



Progress Microfinance

Portraits of entrepreneurs



Just over a year after its launch, Progress Microfinance has made EUR 27 million in micro-loans available to help people start up or develop their businesses.

Borrowing money to start a business has always been difficult but the financial crisis has made the situation even worse. The European Progress Microfinance Facility (Progress Microfinance), launched in November 2010, aims to increase access to microfinance for those who need it most — in particular, people who have lost their job, are at risk of losing their job, are facing difficulties entering or re-entering the labour market, are threatened by social exclusion or are otherwise in a disadvantaged position vis-à-vis the conventional credit market.

Entrepreneurs or micro-enterprises that want to apply for a micro-loan under Progress Microfinance can do so via selected micro-credit providers in their country. By June 2012, eighteen months after Progress Microfinance was launched, 17 micro-credit providers had signed agreements with the European Investment Fund (EIF) which is managing Progress Microfinance on behalf of the European Commission and the European Investment Bank. Some of them provide micro-credit across a whole Member State while others operate on a more regional or local scale. Countries in which micro-credit providers under Progress Microfinance existed by the end of June 2012 include Belgium, Bulgaria, Cyprus, France, Greece, Italy, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia and Spain. More will follow.*

Micro-credit providers target various groups of entrepreneurs, adapted to local needs. Some focus on the self-employed and/or micro-enterprises in general. Others specifically target entrepreneurs in rural areas, with a focus on the agricultural sector, or aim to provide start-ups with access to finance. Finally, some intermediaries particularly target young entrepreneurs, women and/or ethnic minorities.

(*) An up-to-date list of microfinance providers under Progress Microfinance can be found at: <http://ec.europa.eu/epmf>

This leaflet shows a small sample of entrepreneurs who have benefited from Progress Microfinance support so far. The stories of Alina, Andronikos, Anton, Antonio, Carla, Carmen, Claudy and his wife, Joyce and Katarzyna show how Progress Microfinance has helped them make their dreams come true.

About Progress Microfinance

The EUR 203 million funding for Progress Microfinance comes from the European Commission and the European Investment Bank (EIB) for the programming period 2010–13. It provides micro-loans of less than EUR 25 000 and aims to generate a total loan volume of EUR 500 million for 46 000 micro-borrowers across Europe. The European Investment Fund (EIF) manages Progress Microfinance on behalf of the European Commission and the European Investment Bank, selecting micro-credit providers in the Member States to make micro-credit available to micro-borrowers.

The micro-credit providers can be private or public banks or non-bank microfinance institutions operating at national, regional or local levels. The EIF can issue guarantees to micro-credit providers and thus give an incentive to serve “risky” target groups or to improve the loan conditions for micro-borrowers, such as a lower interest rate or less strict collateral requirements. Progress Microfinance also offers funded instruments (e.g. loans and equity) to micro-credit providers with the aim of increasing their micro-lending volumes. The conditions for providing micro-loans to entrepreneurs — the amount and duration of the loan, interest rates and fees and the time it takes to get a loan — vary according to the micro-credit provider.

Financial institutions wishing to become micro-credit providers under Progress Microfinance can find more information at: <http://www.eif.org/progress>



Joyce Pijnaker

- Aalsmeer, The Netherlands
- Micro-credit provider: Qredits
- Loan amount received: EUR 14 750
- Type of business: Cupcake business

Joyce (34) had always been an avid fan of cupcakes and had enjoyed making the occasional tray for friends and family, but the thought of holding cupcake workshops remained at the back of her mind as she didn't have enough capital to start such a business. In 2011 she heard that the Dutch microfinance provider, Qredits, was offering micro-credits to small businesses. Qredits lent her EUR 14 750 and she opened a shop selling cupcake ingredients and accessories. Here in her shop in Aalsmeer, Joyce sells her baking products and runs around 4-5 workshops a month. Now customers are regularly asking her for recipes, helping her to allow others in the area to enjoy the sweet taste of success as well.



Andronikos Giallourous

- Episkopi, Limassol, Cyprus
- Micro-credit provider: Co-operative Credit Society Kouriou, Network Member of Cooperative Central Bank
- Loan amount received: EUR 20 000
- Type of business: Car Wash

After completing his 26 month military service, **Andronikos** (23) set up his own car wash business on his parents' land. The land in Episkopi had been unused for a few years and even though he had thought of opening a carwash before, he didn't have the means to buy the equipment needed. He went to the Co-operative Credit Society Kouriou to ask for a micro-loan of EUR 20 000 and weeks later was able to buy a brand new Tecalemit Vehicle Lift to get the business off the ground. He is now washing around 60 cars per week. He currently employs two people and with plans to start washing larger vehicles including tourist buses, tractors and trucks, he will start looking for a new employee to operate the new vehicle lift in the next few months.



António Mendes Carvalho

- Armação de Pêra, Portugal
- Micro-credit provider: Millennium BCP
- Loan amount received: EUR 7 000
- Type of business: Restaurant

António (34) used to work as a waiter in a restaurant in the small touristic town of Armação de Pêra on the Algarve coast. As the restaurant faced difficulties from time to time, Antonio worked there without a work contract. Chances of improving his working conditions in the near future were slim. So with his years of experience in the restaurant industry, he decided to go to the Portuguese Microfinance provider Millennium BCP to ask for a loan to open his own restaurant. With the EUR 7 000 loan and all of his personal savings, he opened a small snack bar on the beach. The sea food and traditional Portuguese treats are proving to be a big hit in the village and Antonio continues to enjoy doing what he had always dreamt of doing.



Anton Topalov

- Kovachite, Bulgaria
- Micro-credit provider: Mikrofond
- Loan amount received: EUR 1 150
- Type of business: Farm

Vegetable grower **Anton** (23) built a new greenhouse two years ago, with plans to expand it and start growing more vegetables. However, given his lack of credit history and difficulty of proving his real income, he could not get a loan from local banks. He later found out that the Bulgarian Microfinance provider Mikrofond was providing micro-credits and went there to apply for a loan. He came away with EUR 1 150 to buy seeds, fertilizer, pesticides and enough money to finance his greenhouse extension. Given the additional workload, from time to time he hires seasonal labourers from the local Roma population who are in long term unemployment and pleased to be of help to the local neighbourhood. With a stable job after being unemployed, he is happy to be able to stay in his local village and look after his parents, whilst reaping the rewards of his labour.



Katarzyna Nowakowska

- Cracow, Poland
- Micro-credit provider:
Inicjatywa Mikro
- Loan amount received:
EUR 5 320
- Type of business: Local shop

In 1996 **Katarzyna** (50) decided to set up her own business, offering advertising services and designing posters and leaflets. She then started making and selling decorating frames, salt dough figures and glass prints which proved so popular that she needed to expand the premises and move to a central location in town close to the market square. Here she opened a gift and tea shop where customers could buy cards, Cracovian souvenirs and hand-painted frames at the same time as drinking cups of coffee and eating local desserts. To keep up with the demand Katarzyna needed to buy kitchen equipment. Fortunately she managed to get a EUR 5 320 loan from Inicjatywa Mikro to help her do so. The loan helped her to grow the business and to keep her colleague Malgorzata on.



Carmen Hernandez Parra

- Murcia, Spain
- Micro-credit provider:
ICREF and Banco Mare Nostrum
- Loan amount received:
EUR 7 000
- Type of business:
Hairdressing salon

Before having children, **Carmen** (33) worked as a hairdresser in Murcia. She had considered opening her own salon, but this was always an idea for 'when the children got older'. Now they are older and she is doing exactly what she said she would do! After spending three years away from work to look after her children, Carmen decided to approach her local bank Mare Nostrum for a loan to open her own salon. She took out a EUR 7 000 loan to help her start buying equipment for her new premises. After managing her own hairdressing salon in her local area, she hopes to one day open one in a shopping centre or on a prestigious avenue in the city. As Carmen says: the beauty of having your own business is that you can decide when you work as well as enjoying quality time with your children.



Carla Pinto Nunes

- Brussels, Belgium
- Micro-credit provider: microStart
- Loan amount received: EUR 6 300
- Type of business: Construction

Carla (35) has literally begun to build a new career for herself. She had been managing a café in Brussels for many years, which she enjoyed but as costs started rising, it was difficult to keep the business running. Eventually she sold the business and decided to do something completely different. With a EUR 6 300 loan from the Belgian microfinance provider microStart, she was able to set up a plastering firm with her husband and brother-in-law, installing plasterboards with a small team across Belgium. She is now looking to take on more staff in the next few years as demand for plastering continues to rise.



Alina Mankuvienė

- Šiauliai, Lithuania
- Micro-credit provider: Šiaulių Bankas AB
- Loan amount received: EUR 15 930
- Type of business: Awards company

Alina (42) had been working as a manager for an online award manufacturing business in Šiauliai for a year and had dreams of opening her own family business, making and selling awards. The company regularly supplied local schools, sports teams, dog shows and village fete organisers with awards for 1st, 2nd and 3rd positions and was famous in the Šiauliai region for their colourful trophies. After noticing a gap in the market, Alina went to Šiaulių Bankas AB to ask for a loan to set up her own business. Only a few weeks later, she received EUR 15 930 and bought a new shop where she is now selling directly to customers as well as trading online. Her business got off to a flying start. She has since taken on another member of staff and is aiming to be n°1 in the local market in the next few years.



Claudy Macau

- Poiana Mare, Romania
- Micro-credit provider:
Patria Credit
- Loan amount received:
EUR 5 000
- Type of business: Farm

After losing their jobs in a mining company, **Claudy** (41) and his wife decided to return to their home village Poiana Mare to start a small farm. In November 2011, they took a EUR 5 000 loan from the Romanian microfinance provider Patria Credit to build a greenhouse. One month later they signed a contract to supply around 35 tonnes of vegetables this year to the biggest cash & carry retailer in Romania. They have already started employing three temporary employees for two days a week. Their 11 greenhouses currently house 5 000 cucumbers, 3 000 green peppers, 7 000 tomatoes, 5 000 cabbages, 4 000 onions and other vegetables which, in addition to cash & carry sales, are also sold at markets in two nearby cities. After a bumper year in 2011, Claudy bought a high-capacity water pump and is hoping for another fruitful year in 2012.

More information

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and a list of Progress Microfinance providers
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