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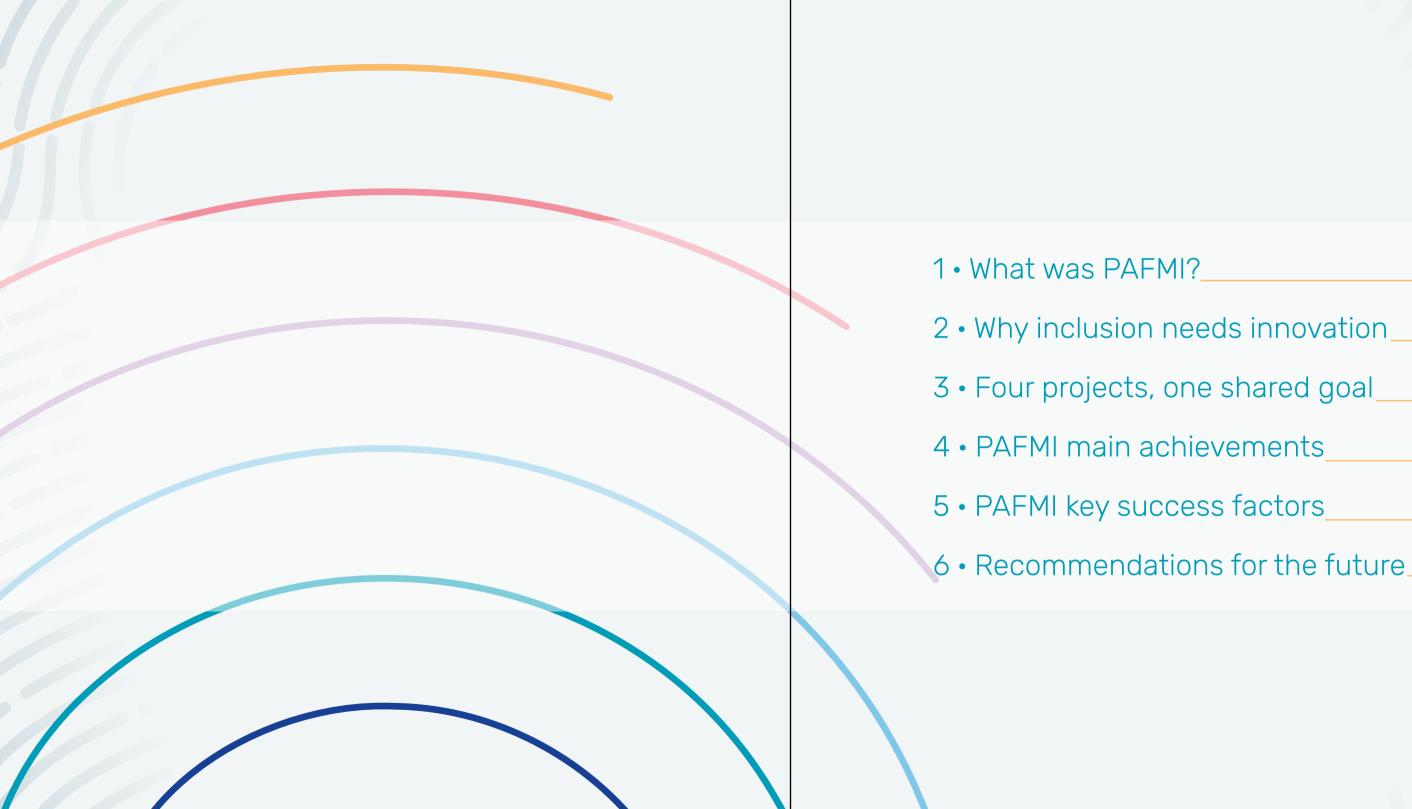




Microlab

microstart





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1 • What was PAFMI?

PAFMI was a European Union-funded initiative aimed at improving the inclusion of migrants¹ in European Union (EU) countries through employment and education opportunities supported by new forms of financing.

Managed by the Council of Europe Development Bank (CEB), and financed by a EUR 3.5 million grant from the EU Asylum, Migration and Integration Fund (AMIF), PAFMI consisted of four projects, implemented in Belgium, Finland, Italy and the Netherlands, which tested the use of financial instruments – such as grants blended with CEB loans – for migrant inclusion.

Supporting the creation of partnerships between microfinance institutions (MFIs), non-governmental organisations (NGOs), public institutions and universities, PAFMI projects provided tailored support, such as training and mentoring, which paved the way towards access to finance for migrants to facilitate integration and the building of sustainable livelihoods. The initiative was implemented between 2022-2025.



2 • Why inclusion needs innovation

Migrants account for a substantial share of the population in Europe – almost 24 million people living in the EU are citizens of non-member countries, i.e. 5% of the total population. Yet, in addition to physical displacement, migrants often experience financial exclusion, limited access to services, and barriers to employment or entrepreneurship.

In the past 10 years, only 20% of all AMIF funds were dedicated to integration measures, underscoring the need for novel approaches to leverage additional funds for migrant integration.



1. Whenever used in conjunction with PAFMI, the term "migrant" refers to third country nationals residing in the EU.

3 • Four projects, one shared goal

By forming close local partnerships, the four PAFMI projects aimed to address the financial and social inclusion needs of migrants, with a particular focus on the promotion of employment – entrepreneurship included – and education opportunities.

BELGIUM'S MICROSTART BUILDING BUSINESSES, CHANGING PERSPECTIVES

Under PAFMI, the Belgian microfinance institution partnered with hub.brussels, a public entrepreneurship support agency, to foster the inclusion of migrants in Brussels through entrepreneurship. The **Integration of Migrants in Brussels through Entrepreneurship and Self-Employment** project provided awareness-raising activities, entrepreneurship training and coaching, as well as access to finance for non-EU migrants and refugees (with a legal residence in Belgium) wishing to start their own business.



a L'ENTREPRENEURIAT



Daniel Andres Cisneros Perez Microstart Beneficiary

I make artisanal tortillas which are 100% gluten-free and vegetarian. I applied to a lot of banks that refused me a loan. That's when Microstart came along, and helped me a lot in the project to get started."

SMILE STRENGTHENING COMMUNITIES IN FINLAND

The **SMILE (Strengthening Migrant Family Integration through New Dialogue Methods with Communities, Schools and Services in Vantaa Neighbourhoods)** project was led by the City of Vantaa in partnership with the Laurea University of Applied Sciences. The project focused on promoting the integration of migrant families through a community-based approach, involving and connecting families, schools, NGOs and local public services. In addition to providing employment support for parents, SMILE collaborated with schools to organise integration activities for migrant children.





Emine Kurhasku SMILE Beneficiary

This project was useful for me, and for our entire community. SMILE was also helpful for our children, who were able to participate in activities like football or basketball. These activities were free, which was very important for us as newcomers, and helped the children to feel equal to others. SMILE was the first step towards integration in a new country."

EMPOWER! UNLOCKING POTENTIAL IN ITALY

The **EMPOWER! (Empowering Migrants in Professional Welfare and Economics)** project was led by Associazione Microlab, a voluntary association that promotes social inclusion in Italy through mentoring and training to support entrepreneurship and financial education. Bringing together municipalities, NGOs and the microfinance institution PerMicro, to address migrant inclusion in the Piedmont region, EMPOWER! provided migrants with career counselling, entrepreneurship and financial literacy training, in addition to access to microcredit. Migrants also received assistance with the validation of foreign qualifications and with career guidance.





Maryna Pelykh Microlab Beneficiary

When I arrived in Italy from Ukraine, I didn't know how to get recognition for my [pharmacy] degrees. And no one knew how to help me. That's when I met the A Pieno Titolo ("A Full Title") association, and we went step by step to get recognition for the degrees."

QREDITS EMPOWERING ENTREPRENEURS IN NETHERLANDS

Qredits, a microfinance organisation in the Netherlands, partnered with the Dutch Council for Refugees (VluchtelingenWerk Nederland) and the Netherlands Chamber of Commerce (KVK) to carry out the **Entrepreneurial Training Programme for Migrants**. The project, implemented in close cooperation with Dutch municipalities, taught migrants the fundamentals of entrepreneurship, from launching to managing a successful business. Participants were also provided with access to business coaches and microcredit.





Salih Cansiz Qredits Beneficiary

I didn't want to be on welfare [when I arrived here]. I wanted to work for a living and save. I attended the entrepreneurial training school and did an internship. And now, I have started my own company and received a loan from Qredits. With that money, I was able to buy my company van and materials."















4 • PAFMI main achievements

More than **3 000** migrants

were informed of entrepreneurship and employment options at local level

Over 1200 migrants

benefitted from self-employment and entrepreneurship support services (i.e., coaching, training, advice)

77 gained access to a microloan

Over **600** migrant families participated in family integration activities

848 coaches, social workers and cultural mediators were trained in migrant financial inclusion

47% of whom

were female

21% of whom

were under 29 years of age

22% of whom

were female

5 • PAFMI key success factors

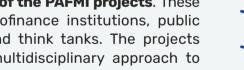
The following critical success factors were identified in the independent PAFMI Final Report on Best Practices and Lessons Learned:²

Blended finance

Combining grants and loans made it possible to access additional resources and involve financial actors in migration inclusion. Migrants benefitted from grant-funded activities (e.g. training), and gained access to microcredit, while implementing partners were able to increase the impact of their loan-funded activities (e.g. for the refurbishment of schools in Vantaa, Finland) with grant-funded activities. The projects also increased the awareness of financial actors about the specific needs of migrants.

Partnerships and local leadership

Partnerships were key to the success of the PAFMI projects. These included collaborations between microfinance institutions, public administrations, NGOs, universities and think tanks. The projects demonstrated the importance of a multidisciplinary approach to integration, offering migrants a choice of services based on their needs. Active engagement of local actors enabled faster coordination, robust partnerships, and smoother delivery. It also increased the likelihood that effective approaches would be sustained or scaled up after the pilot phase. Training of social workers also proved to be an effective means to amplify integration efforts.







Tailored services

Projects adapted their materials, formats and delivery methods in accordance with migrant needs. Training modules were offered in multiple languages and delivered in flexible time slots, case studies reflected participants' own realities, and coaching was provided in familiar community settings. This increased the accessibility and impact of programmes. Financial education and awareness-raising played an essential role in debunking misleading information received elsewhere. Finally, helping migrants to navigate the conversion system for educational credits obtained in their home countries proved crucial in accessing employment.

When supported with targeted funding, microfinance institutions can offer more than just loans - they can also provide personalised guidance to help migrant entrepreneurs succeed. Tailored business development services, such as coaching, workshops and one-on-one mentoring, were a key element of the PAFMI projects, helping migrants to better understand their markets, fine-tune their business models and gain the confidence to apply for funding. In this way, sustained support made financial tools more accessible and more effective.

Trust building

PAFMI pilot projects worked closely with migrant-led associations, volunteer ambassadors and cultural mediators to be more effective in recruiting and retaining participants. These intermediaries served as bridges - not only translating language, but also building rapport, explaining services in culturally sensitive ways and validating participants' lived experiences. This helped to translate the existing need for integration support into demand for such services. Migrant-led organisations were also actively involved in the delivery of project activities.

Active engagement of MFIs



6 • Recommendations for the future



For the European Union and other donors

- Scale up and institutionalise successful practices, such as multilingual business information, tailored training, and migrant-focused support networks.
- Raise awareness among public authorities of the benefits of financial inclusion, incorporating financial education within broader migrant integration strategies.
- Narrow thematic scopes for future calls for proposals, and seek co-financing with national authorities to increase scale and efficiency.
- Extend project durations to move beyond start-up phases and maximise impact.
- Establish and utilise scaled-up funding programmes that can address the needs of a larger beneficiary base (e.g. including people of migrant background).

For implementing organisations

- Continue collaborating with migrant community actors to improve outreach, trust and relevance.
- Incorporate follow-up support for migrants beyond project lifecycles, particularly with respect to accessing financial instruments (e.g. microcredit).

For national and local stakeholders

- Ensure that financial training is offered by reception centres and social services, and provide capacity-building for frontline staff in this respect.
- Continue to foster multi-stakeholder collaboration on integration support efforts through local forums involving banks, NGOs and public institutions.
- Maintain accessible, guided services for the recognition of educational and professional credentials, to improve employability and integration.



Anita Vella Head of Unit, Legal Pathways and Integration DG HOME, European Commission

> PAFMI has demonstrated what can be achieved when financial and non-financial actors join forces, and when grants and loans are effectively combined The CEB looks forward to collaborating on similar projects in Europe, using this valuable experience from PAFMI to reach many more vulnerable people".



Jasmina Glisovic Head of Grant Operations and New Instruments Division Council of Europe Development Bank (CEB)

By joining forces, the [European] Commission has managed to leverage financial resources and innovative financing. This aligns with our broad objectives of enhancing migrant integration and independence, as well as driving more collaboration and partnerships across [EU] Member States. We will be encouraging other Member States to inspire themselves from this dual model of practical training and access to finance. We would [also] like to see how the private sector can be part of such partnerships".









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