



**Dr. Werner Hoyer  
President  
European Investment Bank**

**7th European Microfinance Ceremony  
'Microfinance and Access to Education'  
Luxembourg, 17 November 2016**

*(To be checked against delivery)*

Your Royal Highness,

Minister Schneider,

Mr Anthony Lake, Executive Director of UNICEF

Minister Jean Martin Coulibaly [Minister of National Education and  
Literacy, Burkina Faso],

Distinguished guests,

Members of the High Jury,

Ladies and gentlemen,

It gives me great pleasure to welcome you to the European Investment Bank and the 7<sup>th</sup> European Microfinance Awards ceremony.

Today's event coincides with the **10<sup>th</sup> Anniversary of the European Microfinance Platform**, which EIB founded as a joint multi-stakeholder initiative to promote common European values in international development. Time and again, the European Microfinance Platform has proved its relevance by engaging in challenging topics and by offering us a reputable platform for knowledge sharing and debate.

I am very pleased to see that Mr Lamarin Sadio Diallo, CEO of Crédit Rural de Guinée, is with us today. Crédit Rural de Guinée was the winner of last year's award for **the provision of financial services in post-disaster and post-conflict areas, and in fragile states**. Mr Diallo's organisation is a good example of how microfinance, and more broadly financial inclusion, can be a lifeline for entrepreneurs or even entire societies that are ignored by traditional banks for either economic or political reasons.

Tonight's ceremony is the crowning event of Luxembourg's European Microfinance Week. As in previous years, practitioners have seized the opportunity to discuss all aspects of financial inclusion, including a number of critical issues which remain to be resolved.

The theme of this year's competition is **access to education**. This topic is very close to my heart. *[Until 1994, I taught international economics at the University of Cologne.]* The impact and power education brings is life-changing for any individual. And in the same way societies are shaped by the level of understanding and forms of interaction between its people and with the surrounding societies, setting the ground for future generations.

Although progress has been made, the world failed to meet the Millennium Development Goal of achieving universal primary education by 2015. Let me highlight a few facts: in 2013, the latest year for which figures are available, 59 million children of primary school age were out of school.

Estimates indicate that, of these 59 million children, 1 in 5 had dropped out of school. Recent trends suggest that 2 in 5 out-of-school children will never set foot in a classroom.

The **Sustainable Development Goals** (specifically, SDG No 4 “*Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*”) clearly recognize that this gap must be closed, as the international community more explicitly addresses the challenges of quality and inequality.

SDG Goal 4 strongly supports the reduction of persistent inequalities. In 2013, there were 757 million adults (aged 15 and over) worldwide who were unable to read and write. Two-thirds of them were women. In that same year, 1 in 10 girls were out of school, compared to 1 in 12 boys. Children from the poorest 20 per cent of households are nearly four times more likely to be out of school than their richest peers. Out-of-school rates are also higher in rural areas and among children from households headed by someone with less than a primary education.

As a former deputy foreign minister, I can confirm that missing these critical targets by such a wide margin casts a very bad light on the western world. What is more, it undermines the credibility of industrialised countries with regard to meeting the objective of universal education.

As the president of the European Investment Bank, please allow me to make another point: quite apart from the moral precept of social justice, education is also one of the best – if not the best – investment one can make.

There is nothing, anywhere in the world, which benefits society and individuals more than additional years of schooling. This is just one of the reasons for which the EIB is strongly committed to reducing social inequalities both within Europe and worldwide.

Over the last 15 years, we have signed over EUR 36bn of financing for education projects around the world. I would like to mention a few of our many initiatives in this field:

- Our loan to Spain's Microbank, a specialist subsidiary of CaixaBank, will help over 2,000 Spanish students bear the costs of studying for master's degrees in countries participating in the Erasmus+ Programme. This is the latest in a series of EIB Group operations aimed at improving access to higher education in the EU. Our subsidiary the European Investment Fund is particularly active in this area through the Erasmus+ Master Loan Guarantee Facility which is expected to help 200,000 students finance their master's studies by 2020.
- Our equity participation in the Euromena Fund facilitated the opening of a school in a refugee camp in Lebanon. Syrian refugee children who had not attended school for up to four years were able to return to the classroom studying cloud-based material using inexpensive tablets.
- Last but not least, we have made numerous loans in support of the education systems of individual EU member states. For the most part, these funds are used to improve or extend university and school facilities.

Microfinance has a clear role to play in furthering the objective of education for all. So, I would like to congratulate the organisers of the competition: the European Microfinance Platform (e-MFP) and the Inclusive Finance Network Luxembourg (InFiNe) in cooperation with the Luxembourg Ministry of Foreign and European Affairs - Development Cooperation and Humanitarian Affairs - for bringing us together to celebrate some success stories that will serve as a beacon of hope and inspire others to follow suit.

The three finalists shortlisted - by the Selection Committee out of the 30 applications from 19 countries - have all demonstrated their commitment to providing finance in support of universal education.

In no particular order, let me briefly name them:

**Fundación Génesis Empresarial** is based in Guatemala and offers students from low-income families customised loans for university studies and post-secondary vocational training. The Fundación also offers complementary services such as job-placement fairs, career mentoring, financial education and job placement via strategic partners.

**Kashf Foundation** is addressing the need for low-cost education in Pakistan by providing loans to inexpensive private schools. The Foundation also offers training for teachers to improve standards of teaching, and specialised school management courses for school owners to improve school infrastructure and financial and operational administration.

**Opportunity Bank of Uganda** operates in a country with an underfunded public education system where only 25% of children complete primary school. Opportunity Bank helps children stay in school by extending loans to their parents to cover school fees, helping families build a safety net for their children's education. It also gives credit to low-cost private schools to cover cash-flow and other financing needs,

Before we hear the news from last year's winner - Crédit Rural de Guinée – allow me to recall the strong and long-lasting partnership between EIB and **the Government of Luxembourg**.

- Since 2008, the total support under our partnership has reached nearly EUR 12 million. We have provided funding for over 30 microfinance projects in some 20 countries for capacity building, training and risk management purposes.
- I would also like to mention the Luxembourg Microfinance and Development Fund, a public-private partnership, which EIB joined earlier this week, as well as MicroLux, the first microfinance institution for Luxembourg. Microlux was incorporated on March 31<sup>st</sup> 2016 as a joint initiative by ADA, BGL BNP Paribas, Adie and EIF.
- These joint initiatives rely on many other partners, including NGOs, donors, governments, European and international development finance institutions, as well as the European Commission.

I am sure that we can all learn from the example set by the participants in this year's competition. Their innovative approaches to tackling the world's social inequalities will undoubtedly play a key role in moving us closer to the goal of education for all.

Thank you very much for your attention!