



PRESS RELEASE

Brussels, Berlin and Munich, 03 November 2020



Connecting impact investors with social enterprises: the European Social Innovation and Impact Fund launches after a successful first closing

- **A unique, innovative fund to close the financing gap for early-stage European social enterprises while supporting the ramp-up of social innovation**
- **Currently the only European impact fund that provides mezzanine capital and is partially secured by a European Investment Fund (EIF) guarantee**
- **Eminent institutional and private investors committed €4.5 million in capital to the ESIIF at first closing**

It is more important than ever before to support the ramp-up of social innovation and boost investments into early-stage social enterprises. The European Social Innovation and Impact Fund (ESIIF) will immediately strengthen impact investing in the European Union, helping to ensure that outstanding impact business models are poised to scale sustainably.

With their partners the European Commission and the European Investment Fund (EIF), avesco Management GmbH and the Financing Agency for Social Entrepreneurship GmbH (FASE) are delighted to announce the ESIIF's first closing today. The ESIIF aims to connect early-stage social

enterprises with impact investors looking for more than just financial returns from their commitments. Thanks to its unique characteristics, this special alternative investment fund (AIF) has already found favour with several noted investors and attracted capital commitments totalling €4.5 million to date. Potential professional and semi-professional investors in Germany have the choice between a senior and a junior tranche with different risk-return profiles.

Partial guarantee provided by the European Union

The [EaSI-Guarantee](#) was granted for the first time to an impact fund in Germany. This guarantee covers losses of the fund's investment of up to €3.2 million of the fund's target volume of €20 million. The EaSI guarantee, backed by the European Union and implemented by the European Investment Fund, aims to significantly improve the financing ecosystem for social enterprises and, by covering the risk, attract investors who have steered clear of impact investing so far.

European Commissioner for Jobs and Social Rights, Nicolas Schmit, explained: *"The added value of social enterprises is clear, but often, getting access to finance is the missing link. This EU-backed fund will connect early-stage social enterprises with investors so the entrepreneurs can get their ideas off the ground. We must keep investing in the social economy, to create jobs, to help improve people's lives and to strengthen our societies' resilience. This is more important than ever in the context of the crisis."*

The Chief Executive of the European Investment Fund, Alain Godard, said, *"With the social enterprise ecosystem still embryonic, EU programmes will catalyse financial support for social entrepreneurs. The EaSI-funded instrument will supplement existing EIF financing for this type of enterprise by closing the financing gap for companies that normally have only limited access to funding."*

The ESIF offers investors a unique opportunity to participate in social innovations in a sustainable and impactful way that goes beyond making donations. More capital than ever is necessary to find and foster new, entrepreneurial and effective solutions for the pressing issues of our time, in sectors such as healthcare, inclusion, education and the environment.

Investors in the ESIF include well-known names that have joined the fund in pursuing its mission. So far, commitments have been made by private individuals, family offices and institutional investors, such as Investitionsbank Berlin (IBB) and GLS Treuhand. *"The IBB has been supporting the cause of social entrepreneurship for some time now. The coronavirus pandemic has not changed this. In fact, it has strengthened our commitment. Social enterprises connect business- and market-oriented thinking with social and environmental added value, while aiming to bring about sustainable societal change. As a promotional bank, we feel particularly attached to this belief,"* said Dr. Jürgen Allerkamp, Chairman of the Executive Board of IBB, as an explanation for the bank's commitment.

More investors wanted to help fund effective, innovative impact solutions

Impact-oriented investors can still participate in this unique impact fund within the next 12 months. Discussions with the first innovative social enterprises as potential target investments are already in full swing. Before the end of 2020, the fund will issue the first mezzanine capital in the form of

subordinated loans to outstanding social enterprises who effectively address the pressing social and environmental problems of our time.

Further information

The ESIF, a closed, special AIF, is intended exclusively for German professional and semi-professional investors. The target volume of the fund is €20 million with a tenure of 10 years (with two renewal options of one year each if necessary). The broadly diversified target portfolio of around 60 social enterprises from EU countries will generally focus on a wide range of impact areas such as education, health, social services and the environment. For further information about the fund, please visit www.esif.de/en/. Additional insights into social enterprises and their solutions can be found with multiple examples on the FASE website: www.fa-se.de/en/category/projects/

About the European Investment Fund (EIF)

The European Investment Fund (EIF) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized businesses by helping them to access finance. The EIF designs and develops venture and growth capital, guarantees and microfinance instruments, which specifically target this market segment. In this role, the EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

About the Programme for Employment and Social Innovation

With the EU Programme for Employment and Social Innovation (EaSI), the European Union is supporting microfinance and the funding of social enterprises with a total of €193 million over the 2014-2020 period. The aim is to improve access to microcredit, i.e. loans of up to €25 000, especially for micro-enterprises and the socially vulnerable. For the first time, the European Union is also supporting social enterprises with investments of up to €500 000. Support for microfinance and social entrepreneurship is initially provided through the EaSI guarantee, allowing microcredit lenders and social enterprise investors to become involved in companies they would otherwise not have been able to finance because of the risk. The European Union has chosen the EIF to implement the EaSI guarantee.

About avesco Management GmbH

Avesco Management GmbH, a wholly owned subsidiary of [avesco Financial Services AG](http://avesco-financial-services.com) and part of the avesco Group, handles the management of the fund. With the motto, "How money can make the world a better place," avesco develops sustainable financial instruments specialising in impact investment.

About the Financing Agency for Social Entrepreneurship (FASE)

The fund initiator [FASE – Financing Agency for Social Entrepreneurship](http://www.fase.de) has been successfully promoting the financing of social enterprises and the growth of social innovation in Europe for more than six years. FASE connects exceptional social enterprises with impact-oriented investors by providing social enterprises with comprehensive advice on financing issues, approaching investors as well as structuring transaction processes. To date, FASE has mobilised more than €25 million in impact capital in over 50 transactions.

For further information:

avesco Management GmbH
Laura-Marie Schneider, tel.: +49 30 288767-11
Email: laura-marie.schneider@avesco.de

Financing Agency for Social Entrepreneurship (FASE)
Christina Moehrle
Email: cmoehrle@fa-se.de

European Investment Bank

Christof Roche, tel.: +352 4379 89013, mobile: +32 479 65 05 88

Email: c.roche@eib.org,

Website: www.eib.org/press - Press Office: +352 4379 21000 – press@eib.org

European Commission

Flora Matthaes, tel.: +32 2 298 39 51

Email: flora.matthaes@ec.europa.eu