



ENTE NAZIONALE PER IL MICROCREDITO

*The Italian Government Agency  
for Microcredit:  
an innovative sustainable model*

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## *2) The Italian Government Agency for Microcredit: its functions*

- Facilitating **credit access**;
- **Capacity building** activities;
- Promoting the development of **laws and regulations**;
- National register of **BDS providers**;
- Fostering **public/private partnerships** for social innovation projects;
- Entrepreneurial culture and **financial education**;
- **Technical assistance** activities.



### *3) The Agency's focus on foreign Countries*

**Technical implementation** of projects in foreign Countries, in synergy with the Ministry of Foreign Affairs and other bodies.

The initiatives promoted by the Agency include:

- **Capacity building;**
- **Local development;**
- **Rural microfinance** programmes;
- **Product development** (micro insurance, micro leasing, etc.);
- Promote **joint ventures** between Italian and foreign firms;
- **Enterprise creation;**
- Drafting and promotion of **new legislation;**
- **Technical assistance.**



## *4) The Agency's products (1)*

The Agency has developed an integrated offer of microfinance products, including:

- **Microcredit**
- **Micro leasing**
- **Micro insurance**
- **Housing microfinance**

that allow the Agency to address the various needs of people experiencing difficulties in accessing conventional finance.

All products are always combined with **BDS**.



## 5) *The Agency's products (2)*

- **Micro leasing:** alternative tool to microcredit. Advantages for micro entrepreneurs:
  - investing without using their own capital;
  - fiscal advantages;
- **Micro insurance:** product in support to microcredit. Advantages:
  - lowering the risk profile of the credit beneficiary
  - very useful in all productive sectors, but especially in agriculture;
- **Housing microfinance:** cover the costs related to housing (improvement of habitability and energy efficiency).



## *6) Microcredit: The operational model of the Agency*

- **Operational model** for the propagation of microcredit in Italy:
  - a) **Simple;**
  - b) **Sustainable;**
  - c) **Functional;**
  - d) Based on **public/private partnership.**



## 7) *The main characteristics of microcredit (1)*

- **Entrepreneurial microcredit:** aimed to the start-up and development of microenterprise or self-employment business initiatives;
  - **No collateral guarantees;**
  - **Maximum amount:** EUR 25,000;
  - **Loan repayment duration:** up to 7 years;
  - Benefit from free access to the **guarantee of the Central Guarantee Fund for SMEs**, covering up to the 80% of the amount financed.



## *8) The main characteristics of microcredit (2)*

- **Business Development Services:** fundamental component of microcredit operations - **technical assistance, tutoring and monitoring;**
- Provided to the beneficiary both **before the provision** of microcredit, and during the **repayment phase;**
- Supplied remotely, and also **face to face** to facilitate a **direct personal relationship** between the tutor and the beneficiary;
- Overcome “**information asymmetries**” reducing the financing risk and defaults rates;
- Greater **empowerment** of the loan beneficiary.





## 9) *The operational model of the Agency: Simple and Functional*

### Finance

**PRIVATE** (Bank) → provides the credit

**PUBLIC** (State) → guarantees the credit provided (80%)  
with zero-risk weighting for the bank

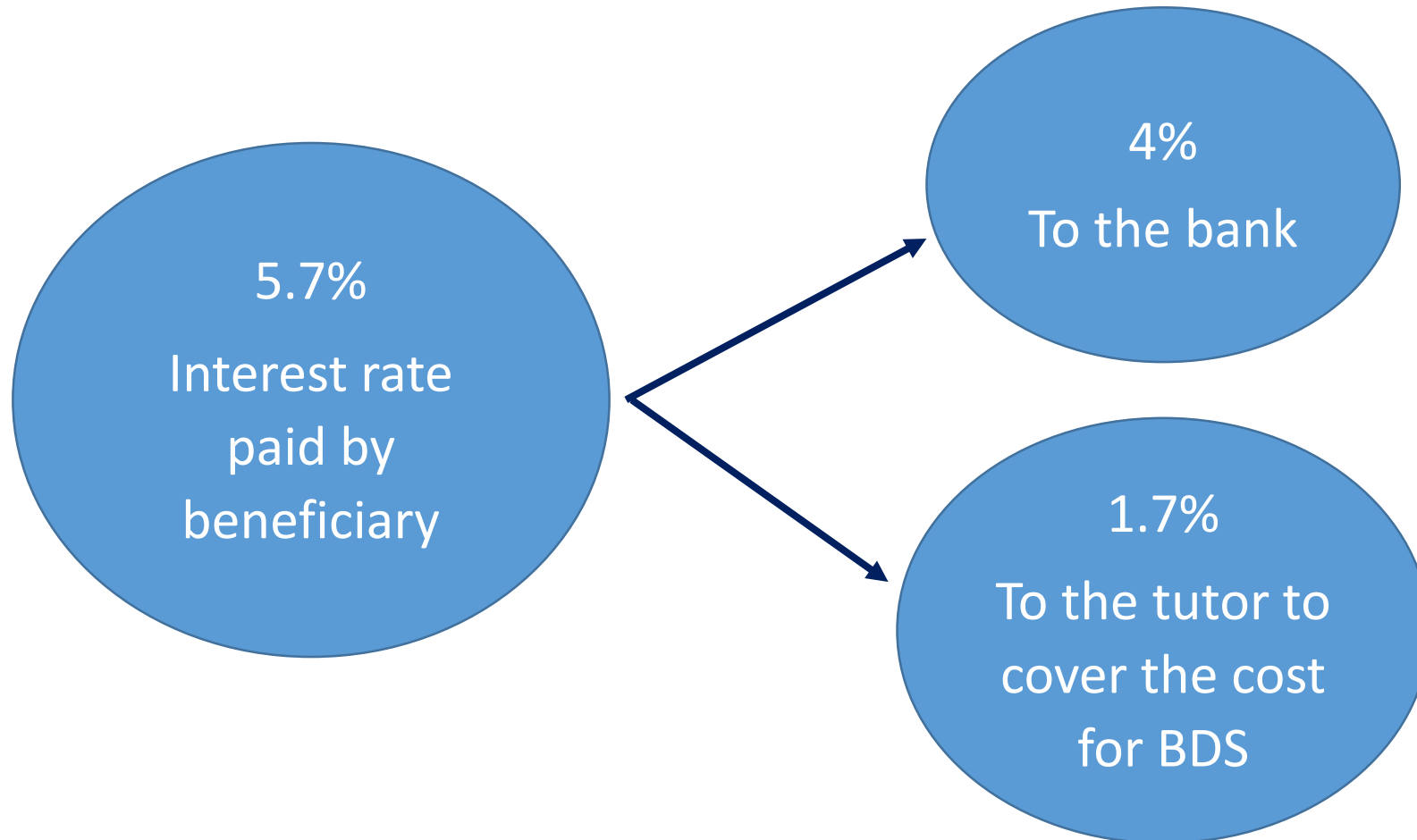
### BDS

**PRIVATE** (Tutor) → provides BDS to the beneficiary

**PUBLIC** (Agency) → monitors and controls BDS providers and  
the provision of BDS to ensure the compliance  
with technical and ethical standards



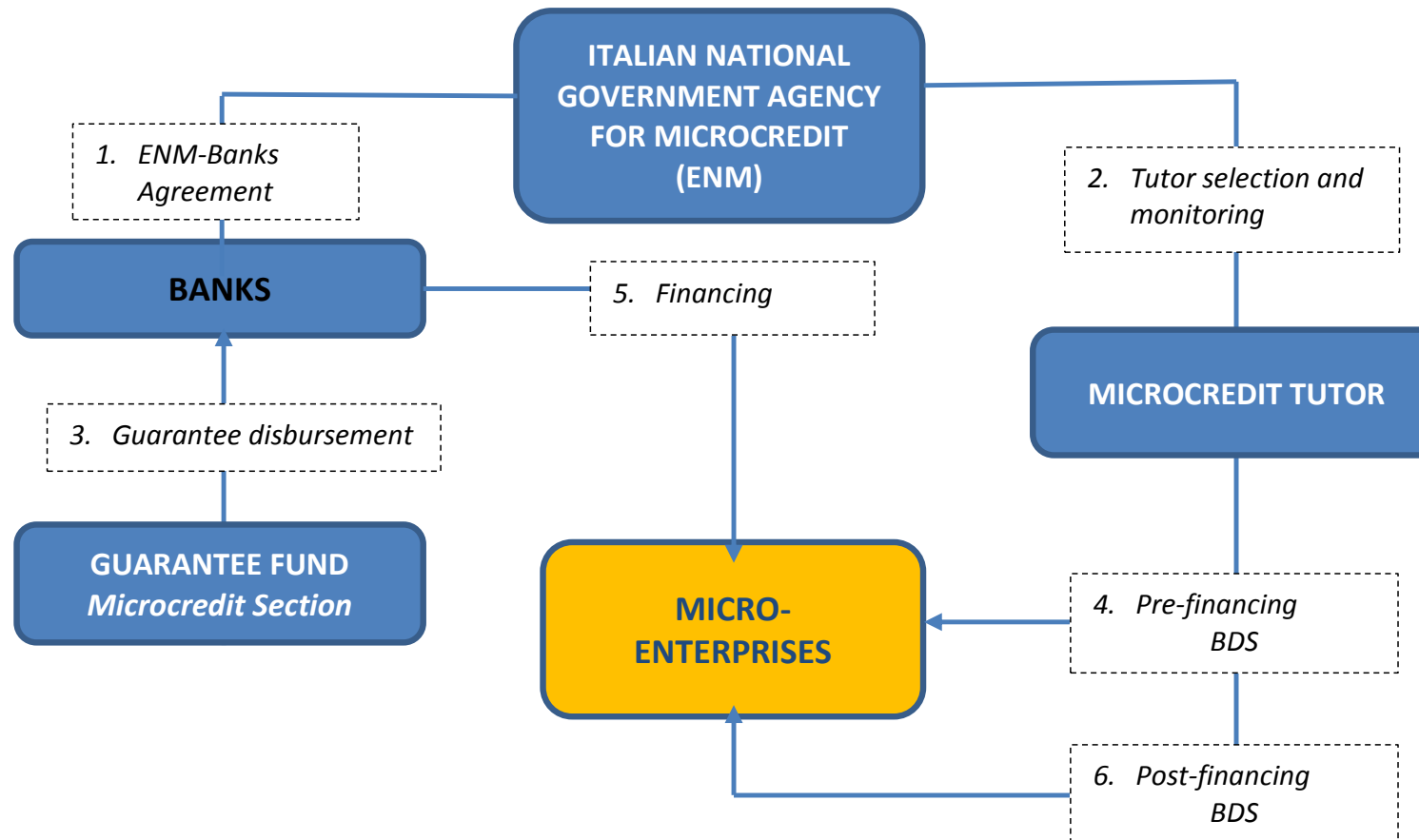
## 10) *The operational model of the Agency: Sustainable*





## 11) The operational procedure

### The access model to microcredit





## *12) The operational model of the Agency: Results*

- **Agreements with 12 banks**, covering 1,109 branches;
- In the last 12 months, allocated **approximately EUR 300 million** to microcredit interventions;
- In the last 8 months, about 3,800 companies financed, with generation of more than **9,200 jobs**;
- **Employment leverage effect** equal to **2.43 new jobs** produced.



## *13) Transfer of the innovative operational model*

- **Capacity building activities** aimed to export the innovative model in other Countries:
  - Study and analysis of the **market**;
  - Study and analysis of the **regulation** and production of **legislative proposals**;
  - **Transfer** the complete **know-how** necessary to become operational;
  - Structuring of the **pilot project** and possible support during the pilot phase;
  - Product development.



## 14) *Contacts*

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