



Youth Entrepreneurship Policy Academy



Workshop #1: Access to finance

19 June 2023

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Who are young entrepreneurs?

Policy:

- 15-29 years old (Youth Guarantee, Youth Employment Initiative);
- Programmes vary across countries.

Statistics:

- 15-29 years old (new Eurostat Youth Portal);
- 20-29 years old (OECD-EU Missing Entrepreneurs work).



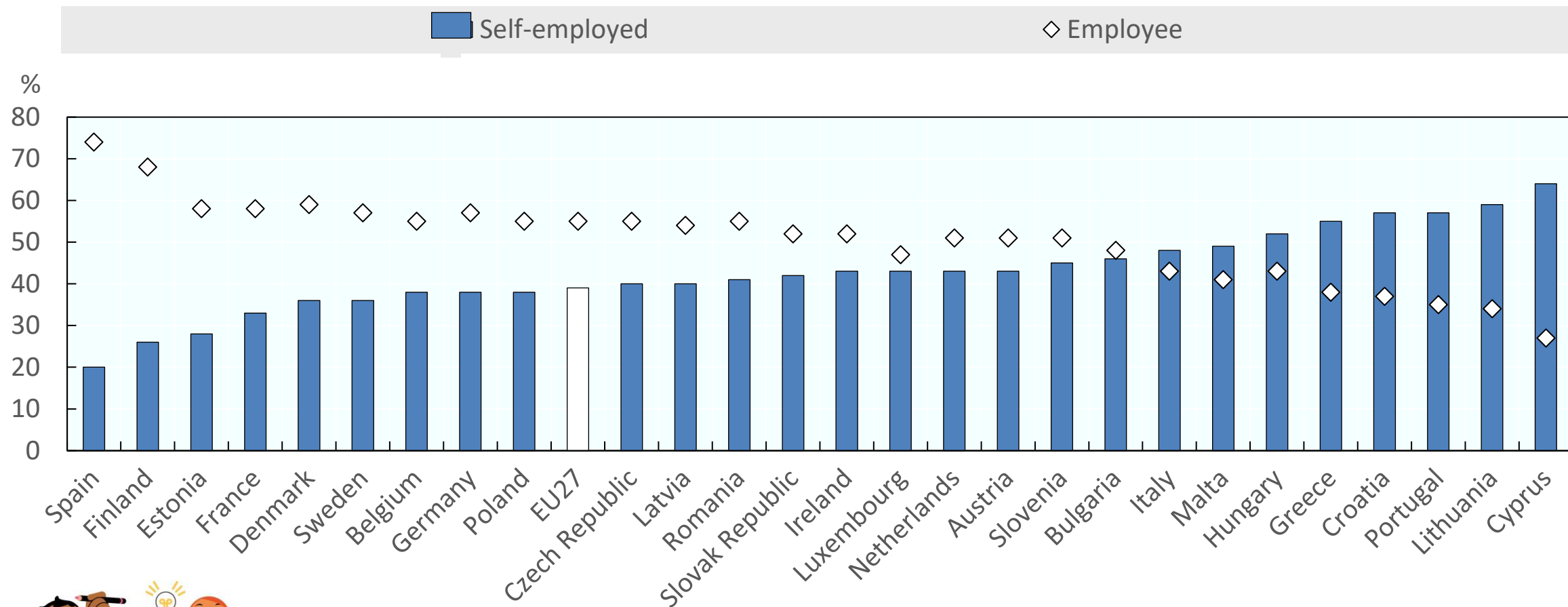
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Preference for self-employment



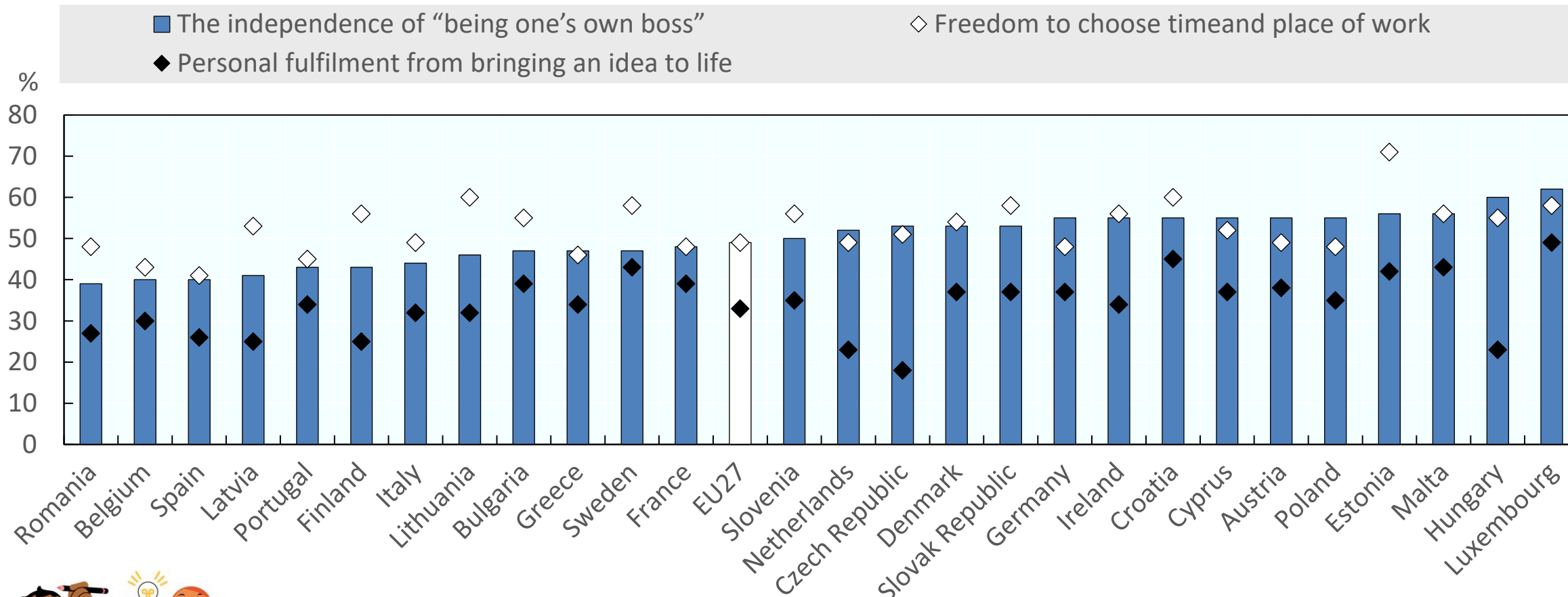
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Reasons for preference for self-employment

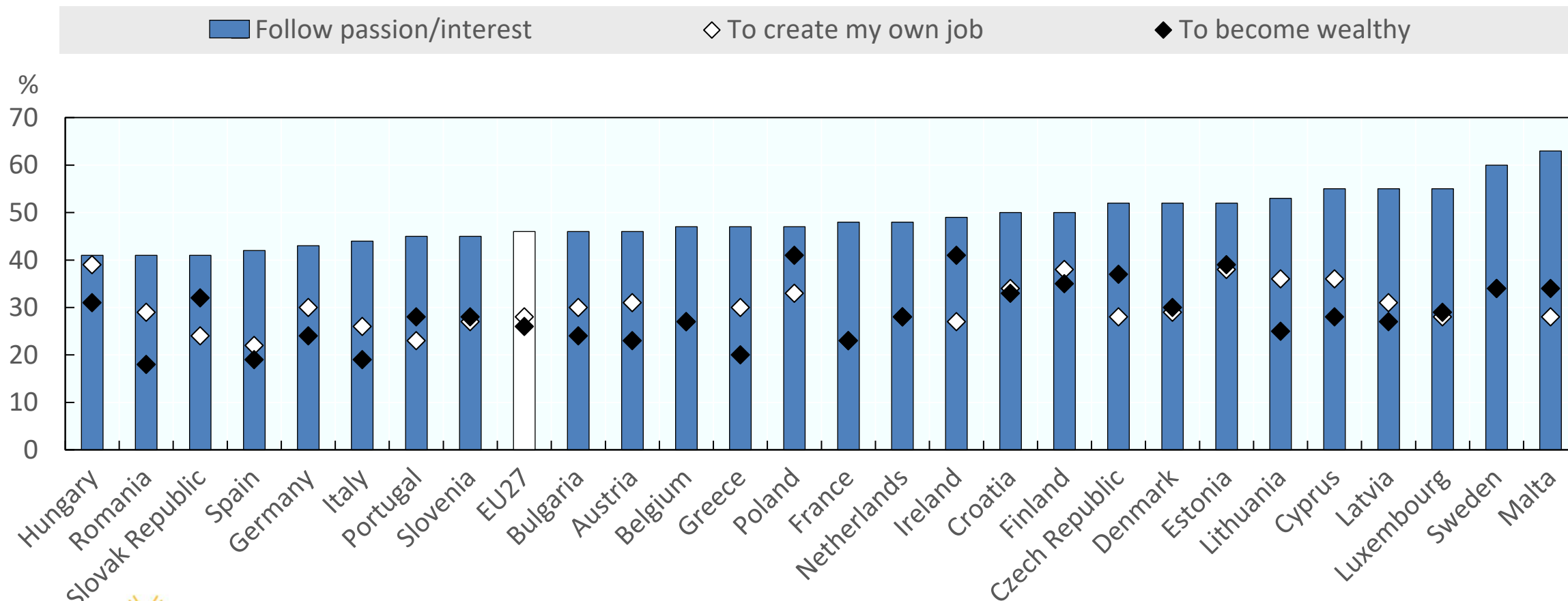


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Objectives for setting up a business

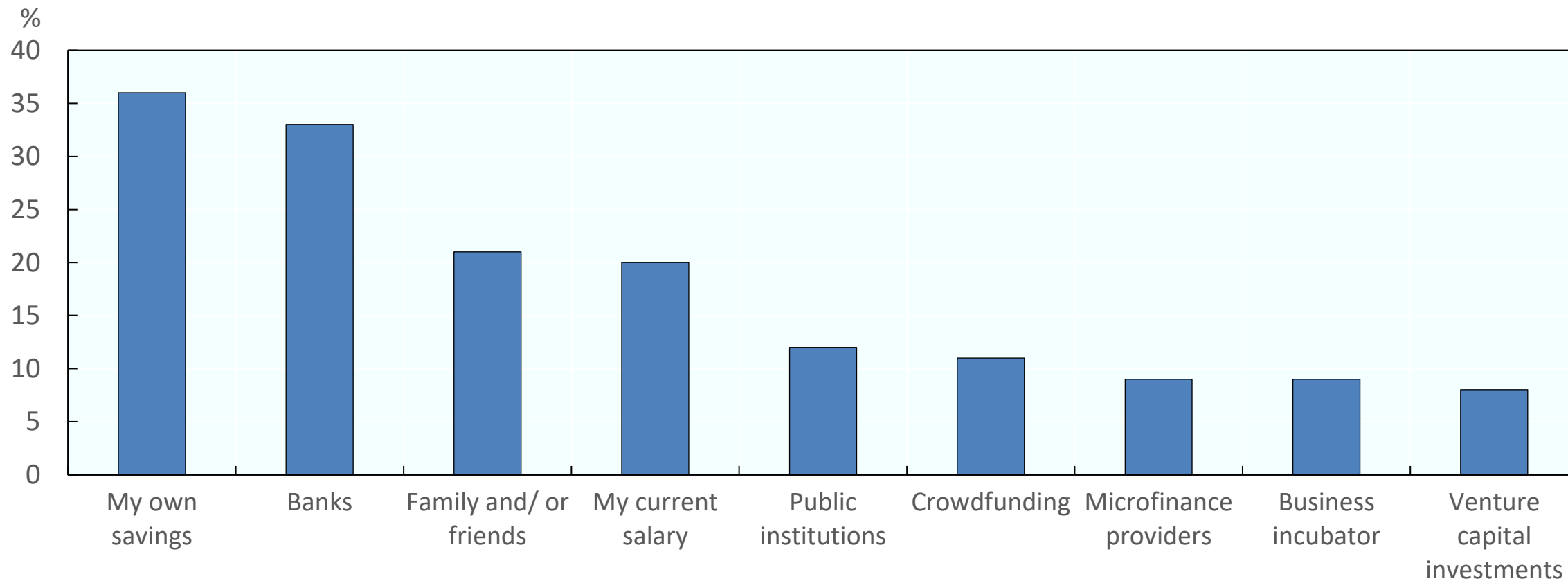


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Sources of start-up funding (EU)



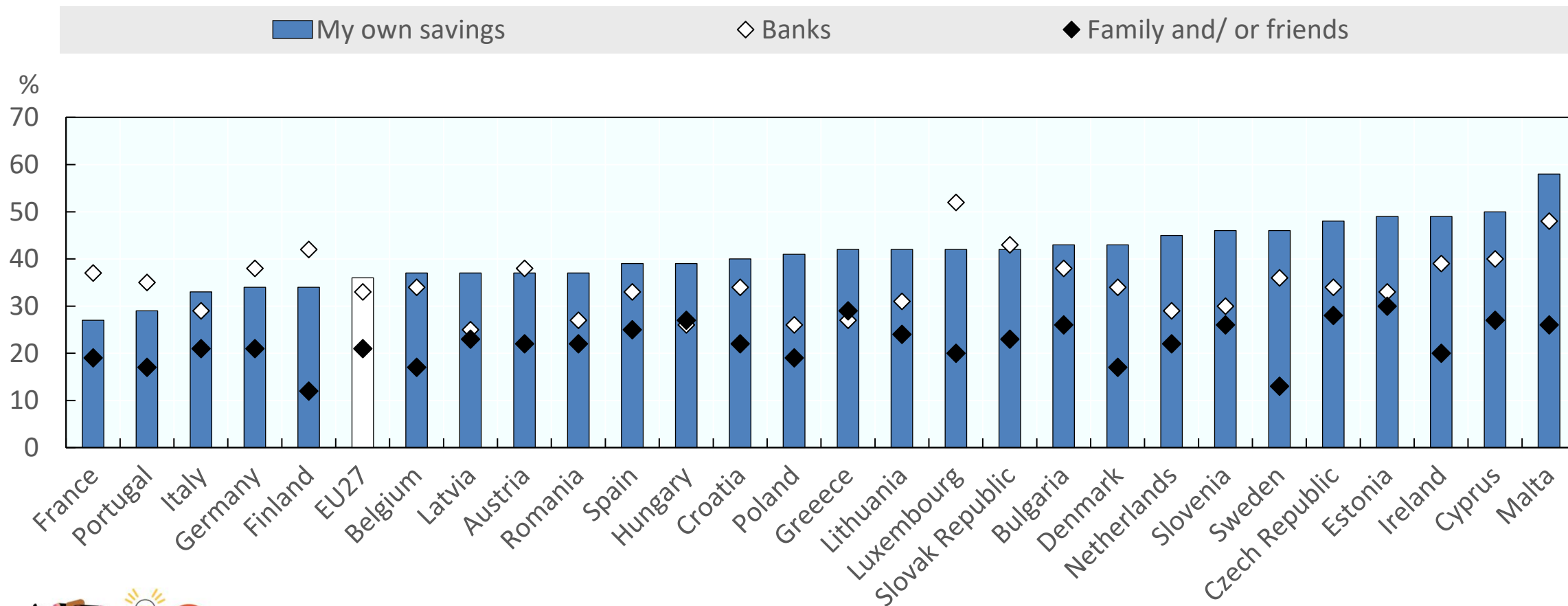
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Sources of start-up funding

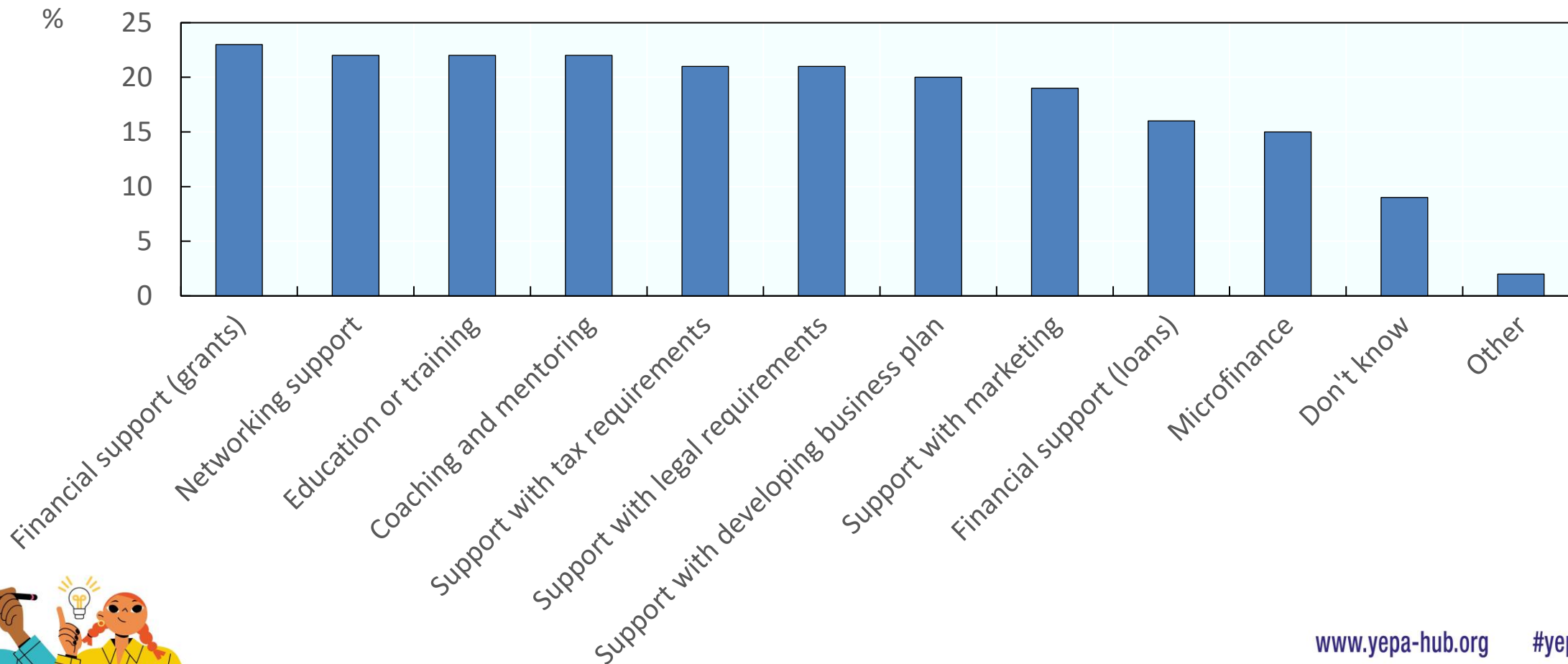


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Support needed if setting up a business



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Why do young entrepreneurs face challenges?

➤ Demand-side barriers:

- Skills gaps
- Smaller and less diverse networks
- Lack of collateral and financial history
- Little experience seeking start-up finance

➤ Supply-side barriers:

- Difficulty to assess risk
- Transaction costs are higher in small loans and investments
- Investor bias
- Suitability of financial instruments



What are governments doing?

- Grants and income subsidies
 - Soft loans
 - Loan guarantees
 - Microfinance
 - Alternative debt finance
 - Crowdfunding & peer-to-peer lending
 - Business angel networks
 - Self-financing groups
 - Risk capital
- +
- Non-financial supports
 - **Integrated** packages
 - **Sequenced** packages



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Brief overview of microfinance

Regulation

- No EU regulation but EU Code of Good Conduct
- Countries treat it differently: some regulate, some do not

Essentials of a microfinance scheme:

- Target beneficiary: narrow or wide
- Operator: public or non-public
- Non-financial services: training, coaching, etc.
- Support mechanism: capital, guarantees, interest rate subsidies



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Thank you!

Any questions?



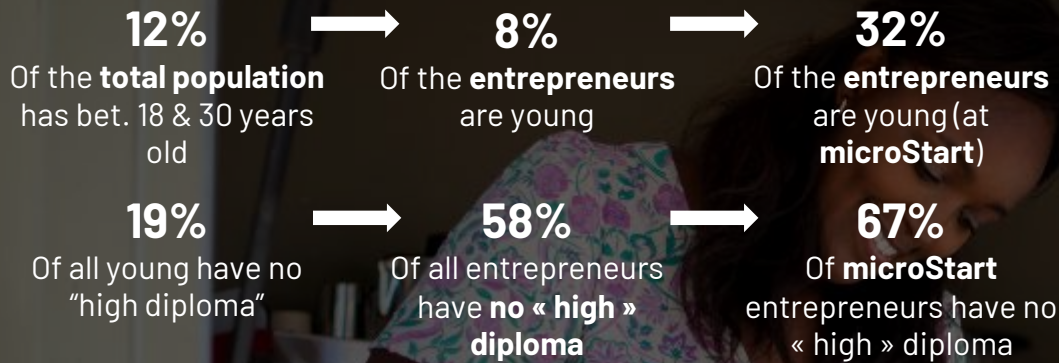
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THE BELGIAN CONTEXT



Lack of financial access due to:

- ✓ Lack of credit history
- ✓ Lack of guarantees
- ✓ Lack of personal contribution
- ✓ Lack of experience
- ✓ Lack of information
- ✓ Lack of redirection from the banks

TAILORMADE SOLUTIONS FOR YOUNG ENTREPRENEURS



Business creation support tools
E-learning, toolbox, management training



Advisors make the bridge between communities and our support solutions



Adapted and low-threshold **individual coaching sessions** about entrepreneurship in Belgium



Tailored financial solutions for everyone up to 25.000€



Dedicated Campaign With workshop & specific communication with role models

OTHER PROJECTS

Partnerships with non-financial support organization which aims specifically young entrepreneurs.
Development of interest-free loan funds to support young entrepreneurs (ex: Youthstart)
Partnership with banks and FEBELFIN

MICROSTART'S IMPACT (11 YEARS)



6.780

MICROCREDITS
DISBURSED



56.000.000€

INJECTED IN THE BELGIAN
ECONOMY



9.100

PEOPLE
COACHED &
TRAINED



2,53€ SROI

1€ INVESTED AT
MICROSTART PAYS
2,53€ TO THE COMMUNITY

1.735

MICROCREDITS
DISBURSED

15.000.000€

INJECTED IN THE BELGIAN
ECONOMY

2.600

PEOPLE
COACHED &
TRAINED

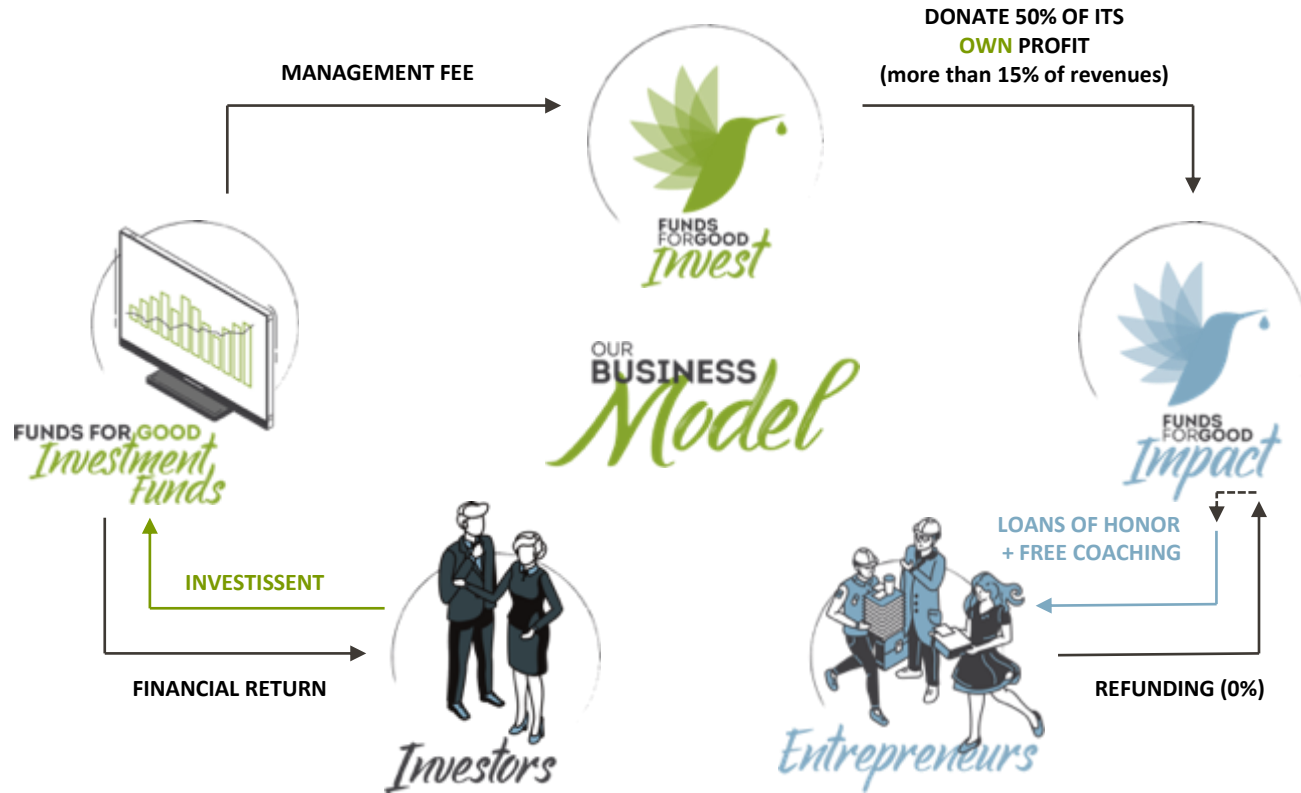
TO YOUNG
ENTREPRENEURS



TOGETHER, LET'S
(re)connect investments
TO THE human ECONOMY

YEPA- JUNE 2023

OUR BUSINESS MODEL - OUR UNICITY



2 TARGET GROUPS

RAMI
YALA NA'AKOUL



SELF MADE
Max EUR 5000

FUNDS FOR GOOD IMPACT

CORENTIN
FRUIT TREE



JÉRÉMIE
FREDDY MET CURRY



GAME CHANGER
Max EUR 25 000

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WHAT WE DO ?



OUR PARTNERS IN FUNDING

COUNTRY

PROFESSIONAL START

SOCIAL ENTREPRENEURS

BELGIUM



crédal



crédal



FRANCE

adie

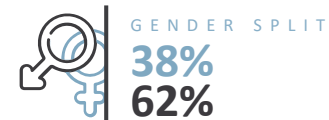
LUXEMBURG



SPAIN



IMPACT FIGURES AS Q2 2023 SINCE INCEPTION (10 YEARS)



SELF MADE



GAME CHANGERS





« ImpaktEU aims to make the **European financial ecosystem more inclusive**. We want to build a platform of responsible investors **and financial institutions** contributing to a more sustainable society, **reducing social inequalities** by taking care of the most fragile populations and the **environment**. »

FUNDING GAP IN EUROPE SUPPORTED BY REFERENCE STUDIES

PRE-COVID

STUDY	UNMET DEMAND FOR MICROFINANCE	PERIOD	BENEFICIARIES	DEBT NEED	EQUITY NEED
European Commission (09/2020)	768 mio EUR	2021-2027	<ul style="list-style-type: none"> - New business Founders - Self-employed - Micro-entreprises (1-9 employees) - Individual farms 	572 mio EUR	77 mio EUR
MFC – EMN (2020)	839 mio EUR	2021-2022	MFI members of the 2 networks	574 mio EUR	38 mio EUR

NEW DATA 2021 POST-COVID (+50%)

STUDY	UNMET DEMAND	PERIOD	BENEFICIARIES	DEBT NEED	EQUITY NEED
MFC – EMN (2021)	1300 mio EUR	2023-2024	IMF members of the 2 networks	406 mio EUR Eastern Europe 425 mio EUR Western Europe	28 mio EUR EasternEurope 30 mio EUR Western Europe

FUNDING TARGETS & INSTRUMENTS

**FINANCIAL
INTERMEDIARIES (MFI's,
ETHICAL & COOP. BANKS)**

SOCIAL ENTREPRISES



Unique fund **100% focus on social/environmental impact** in Europe



Senior & Junior debt instruments



Long term financing with **flexible reimbursement terms** to support impact creation