



## **€10 million partnership in favour of African entrepreneurship between EIB and the Grameen Credit Agricole Foundation**

### **PRESS RELEASE**

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#### **Small entrepreneurs across Africa to benefit from €10 million partnership between European Investment Bank and the Grameen Credit Agricole Foundation**

- *Ongoing cooperation to strengthen access to microfinance by rural and underserved entrepreneurs impacted by COVID pandemic*
- *Scheme to back microfinance institutions in different countries across Africa, with a focus on gender inclusion*
- *Africa private sector to benefit from local currency financing and support for smaller microfinance institutions*

Access to finance by entrepreneurs and businesses impacted by COVID-19 in rural regions in Sub-Saharan countries will be enhanced by a new €10 million targeted financing initiative launched by the European Investment Bank (EIB) and the Grameen Credit Agricole Foundation ahead of the first EU-Africa summit since the pandemic.

The latest cooperation between the European Investment Bank, the world's largest international public bank and the Grameen Credit Agricole Foundation, a leading supporter of microfinance across Africa, will focus on ensuring that small business can access finance, create jobs and combat poverty.

"Ensuring that entrepreneurs and communities across Africa can access finance is essential to unlock opportunities, accelerate social inclusion and strengthen economic resilience to challenges unleashed by the COVID-19 pandemic. The EIB is committed to supporting microfinance across Africa and we are pleased to strengthen over long-standing cooperation with the Grameen Credit Agricole Foundation. The €10 million engagement launched today will directly benefit small businesses across the continent." said Ambroise Fayolle, Vice President of the European Investment Bank.

"Delivering targeted financing in fragile regions is capital to beat poverty, prevent social exclusion and unlock opportunities that drive economic growth. This new cooperation between the EIB and our Foundation will strengthen access to finance by entrepreneurs in sectors impacted by COVID and in remote and rural communities." said Eric Campos, Managing Director of the Grameen Credit Agricole Foundation.

The new pan-African microfinance partnership was formally agreed in Brussels earlier today ahead of the EU-Africa Summit at the EU-Africa Business Forum.

#### **Improving private sector access to finance in disadvantaged communities**

The new cooperation between the EIB and the Grameen Credit Agricole Foundation will help to scale up microfinance activity across Africa by providing long-term and local currency financing to local microfinance institutions.

The investment is expected to finance more than 147,000 loans to self-employed and micro-enterprises, alongside sustaining up to 36,000 jobs. Reflecting the importance of empowering women and girls across Africa the scheme will support an estimated 98,000 loans to female entrepreneurs.

### **Tackling challenges holding back microfinance in Africa**

The new operation will support smaller microfinance institutions than those that the EIB can finance directly. These microfinance partners are often also unable to receive financing from local commercial banks and cannot scale up.

The initiative will benefit financial and social inclusion and is expected to support entrepreneurs in remote regions, micro business run by women and young people who have limited or no access to financial services. This vulnerable and underserved segments are also the most impacted by the COVID-19 pandemic.

### **Supporting fragile regions across Africa**

The Grameen Credit Agricole Foundation will be able to allocate the loan across the many microfinance institutions in sub-Saharan Africa. The network of partner microfinance institutions spans sixteen countries across the region, including fragile ones such as Benin, Togo, Niger and Malawi.

### **Building on longstanding cooperation between microfinance partners**

The European Investment Bank and the Grameen Credit Agricole Foundation have worked together to strengthen microfinance across Africa since 2018 and strive to enhance microfinance best-practice and help entrepreneurs to improve business skills through technical assistance projects.

The European Investment Bank is the world's largest international public bank and since the pandemic has provided more than €8 billion for new investment across Africa.

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## **Background information**

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

Created in 2008 at the joint initiative of Crédit Agricole and Nobel Peace Laureate Pr. Muhammad Yunus, the Grameen Crédit Agricole Foundation finances and supports through technical assistance microfinance institutions and social enterprises in around 40 countries.

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