

FINANCIAL INCLUSION FUND

ABOUT THE TRUST FUND

Microenterprises and small businesses across the world play a key role in their local economies. However, they often face the greatest hurdles in accessing finance to help them grow. The barriers range from difficulties in meeting collateral requirements and low levels of financial literacy to issues of proximity and physical access to service-providing institutions.

Since 2019, the Financial Inclusion Fund has aimed to strengthen microfinance providers and reinforce their outreach to microenterprises and small firms, particularly businesses run by women or young people in rural communities, through technical assistance.

• **Technical assistance and advisory services support:**

- » institutional skill development in microfinance institutions;
- » preparation of analyses (gender, social inclusion, market or product);
- » design and drafting of tender and legal documents;
- » project management, including designing innovative solutions tailored to the needs of the unserved, and outreach to final beneficiaries.

• **A traineeship programme** under the trust fund aims to strengthen the knowledge and skills of students and young professionals from the public and private sectors of beneficiary countries in the African, Caribbean and Pacific and EU Southern Neighbourhood regions. Over a three-year period, EIB Global will host up to 60 trainees under the [traineeship programme](#).

Strategic priorities

The Financial Inclusion Fund supports microfinance institutions and their clients in many ways. The trust fund is flexible and can adapt to changing needs on the ground and help beneficiaries respond to challenges. Each year, the trust fund identifies priority areas for support. In 2023, its strategic priorities were:

- **promoting the economic empowerment of women** by improving their access to responsible finance and/or enhancing their entrepreneurial skills;
- **increasing resilience to climate change** for microfinance institutions and their clients, notably through sustainable agricultural practices and access to renewable energy;
- **improving access to finance through digital platforms.**



ELIGIBILITY

This trust fund supports operations in the least developed countries and low and middle-income countries included in the [OECD Development Assistance Committee's list of recipients of official development assistance](#).

THE FINANCIAL INCLUSION FUND IS CURRENTLY ACTIVE IN THESE COUNTRIES:

CARIBBEAN

DOMINICAN REPUBLIC

SUB-SAHARAN AFRICA

BENIN	BURKINA FASO	CAMEROON	CÔTE D'IVOIRE	DEMOCRATIC REPUBLIC OF THE CONGO	
GABON	GHANA	GUINEA	KENYA	MADAGASCAR	MALI
NIGER	NIGERIA	REPUBLIC OF THE CONGO	RWANDA	SENEGAL	
TOGO	UGANDA	ZAMBIA			

EU SOUTHERN NEIGHBOURHOOD

EGYPT	JORDAN	LEBANON	MOROCCO	TUNISIA
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EXPECTED IMPACT

By the end of 2023, 33 operations were approved under the Financial Inclusion Fund, including 27 projects in Africa, the Caribbean and Pacific, five in the European Union's Southern Neighbourhood, and a traineeship programme (see page FI 4).

The Financial Inclusion Fund helps partner countries achieve UN Sustainable Development Goals 1, 5 and 8. It is designed to improve financial inclusion and access to responsible finance for micro, small and medium-sized enterprises in emerging and developing economies. This is achieved by providing technical assistance support to a range of inclusive financial service providers, to help them improve the quality of the financial and non-financial services that they offer to microentrepreneurs.

The Financial Inclusion Fund's operations have had an impact on people's lives. For example, the trust fund has helped:

- provide **digital financial services to almost 600 000 people** in remote and rural parts of Zambia;
- train **450 female microentrepreneurs in Morocco** in e-commerce;
- enable **200 000 female microentrepreneurs in Uganda** to access and use financial products.

AREAS OF ACTION

Women's economic empowerment

Young entrepreneurs

Rural populations

Digitalisation

Climate action

As part of the trust fund's technical assistance projects with microfinance institutions, 13 000 hours of training have already been provided to over 22 000 people, with on-the-job coaching for some 3 000 people, to help them improve their internal management and IT systems, develop strategies, and enhance other institutional skills.

The trust fund's replenishment in 2023 has made it possible to support new operations. Future projects will focus on promoting the economic empowerment of women (50% will be aimed at gender and social inclusion), encouraging climate action and environmental sustainability, and advancing digitalisation in the least developed and low- and middle-income countries.

The impact of the trust fund's activities on people's lives is significant. Small entrepreneurs benefit from stronger digital platforms, have better financial knowledge, which makes them more resilient to market fluctuations and shocks, and have better access to the services they need. **It is therefore important to continue replenishing the trust fund with additional donor resources. Donors interested in supporting the microfinance sector and empowering vulnerable groups are encouraged to contribute.**

PROJECT HIGHLIGHTS

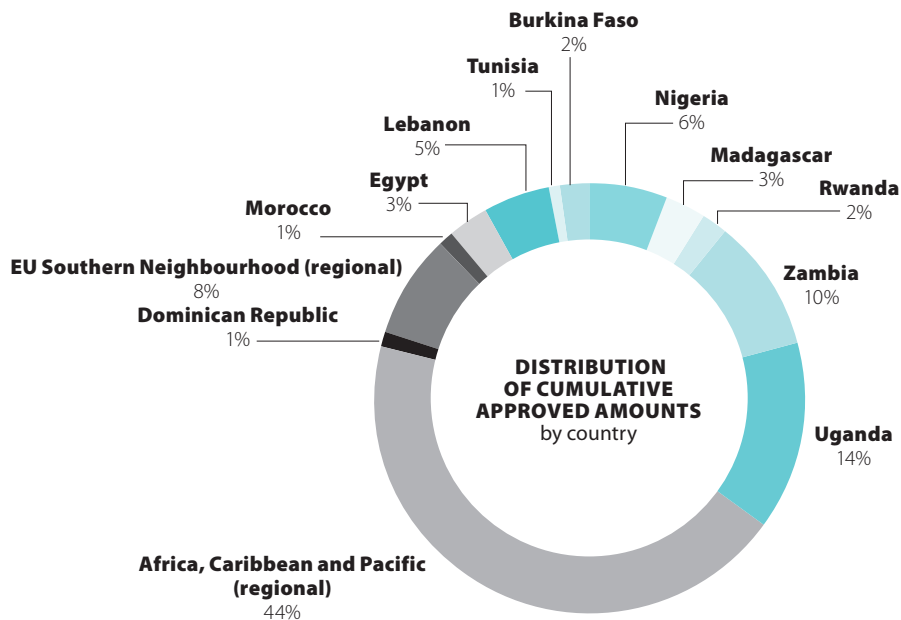
- Some 700 000 young people reach working age in Uganda every year. Pride Microfinance, a Ugandan microfinance institution, is using a €132 000 grant from the Financial Inclusion Fund to **equip 18-30-year-olds with financial literacy and business skills** to boost entrepreneurship and employment for the next generation. Under its Youth Inclusion programme, 606 people have already been trained in entrepreneurship and business management, business planning, and finance management. In addition, the programme promotes a healthy savings culture and aims to extend credit lines to young people in Uganda who would ordinarily be excluded from the formal financial sector.
- First City Monument Bank of Nigeria partnered with Women's World Banking to adapt the global non-profit organisation's successful **health microinsurance programme, Caregiver, to meet the needs of low-income women in Nigeria**. The programme embeds an affordable insurance product within an existing bank product (loan or saving). The Financial Inclusion Fund is supporting First City Monument Bank of Nigeria with €150 000 to help implement the programme locally and promote women empowerment.
- A two-year project **offering e-commerce training to 450 female business owners** came to an end in 2022. The project was carried out by Attadamoune Micro-Finance in Morocco, with the help of €63 000 in technical assistance from the Financial Inclusion Fund. The programme helped female-led businesses stay in touch with clients during the COVID-19 lockdowns. The women learned how to use digital tools to reach new clients and export their crafts and services. Attadamoune Micro-Finance plans to expand the e-commerce training and coaching programme to reach 2 500 women.

FINANCIAL INCLUSION FUND AT A GLANCE

€11.5 MILLION in donor funds contributed

€6 MILLION allocated to operations

33
operations



SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



OUR DONORS

This trust fund was created in 2019 in partnership with the **government of Luxembourg**. It remains open to contributions from other donors seeking to promote financial inclusion.