



JASMINE

Joint Action to Support Microfinance Institutions in Europe

A pilot Initiative to promote microcredit in the European Union

What is JASMINE?

JASMINE stands for “Joint Action to support microfinance institutions in Europe” and is a pilot initiative which has been developed by the European Commission (EC), the European Investment Bank (EIB) and the European Investment Fund (EIF).

JASMINE is the operational outcome of the official communication released by the EC in November 2007 addressing “A European initiative for the development of micro-credit in support of growth and employment”.

EIF has been mandated to manage part of the Initiative to provide:

1. Financial support in the form of funding to non bank Microfinance Institutions (MFIs) and Microcredit providers (EIB resources) and;
2. Technical Assistance (EC resources).

1. Financial support to MFIs/Microcredit providers

Financial support to MFIs/Microcredit providers is operational since the beginning of 2009.

EIB has made available EUR 20m for a pilot initiative (RCM Microcredit pilot facility) managed by EIF. Under the facility EIF can invest in MFIs/Microcredit providers up to 50% of the amount committed by a co-financer (i.e. Bank, Financial Institution, Development Agencies, etc).

Eligible Structures:

- Investments in microfinance funds/vehicles that invest in microfinance institutions with a primary focus of operations in EU or Accession Countries or in Target Beneficiaries;
- Investments in micro finance funds/vehicles that co-invest alongside partner banks or other investors in MFIs/Microcredit providers/Target Beneficiaries;
- Funded or unfunded risk-sharing arrangements with co-financing partners operating at commercial terms under which the co-financing partner establishes the contractual relationship with the Target MFIs/Microcredit providers or Target Beneficiaries, as applicable, and manages such relationship over time.

Target Beneficiaries:

Target beneficiaries shall be micro-enterprises¹ operating in the EU or Accession Countries, employing fewer than 10 employees and having either an annual turnover of not more than EUR 2m or a balance sheet total amounting to not more than EUR 2m. EIF shall not invest directly in Target Beneficiaries.

Amount of the EIF investment: from EUR 500,000

¹ Defined as per the Commission Recommendation 2003/361/EC of 6 May 2003

Applications: investment proposals are analysed by EIF on a continuous basis, to the extent funds under the RCM Microcredit pilot facility are available. Investments made by EIF under the RCM Microcredit pilot facility are subject to the approval of the EIF Board of Directors. No open call for tenders will be launched to provide funding support.

2. Technical Assistance

In the framework of the Technical Assistance, selected MFIs/Microcredit providers will benefit from a free-of charge evaluation of their activity, organisation and structure by an independent specialised team. This evaluation process will be followed by:

- rating process or
- trainings on specific areas, with particular attention to the weaknesses observed during the evaluation process.

The Technical Assistance is financed by the EC, Directorate General for Regional Policy, with no charge for the beneficiary institutions.

Who is eligible?

Any non bank MFIs/Microcredit complying with the requirements of the call for tender (eligibility criteria currently under discussion).

Applications: MFIs/Microcredit providers interested in receiving Technical Assistance under JASMINE will be selected via open call for tenders. The call for tenders will be published on EIF website and on a number of specialised interfaces. The first calls will be launched throughout the summer 2009.

IMPORTANT NOTICE:

THE TECHNICAL ASSISTANCE IS STILL UNDER DISCUSSION WITH THE RELEVANT EC AUTHORITIES AND IT IS NOT YET AVAILABLE. THE DETAILS ABOVE REFER TO THE CURRENT PROPOSAL, WHICH MAY BE CHANGED/AMENDED

About EIF

EIF's central mission is to support Europe's small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture capital and guarantees 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.

The EIF total commitment to Private Equity funds amounted to over EUR 4.5bn at end August 2008. With investments in over 290 funds, the EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and earlystage segments.

The EIF commitment in guarantees totalled over EUR 11.6bn in some 190 operations at end August 2008, positioning it as a major European SME guarantees and securitisation actor and a leading microfinance guarantor.

Since its activities began, the EIF has indirectly supported some 810,000 SMEs and has thus tremendously contributed to economic growth and development in Europe.

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