument also covers in addition other associated countries having entered into relevant agreements with the European Union¹.

What is my role as a financial intermediary?

EIF does not provide direct financial support to individuals or enterprises but it implements the facility through local financial intermediaries, such as microfinance, social finance and guarantee institutions, as well as banks. As a financial intermediary, you are acting as the only contact point for targeted beneficiaries, disbursing EU-guaranteed loans under the EaSI financial instrument in your country.

¹ At 31.12.2015 these countries included: Albania, FYROM, Iceland, Montenegro, Serbia and Turkey. Other countries may join at a later stage.

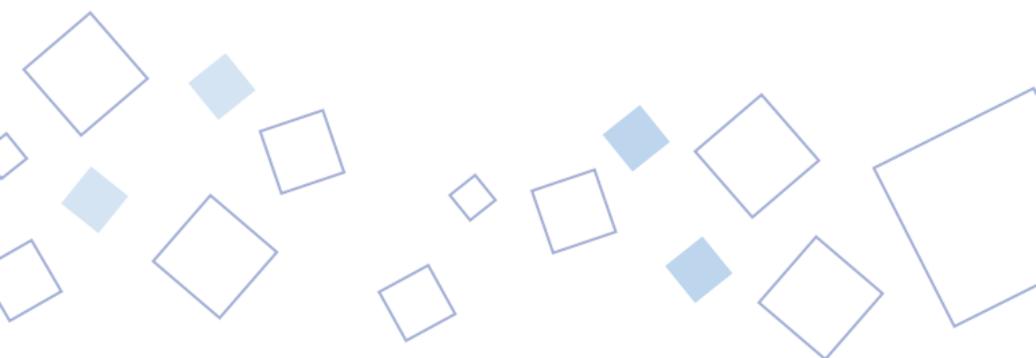


How is EIF selecting financial intermediaries?

EIF selects intermediaries that have applied under the Call for Expression of Interest on a continuous basis following an established due diligence procedure including expected impact (e.g. volumes and geographical reach), financial standing, financing capacity, and operational capabilities.

What is in it for me as an intermediary?

The risk-sharing mechanism between financial intermediaries and the European Union enables you, as a microcredit provider or social enterprise investor, to increase your loan volumes and acquire new customers by reaching out to (potential) micro-entrepreneurs that you would not have been able to finance otherwise due to risk considerations.



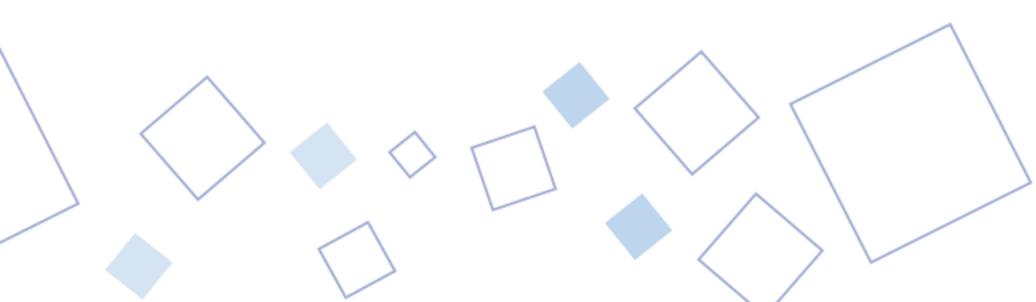
In particular, the Social Entrepreneurship initiative under EaSI targets an untapped area so far, looking to support the achievement of positive social impacts and generating social return. Thus as a financial intermediary, you can engage a new segment of beneficiaries that may include, e.g. enterprises active in the field of labour market integration of vulnerable groups.

EaSI gives you a high degree of autonomy, allowing you to have full delegation on the origination, credit decisions, and servicing.

How can I apply?

If you are interested and eligible as a financial intermediary, please consult the Call for Expression of Interest and download the application package from EIF's website: www.eif.org/easi

Applications can be submitted by email at easi@eif.org. Applications are accepted on a continuous basis up until the final deadline on 30 September 2023. Any change to the outer limit of applications will be announced officially on the EIF website.



Microfinance (Counter-) Guarantee Facility

What is the purpose?

Through the EaSI microfinance instrument, EIF offers guarantees and counter-guarantees to selected financial intermediaries with the aim to increase the access to, and the availability of microfinance for:

- Vulnerable persons who are at risk of losing their job, or have difficulty in entering or re-entering the labour market, or are at risk of social exclusion, and wish to start up or develop their own micro-enterprise but do not have access to credit;
- Start-ups and existing micro-enterprises which employ persons as referenced above.

Beneficiaries may include the young, the formerly unemployed, female entrepreneurs or migrants. In short those, who have no or limited access to commercial finance products.

What can be covered by the EaSI Guarantee?

Portfolios of new debt financing - including loans, mezzanine loans, subordinated debts, leases and profit-sharing loans up to EUR 25 000 may be supported under EaSI.

Am I eligible as a financial intermediary?

If you are a financial institution, microfinance institution / provider, leasing company, guarantee institutions or other institution authorised to provide microfinance loans/ guarantees or risk-sharing structures, you are eligible to apply for becoming a financial intermediary under EaSI.

Social Entrepreneurship (Counter-) Guarantee Facility

What is the purpose?

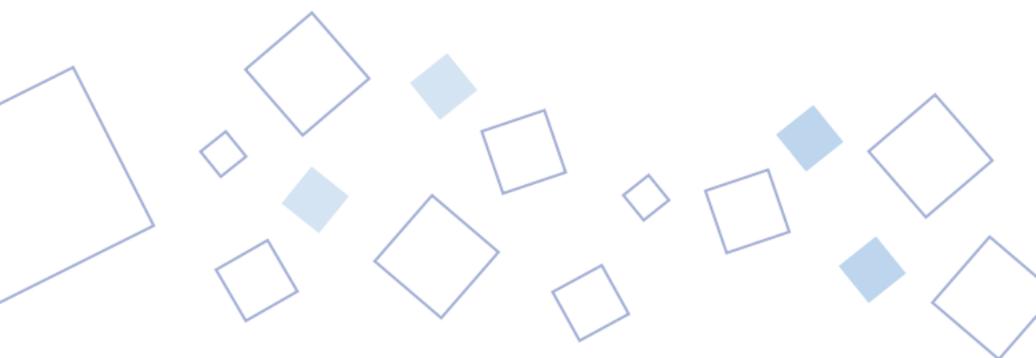
Through the EaSI social entrepreneurship instrument, EIF provides guarantees and counter-guarantees to selected financial intermediaries with a view to support the development of the social investment market, and facilitate access to finance for social enterprises (with an annual turnover or balance sheet not exceeding EUR 30m).

Which products are eligible?

Portfolios of new debt financing - including loans, mezzanine loans, subordinated debts, leases and profit-sharing loans up to EUR 500 000 may be supported under EaSI.

Am I eligible as a financial intermediary?

If you are a financial institution, guarantee institution, foundation, family office, social investment fund or other institution authorised to provide loans/guarantees or risk-sharing structures, you are eligible to apply for becoming a financial intermediary under EaSI.



Contact

Further information on the product, application requirements, and selection procedure can be found on EIF's website: www.eif.org/easi.

- For more information on becoming an intermediary under EaSI please contact:

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General information on EaSI programme can be found on the website of the European Commission:
<http://ec.europa.eu/social/easi>.

Glossary of terms

- **Microcredit** means a loan of up to EUR 25 000.
- **Micro-enterprise** means an enterprise, including a self-employed person, that employs fewer than 10 people and whose annual turnover or annual balance sheet total does not exceed EUR 2m.
- **Social enterprise** means an undertaking, regardless of its legal form, which has as its primary objective the achievement of measurable, positive social impacts rather than generating profit. It provides services or goods which generate a social return; and/or employs a method of production of goods or services that embodies its social objective.

For the exact definition of terms under the EaSI financial instruments please refer to the programme's terms sheets as follows:

- Microfinance Guarantee Term Sheet:
http://www.eif.org/what_we_do/microfinance/easi/easi-call-for-expression-of-interest/easi-guarantee-annex-ii_microfinance-direct-guarantee.pdf
- Social Entrepreneurship Guarantee Term Sheet:
http://www.eif.org/what_we_do/microfinance/easi/easi-call-for-expression-of-interest/easi-guarantee-_annex-iii_social-entrepreneurship-direct-guarantee.pdf