Financing micro entrepreneurs and micro and small enterprises

EIB Microfinance Impact

EIB microfinance facilities have brought EUR 300 million to more than 1.5 million beneficiaries through about 30 intermediaries. Financial institutions have received technical assistance to support this lending. The Bank, with the help of the European Commission and the EU Member States, has launched dedicated microfinance facilities across Africa, the Caribbean and the Pacific, as well as in the EU’s Southern Neighbourhood. Similar facilities are now available for West Africa and the EU’s Eastern Neighbourhood. The Bank tracks the impact of these programmes to make sure the needs of micro and small businesses are being met.

**Western Africa Microfinance Facility**
- **Eligible countries**: Benin, Burkina Faso, Cape Verde, Côte d’Ivoire, Gambia, Ghana, Guinea-Bissau, Guinea, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo
- **Total final beneficiaries**: 1,043,471
- **Average loan size**: EUR 50 m
- **Women**: 58%

**Caribbean and Pacific Impact Finance Facility**
- **Eligible countries**: African, Caribbean & Pacific countries
- **Total final beneficiaries**: 56,789
- **Average loan size**: EUR 1,007
- **Women**: 58%
- **Youth**: 28%

**Southern Africa Microfinance Facility**
- **Eligible countries**: Mozambique, Namibia, Botswana, Malawi, Zambia, Madagascar
- **Total final beneficiaries**: 632,413
- **Average loan size**: EUR 125 m
- **Women**: 38%
- **Youth**: 19%
- **Number of intermediaries financed**: 11
- **Jobs supported/created**: 1,122,999

**ACP Smallerholder Financing Facility**
- **Eligible countries**: African, Caribbean & Pacific countries
- **Total final beneficiaries**: EUR 60 m
- **Average loan size**: EUR 1,000
- **Number of intermediaries financed**: 10-15

**Southern Neighbourhood Microfinance Facility**
- **Eligible countries**: Kenya, Tanzania, Uganda, Rwanda
- **Total final beneficiaries**: EUR 5,270
- **Average loan size**: EUR 75 m
- **Women**: 58%

**East Africa Microfinance Facility I and II**
- **Eligible countries**: Kenya, Tanzania, Uganda, Rwanda
- **Total final beneficiaries**: EUR 1,250 m
- **Women**: 38%

**Eastern Neighbourhood Microfinance Facility**
- **Eligible countries**: Ukraine, Moldova, Georgia
- **Total final beneficiaries**: EUR 8.4 m
- **Average loan size**: EUR 686
- **Women**: 58%

**ACP Smallerholder Financing Facility**
- **Eligible countries**: African, Caribbean & Pacific countries
- **Total final beneficiaries**: EUR 60 m
- **Average loan size**: EUR 1,000
- **Number of intermediaries financed**: 10-15

**Caribbean and Pacific Impact Finance Facility**
- **Eligible countries**: African, Caribbean & Pacific countries
- **Total final beneficiaries**: 56,789
- **Average loan size**: EUR 1,007
- **Women**: 58%
- **Youth**: 28%

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- **Average loan size**: EUR 125 m
- **Women**: 38%
- **Youth**: 19%
- **Number of intermediaries financed**: 11
- **Jobs supported/created**: 1,122,999

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**Caribbean and Pacific Impact Finance Facility**
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Microfinance loans empower small businesses and change lives

The narrow street in central Nairobi seethes with shoppers, delivery trucks and food stalls. Inside the covered market, stores are piled to the ceiling with every kind of merchandise, sprays of multicoloured tubs and pots and tins and clothing. In one small booth, Phyllis Muthoni reaches for hair gels and skin creams on the high shelves of her cosmetics booth, advising a client about her look. The scene is so crowded that everything might seem plentiful.

It’s not. Finance is hard to come by in Kenya. Phyllis was lucky. She went to Faulu Microfinance Bank, which gave her a loan of just over EUR 10 000 to set up her shop, Jophy Cosmetics. “Since we got that loan, for sure we’ve seen great improvements,” she says. “It has really boosted our profits. The income we earn has increased. We make a nice profit.”

Faulu is one of the local microfinance institutions supported by the European Investment Bank. The EU bank’s investments in African microfinance have a big impact on people like Phyllis. In East Africa alone, the EIB works with 11 microfinance institutions in Kenya, Tanzania, Uganda and Rwanda, supplying EUR 125 million of credit to 632 413 final beneficiaries.

“I feel very happy – very, very happy, seeing as business is not going down,” says Phyllis, 30, who employs two people. “Without the loan, I would be having a hard time. If I hadn’t received the loan from Faulu, I would not be where I am now.”

Across Africa, the EIB’s microfinance facilities add up to EUR 270 million with almost 1.5 million beneficiaries like Phyllis. They’re so successful, the EIB has started another facility to lend EUR 60 million to agricultural smallholders. They include technical assistance too, helping intermediaries improve credit methodologies and outreach, as well as working with final beneficiaries.

“It really helps Africa, especially the young people who need loans,” Phyllis says. “It had been very difficult.”

There’s not much room to spare among the cluttered market stalls that surround Jophy Cosmetics. But Phyllis wants to expand anyhow. “I hope the Faulu guys will help me push through, because I know I will make it. With them, I will make it.”