



SELFIEmployment

Providing young people with microcredit/loans to support them becoming entrepreneurs or self-employed

ITALY

Title of the practice (in original language)

SELFIEmployment (Fondo Rotativo Nazionale)

Who is implementing the practice?

ANPAL (National Agency for Active Labour Policies)

Which other organisations are involved in the practice?

- Invitalia (Italian Government in-house body) - Fund Manager
- All Regional Governments
- Chambers of Commerce
- National Microcredit Institute - Ente Nazionale Microcredit

What are the main objectives of the practice?

The main objective of SELFIEmployment is to provide a loan/ microcredit to young people who are Not in Education, Employment, or Training (NEET) who would not have otherwise been able to access it. This is to increase the number of young NEETs who are able to establish their own enterprises or undertake a self-entrepreneurship path.

The following targets have been set in the programming phase for a three year period:

- 8 000 applications
- 4 200 NEETs receiving a loan/ microcredit
- EUR 103 million disbursed

When was the practice implemented?

March 2016 (ongoing)

Which groups are targeted by the practice?

The practice targets young people aged 18 to 29 who are NEETs. They must also be registered with the Italian Youth Guarantee Programme.

What activities are carried out?

SELFIEmployment is intended to identify young people who would most benefit from a loan/microcredit and provision of training to ensure that they make good use of it:

- Young people who are registered with the local PES are made aware of SELFIEmployment by the employment service (either via email or their careers counsellor).
- Those who decide to apply will then submit their business plan to Invitalia. The plan should include a market analysis, budget, and details of the applicant.

<p>What activities are carried out?</p>	<ul style="list-style-type: none"> • The merits of each proposal are then assessed by Invitalia according to their economic and financial sustainability. • Within 60 days, applicants receive a decision on whether or not the loan has been granted. Applications from candidates having undertaken business skills training under the YEI Measure are prioritised. • There are three categories of loans: <ul style="list-style-type: none"> • Microcredit (EUR 5 000 to EUR 25 000) • Extended microcredit (EUR 25 001 to EUR 35 000) • Small loans (EUR 35 001 to EUR 50 000) • Key features of SELFIEmployment: <ul style="list-style-type: none"> • Under de minimis thresholds EU Reg. 1407/2013 • Interest rate: 0 % • No collateral – meaning candidate does not need to guarantee with an asset or property • Maturity: 7 years, 6 month grace period meaning that reimbursements can be postponed depending on the business situation. • The amount of the loan is determined by Invitalia and may be different to the amount initially applied for. The loan is provided at the beginning of the start-up phase. • Successful applicants continue to be provided with coaching and counselling following receipt of the loan as they establish their enterprises as part of the training programme: Invitalia creates a training plan which takes into account any previous training (i.e. the Business Skills training under the YEI Measure).
<p>What are the sources of funding?</p>	<p>The total funding is equal to EUR 103 million. The Youth Employment Initiative (YEI) has committed EUR 53 million (part of this comes from 11 Italian regions, which have committed their YEI allocation to SELFIEmployment). The Systems for Active Employment (ESF SPAO) National Operational Programme has also set aside nearly EUR 50 million for SELFIEmployment.</p>
<p>What are the outputs: people reached and products?</p>	<p>People reached¹:</p> <ul style="list-style-type: none"> • 1 912 applicants: 1 116 men and 796 women. • 1 779 business plans received between March 2016 and September 2017. <p>Products²</p> <ul style="list-style-type: none"> • 516 projects funded as of 1 October 2017. • The total value of credit granted was EUR 17 200 000. • 960 new jobs were created in enterprises supported by these loans.
<p>What are the outcomes: medium-term results or effects?</p>	<p>The following outcomes of SELFIEmployment have been identified:</p> <ul style="list-style-type: none"> • As the first national policy in Italy to address youth self-employment, SELFIEmployment has been able to attract regional resources and use them more efficiently through targeting the areas with the highest youth unemployment e.g. Campania has the second highest youth unemployment rate (49.9 %) and 236 (55.3 %) loans were granted there³. • The training process combined with the experience gained by the loan beneficiaries in running their own enterprises makes them less likely to become inactive in the labour market, regardless of the success of the business.

¹ Secondary level qualifications in Finland consist of 5 or 6 different parts. Internet: <http://www.invitalia.it/site/new/home/cosa-facciamo/creiamo-nuove-aziende/selfiemployment.html>

² <http://www.invitalia.it/site/new/home/cosa-facciamo/creiamo-nuove-aziende/selfiemployment.html>

³ Internet: http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics_at_regional_level

What are the lessons learnt and success factors?

Lessons learnt:

- As the majority of the project costs' are loans to NEETs, this means it has a minimal overall cost in the medium-term, provided that the loans are repaid.
- SELFIEmployment could potentially be extended to other target groups including young people aged 30 to 35, unemployed women and the long-term unemployed.
- Contact should be made with and awareness of the microcredit/loan opportunities should be raised by local stakeholders, including the public employment services and educational services, in order to best identify and target those eligible for the loans. A regional network is fundamental for the success.
- Application process needs to be further simplified to avoid non-valid applications.

Success factors:

- Widespread awareness among NEETs
 - The greater the awareness of the SELFIEmployment fund, the more people are likely to apply, be granted loans, and become self-employed.
 - National communication campaign, online and social media campaign, regional workshops, tutorial video⁴.
- Entire application process is online, which helps saving time and is the backbone of the monitoring system.
- Post start-up tutoring for successful applicants. As this is supposed to be the first entrepreneurial project undertaken by applicants, it is important that they have appropriate tutoring and mentoring in order for their start-up to be successful and the loan to be repaid.

What are key source(s) of information?

<http://ec.europa.eu/social/main.jsp?catId=1036&langId=en&videoId=2729&furtherVideos=yes>

⁴ <http://www.garanzigiocvani.gov.it/selfiemployment/Pagine/Selfie-employment.aspx>