

# EU to facilitate financing for small businesses in Africa and the European Neighbourhood

Commissioner for International Cooperation and Development, Neven **Mimica**, is signing this support agreement today in the margins of the World Bank Spring meetings in Washington.

Ahead of the signature, Commissioner Neven **Mimica** said: *“This new programme worth over €4 million will make a real difference for those who often struggle to access sources of financing for their business ideas: women, young entrepreneurs or small businesses in low-income countries. We expect to support some 50,000 small businesses and help to create up to 200,000 jobs. This technical assistance programme complements the EU guarantee under the European Investment Plan. This is a great example of how our [External Investment Plan](#) and our [Africa-Europe Alliance for Sustainable Investment and Jobs](#) work in practice.”*

This technical assistance programme will be implemented by the International Finance Corporation (IFC). It will support concrete capacity building measures to help local banks to develop new loan and financial products better suited to support underfinanced sectors such as young entrepreneurs, women and SMEs in low-income, fragile and conflict-affected countries, who have difficulties obtaining financing from their local banks.

This technical assistance will complement the EIP’s “Small Loans and Guarantee Programme (SLGP)” worth €42 million, which aims to encourage local banks to lend to small companies, which have had difficulty accessing finance to date, including women-owned SMEs. It will also invest in high impact sectors such as health, education and agriculture in difficult emerging markets.

With the EU guarantee and accompanying expertise, local banks will be able to provide funding for operations that they would otherwise consider too risky. As a result, the guarantee and accompanying technical assistance is expected to offer access to financing for some 50,000 small businesses, including ones owned by women or engaged in green energy projects, as well as help to create up to 200,000 jobs.

## **Background**

Forming part of the EU’s External Investment Plan (EIP), the EU guarantee “Small Loans and Guarantee Programme Risk-Sharing Facility”, will use €42 million (around \$50 million) in EU funds to leverage up to around €550 million (around \$660 million) of investments for entrepreneurs in Sub-Saharan Africa and the EU Neighbourhood.

The International Finance Corporation is part of the World Bank Group.

Investors, promoters and other potential partners interested in the SLGP may directly contact Ms Rebecca Post at [rpost@worldbank.org](mailto:rpost@worldbank.org).

**For more information**

The 28 EIP Guarantees: