

# **Microfinance Ireland Microenterprise Loan Fund Scheme for the period to 30<sup>th</sup> June 2013**

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An Roinn Post, Fiontar agus Nuálaíochta  
Department of Jobs, Enterprise and Innovation



This financing benefits from a guarantee issued under the 'European Progress  
Microfinance Facility' established by the European Union.

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## Appendix 1 – Awareness Building and Publicity Report

## Overview of the Microenterprise Loan Fund Scheme

Microfinance Ireland has been open for business since 1<sup>st</sup> October 2012 providing micro-enterprise loans for businesses that have been declined bank credit. The initiative is part of the Government's Action Plan for Jobs and the initial €10M of Exchequer funding for the Scheme will be supplemented by bank borrowings from Irish Banks.

In addition, to optimise the State's investment, and recognising the higher risk profile of potential applicants to the Scheme, Microfinance Ireland and the European Investment Fund signed a guarantee agreement aimed at supporting micro-enterprise in Ireland. The guarantee is given under Progress Microfinance, which is managed by the European Investment Fund on behalf of the European Commission and the European Investment Bank.

**Over the lifetime of the ten year scheme, it is expected that €90M in additional lending will be provided to 5,500 micro-enterprises and will support the creation and sustainment of 7,700 jobs.**

Eligibility to apply for the Scheme is open to start-ups and existing micro-enterprises (trading as sole traders, partnerships or limited companies) that have been declined bank credit, which employ less than 10 persons and with a balance sheet and turnover of less than €2million.

The Scheme provides unsecured loans of between €2,000 to under €25,000 for commercially viable proposals that do not meet the conventional risk criteria applied by the banks for various reasons, including the absence of collateral. An 8.8% APR fixed interest rate is charged, with a repayment term of up to five years and a monthly repayment schedule.

Applications to the Loan Fund can be made via the nationwide network of County & City Enterprise Boards or directly to Microfinance Ireland. The Enterprise Boards provide assistance with training and preparing business plans and they carry out an initial evaluation of the quality of the business proposal before sending it on to Microfinance Ireland.

MFI are actively engaged in promoting awareness of the Scheme nationwide. Details of MFI's Awareness Building and Publicity Activities for the period January to June 2013 are presented at Appendix 1.

**This is the second Report of the Microenterprise Loan Fund Scheme covering the period to 30<sup>th</sup> June 2013. Key highlights to date and for the latest Quarter are reported as follows:**

### Overall Activity Levels from Launch to 30th June 2013

- **€1.264M value of loans approved for 79 micro-enterprises**
- **191 jobs supported in 79 micro-enterprises**
- **224 applications received**
- **45% approval rate**

## Activity Levels covering period 1<sup>st</sup> October 2012 to 30<sup>th</sup> June 2013

As at 30<sup>th</sup> June 2013, 79 micro-enterprises have been supported resulting in loans totalling €1.264M being approved through the microfinance Scheme. This represents an approval rate of 45% of applications fully processed.

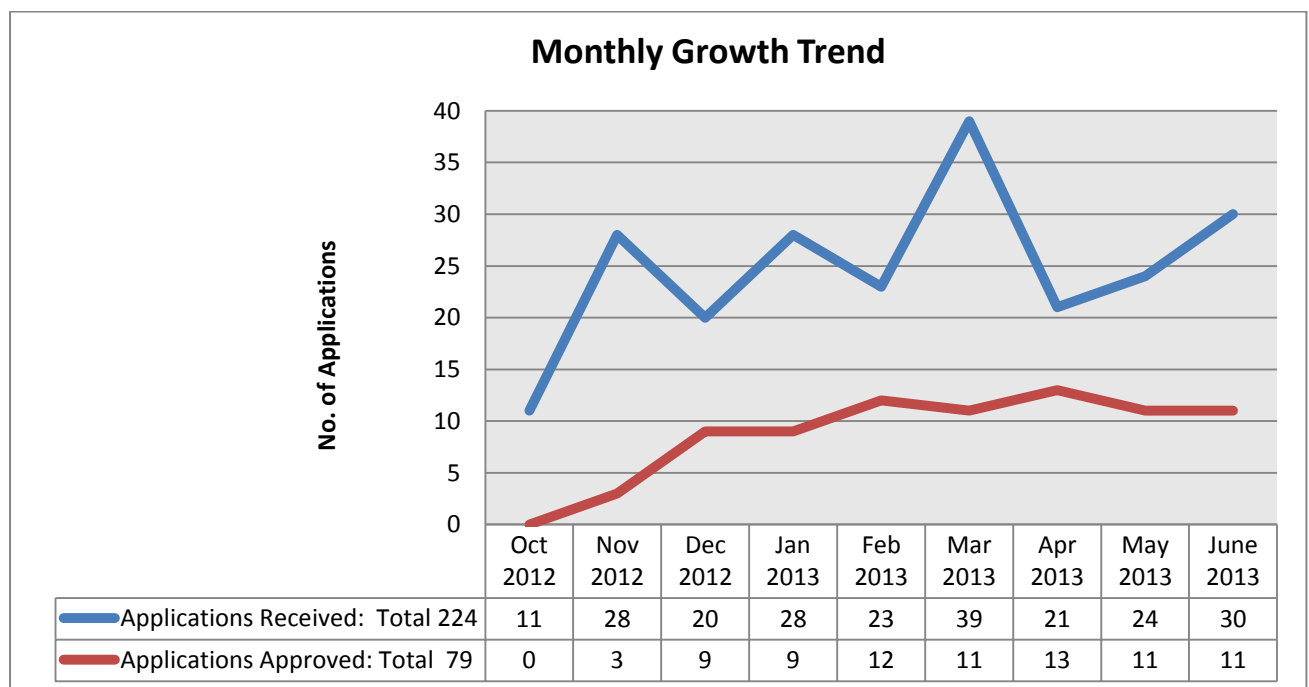
In total 224 applications have been received of which 177 have been fully processed. The average loan processing time was ten business days.

Total Applications Received						
	Launch Phase (1 <sup>st</sup> October 2012 to 31 <sup>st</sup> March 2013)		Quarter 2 (1 <sup>st</sup> April 2013 to 30 <sup>th</sup> June 2013)		Total (1 <sup>st</sup> October 2012 to 30 <sup>th</sup> June 2013)	
Total Applications	149	€2.78M	75	€1.297M	224	€4.077M

Approvals									
	Launch Phase (1 <sup>st</sup> October 2012 to 31 <sup>st</sup> March 2013)			Quarter 2 (1 <sup>st</sup> April 2013 to 30 <sup>th</sup> June 2013)			Total (1 <sup>st</sup> October 2012 to 30 <sup>th</sup> June 2013)		
Approved	44	€711K	43%	35	€553K	47%	79	€1.264M	45%

### Monthly Growth Trend

Application and approval activity levels by month are displayed in the graph below:



## Impact on Jobs

The 79 loans from Microfinance Ireland are supporting a total of 191 full-time equivalent jobs (91 new jobs and sustaining 100 existing jobs).

## Size of Borrower

Loans were approved to micro-enterprises with the following number of employees at time of application:

No. of Employees	No. of Micro-enterprises		
	Launch Phase (1 <sup>st</sup> October 2012 to 31 <sup>st</sup> March 2013)	Quarter 2 (1 <sup>st</sup> April 2013 to 30 <sup>th</sup> June 2013)	Total (1 <sup>st</sup> October 2012 to 30 <sup>th</sup> June 2013)
<b>1</b>	11	17	<b>28</b>
<b>2-3</b>	22	13	<b>35</b>
<b>4-5</b>	9	2	<b>11</b>
<b>6-9</b>	2	3	<b>5</b>
<b>Total No. of Loans</b>	<b>44</b>	<b>35</b>	<b>79</b>
<b>Average No. of Jobs per Loan</b>	<b>2.6</b>	<b>2.1</b>	<b>2.4</b>

## Activity by Loan Size

From 1<sup>st</sup> October 2012 to 30<sup>th</sup> June 2013, loans were granted in the following size range.

Euro	No. of Loans
≤25k	27
≤20k	10
≤15k	13
≤10k	20
≤5k	9
<b>Total</b>	<b>79</b>
<b>Average loan size €16K</b>	

## Purpose for which Microfinance Loans were Granted

Loans were granted for the following purposes:

- Working Capital
- Fit-out of Premises
- Purchase of Equipment
- Information & Communications Technology
- Promotion and Marketing

## Source of Loan Referrals

To date, 67% of loan applications were received from County and City Enterprise Boards. 33% of applicants applied directly to Microfinance Ireland.

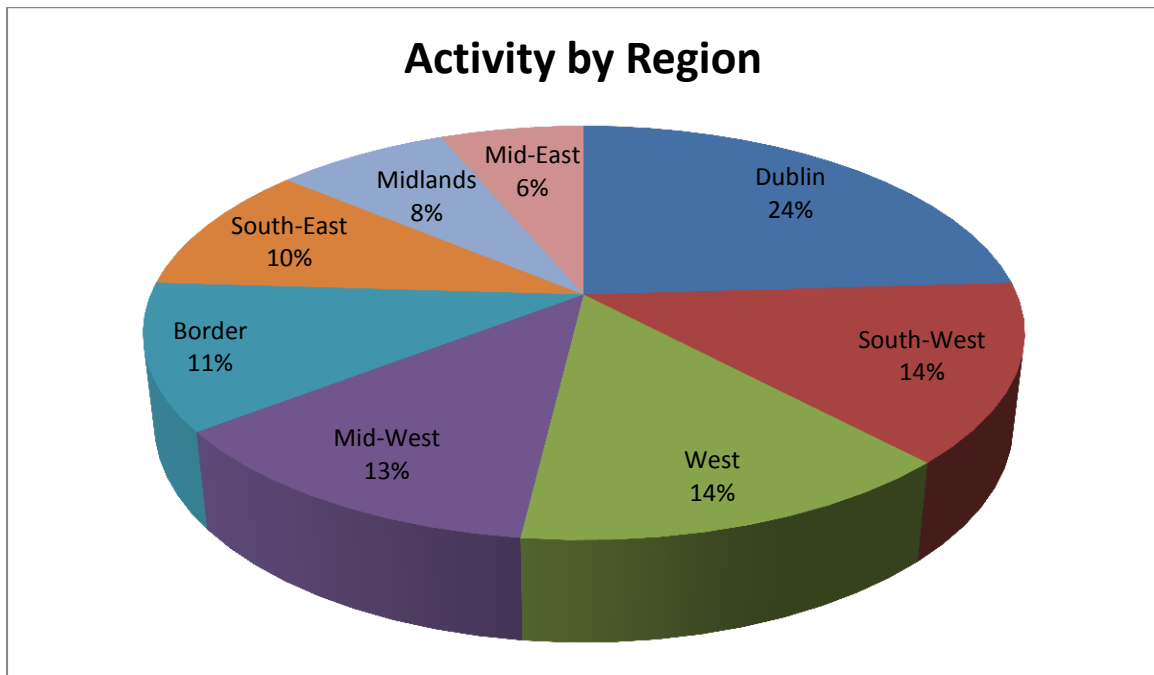
## Analysis of Approvals

### Geographical Spread – from 1<sup>st</sup> October 2012 to 30<sup>th</sup> June 2013

Geographical Spread					
County	Received	Approved	County	Received	Approved
Dublin	44	19	Carlow	6	1
Limerick	22	7	Clare	5	2
Cork	22	6	Sligo	5	5
Wexford	12	4	Louth	5	2
Tipperary	12	2	Roscommon	5	2
Mayo	10	7	Laois	5	1
Meath	9	1	Monaghan	5	1
Kerry	8	5	Leitrim	5	0
Wicklow	8	4	Offaly	3	2
Waterford	7	1	Donegal	3	0
Galway	6	2	Longford	2	0
Westmeath	6	3	Cavan	2	1
Kildare	6	0	Kilkenny	1	1
<b>Total Applications Received:</b>				<b>224</b>	
<b>Total Applications Approved:</b>				<b>79</b>	

Activity by Region

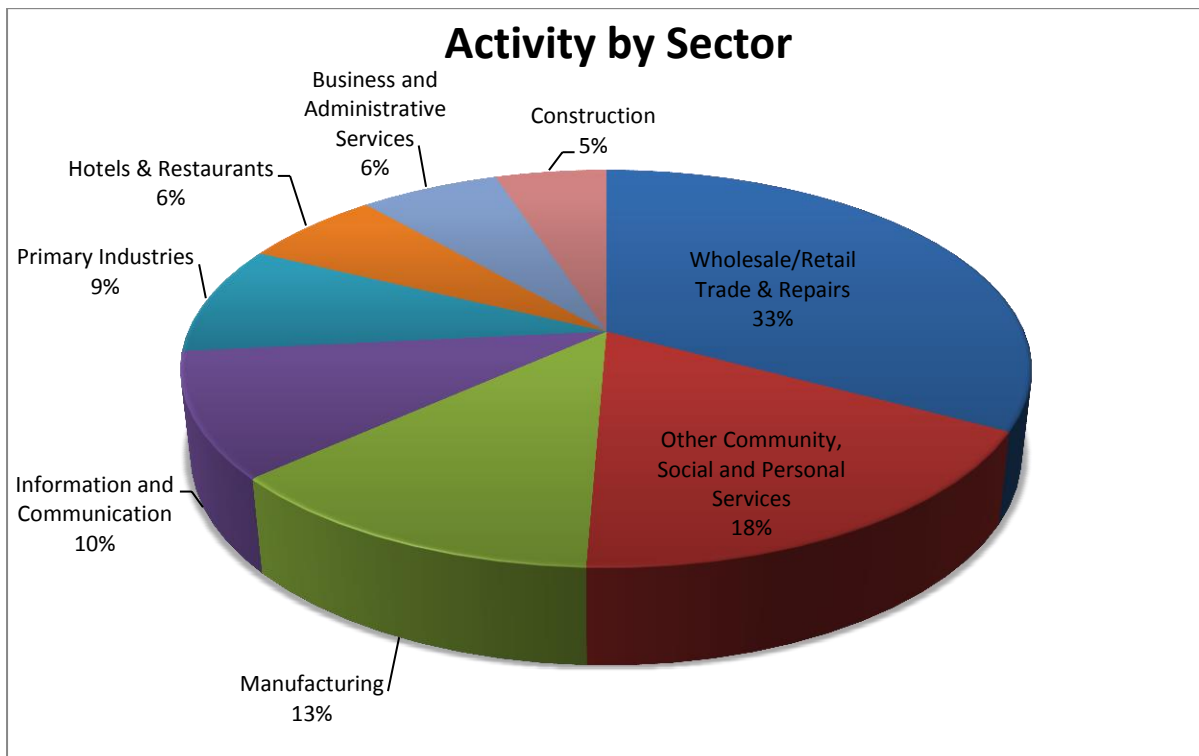
Figure 1: Activity by Region



Activity by Sector

Loans were granted to micro-enterprises in each of the following sectors:

Figure 2: Activity by Sector



## Start-Up/Existing

Of the 79 loans approved, 47 were to start-up enterprises (<18 months) and 32 to existing enterprises.

## Activity by Form of Borrower

- 43 microfinance loans were granted to Private Limited Companies.
- 33 Sole Traders were granted a microfinance loan.
- 3 microfinance loans were granted to Partnerships.

## Gender Breakdown

Of the total applications received 79% were from male applicants and 21% from female applicants. Of the loans approved as at 30<sup>th</sup> June 2013, 76% were to male entrepreneurs while 24% were to female entrepreneurs.

Approved Applications	Volume	Value
<b>Total Approved</b>	79	€1.264M
<b>Start-Up (&lt;18 months)</b>	47	
<b>Existing</b>	32	
<b>No. of Ltd. Co.</b>	43	
<b>No. of Sole Traders</b>	33	
<b>No. of Partnerships</b>	3	
<b>Female</b>	19	24%
<b>Male</b>	60	76%
<b>Youth (&lt;25 years)</b>	4	





# **Microfinance Ireland Report on Awareness and Publicity for the Microenterprise Loan Fund Scheme January to June 2013**

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**This is the First Report on Awareness and Publicity for the Microenterprise Loan Fund Scheme covering the period January to June 2013.**

## National and Local Radio Advertising

Following the initial promotional launch phase of the Microenterprise Loan Fund Scheme, national and local radio advertising continued throughout the period of January to June 2013 in order to create overall general awareness of Microfinance Ireland and promote key messages including –

- Loan availability to viable businesses that have difficulty in accessing credit
- Loans from €2,000 up to €25,000
- Available to both existing and new start up microenterprises
- For more information contact your local County and City Enterprise Boards or,
- Visit the Microfinance Ireland website.
- Supporting Jobs in the Community.

During this period two main bursts of advertising were commissioned to support both national and local audience reach including Newstalk, an RTE Prime Time Listenership Radio Package and 21 local radio stations around the catchment areas of the local County and City Enterprise Boards.

County specific audio clips featuring the Chair of MFI being interviewed were syndicated to all local radio stations and replayed on news slots.

## Print Advertising and Media Coverage

Print advertising during the period was confined to a one page advert in the ISME Annual Year Book.

Targeted media releases resulted in coverage of MFI and its activities across a range of both national, local and sector specialist publications including –

Irish Examiner, Sunday Business Post, Irish Times, Irish Independent, Irish Daily Mirror, Evening Echo, Nenagh Guardian, Irish Farmers Monthly, Autotrade Journal, Accountancy Plus, In Business Yearbook, Women Mean Business, Beauty Plus.

## Access to Finance Seminars and Breakfast Briefings

Microfinance Ireland initiated joint seminars and briefings in conjunction with CEBs throughout the country aimed at both general and sector specific audiences such as Women in Business, Ethnic Entrepreneurs, Existing Business and Start Up groups, Local Business Advisors including Accountancy Firms and Banks.

Audiences at these events ranged in number from 15 up to 120 with 11 events of this type held since January, 2013.

In June, MFI also presented at the South East Regional Management Development Annual Conference hosted by seven regional CEBs and attended by over 200 local businesses.

## **Business Conferences and Networking Events.**

MFI was represented at a range of events including –

- Cork Meet 2013 two day event – MFI Stand and brochureware
- EI/Teagasc/Bord Bia Food Works Programme – MFI stand and interview area.
- National Business Expo RDS weekend event – MFI Stand, presentation.
- National Womens' Enterprise Day CEB event – MFI Stand
- Attendance at DIT Hothouse Awards Ceremony
- Limerick Who to Talk to Event – MFI stand and presentation.

Other events attended included ISME National Briefings, relaunch of Inner City Enterprises, SFA national conference, Launch of LEO SLA and new logo.

## **MFI CEB Visitation Programme**

Building on preliminary MFI briefing sessions for CEB Staff and Management held in 3 regional centres in late 2012, a visitation and joint engagement programme to the countrywide network of CEBs was conducted during the January to June period. This involved visits to individual CEBs and in some instances joint engagement with CEBs at relevant events throughout the country. The purpose of this programme was to strengthen relationships between MFI and CEB teams, share best practises, gather feedback and suggestions for future review and refinement of the scheme and explore opportunities to promote joint initiatives in support of local enterprise. MFI brochures are on display in CEBs offices throughout the country.

## **MFI Engagement with Banks**

Following initial engagement with AIB, Bank of Ireland and Ulster Bank in promoting awareness of MFI amongst declined applicants, MFI brochures are available throughout bank branches. There is direct reference to MFI in Bank of Ireland declined loans letters up to €25k. Further meetings are in course with the banks to review this activity and explore other avenues and promotional activities in order to reach declined applicants and encourage them to apply for funding to MFI.

## **MFI Engagement with Dail Deputies**

MFI wrote by email to all Dail Deputies outlining the MFI scheme and ways in which they could help in supporting awareness of the Loan Scheme amongst their constituents. In addition, MFI brochures were distributed to the Deputies for display in their local offices.

## **Sponsorship**

MFI sponsored the Best Retail Start Up Category in the national StartUp Awards.

These awards attracted over 300 entries from micro and small business throughout the country across all sectors. MFI was mentioned in all relevant media, website and publicity material both during the run up to the awards, at the awards ceremony and post awards publicity.

## **Digital Marketing**

The MFI website attracted over 15,000 visits during this six month period. Traffic increases were recorded to the website during both of the 2 week radio advertising campaigns by up to 150%.

MFI Twitter followers are increasing at a rate of 60 per month.

Over the coming months, it is planned to refresh and refine the MFI website in order to maximise this increasingly important advertising medium.