

MICROFUTURE

2nd Interregional Event MEETING REPORT

MICROFUTURE

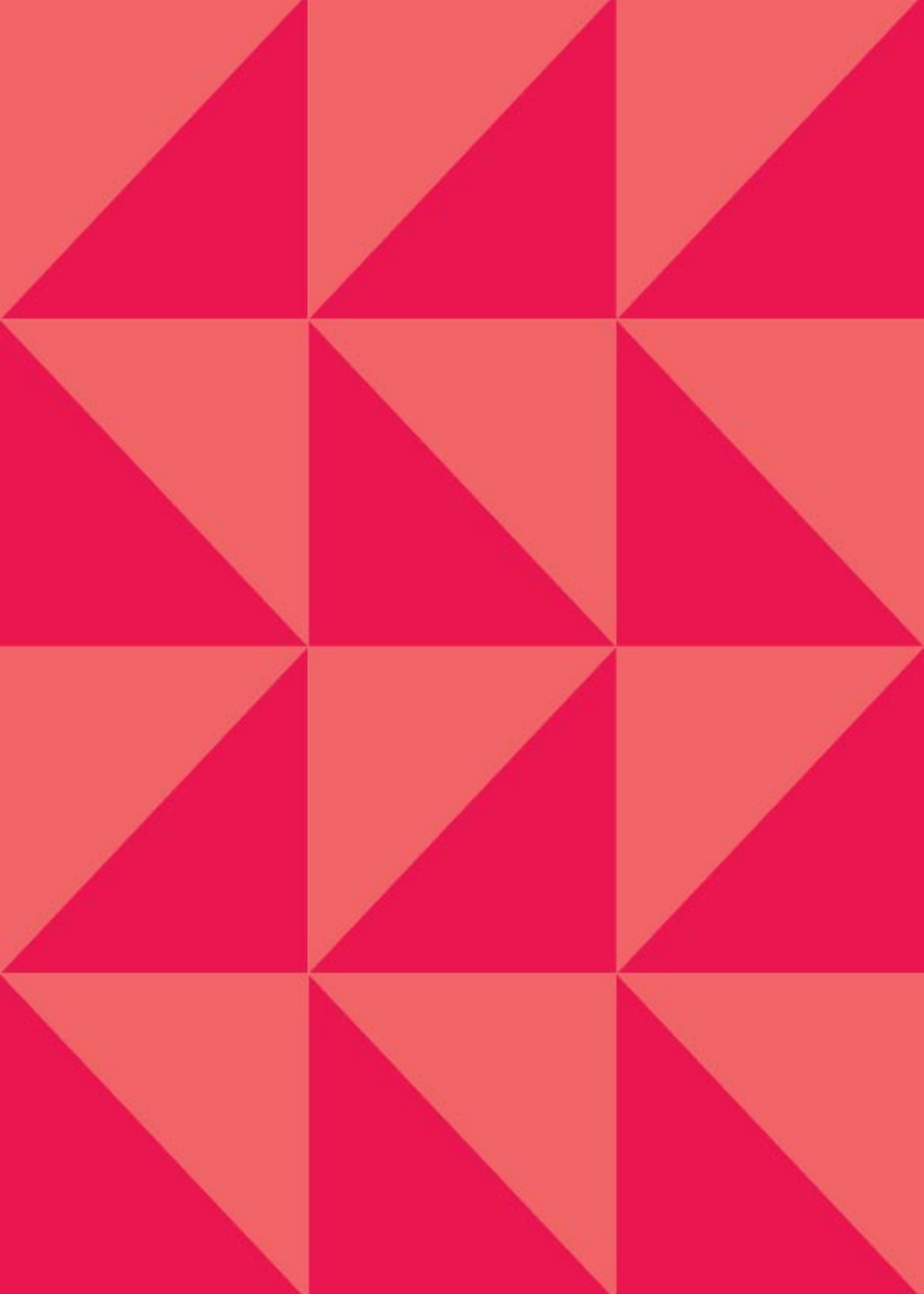
**Future proof microfinance
for social inclusion**



SOCIAL

Labour market and employment





Context

Understanding Microfinance

Microfinance describes financial services targeting people who struggle to access credit for the creation of new business ventures, and represents a valuable alternative to traditional lending services provided by banks.

By ensuring that credit is available to the most vulnerable and socially marginalised individuals as well as to microenterprises, the power of microfinance lies in its function as an effective development tool, which can promote social inclusion, entrepreneurship, employment and sustainable development

The Microfuture Project

In line with the vision of **Nobel Peace Prize Muhammad Yunus**, the **MICROFUTURE PROJECT** seeks to define means of future-proofing microfinance. This means reaching all potential beneficiaries, regardless of social demographics, harnessing digitalisation and operating in synergy with today's grand challenges.

MICROFUTURE groups a **partnership of public authorities** keen to use interregional learning to **improve public policy frameworks supporting microfinance**, ensuring that we learn from COVID, adapt to new policy and market requirements and reach the most vulnerable members of our societies.



MEETING REPORT 2nd MICROFUTURE Interregional Event

Main Goals

The second interregional event MICROFUTURE was organized by the lead partner, the Regional Intermediate Body for European Programs Human Capital Bucharest-Ilfov Region, in Romania, and took place on November 7-8 at the Hilton Garden Inn Bucharest Old Town.

The event was attended by partners from Romania, Italy, Slovenia, Sweden, and France, as well as project stakeholders representing both the public and private sectors.

Important representatives as Mr. Vladimir Rovințescu, General Director - Head of the Managing Authority for European Social Fund and Mr. Silviu Ancuța Director - Head of the Regional Intermediate Body Bucharest Ilfov attended the event , reinforcing support for initiatives in the field of microfinance and social entrepreneurship.

The event started with remarkable presentations on the link between microfinance and social entrepreneurship, featuring personalities like Giuseppe Torluccio from Yunus Foundation Italy, Andi Duqi from the University of Bologna, Laura David from BCR Social Finance, Francesco Savoia from the University of Milan and Micaela Mazzei from the University of Glasgow.



The second part of the event included presentations of case studies from Romania, presented by Angela Achiței from "Close to you" Romania Foundation, Felicia Relenschi from AFIN and Raluca Prelucă from Structural Funds, National Centre for Competences in Social Innovation Romania.

During the event, group discussions and presentations of territorial analyses were held by Romania, Italy, Slovenia, Sweden, and France, highlighting the diversity and complexity of the field in the European context.

The second day of the event continued with a workshop entitled "Gap analysis," where participants analyzed and identified essential elements of a **"resilient microfinance system for the future"** in each territory. Partners collaborated in defining the term "future-proof" and identifying solutions for improving public policies in the field of social economy and microfinance.

The second day of the meeting concluded on an extremely positive note, summarizing and emphasizing the participants' strong commitment to the project's objectives. They were encouraged to continue making significant contributions to shaping its strategic direction.

The event underscored the essential link between microfinance and social entrepreneurship, identifying deficiencies and contributing to shaping a **"resilient microfinance system for the future."** Through intense collaboration and dialogue, participants demonstrated their determination to strengthen partnerships and promote innovations and best practices towards sustainable and inclusive development.

The project **"MICROFUTURE - Future proof microfinance for social inclusion"** continues to serve as a catalyst for strengthening collaboration and promoting a sustainable approach in the field of microfinance, contributing to building a more inclusive and equitable society.

Thematic Highlights

MICROFUTURE - Future proof
microfinance for social inclusion

2nd MICROFUTURE Interregional Event

7-8
November
2023

Hilton Garden Inn
Bucharest, ROMANIA

DAY 1: 7 November 2023 starts from 9 am to 4:30 pm

WELCOME

LP – Project Coordinator *Introduction of the MICROFUTURE event*

Presentations focusing on the link between Microfinance and social entrepreneurship: relationship, opportunity of funding

Chair: Giuseppe Torluccio, *Yunus Foundation Italy*

Andi Duqi, *University of Bologna (online)*

Laura David, *BCR (Romanian Commercial Bank) Social Finance IFN*

Francesco Savoia, *Università degli Studi di Milano Statale (online)*

Micaela Mazzei, *University of Glasgow (online)*

Presentations of case studies in Romania

Angela Achiței, *ADV,,Close to you" Romania Foundation (online)*

Felicia Relenschi - *AFIN*

Raluca Prelucă – *Structural Funds, National Centre for Competences in Social Innovation Romania*

Group discussion

Presentations of the Territorial Analysis

Romania, Italy, Slovenia, Sweden, France

Comparative MICROFUTURE territorial mapping

Presentations focusing on the link between Microfinance and social entrepreneurship: relationship, opportunity of funding

The first session was dedicated to the link between Microfinance and Social entrepreneurship and was chaired by **Giuseppe Torluccio**, Yunus Foundation Italy.

Andi Duqi from the University of Bologna delivered an online presentation with a focus on sustainable finance, microcredits, and social entrepreneurship. Key points addressed included challenges related to measuring impact and expansion.

"Microfinance is vital for funding social businesses, providing financial services to entrepreneurs without traditional banking access. In Italy, there are 20,000 social enterprises and over 360,000 non-profit organizations. They rely on various capital sources, including bank credit, microfinance, and the 5 per mille allocation, but are hesitant about alternative funding options. The social business sector in Italy faces challenges such as a shortage of feasible projects, difficulties in impact measurement, and a growing demand for microcredit with limited supply. Innovative financial instruments like hybrid contracts and impact grants offer potential solutions, and there's a need for a revision of microcredit in Italy to address target definitions, instrument diversity, and improved services."

Laura David, BCR (Romanian Commercial Bank) Social Finance NFI, gave an overview of their activities explaining how they target social impact and how they started their activities working with rural areas mainly.

She referenced the European Code of Good Conduct for Microcredit Provision, highlighting that while banks merely need to claim compliance, non-bank financial institutions, such as theirs, undergo thorough audits. As they address the risk of poverty, their primary performance indicator is "job creation." Additionally, they offer financial education, including free access to the bank platform, online business school for NGOs and SMEs and personalized one-on-one sessions with clients.



Francesco Savoia (online presentation) focused on the role that must be played by institutions. He also highlighted the importance of multilevel governance to ensure that all the checks are made.

"This comprehensive analysis underscores the important role of institutions in shaping political, economic, and social interactions, comprising both informal constraints and formal rules. The significance of institutions lies in their ability to protect property rights, ensure the rule of law, establish transparent regulatory environments, provide access to capital, and foster entrepreneurial ecosystems. Moreover, social norms and cultural values influence entrepreneurship and economic growth."



Michaela Mazzei, University of Glasgow (online) - focused on support structures for social entrepreneurship.

Places, geographical and historical differences and entrepreneurial culture matter in order to understand why in certain contexts the social enterprises are more or less developed. She highlighted difficulties in identifying the right provider



Presentations of case studies in Romania

Angela Achitei, The „Close to you” Romania Foundation (online). The following video provides an overview of the topics presented:



ADV Romania presentation 2023

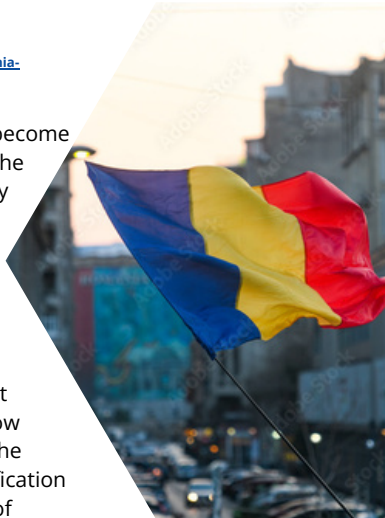
https://www.youtube.com/watch?v=l2Q3i7Um5BM&t=67s&ab_channel=ADVRomania-Funda%C8%9Bia%22Al%C4%83turideVoi%22Rom%C3%A2nia

Angela Achitei emphasized that social enterprises can become competitive through better market access, and one of the most effective tools to assist them is to promote socially responsible procurement. In this context, Angela also provided a brief introduction to the European project #BUYSOCIAL, which will facilitate connections between social enterprises and companies.

Felicia Relinschi from AFIN shared their objective of facilitating access to financing for social enterprises that have successfully navigated their start-up phase and now require capital resources for growth. She emphasized the increasing demand for well-informed investors, diversification of financing options and support for the development of financial intermediaries.

Raluca Prelucă from Structural Funds, National Competence Center for Social Innovation in Romania presented the evolution of the organisation with a focus on Consolid8 (Crowdfunding, Festival, Ecosystem Acceleration).

The first accelerator in Romania and the first crowdfunding platform for social entrepreneurs, Consolid8, assists impact businesses throughout their journey, from developing essential business skills to securing funds for growth through crowdfunding. Their plan involves implementing an acceleration program that will be built to support social entrepreneurs in developing their businesses, including running crowdfunding campaigns. Consolid8 is developed by the team at fonduri-structurale.ro, an experienced group of business consultants and crowdfunding experts who have built a network of national and regional partners and represent the national center for social innovation competence in Romania.



Group discussion

Participants engaged in their first group interaction, focusing on the key elements of the meeting. Through a dynamic exercise, they were prompted to respond to a series of fundamental questions. After this session, partners used post-it notes to express their perspectives on the most significant insights or intriguing aspects. The gathered information was then structured into a Power-Interest matrix across categories such as **What, When, Why, Where, How, Who**.

Group discussion

Let's remind key elements of the presentations

Please, add your answers on post-its on the wall picture - (15')

See below some examples of questions you can ask yourself:

- **What** have you found useful?
- **What** source of information will you look for?
- **What** have you learned?
- **Why** a specific information become important to you?
- **Who** gave you a valuable information?
- **Where**/in what context will you apply the new information?
- **How** will you transfer to practice what you've learned?



Following the group exercise, participants shared valuable insights:

What?

- Recognition that Romania and Italy share similarities, providing encouragement.
- Emphasis on the key role of high-quality indicators in steering change towards funding scheme objectives (job creation, social impact, environmental aspects).
- Positive findings on the effectiveness of entrepreneurial support in Scotland, including programs like consolid8 and the social café educational program.
- Notable contributions from BCR+AFIN, intensifying loan activity.
- Acknowledgment of the diverse ecosystem and the importance of collaboration.
- Interest in exploring microfunding partnerships with finance institutions and private companies.

When?

- Commitment to being empathic and solidary, with a specific date set for enterprising on November 17, 2024.
- Recognition of the importance of informed contexts in today's and tomorrow's business activities.

Where?

- Scotland's well-defined social economy model served as an inspiration for partnerships with government ministries and the establishment of new financial products.
- Interest in the Scottish model and statistics for potential application in local contexts.

Why?

- Exploration of new alternatives, particularly for a startup with a social focus.
- Support and curiosity regarding the "buy social" campaign.
- Passionate presentation of information by speakers.
- Focus on addressing the needs of vulnerable groups through loans.

How?

- Recognition of the challenges in the Scottish ecosystem and the need to improve impact.
- Plans to transfer learning through new products dedicated to social enterprises, combined with grants.
- Intentions to delve deeper into the concepts of "scara 1:1" and the "buy social" campaign.
- Initiatives to create appropriate spaces for entrepreneurship, with insights from the University of Glasgow serving as a starting point.

Who?

- Utilization of networks for social innovation to locate more partners, particularly from the private sector.
- Specific recognition of Micaela Mazzei's contributions.
- Appreciation for all speakers providing valuable information and maintaining a good balance between theory and practice.

Overall, the participants found the session enriching, reinforcing the importance of collaboration, learning, and adapting successful models to their local contexts.



Presentations of the Territorial Analysis

Partners delivered a presentation following the template shared by Yunus (15 min presentation and 5 min Q&A each).

- **Regional Intermediate Body for European Programs Human Capital Bucharest Ilfov Region** - Lead Partner - Romania
- **Metropolitan City of Bologna** - Partner - Italy
- **Development Centre Heart of Slovenia** - Partner - Slovenia
- **Region Örebro County** - Partner - Sweden
- **County of Seine-Saint-Denis** - Partner - France

Territorial analysis represents an essential method for understanding the specificities and local needs, providing valuable information for the development and implementation of strategies tailored to each geographical context. By presenting territorial analysis, partners have identified significant aspects within each targeted area. These key points highlight specific challenges and opportunities, providing a framework for the development and implementation of social and economic initiatives.

ROMANIA - A holistic approach that combines strong institutional foundations, a responsive regulatory environment, and strategic financial support is essential for the sustainable development of microfinance initiatives. Incorporating diversified financial instruments and fostering collaboration among various stakeholders, including government entities, financial institutions, and international organizations, strengthens the overall impact on social and economic development. Moreover, targeted grant schemes play a pivotal role in providing the necessary financial support to sustain and expand social economy initiatives.

ITALY - the territorial analysis underscores the importance of adaptive regulatory frameworks, inclusive financial practices, and robust support mechanisms for microfinance and social economy initiatives in Italy. The emphasis on sustainability, digitalization, and social impact aligns with global trends, highlighting the need for comprehensive policies and services to drive positive economic and environmental outcomes.



SLOVENIA - Slovenia's future trajectory in microfinance and social economy sectors is marked by a commitment to digital transformation, ongoing financial inclusion initiatives, and a dedicated focus on environmental sustainability. The anticipated emphasis on social impact measurement aligns with the growing global trend of responsible finance, reflecting a forward-looking approach to the evolving landscape of microfinance in the country.

SWEDEN - Sweden currently exhibits a lack of emphasis on microfinance, with social economy garnering a growing yet low level of interest from the public sector. Policy-related progress is hindered by outdated strategies, low civil society engagement, and the absence of microfinance as a recognized funding alternative. The overall landscape suggests a need for increased attention and alignment of policies to support both microfinance and social economy sectors in the country.

FRANCE - France's territorial analysis emphasizes a comprehensive approach to microfinance, targeting specific disadvantaged groups, promoting financial inclusion, advocating for regulatory adaptability, and addressing ecological and digital transitions. Additionally, there is a call for transparent social impact reporting, support for local entrepreneurship, flexibility in financial products, and the establishment of one-stop offices for centralized service access. These recommendations collectively aim to enhance accessibility, sustainability, and the positive impact of microfinance in the French context.



Territorial analysis offers the necessary framework for understanding the differences and similarities between regions, facilitating the adaptation of strategies to local specificities. It contributes to identifying the resources and needs of communities, supporting the development of efficient and sustainable solutions for economic and social development.

Comparative MICROFUTURE territorial mapping

The day ended with a comparative **MICROFUTURE territorial mapping**, co-created during the event.

The Comparative territorial mapping included the following categories : Regulatory framework, Policy framework, Main socio-economic vulnerabilities, Types of MFIs, Borrower profiles, Loans purposes, Performance matrix, Strengths, Weaknesses, Opportunities, Threats, Stakeholder involvement, Cross-border collaboration opportunities, Future trends and recommendations.

Participants from each country were asked to debrief and write down. Following this, each participant briefly explained their chosen points. The session concluded with 15-minute group discussion led by Professor Torluccio to identify strengths, weaknesses, and potential areas for collaboration and engagement.



Summary for Romania

Romania's financial landscape, shaped by the regulatory framework including laws such as 219/2015 for Social Economy and 215/2001 for Public Administration, faces challenges due to a limited legislative framework, insufficient support from authorities, and difficulties in accessing financial resources, coupled with a lack of investor knowledge.

Diverse financial institutions, including non-banking entities, NGOs, government programs, European non-reimbursable funds, microcredit cooperatives, and dedicated entities of commercial banks for Social Economy, cater to small microcredit borrowers, focusing on small investments and working capital.

A performance matrix calibrates support for social economy structures, measuring the number and value of loans granted. Romania's strengths lie in a growing interest in the social economy, improved legislation, and government support, but weaknesses include economic fluctuations, low financial education, and high poverty levels.

Opportunities for improvement involve collaboration with EU funds, embracing technology and digitalization, while threats include global economic instability, unpredictable legislative changes, and unfavorable competition.

Shareholder involvement features organizations like AMPECU, the Labor Ministry, AFIN, NBF1 for Social Economy, NGOs, ASHOKA supporting social entrepreneurs, ADV, and the Microfinance Association. Cross-border collaboration opportunities include access to funding programs like EASI, network services, communities of practice, points of contact, databases, and learning from failure.

Future trends and recommendations emphasize digitalization, financial instruments, and customer support to enhance Romania's financial landscape.



Summary for Italy

Italy's financial framework, governed by the TUB regulatory framework and driven by the Social Economy Plan, reveals challenges related to the North-South rural divide and unfulfilled cultural, geographical, and economic gaps. The financial landscape features diverse institutions, including NGOs, non-banking entities, banks, and foundations.

Borrower profiles encompass entrepreneurs, women, NEETs, microenterprises, and small businesses, each with a business plan. Loan purposes extend to social entrepreneurs, young entrepreneurs, start-ups, and professional educational courses. A performance matrix emphasizes financing social and environmental initiatives, fostering cultural and social awareness.

Italy boasts strengths such as a comprehensive financial improvement program and a variety of financial institutions. However, weaknesses include the need for a refreshed plan for enterprises, financial entities, and businesses, coupled with competition from traditional banks, necessitating capacity building, knowledge, and training.

Opportunities lie in raising consumer awareness to promote sustainability issues, leveraging a low regulatory framework, and adopting deliberative horizontal processes. Threats encompass economic instability, market saturation, and default risks.

Shareholder involvement is seen through initiatives like Per Micro Grameen Lab and Insieme Por Il Lavoro, while cross-border collaboration opportunities present in online microfinance, digital transformation, and YUNUS research centers. Future trends and recommendations focus on implementing common monitoring processes and defining the role of investors in social impact finance.



Summary for Slovenia

Slovenia's financial landscape is governed by a comprehensive regulatory framework, including the Banking Act and oversight from the Ministry of Economy Forum and Sport. The policy framework is robust, encompassing acts like the Social Entrepreneurship Act, National Strategy for the Social Economy, and Slovenian Development Strategy 2030, along with local initiatives like the Heart of Slovenia.

Identified socio-economic vulnerabilities emphasize the need for support for women, youth, and the unemployed to become potential entrepreneurs in microfinance.

Slovenia's strengths include a growing microfinance sector with government support, access to EV funding, and a skilled workforce. However, weaknesses encompass limited awareness, solutions, regulatory challenges, risk management, and access to funding.

Opportunities for improvement lie in promoting financial inclusion, supporting entrepreneurship through partnerships, and embracing digitalization. Threats, on the other hand, involve economic volatility, competition, regulatory changes, credit risk, and social and environmental risks.

Stakeholder involvement is extensive, ranging from public opinion to responsible investors, business associations, clients, microfinance investors, local communities, NGOs, and various government agencies. Cross-border collaboration opportunities include access to funding programs, exploring the Scottish model, and engaging in YUNUS foundation research.

Future trends and recommendations center around digital transformation, financial inclusion, social impact measurements, and a focus on youth and education. In summary, Slovenia's financial landscape showcases a rich mix of opportunities and challenges, poised for growth and resilience through strategic advancements.



Summary for Sweden

Sweden's financial framework, governed by acts such as the Act of Banking and Financial Business, Act of Economic Ass, and Foundation Act, is complemented by a policy framework that includes the Regional Development Strategy and the Swedish Government's Strategy for Social Enterprises.

The socio-economic landscape in Sweden emphasizes strengthened job and training opportunities for vulnerable groups, fostering inclusion and a circular economy. Various financial institutions, such as NGOs, local savings banks, government initiatives like ALMI, and cooperative banks, cater to social enterprises and NGOs.

Borrower profiles mainly include social enterprises and NGOs, with loan purposes focused on staff costs and investments. A performance matrix highlights the risk of stakeholders and insiders disappearing due to limited law knowledge and familiarity.

Sweden's strengths include increased financial inclusion, significant ISSVE in society, and a low funding threshold. However, weaknesses involve a weak market for the social economy, limited financial and administration resources, and challenges in transitioning grants from the public sector.

Opportunities for improvement center around a growing interest in social challenges for profit entrepreneurs and the EK action plan for the social economy. Threats include low knowledge and familiarity with microfinance, weak interest from the public sector, and a low transition of grants to the public sector.

Shareholder involvement is observed through partnerships for social innovation, and cross-border collaboration opportunities include project work and sharing experiences with other countries. Future trends and recommendations advocate for better and stronger involvement at governmental, national, regional, and local levels, coupled with policy documents to strengthen microfinancing in Sweden and the region.



Summary for France

France's financial landscape is shaped by a focus on simplification within the regulatory framework, aiming to lift barriers for the poorest people and transform informal activities into formal ones. Traditional banks are actively engaged in microfinance, expanding beyond the role of NGOs.

Borrower profiles in France are more focused on diverse groups such as women, unemployed individuals, and youth. Loan purposes mainly revolve around investments, while challenges include delays in processing applications.

Opportunities for development lie in environmental activities, while threats encompass objective difficulties for the most vulnerable groups in implementing Social and Solidarity Economy (SSE) projects. France also explores cross-border collaboration opportunities and innovative case studies to further enhance its financial landscape.



Thematic Highlights

MICROFUTURE - Future proof
microfinance for social inclusion

2nd MICROFUTURE Interregional Event

7-8
November
2023

Hilton Garden Inn
Bucharest, ROMANIA

DAY 2: 8 November 2023 starts from 9 am to 3:00 pm

Gap analysis

Exchange team (OIRBI, CMBO, Yunus)

Steering Committee meeting n°2 - Interreg Europe Reporting

Project Management session & Interreg Europe Reporting

Communication

Methodology and communication report

Conclusions and Next steps

Gap analysis

The FUTURE-PROOFING launch workshop was organised and moderated by the exchange team (OIRBI, CMBO, Yunus) to start ascertaining what “a future-proof microfinance system” looks like in each territory and identifying specific regional common gaps. Partners considered what “future-proof” means for each territory and co-structured the format of a gap analysis. It was important to link this work to the policy improvement process (i.e. gap=weaknesses that can find solutions thanks to Good Practices from other partners).

Partners work on defining a future proof system working in 3 different tables to facilitate interaction. The tables were divided as follows:

- Romania
- Italy
- Mixed table (France, Sweden, Slovenia)



Results

ROMANIA

Factors for development:
institutional and managerial capacity

demand access and supply/
diversification of financial services-
access diversification, awareness
and digitalization
quality loan portfolio and recovery
rate

social, economical impact on
beneficiaries and their countries
grant scheme PEO/PIDS (focusing
on growth scale up)

better informed investors
visibility of social economy
support for the development of
intermediaries- ecosystem building
support for intermediaries (incl.
resources, inclusivity, access
network)

interconnectivity, transferability and
replicability
digitalization for: access and
awareness, capacity building,
innovation, non-financial services-
interconnectivity, transferability and
replicability

Sweden, Slovenia, France, Romania

Slovenia- to communicate to target groups better, green
microfinance to be accelerated

France- reactive social entrepreneurship

Romania- a new law for microfinance

Sweden- awareness raising activities

ALL- Financial instruments customized for social
economy, digitalization

Italy

Social and environmental
performance and monitoring
raising awareness on the role and
relevance of investors and social
impact finance

retired bank employees included in
educational microfinance programs
new services

create a bridge between financial
institutions, banks, insurance and
social entrepreneurs, migrants
through specialized branches
soft policies

microentrepreneur support
mechanism
entrepreneurship
financial education and literacy
programs

tax deduction
bank net income devoted to
microfinance support program
microfinance and ESG
training program to public sector
welfare microsupport and BDS
CSR and social economy
increased crossborder and
crosssectorial partnership
migrants inclusion in microcredit
activities

YUNUS

Linked to the project?

Detailed?

Sustainable?

ISBN

Transferable?

Successful?

Any ideas to help partners
with their gaps / vision?

Speed dating session

All partners were involved in a speed dating sessions to work together on the main 3 challenges identified and try to look for solutions. Partners were requested to share their notes of the speed-dating after the event.



Main findings can be summarised as follows:

SWEDEN

Main challenges: 1) society that was characterised by a strong public sector and traditional for profit enterprises 2) very long tradition of public grants for civil society organisation 3) low awareness of microfinance as a solution.

In the session they:

- got input on how to raise awareness, as a market and as a system from different partners
- talked about different way of funding activities (i.e. Crowdfunding)

ITALY and SWEDEN could cooperate (i.e. Sweden can talk about the role of the public sector in microfinance).

ITALY - Bologna

Main challenges: 1) in Corporate Social Responsibility, to see how micro enterprise can learn from big ones (Impronta Etica), 2) foreseeing innovative supporting services (big companies could help small ones) 3) at local level there are positive results with civic crowdfunding (overlapping or opportunity with micro loans).

From SWEDEN they could learn about the role of the public sector in microfinance.

SLOVENIA

Main challenges: 1) not enough cooperation between stakeholders 2) limited awareness 3) spot points lack knowledge on microfinance. The solution could be to teach/inform them. For instance, Romania has a platform that provides info on grants at all levels and has already Artificial Intelligence inside, so that beneficiaries can get targeted info. Also, more research on the topics covered by Ashoka could be useful.

FRANCE

Main challenges: 1) reach disadvantaged groups 2) training, information on microfinance and entrepreneurship 3) creating a network with people that can provide legal support.

ROMANIA

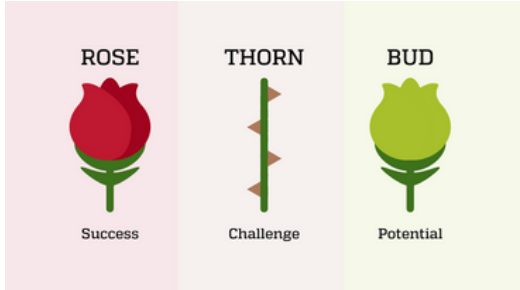
Main challenges: 1) development of social entrepreneurship 2) better inform investors 3) not enough support for and from public authorities Interesting experiences to learn from: ancillary services + collateral from the bank / regulations in other countries /spot points from Slovenia.

ITALY - Yunus

Main challenges: 1) differences between traditional banks and banks devoted to microfinance (i.e. create 2/3 specific branches specialised) 2) cost of auxiliary services (business plan, psychological, etc.) 3) knowledge in the public sector about the potential of microfinance (i.e. less subsidised facilities and more money to incentivise job creation through micro finance)

Interesting examples:

- Grameen America (Team approach: 5 people, video call every week + financial institutions)
- Social entrepreneurs and people: skills needed first and then they can apply for microfinance
- Impronta Etica - Importance of the cooperation between Large companies and small companies, as it is different if information on CSR comes from another company - Impronta Etica is an Italian association that helps start-ups in the social sector
- Collateral schemes with public money covering 80% of the collateral in the loan ("internazionale microcredito").



At the end of the session, partners were given time to reflect on the learning process and write down their thoughts on the following good aspects discovered (Roses), challenges (Thorns), opportunities (Bud).

- **What successful examples have you discovered?**
- **What challenges have you discovered?**
- **What opportunities have you discovered?**

ROSES

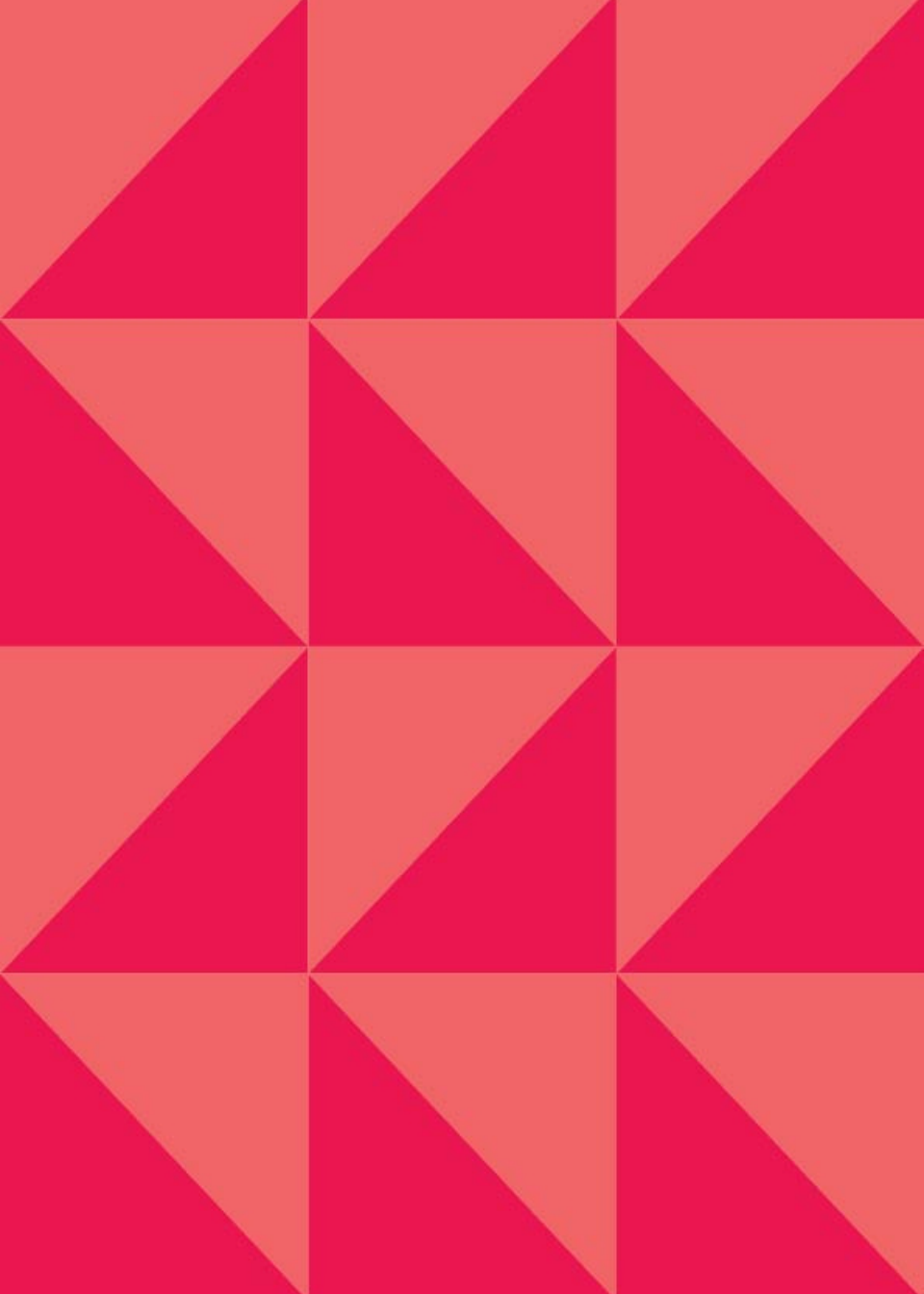
In summary, partners expressed a strong commitment to collaborative learning, recognizing the project's broad scope, fostering valuable new connections for potential home country impact, and actively engaging in innovative practices, despite challenges such as the absence of a legal framework for alternative financing. The session highlighted a positive team spirit, mutual complementarity between microcredit and social business, and a shared commitment to learning and innovation within a dynamic and transnational partnership.

THORN

Partners identified key challenges (Thorns), emphasizing the need for more feasible projects, recognizing diverse starting points, recommending a focus on crucial aspects for change, and expressing concerns about limited access, legislation changes, gap analysis, awareness, and the inclusion of women in microcredit programs, highlighting the importance of addressing these challenges for effective collaboration.

BUD

In summary, participants highlighted significant potential (BUD) through recognition of the work's potential with stakeholders, acknowledgment of the impact of civil society, emphasis on financing more beneficiaries, promotion of new business development with microfinances, consideration of EU grants for business support, commitment to learning from diverse international practices, awareness of differences in the social economy between the South and North of Europe, emphasis on ongoing learning opportunities, focus on microcredit for agriculture projects, appreciation of a collaborative team, commitment to learning from others' experiences, promotion of good practices, emphasis on interregional learning, utilization of ESFT for loans, incorporation of good practices in social entrepreneurship, consideration of quality of life indicators for target groups, and establishment of services for microfinance.





Ministerul Investițiilor și Proiectelor Europene

OIR PECU
Regiunea București Ilfov

Fondazione
Yunus



**CITTÀ
METROPOLITANA
DI BOLOGNA**



**RAZVOJNI CENTER
SRCA SLOVENIJE**

DEVELOPMENT CENTRE
OF THE HEART OF SLOVENIA



Region Örebro County

**Interreg
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Co-funded by
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MICROFUTURE

Lead Partner

**Regional Intermediate Body for
European Programs Human Capital
Bucharest Ilfov Region**

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