



InvestEU Advisory Hub – Social Investment and Skills Window

# SIFTA – SOCIAL INCLUSIVE FINANCE TECHNICAL ASSISTANCE

TOPIC: EU INSTRUMENTS AND PROGRAMMES FOR MICROFINANCE AND SOCIAL ECONOMY

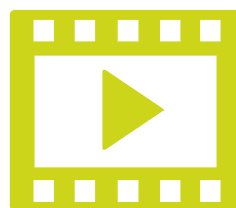
DATA: 31 MAGGIO 2024

# Session Structure & House Rules

Welcome to the SIFTA webinars on the topic of  
EU instruments and programmes for microfinance and social economy



90 minutes  
+ Q & A



Webinar  
Recording



Ask us  
questions



Slides will be  
shared via  
email

# Speaker Profiles



**Cyrille Langendorff**, Managing Partner e Investment Manager di Phitrust

Cyrille began his career in investment banking, working for 15 years for Banque Paribas and ABN AMRO Bank in Abidjan, London and Paris. Prior to his current position as Investment Director, Cyrille was a Director at Crédit Coopératif, having spent four years analysing and monitoring for CC the solidarity investment portfolio of the investment funds managed by Ecofi Investissements in France and the european investments made with CC's partners, the European Federation of Ethical and Alternative Banks (FEBEA) and the Global Alliance for Banking on Values (GABV). He was the rapporteur for the French National Advisory Board's report on Social Impact Investment (2014) and was President of the French National Advisory Board (NAB) from 2017 until 2024. He's board member of the Global Steering Group for Impact Investment (GSG Impact), chaired by Sir Nick Hurd. Since 2022, Cyrille is associate director at Phitrust.

# Brief overview of Social and Solidarity Enterprises in France

# Brief overview of Social and Solidarity Enterprises in France :

Legal status : Associations, foundations, cooperatives and mutuals.

1st Social and solidarity law in 2014 (celebrating 10 years this year) introducing :

- **A label : « Entreprise solidaire d'utilité sociale » (ESUS)** with 3 criteria : participating governance, cap on remuneration (7x minimum salary) ; social activity impacting profit and loss account ;
- **A new legal status, « commercial business of the social and solidarity economy »** : classical company (SA , SARL) that put in its articles of associations characteristics of ESUS. Ministry of Finance publishing regularly a listing of ESUS companies by regions and by legal status. According to 2023 statistics, nearly 2000 ESUS in France are referenced, one third are commercial businesses with social impact.
- **Innovative financial instruments** : equity for associations (« titre associatif », first introduced in 1985), bonds for associations (« obligations associatives »), social impact bonds and bonds for foundations.



First to experiment these innovative tools : **ADIE** (Association pour le Développement de l'Initiative Economique), first private microcredit operator in France. 9M € of Titre associatifs issued in 2015 (10M in 2022) ; first social impact bond issued 1.3M 2017-2020 focus on job creation in rural areas, first results above expectations.

These securities are used by impact funds to invest in social economy organizations. Among them :



## Solidarity-based investment funds (also called « 90/10 » funds)

- Investing a minimum of 5% and up to 10% in ESUS labelled organizations ; the rest is invested in listed market securities (according to SRI principles)
- Launched in 2001 ; part of employee-savings scheme funds' proposal to employees.
- AUM at end 2022 : 15.3bn € vs 2.7bn € end 2022 (total solidarity based savings 26.3bn ; 0.45% of French household savings) ; funds very popular among French private individuals
- Investing mostly in debt (promissory notes), very simple instrument = IOU with « solidarity » interest rates (1% to 2% today)

**Among the beneficiaries : ADIE, France Active Investissements that promotes job creation in France + French based Micro Finance Institutions operating in the South (SIDI, MFS)**

## Social impact investment funds : Phitrust Partenaires (AUM 40M €)

Investment company launched in 2006 investing in equity and quasi equity in social businesses (mostly with the ESUS label), also bringing mentoring and coaching to the entrepreneurs.

Investment thesis focusing on inclusion of vulnerable people through housing, employment, education etc...

Investments focusing on microfinance, **in France** investment in Micro Finance Solidaire in 2010 (280k), **In Italy** investment in PerMicro in 2010 (780k), **in Spain** investment in MicroEurope in 2022 (260k).

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## **Launch of ‘Phitrust Partenaires Inclusion’ in 2023 with EIF funding** (on InvestEU 26.2bn € guarantee / social investment and skills 2.8bn € window, microfinance is among the areas targeted by this policy) :

Each national bank signing with EU Commission : CDP, CEB, etc...to distribute this guarantee either directly or through fund.

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**“Phitrust Partenaires Inclusion” thesis : scaling social businesses fostering inclusion of vulnerable population in Europe.**

First investment of the fund is in Italy : social housing operator Homes4all



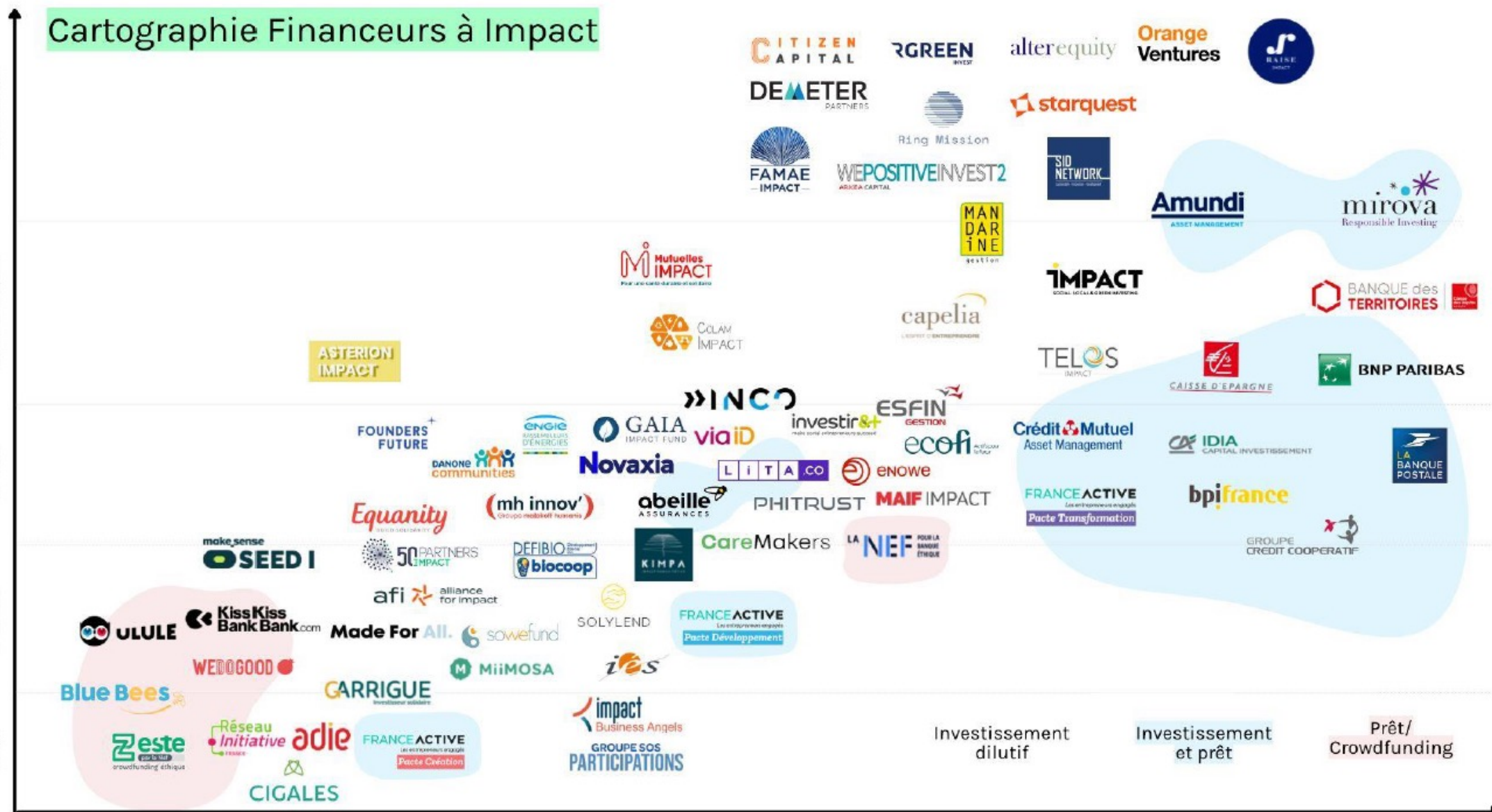
## Conclusion : Maturity of the French social impact market

- ✓ Diversified and adapted Investment tools for **social economy organisations**
- ✓ Broad range of impact funds covering all the needs of social businesses (from pre seed/seed to development stages)
- ✓ More than 1M private individuals possessing at least one solidarity-based savings products : impact investments is not only for High Net Worth Individuals.

# Cartographie Financeurs à Impact

TICKET DE FINANCEMENT

PLUS DE 3 M€  
ENTRE 1 ET 3 M€  
ENTRE 300 K€ ET 1 M€  
ENTRE 50 K€ ET 300 K€  
MOINS DE 50 K€



AMORÇAGE

DÉBUT D'ACTIVITÉ

DÉVELOPPEMENT / CHANGEMENT D'ÉCHELLE

INTERNATIONALISATION / ESSAIMAGE

PHASE D'INVESTISSEMENT



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For more information, about:

Project Advisory, Capacity building and Market Development services, contact:  
[sifta.support@fs.de](mailto:sifta.support@fs.de)

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