MICROFINANCE CENTRE

Unmet Demand for Microfinance in the European Union: Financing Gap Assessment

Contents

Executive summary

The 2026 *Financing Gap Report* provides an updated assessment of the business microcredit financing gap in the European Union. It builds on the 2019 baseline calculations from the 2020 study *Microfinance in the European Union* and refreshes those estimates using recent data, including Eurostat indicators, Global Entrepreneurship Monitor (GEM) survey results, and the ECB's 2025 SAFE survey. Since 2019, Europe's entrepreneurial landscape has shifted, marked by a growing number of solo entrepreneurs in several Member States – a group heavily impacted by limited access to external finance. Because microfinance remains vital for those facing structural barriers to traditional banking, an updated market gap assessment is both timely and necessary.

Key findings of the report

The microcredit financing gap

Bank credit is the form of external financing microenterprises would most prefer in order to fund future growth, cited by 60% of respondents, yet 13% face real barriers to accessing it. Nearly 9% either did not apply out of fear of rejection or declined an offer on unacceptable terms, while a further 3.6% were rejected outright or received only a fraction of the funds requested.

Microfinance providers – non-governmental organisations, non-bank financial institutions, credit unions, and banks with dedicated products – exist to serve these borrowers. Three quarters of providers report a very high share of clients previously excluded from conventional banks. At the end of 2024, their total gross microcredit portfolio of business loans reached EUR 3.5 billion, serving roughly 330,000 active borrowers.

The assessment shows a substantial gap between the demand for microcredit in the EU and the supply currently available:

- **Total size of the target population for business microcredit:** an estimated **34.7 million** potential and existing enterprises across the EU.
- **Size of unmet demand: 2.3 million** potential and existing enterprises face credit constraints annually, including individual farms in Eastern Europe.
- **Value of unmet business microcredit demand:** an estimated **EUR 16.5 billion**. Demand from existing enterprises (solo entrepreneurs, microenterprises, and individual farms) totals **EUR 9.9 billion**, and demand from potential and new business founders **EUR 6.6 billion**.
- **Scale of expansion needed:** meeting full market demand would require a **seven-fold increase** in the number of borrowers served and a **five-fold increase** in the value of microcredit supply.

Demand breakdown by target group

Credit constraints vary significantly across client segments, with solo entrepreneurs and potential new business founders out of social exclusion together accounting for around two thirds of the constrained enterprises:

- **Solo entrepreneurs: 840,000 loan applications** and **EUR 4.2 billion** in unmet demand annually, the largest constrained group in absolute terms.
- **Potential new business founders out of social exclusion: 714,000 applications**, totalling **EUR 3.6 billion** in unmet demand.
- **New business founders: 300,000 applications** and **EUR 3.0 billion** in microcredit demand.
- **Existing microenterprises (1–9 employees): 229,000 applications** valued at **EUR 3.4 billion**.
- **Individual farms (Eastern Europe): 225,000 applications**, totalling **EUR 2.3 billion**.

Financing gap evolution since 2019

Compared with the 2019 calculation, the total number of enterprises with unmet demand has grown by **9%** (**+195,000** enterprises), while the estimated value of that demand has increased by **29%** (**+EUR 3.7 billion**). The sharpest increase occurred among solo entrepreneurs, where the number facing constrained credit access rose by **30%**.

Changes in unmet demand reflect shifts in the size of each target group and changes in their degree of financial exclusion. The EU population at risk of poverty and social exclusion declined slightly over the period, translating into a small decrease in potential new business founders in need of microcredit. Conversely, the number of solo entrepreneurs grew substantially – notably in France, the Netherlands, and Germany – alongside growth in the number of new business founders, while the number of individual farms in Eastern Europe declined.

Demand for non-financial services

Financial support alone is often insufficient to overcome the barriers entrepreneurs face, driving a parallel need for business development services (BDS). Recognising this, most microfinance providers (68%) deliver non-financial support alongside credit.

Close to **one million** potential and existing enterprises could benefit from non-financial services of varying scope and intensity, with a total estimated value of **EUR 2.3 billion**. Potential new business founders out of social exclusion represent the largest share of this demand (**571,000 enterprises/EUR 1.7 billion**), followed by new business founders (**150,000 enterprises/EUR 450 million**). The first group requires a comprehensive package covering idea development, business planning, and financial management, while new business founders need support in launching products and services; established enterprises with existing business experience require lighter, targeted capacity building.

Geographic concentration

Unmet credit demand is heavily concentrated in the largest Member States: France (EUR 2.6 billion), Italy (EUR 2.4 billion), and Germany (EUR 2.2 billion) account for the highest absolute values. Italy leads in constrained potential founders (207,000), France in new founders and solo entrepreneurs (59,000 and 176,000), and Germany in established microenterprises (51,000). Eastern Europe displays distinct agricultural constraints, led by Poland (125,000 farm applications). Relative to existing supply, the widest gap exists in Portugal (where demand exceeds supply by a factor of over 1,100), whereas in Spain and Lithuania, doubling current supply would roughly close the gap.

Methodological scope and limitations

All estimates are based on proxy measures in the absence of direct empirical evidence, applied at two levels: entrepreneurial potential and actual demand for products currently offered by microcredit providers. The results should therefore be interpreted with caution. The ECB SAFE survey – the most valuable available source on access-to-finance constraints – covers only employer enterprises, and no other survey assesses the financing difficulties of businesses with zero employees, so demand from solo entrepreneurs rests on a proxy. Furthermore, no recent empirical research tracks the entrepreneurial aspirations of people at risk of poverty and social exclusion or their propensity to start a business, and the financing needs of individual farms in Eastern Europe rely on anecdotal evidence rather than systematic research.

1. Introduction

This report presents an updated assessment of the financing gap for business microcredit in the European Union. It builds on the calculations from the 2020 study Microfinance in the European Union: Market analysis and recommendations for delivery options in 2021–2027, prepared for the European Commission, and refreshes those estimates using newly available data sources—including recent Eurostat indicators, the latest Global Entrepreneurship Monitor (GEM) survey results, and the ECB's 2025 SAFE survey. The update responds to sustained interest from EU institutions and sector stakeholders in understanding how microfinance can address the persistent financial constraints facing microenterprises and aspiring entrepreneurs.

Since the 2019 calculation, Europe's entrepreneurial landscape has changed considerably. Several Member States have seen strong growth in the number of solo entrepreneurs—one of the groups most severely affected by limited access to external finance. France, the Netherlands, and Germany stand out, each recording significant increases in self-employment that have reshaped the composition of the microcredit target population between 2019 and 2026. Microfinance continues to play a central role in promoting financial inclusion, particularly for people at risk of poverty or social exclusion who face structural barriers to mainstream banking. These shifts make an updated, evidence-based assessment of the market gap both timely and necessary.

2. Methodology

The calculation of the financing gap mainly follows the formula applied by the study on *Assessing the European market potential of business microcredit and the associated funding needs of non-bank MFIs*[1] carried out in 2017. Using the study's definitions, the methodology distinguishes between unmet demand (demand not yet served by any credit provider), followed by the market gap calculation taking into account the financing needs of underserved enterprises. The methodological approach follows three steps.

Step 1: Assessment of the total size of target groups

The assessment follows the approach of EIF Research & Market Analysis in their *Guidelines for SME Access to Finance Market Assessments (GAFMA)*[2] with a general distinction between two main target groups of clients for business microcredit: new business founders (potential and new) and existing microenterprises.

Table 1: Target groups for business microcredit

Target group 1	Target group 2
Potential new business founders out of social exclusion	Solo entrepreneurs older than 1 year
New business founders in the process of setting up a microenterprise	Microenterprises with 1-9 employees, older than 1 year
	Individual farms without legal form (Eastern Europe)

The size of these target groups can be approximated using publicly available data from Eurostat[3] and the results of the Global Entrepreneurship Monitor (GEM), which surveys the level of entrepreneurial activity in many countries[4].

Table 2: Data used for calculating total size of target groups

	Target group	Data used for calculating total size
#1	Potential new business founders out of social exclusion	Eurostat data on working-age population at risk of poverty and social exclusion GEM data on the share of population intending to start a business within three years, divided by 3.
	New business founders	Eurostat data on the working-age population GEM data on the share of population who are nascent entrepreneurs (individuals who has begun committing resources—such as time or money—to starting a business, but whose business has not yet paid wages or salaries for more than three months).
#2	Existing solo entrepreneurs	Eurostat data on the population of active enterprises (zero employees, older than one year)
	Existing microenterprises	Eurostat data on the population of active enterprises (1-9 employees, older than one year)
	Existing individual farms	Eurostat data on number of family farms (owned by an individual person) with a standard output of less than EUR 2 000 and whose household consumes less than 50% of final production.

Step 2: Assessment of the unmet credit demand within target groups (number of loan applications)

The overall gap at national level is obtained by aggregating across target segments and firm sizes. The market potential for business microcredit products is represented by the share of enterprises in Target Group 1 and 2 for whom access to finance is the main problem or they have no access to bank loans or similar formalised forms of external funding.

For Target Group 1 (potential and new businesses), the calculation takes the latest available national results of the GEM Report on Entrepreneurial Finance from 2015 and published in 2018[5]. In this report, the GEM consortium covers different issues that concern the use of finance by early-stage entrepreneurs in GEM countries.

For target group 2 (existing enterprises), data from the ECB SAFE survey 2025 related to the problems with accessing external finance.

Table 3: Methodology for approximating unmet demand for business microcredit

	Target group	Approximation methodology
#1	Potential new business founders out of social exclusion	National results in GEM Report on Entrepreneurial Finance (share of non-excluded early-stage entrepreneurs using bank finance as source of funding) GEM survey results of non-excluded early-stage entrepreneurs using bank finance as a proxy. As access to bank finance is very limited for the group of aspiring entrepreneurs faced with exclusion (relative to non-excluded groups), this proxy measure can be seen as providing a minimum estimate of the market potential for business microcredit to this target group.
	New business founders	National results in GEM Report on Entrepreneurial Finance (share of business founders using friends as source of funding) GEM survey results of early-stage entrepreneurs with friends as a source of business financing are used as proxy for the market potential of business microcredit to new business founders.
#2	Existing solo entrepreneurs	Proxy based on results of ECB SAFE survey for existing microenterprises (access to finance as their most pressing problem, multiplied by two and averaged over a three-year period) The share of businesses that see access to finance as their most pressing problem. As the available data only covers businesses with at least one employee, a proxy was developed for existing solo entrepreneurs. The proxy measure used is twice the share indicated by the ECB SAFE survey for microenterprises. Solo entrepreneurs not only face a smaller supply of accessible financial products than microenterprises and SMEs, but they also encounter severe fluctuations in income and liquidity crises more often.
	Existing microenterprises	Most recent ECB SAFE survey data on microenterprises indicating access to finance as their most pressing problem and averaged over a three-year period
	Existing individual farms	Proxy estimated at 80% of individual farms which look for external financing (estimated at 60% of individual farms). Based on experiences of MFI practitioners with this target group we assume that at least 60% of individual farms are looking for external finance on an annual basis, of which 80% have no access to mainstream financing.

Step 3: Assessment of the value of the unmet business microcredit demand

In this step, the calculated annual amount of unmet business microcredit demand is multiplied by target group-specific average loan amounts, which are approximated using results of the latest EMN-MFC overview survey[6].

Different loan averages for Eastern and for Western Europe are used, except for the target group of individual farms that are only included for Eastern Europe.

Table 4: Average business microcredit size by target group

	Target group	Average loan balance (EUR)
#1	Potential new business founders escaping from social exclusion	5,000
	New business founders	10,000
#2	Existing solo entrepreneurs	5,000
	Existing microenterprises	15,000
	Existing individual farms (Eastern Europe only)	10,000

Unmet demand for business development services

A calculation of the demand for BDS is difficult due to the lack of detailed studies and surveys. Since businesses established by people escaping from social exclusion face more barriers than enterprises run by other groups, we estimate that 80% of them will need non-financial support in setting up and developing their business. About half of the new business founders would benefit from support services on developing their business while a smaller proportion (20%) of the solo entrepreneurs, microenterprises and individual farms already experience in business would appreciate additional support[7].

Based on the information from BDS providers, the average cost of the full-service package can be estimated at EUR 3 000 per potential or starting entrepreneur, while the selected topics package is assessed as costing EUR 400 per well-established enterprises and farms.

The table below summarises the details of the financing gap calculation.

Table 5: Calculation methodology for the demand for non-financial services for each target group

	Target group	Share of the target group in need of BDS	BDS unit cost
#1	Potential new business founders out of social exclusion	80%	3,000
	New business founders	50%	3,000
#2	Existing solo entrepreneurs	20%	400
	Existing microenterprises	20%	400
	Existing individual farms	20%	400

3. Demand for finance by final beneficiaries

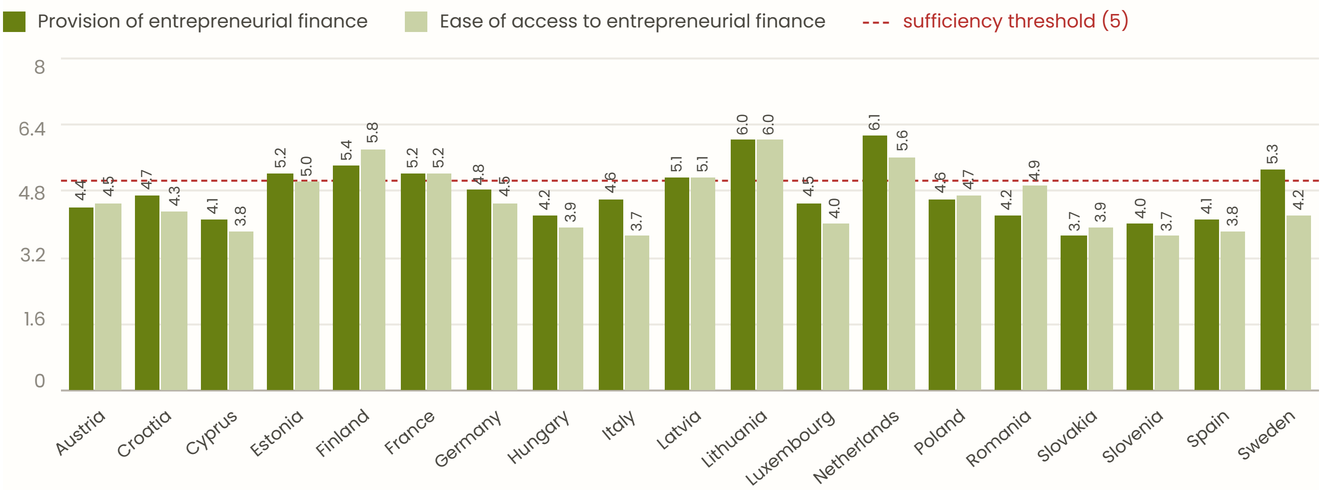
3.1 Access to microenterprise credit

Access to external finance is essential for microenterprises. With limited internal resources, these businesses depend on microloans, credit facilities, and grants to invest in equipment, inventory, and technology, improve productivity, and reach new markets. External finance also acts as a buffer against cash flow volatility, helping microenterprises weather unexpected shocks and sustain their operations. Beyond stability, access to finance enables business owners to innovate, test new ideas, and scale what works. In developing and transitioning economies in particular, expanding financial inclusion for microenterprises is a proven driver of job creation, poverty reduction, and broad-based economic growth.

The Framework Conditions score calculated by the Global Entrepreneurship Monitor (GEM) through its National Expert Survey (NES)[8] reflects how supportive a country's environment is for entrepreneurship. GEM uses a threshold of around 5 (on the 1–9 scale) as the point at which a framework condition is considered "sufficient."

Entrepreneurial finance scores relatively well compared to other framework conditions such as school-level entrepreneurship education, yet it still falls below the "sufficient" threshold in most countries. This signals persistent funding gaps, particularly for early-stage ventures. The weakest conditions are found in Cyprus, Slovakia, Slovenia, and Spain.

Figure 1: Framework Condition scores for the provision of Entrepreneurial Finance and for Ease of Access to Entrepreneurial Finance

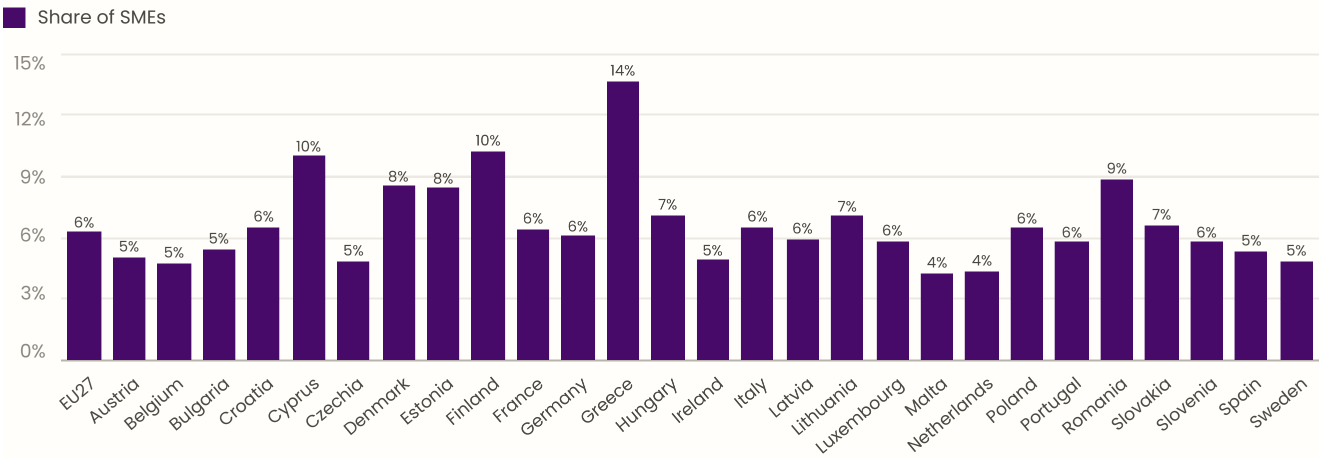


Source: Global Entrepreneurship Monitor, National Expert Survey, 2025/2026

According to the Survey on the Access to Finance of Enterprises (SAFE) micro enterprises are consistently the most credit constrained group of businesses and face obstacles in attracting external financing.

Microenterprises rate access to finance at 4.1 on a 1–10 scale of concern—lower than the cost of production and labour (6.3), finding skilled staff (6.1), finding customers (6.0), regulation (5.6), or competition (5.4). Even so, it remains the single most pressing problem for 6% of SMEs. The constraint is most acute in Greece, where 14% of microenterprises cite it as their primary barrier, followed by Cyprus and Finland at 10%.

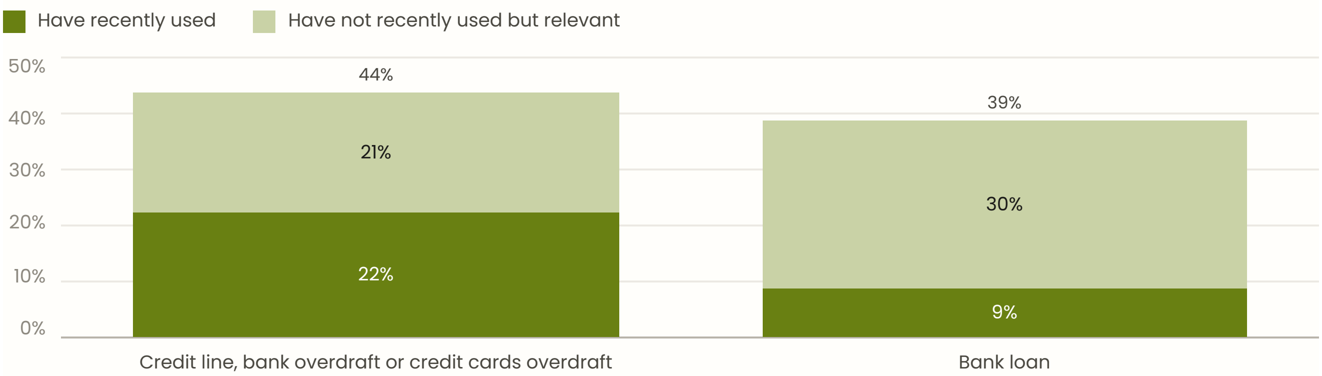
Figure 2: Share of SMEs for which access to finance is the most important problem



Source: Survey on the Access to Finance of Enterprises (SAFE) 32nd Wave 2024Q3

Among external funding sources, credit lines and overdrafts are considered relevant by 44% of microenterprises, followed closely by leasing and hire purchase (42%) and bank loans (39%). Grants and subsidised loans are seen as relevant by 33% of microenterprises.

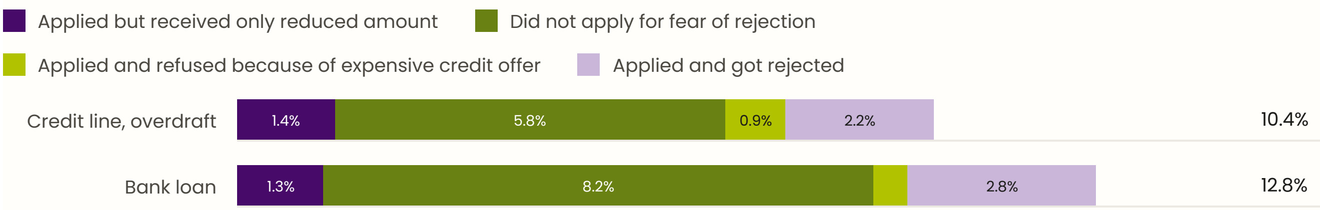
Figure 3: Most relevant sources of finance for microenterprises



Source: Survey on the Access to Finance of Enterprises (SAFE) 32nd Wave 2024Q3

For growth-oriented microenterprises, bank credit remains the preferred form of external financing, cited by 60% of respondents, well ahead of other loan types (16%) or equity (7%).

Figure 4: Obstacles in using credit experienced in the past 6 months (% microenterprises)



Source: Survey on the Access to Finance of Enterprises (SAFE) 32nd Wave 2024Q3

Despite this preference, 13% of microenterprises face real barriers to accessing bank credit. Nearly 9% either did not apply out of fear of rejection, or declined an offer due to unacceptable terms. A further 3.6% were outright rejected or received only a fraction of the funds they requested.

3.2 Supply of microfinance

Microfinance services in the EU are delivered by a diverse range of institutions: non-profit, non-governmental organisations (NGOs) such as foundations and associations; non-bank financial institutions (NBFIs) operating as commercial entities; membership-based credit unions; and commercial banks with dedicated products for underserved microenterprises.

The latest survey of microfinance in Europe, conducted in 2025 among 134 microcredit providers, found that NBFIs were the most common provider type (31%), followed by credit unions (27%), NGOs (25%), and banks (17%).

At the end of 2024, the total gross microcredit portfolio of business loans reached EUR 3.5 billion serving 329 thousand active borrowers.

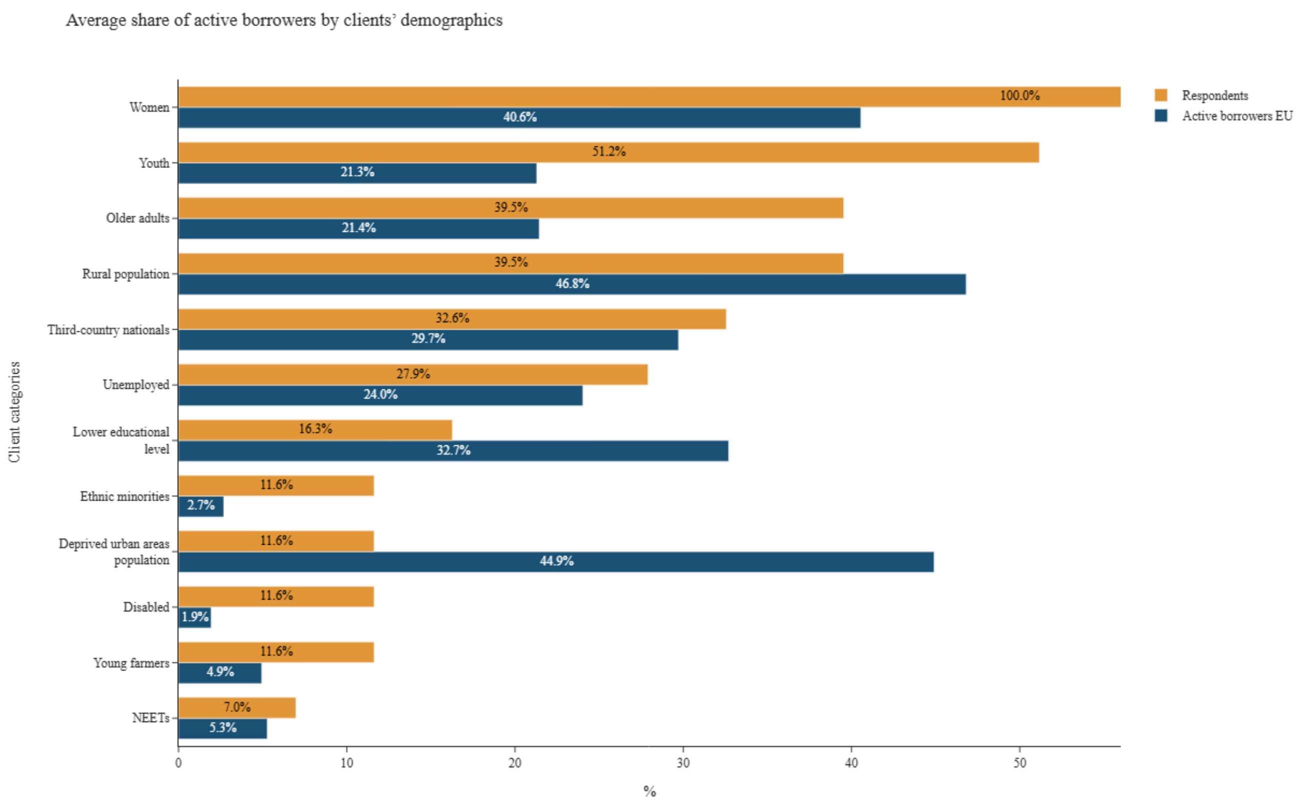
Microcredit providers primarily support solo entrepreneurs and microbusinesses. On average, 58% of business borrowers were microenterprises with up to 10 employees. 35% of businesses supported by microcredit providers were solo entrepreneurs and 3% were individual farmers.

Figure 5: Average share of business borrowers by enterprise size

Source: Microfinance Explorer Europe

Women remain the most consistently served client group among microcredit providers. Rural populations are reached by 40% of providers, and where outreach does exist, rural clients make up nearly half (47%) of the portfolio—indicating a strong concentration of effort. This pattern is even more pronounced among the 12% of providers targeting deprived urban areas, where such clients account for 45% of the client base. One third of providers serve third-country nationals, who represent 30% of their borrowers. Young people (under 29), by contrast, are reached by half of all providers but account for only 20% of active borrowers, suggesting that engagement with this group remains limited relative to the breadth of outreach.

Figure 6: Average share of active borrowers by clients' demographics



Source: Microfinance Explorer Europe

Exclusion from the mainstream banking sector is a defining characteristic of microfinance clients. Three quarters of microcredit providers report a very high share of borrowers who were previously excluded from conventional banks—rejected, blacklisted, or simply ineligible—confirming that the sector predominantly serves those who have nowhere else to turn. Supporting first-time borrowers is similarly central to the mission: half of all providers report a high or very high share of clients receiving a loan for the first time from any financial institution, not just the responding provider. This underscores the sector's fundamental role in financial inclusion. [11]

3.3 Non-financial services

Access to non-financial services for business development

Non-financial services are critical to the entry, survival, productivity, and growth of enterprises. By helping businesses operate more profitably, these services strengthen the private sector's capacity to drive socially inclusive development—particularly in contexts where financial support alone is insufficient to overcome the barriers entrepreneurs face.

Non-financial services and access to finance are closely interlinked: the former can strengthen an enterprise's ability to access credit, and also help ensure that finance, once received, is used effectively.

No comprehensive study has yet been conducted on the demand for business development services (BDS) among European entrepreneurs. However, evidence from microfinance providers active in non-financial services points to significant potential across all target groups. Estimated demand ranges from 20% for existing microenterprises and individual farms, up to 80% for potential new business founders from socially excluded backgrounds.

Table 6: Share of non-financial service users in different target groups for business microcredit (%)

	Target group	Share of potential clients that receive non-financial services
#1	Potential new business founders out of social exclusion	80%
	New business founders	50%
#2	Existing solo entrepreneurs	20%
	Existing microenterprises	20%
	Existing individual farms	20%

Non-financial services providers – either microfinance providers or external providers – also recognise that their clients' needs are complex and varied. Some users require general support to strengthen basic business skills, while others need specialised, advanced guidance. Delivery preferences span the full spectrum—from intensive one-on-one expert engagement to distance learning and self-guided digital materials. No single provider can realistically address the full range of needs and preferences within its client base, which underscores the importance of diverse and complementary delivery models.

Supply of non-financial services

Three broad categories of non-financial services can be identified, each relevant to a given stage of enterprise development and client readiness to start a business.

- Client development services: raising awareness among clients of their basic business or (personal) financial situation. Generally, these are aimed at preventing harmful situations (e.g. over-indebtedness, harmful market environments), which, if they occur, typically imply that clients are in survival mode and generally not willing to pay for these services.
- Entrepreneurship development services: helping people to start a business, raising awareness about entrepreneurship as a career choice, and basic business skills training. In this instance, clients set up businesses as a conscious choice, not out of necessity.
- Business development services: supporting existing small businesses to improve their operations, with services ranging from business advice to technical skills training and linking entrepreneurs to markets.

The appropriate mix of non-financial services should be grounded in research and analysis of the specific barriers to business success facing the relevant target group in each geographic context.

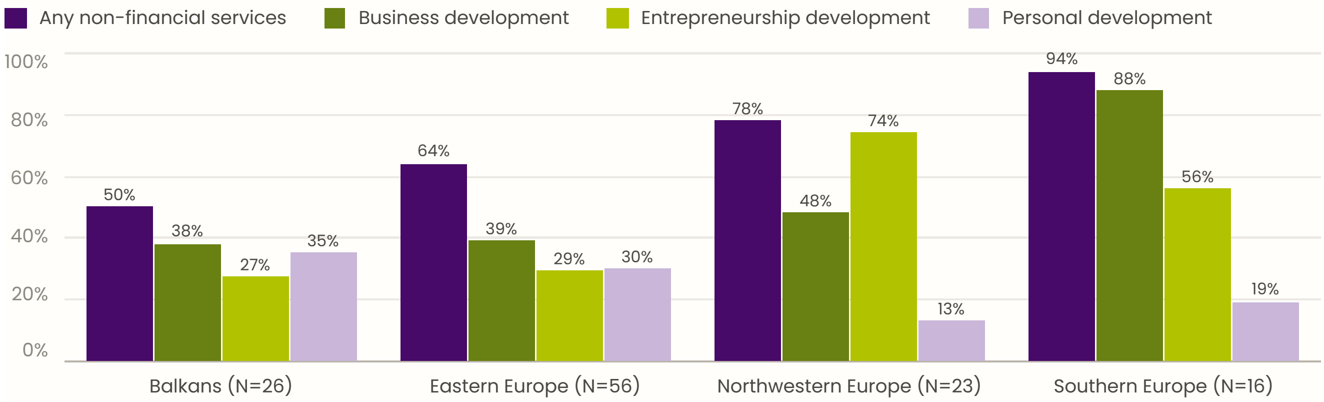
According to the Microfinance in Europe: Survey Report (2024 Edition), most microfinance providers (68%) provide non-financial products and services alongside their financial services.

Business development services (BDS) are delivered by 47%of MFIs; entrepreneurship development services (EDS) are provided by 40%. Personal development services (PDS) are provided by fewer MFIs (26%).

BDS are provided either before or during the loan repayment by most MFIs (58%). PDS and EDS are provided irrespective of the loan phase by most MFIs (83% and 75%, respectively).

88% of MFIs in Southern Europe provide non-financial services, predominantly for BDS (82%). By region, Balkan MFIs provide the least non-financial services (50% of MFIs), with approximately the same emphasis for each type of development service.

Figure 7: Distribution of MFIs by engagement in non-financial services and sub-region (N=121)



Source: Microfinance in Europe: Survey Report (2024 Edition)

4. Assessment of the market gap for microcredit

Step 1: Assessment of the total size of target groups

As the calculation of the size of the target groups in Target Group 1 (potential and new business founders) and informal businesses in Target Group 2 rely on proxy measures—particularly for the number of informal businesses—these figures should be treated as indicative estimates.

The total size of the target population for business microcredit in the EU countries is estimated at 34.7 million enterprises.

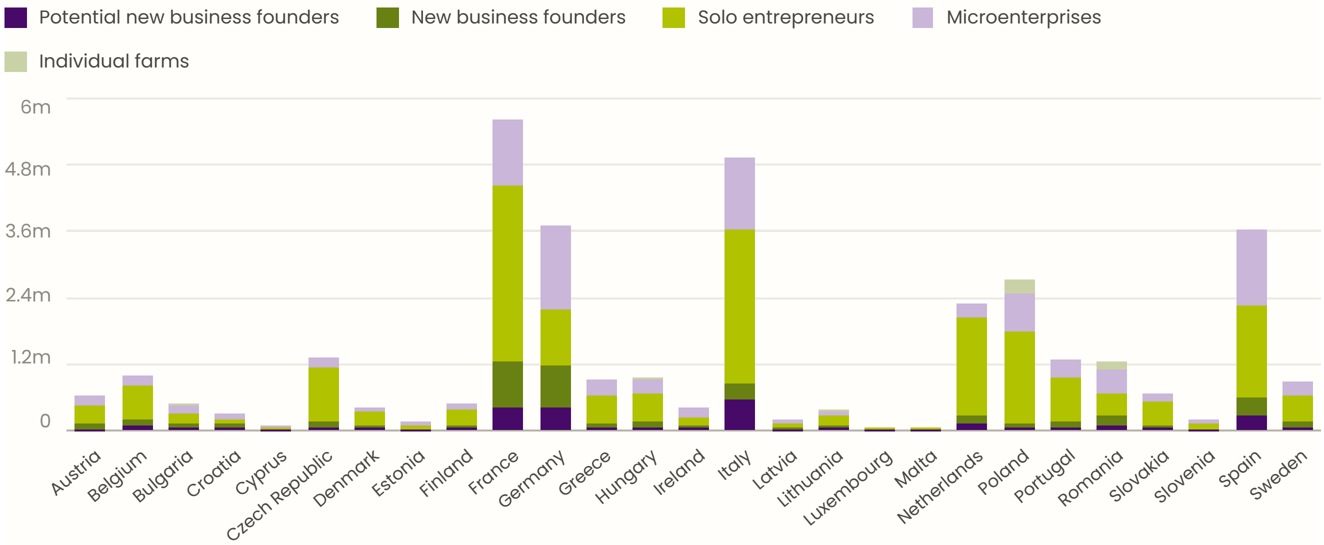
The largest two target groups appear to be solo entrepreneurs (18.5 million) and microenterprises with 1-9 employees (9.5 million). Both groups taken together form 28 million enterprises with fewer than 10 employees.

Table 7: Total size of the target market for business microcredit in EU countries

	Target group	Number of enterprises
#1	Potential new business founders out of social exclusion	2,374,023
	New business founders	3,832,607
#2	Existing solo entrepreneurs	18,536,424
	Existing microenterprises	9,509,879
	Individual farms	469,881
	Total	**34,722,814**

At the country level, Italy has the largest number of potential business founders (0.5 million), while France leads for new business founders (0.8 million). The largest number of solo entrepreneurs can be found in France (3.2 million), while the number of microenterprises stands out in Germany (1.5 million). Poland has a high number of individual farms (0.3 million). Please see Annex 1 for the details of country-level assessments.

Figure 8: Target group size (number of potential and existing enterprises)



Step 2: Assessment of the unmet credit demand within target groups (number of loan applications)

The overall gap at national level is obtained by aggregating across the above target segments and firm sizes.

The share of individuals and/or enterprises in these target groups that see access to finance as their main problem and/or have no access to bank loans or similar formalized forms of external funding represent the market potential for business microcredit products.

These figures should be understood as indicative estimates. A more granular national-level analysis was not possible given the limitations of available data and and the desk-based nature of this review.

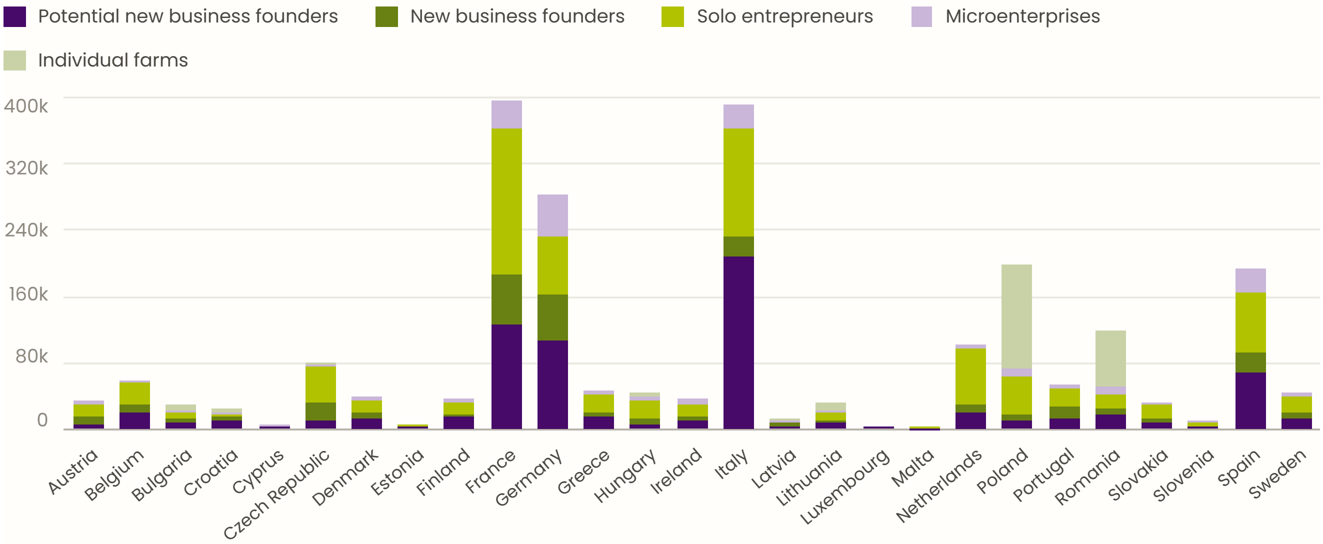
The top-down assessment of total constrained demand for business microcredit in EU countries indicates a total annual potential of 2.3 million loan applications. The calculation of total potential applications includes individual farms only for Eastern Europe.

Table 8: Size of the unmet demand: number of applications for business microcredit in EU and non-EU countries

	Target group	Unmet demand - number of applications of business microcredit per year
#1	Potential new business founders out of social exclusion	714,414
	New business founders	300,004
#2	Solo entrepreneurs	840,199
	Microenterprises (1-9 employees)	229,106
	Individual farms	225,543
	Total	**2,309,226**

At the country level, Italy has the highest estimated number of business founders with unmet demand (207,000). France records the most unmet demand among new business founders and solo entrepreneurs (59,000 and 176,000, respectively). Germany leads for microenterprises (51,000) and Poland for individual farms (125,000). Country-level detail is provided in Annex 2.

Figure 9: Unmet credit demand (number of enterprises)



Step 3: Assessment of the value of the unmet business microcredit demand

This step translates the volume of unmet demand into a monetary value by multiplying the number of unmet microcredit applications by target group-specific average loan amounts, drawn from the latest EMN-MFC industry survey. Different loan averages are applied for different target groups, ranging from EUR 5,000 for potential business founders out of social exclusion to EUR 15,000 for existing microenterprises.

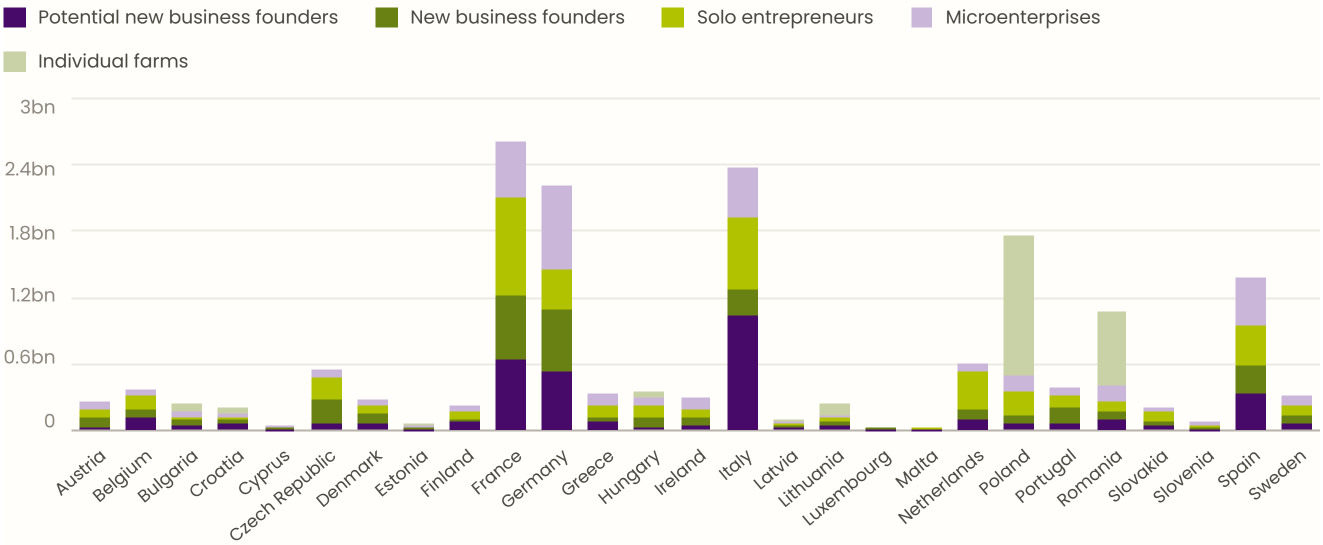
Using this approach, the total volume of annual potential demand is estimated at EUR 16.5 billion.

Table 9: Estimates of the of total value of annual unmet demand (EUR billion)

	Target group	Value of annual unmet demand (EUR billion)
#1	Potential new business founders out of social exclusion	3.57
	New business founders	3.00
#2	Solo entrepreneurs	4.20
	Microenterprises	3.44
	Individual farms	2.26
	Total	**16.47**

By value, the largest microcredit demand is estimated in France (EUR 2.6 billion), followed by Italy (EUR 2.4 billion) and Germany (EUR 2.2 billion). Country-level detail is provided in Annex 3.

Figure 10: Value of unmet credit demand for microcredit (EUR)

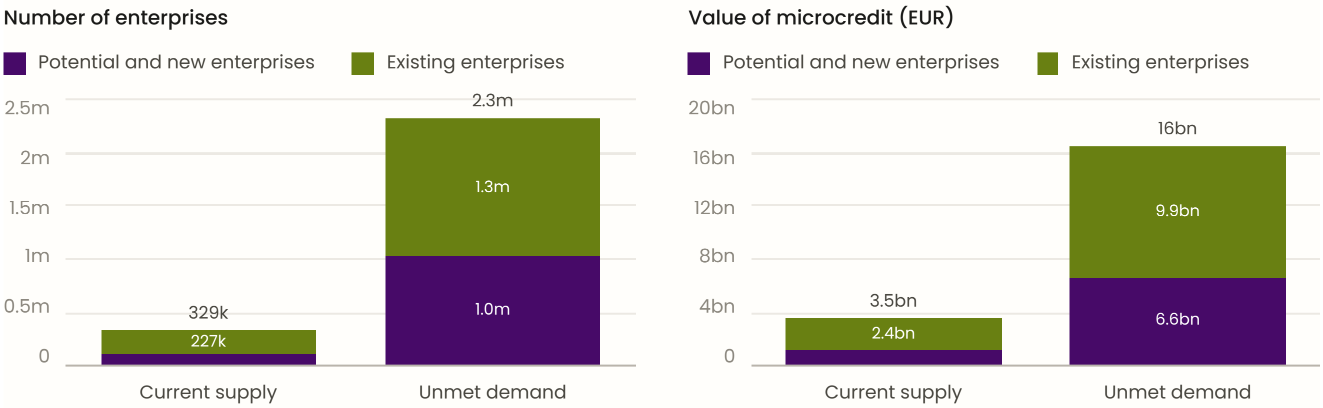


Unmet demand vis-a-vis current supply of microfinance

To put the market potential in perspective, this section compares unmet demand across all target groups with the current supply of microfinance.

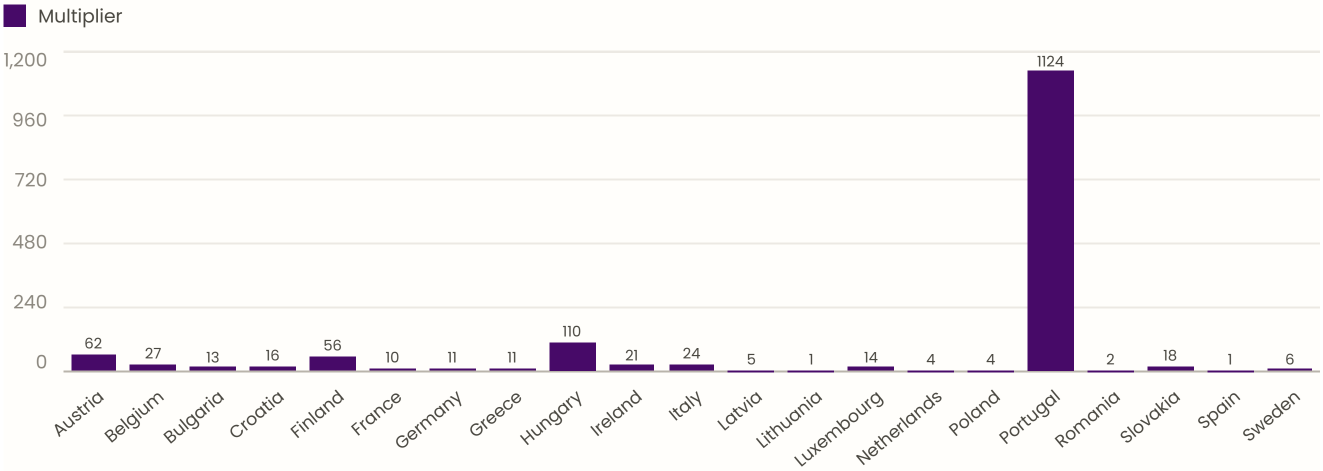
As established in Step 2, over 2.3 million enterprises have unmet financing needs, while the microfinance sector currently serves 330,000. Reaching all financially constrained enterprises would require a seven-fold increase in the number of borrowers served. The value of microcredit supply would need to grow five-fold to fully meet demand.

Figure 11: Unmet credit demand for microcredit in comparison to the current microcredit supply



The greatest expansion is needed in Portugal, where unmet demand exceeds current microcredit supply by a factor of 1,124. At the other end of the scale, Lithuania and Spain have levels of unmet demand that roughly match existing supply, meaning a doubling of current provision would be sufficient to close the gap. Country-level detail is presented in Annexes 4 and 5.

Figure 12: Value of unmet credit demand for microcredit in comparison to the current microcredit supply by country (multiplier)



Comparison of the current financing gap with the previous calculations

Compared to the 2019 calculation of unmet demand[12], the total number of enterprises with unmet demand has grown by 9%, or almost 200,000 enterprises. The sharpest increase is among solo entrepreneurs, where the number with constrained credit access rose by 30%.

Table 10: Unmet demand (number of enterprises) calculation results comparison

	Target group	2019 study	2026 study	Difference between 2019 and 2026	
#1	Potential business founders out of social exclusion	715,347	714,414	-933	-0.1%
	New business founders	271,125	300,004	28,879	10.7%
#2	Existing solo entrepreneurs	644,984	840,199	195,215	30.3%
	Existing microenterprises	208,628	229,106	20,478	9.8%
	Individual farms	273,888	225,543	-48,345	-17.7%
	Total	**2,113,972**	**2,309,266**	**195,294**	**9.2%**

Changes in unmet demand reflect two underlying factors: shifts in the size of each target group (Step 1) and changes in their degree of financial exclusion (Step 2).

Within Target Group 1, the EU population at risk of poverty and social exclusion declined slightly over the period. Since the same proxies are used in both studies to estimate entrepreneurial potential and demand for finance, this reduction translates directly into a small decrease in the estimated number of potential new business founders in need of microcredit between 2019 and 2026.

For new business founders, the number of individuals actively in the process of starting a business grew between the two study periods.

Within Target Group 2, the number of solo entrepreneurs grew substantially, with the largest increases recorded in France (+64,000), the Netherlands (+36,000), and Germany (+22,000). Microenterprise numbers also rose, though more modestly. In Eastern Europe, the number of individual farms fell, most notably in Hungary and Romania.

Table 11: Value of unmet demand (EUR) calculation results comparison

		2019 study	2026 study	Difference between 2019 and 2026	
#1	Potential business founders out of social exclusion	3,112,485,910	3,572,072,365	459,586,455	15%
	New business founders	2,532,929,105	3,000,037,114	467,108,008	18%
#2	Existing solo entrepreneurs	2,904,555,660	4,200,995,923	1,296,440,263	45%
	Existing microenterprises	2,889,955,067	3,436,590,844	546,635,777	19%
	Individual farms	1,369,440,000	2,255,427,059	885,987,059	65%
	Total	**12,809,365,742**	**16,465,123,304**	**3,655,757,562**	**29%**

5. Assessment of the market gap for non-financial services

The non-financial services gap is estimated using the shares of enterprises in each target group identified as having unmet microcredit demand in Step 2. The gap is calculated by multiplying those numbers by the expected proportion of non-financial services users within each target group.

The analysis estimates that close to 1 million potential and existing enterprises could benefit from business development services of varying scope and intensity. Potential business founders from socially excluded backgrounds and nascent entrepreneurs who have already begun setting up their businesses will require a comprehensive package of support covering idea development, business planning, and financial management. New business founders will need help with launching products and services and putting their plans into practice. Established enterprises with existing business experience will require a lighter package—targeted capacity building or assistance on specific issues rather than broad-based support.

Table 12: Demand for non-financial services for each target group

	Target group	Demand for non-financial services (Number of enterprises)
#1	Potential business founders out of social exclusion	571,532
	New business founders	150,002
#2	Existing solo entrepreneurs	168,040
	Existing microenterprises	45,821
	Individual farms	45,109
	Total	**980,503**

Italy has the highest estimated demand for non-financial support, with over 200,000 potential and existing enterprises in need. The majority are potential business founders from socially excluded backgrounds for whom non-financial services could be a critical pathway into entrepreneurship. France and Germany follow, with expected demand from over 170,000 and 130,000 enterprises respectively.

Figure 13: Number of enterprises with demand for non-financial services by country

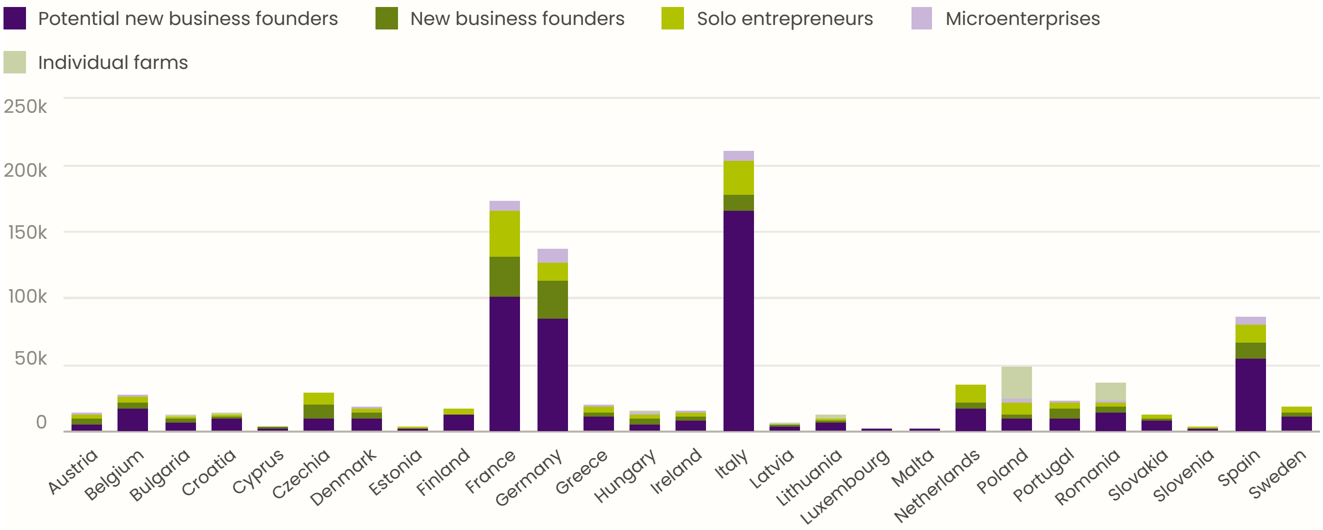
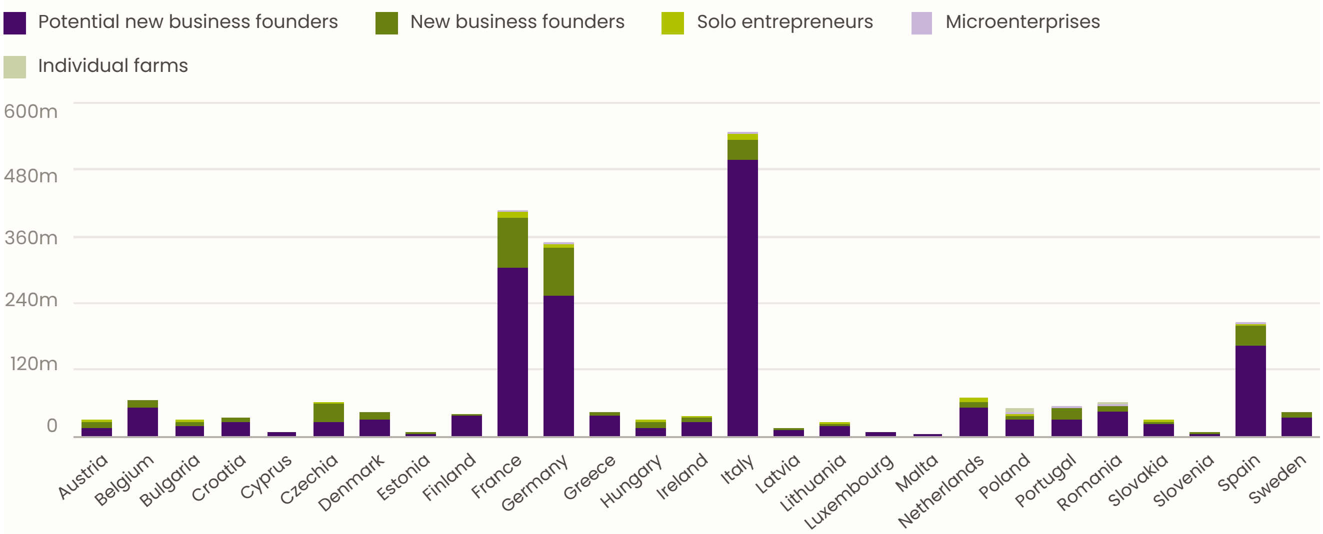


Table 13: Value of the demand for non-financial services for each target group

	Target group	Unmet demand (EUR)
#1	Potential business founders out of social exclusion	1,714,594,735
	New business founders	450,005,567
#2	Existing solo entrepreneurs	67,215,935
	Existing microenterprises	18,328,484
	Individual farms	18,043,416
	Total	**2,268,188,138**

The total value of unmet demand for business development services is estimated at EUR 2.3 billion. Italy, France, and Germany account for the largest shares, driven primarily by the needs of potential business founders from socially excluded backgrounds.

Figure 14: Value of the demand for non-financial services by country (EUR)



6. Conclusions

This report estimates the market potential for microfinance in the EU, covering both current and potential demand for microcredit and non-financial services.

The unmet demand analysis for microcredit shows that:

- The total of 2.3 million potential and existing enterprises experience constraints in accessing external finance.
- Solo entrepreneurs are the largest group among the enterprises analysed that are constrained by access to finance (840,000).
- The second largest group is potential new business founders currently at risk of social exclusion (714,000).
- Demand is highest in the most populous Member States: France, Germany, and Italy.
- The total value of microcredit needed to satisfy unmet demand is estimated at EUR 16.5 billion.
- Compared to current supply, microcredit providers would need to expand their outreach seven-fold to reach all enterprises with credit constraints.

Demand for non-financial services is estimated at approximately 980,000 enterprises, with the largest share being potential business founders from socially excluded backgrounds (571,000). The total value of this unmet demand is estimated at EUR 2.3 billion.

All estimates in this report are based on proxy measures in the absence of direct empirical evidence, applied at two levels: entrepreneurial potential and actual demand for products currently offered by microcredit providers. The results should therefore be interpreted with caution, bearing in mind the following limitations:

- No recent research exists on the entrepreneurial aspirations of people at risk of poverty and social exclusion, or on their propensity to start a business.
- The ECB SAFE survey—the most valuable available source on access-to-finance constraints—covers only employer enterprises and excludes solo entrepreneurs. No other survey currently assesses the financing difficulties of businesses with zero employees.
- The financing needs of individual farms in Eastern Europe are poorly documented, and estimates for this group rely on anecdotal evidence rather than systematic research.

7. Annexes

Annex 1 – Total size of the target population

	Potential new business founders	New business founders	Solo entrepreneurs	Micro enterprises	Individual farms	Sub-total
Austria	17,615	89,071	323,193	199,302		**629,181**
Belgium	68,517	111,956	631,831	164,135		**976,439**
Bulgaria	44,743	69,999	181,534	151,367	17,515	**465,158**
Croatia	32,456	73,079	70,967	123,044	11,441	**310,987**
Cyprus	7,162	10,862	25,741	50,415		**94,180**
Czech Rep.	35,307	102,992	971,545	190,771	2,098	**1,302,713**
Denmark	37,063	56,370	222,102	102,442		**417,977**
Estonia	6,236	15,255	60,808	73,457	1,099	**156,855**
Finland	30,089	51,577	290,879	100,471		**473,016**
France	412,304	826,678	3,163,559	1,196,385		**5,598,927**
Germany	392,812	766,041	1,020,902	1,505,731		**3,685,486**
Greece	45,722	70,453	513,095	295,583		**924,853**
Hungary	31,313	108,352	531,670	250,188	10,284	**931,806**
Ireland	26,279	52,978	153,209	171,935		**404,401**
Italy	544,518	299,993	2,763,769	1,291,209		**4,899,489**
Latvia	16,918	37,453	54,350	64,719	5,486	**178,927**
Lithuania	28,578	34,697	204,117	67,899	21,293	**356,583**
Luxembourg	5,161	6,970	20,599	18,385		**51,115**
Malta	2,975	5,898	29,272	14,277		**52,421**
Netherlands	97,135	171,433	1,769,887	230,482		**2,268,936**
Poland	37,995	83,612	1,644,844	678,465	260,167	**2,705,083**
Portugal	49,852	118,817	789,176	325,916		**1,283,761**
Romania	64,712	185,232	394,304	446,684	139,570	**1,230,502**
Slovakia	25,696	49,382	448,585	121,857	217	**645,738**
Slovenia	9,492	15,169	107,018	64,521	711	**196,911**
Spain	261,614	320,622	1,662,379	1,349,337		**3,593,952**
Sweden	41,762	97,666	487,089	260,902		**887,418**
Total	**2,374,023**	**3,832,607**	**18,536,424**	**9,509,879**	**469,881**	**34,722,814**

Annex 2 - Potential market for microcredit (number of enterprises)

	Potential new business founders	New business founders	Solo entrepreneurs	Microenterprises	Individual farms	Sub-total
Austria	5,373	8,373	16,093	4,962		**34,800**
Belgium	20,898	8,285	26,244	3,409		**58,835**
Bulgaria	7,562	5,180	6,068	2,530	8,407	**29,747**
Croatia	10,288	5,116	2,219	1,924	5,492	**25,038**
Cyprus	2,184	1,010	922	903		**5,019**
Czech Rep.	10,769	21,319	42,012	4,125	1,007	**79,232**
Denmark	11,304	9,132	14,691	3,388		**38,515**
Estonia	1,734	1,129	1,953	1,180	528	**6,523**
Finland	14,322	1,857	16,434	2,838		**35,452**
France	125,753	58,694	176,504	33,375		**394,325**
Germany	105,274	56,687	69,284	51,093		**282,338**
Greece	13,899	5,073	21,795	6,278		**47,045**
Hungary	5,417	8,018	21,376	5,030	4,936	**44,777**
Ireland	9,434	6,569	13,905	7,802		**37,711**
Italy	206,917	23,399	129,692	30,296		**390,304**
Latvia	3,604	2,996	1,760	1,048	2,633	**12,041**
Lithuania	6,944	3,817	8,786	1,461	10,221	**31,230**
Luxembourg	1,997	565	806	360		**3,727**
Malta	907	366	1,364	333		**2,970**
Netherlands	20,495	7,886	68,327	4,449		**101,158**
Poland	10,867	6,940	46,013	9,490	124,880	**198,189**
Portugal	11,516	14,377	22,562	4,659		**53,114**
Romania	17,213	7,965	16,875	9,558	66,993	**118,605**
Slovakia	8,351	3,753	17,162	2,331	104	**31,701**
Slovenia	1,766	546	6,283	1,894	341	**10,830**
Spain	66,973	23,726	72,471	29,412		**192,582**
Sweden	12,654	7,227	18,598	4,981		**43,460**
Total	**714,414**	**300,004**	**840,199**	**229,106**	**225,543**	**2,309,266**

Annex 3 – Value of unmet demand for microcredit (EUR)

	Potential new business founders	New business founders	Solo entrepreneurs	Micro enterprises	Individual farms	Sub-total
Austria	26,862,875	83,726,331	80,464,399	74,429,438	-	**265,483,043**
Belgium	104,488,679	82,847,294	131,218,321	51,131,202	-	**369,685,497**
Bulgaria	37,808,004	51,799,488	30,340,679	37,948,077	84,070,169	**241,966,417**
Croatia	51,442,496	51,155,566	11,094,239	28,853,120	54,917,512	**197,462,933**
Cyprus	10,921,338	10,101,932	4,609,562	13,542,077	-	**39,174,910**
Czech Republic	53,843,277	213,193,151	210,060,674	61,870,760	10,071,235	**549,039,096**
Denmark	56,520,567	91,320,081	73,455,685	50,820,888	-	**272,117,221**
Estonia	8,667,888	11,288,742	9,765,554	17,695,409	5,276,215	**52,693,807**
Finland	71,611,899	18,567,567	82,172,334	42,574,077	-	**214,925,877**
France	628,763,803	586,941,676	882,518,358	500,622,112	-	**2,598,845,950**
Germany	526,367,633	566,870,641	346,418,879	766,401,151	-	**2,206,058,305**
Greece	69,496,680	50,726,187	108,975,117	94,167,334	-	**323,365,318**
Hungary	27,085,716	80,180,170	106,882,234	75,443,374	49,361,789	**338,953,284**
Ireland	47,170,267	65,692,477	69,525,396	117,034,726	-	**299,422,865**
Italy	1,034,583,883	233,994,672	648,462,074	454,433,818	-	**2,371,474,448**
Latvia	18,017,883	29,962,663	8,798,927	15,716,406	26,333,328	**98,829,208**
Lithuania	34,721,784	38,166,559	43,932,212	21,920,908	102,206,530	**240,947,993**
Luxembourg	9,987,180	5,645,661	4,027,940	5,392,519	-	**25,053,300**
Malta	4,536,519	3,656,540	6,820,185	4,989,672	-	**20,002,916**
Netherlands	102,477,003	78,859,026	341,636,404	66,733,957	-	**589,706,390**
Poland	54,332,850	69,397,961	230,064,730	142,345,596	1,248,801,158	**1,744,942,294**
Portugal	57,579,060	143,768,718	112,810,013	69,882,868	-	**384,040,659**
Romania	86,066,916	79,649,832	84,375,069	143,375,391	669,933,933	**1,063,401,140**
Slovakia	41,756,000	37,530,662	85,808,941	34,964,678	1,042,953	**201,103,235**
Slovenia	8,827,591	5,460,722	31,414,657	28,409,778	3,412,237	**77,524,986**
Spain	334,865,749	237,260,148	362,354,231	441,179,152	-	**1,375,659,280**
Sweden	63,268,824	72,272,645	92,989,109	74,712,356	-	**303,242,934**
Total	**3,572,072,365**	**3,000,037,114**	**4,200,995,923**	**3,436,590,844**	**2,255,427,059**	16,465,123,304

Annex 4 – Unmet demand versus current microcredit supply (number of enterprises)

Country	Unmet demand (number of enterprises)	Microfinance supply (number of enterprises which are active borrowers)	Multiplier
Austria	34,800	402	87
Belgium	58,835	2,024	29
Bulgaria	29,747	1,092	27
Croatia	25,038	608	41
Cyprus	5,019	0	
Czech Republic	79,232	0	
Denmark	38,515	0	
Estonia	6,523	0	
Finland	35,452	460	77
France	394,325	67,841	6
Germany	282,338	18,341	15
Greece	47,045	2,056	23
Hungary	44,777	231	194
Ireland	37,711	1,860	20
Italy	390,304	5,911	66
Latvia	12,041	682	18
Lithuania	31,230	16,305	2
Luxembourg	3,727	154	24
Malta	2,970	0	
Netherlands	101,158	15,929	6
Poland	198,189	22,360	9
Portugal	53,114	31	1,713
Romania	118,605	61,907	2
Slovakia	31,701	698	45
Slovenia	10,830	0	
Spain	192,582	106,069	2
Sweden	43,460	4,444	10
Total	**2,309,266**	**329,405**	**7**

Annex 5 – Unmet demand versus current microcredit supply (value of microcredit, EUR)

Country	Unmet demand (value, EUR)	Microfinance supply (value, EUR)	Multiplier
Austria	265,483,043	4,300,000	62
Belgium	369,685,497	13,666,577	27
Bulgaria	241,966,417	18,007,150	13
Croatia	197,462,933	12,441,740	16
Cyprus	39,174,910	0	
Czech Republic	549,039,096	0	
Denmark	272,117,221	0	
Estonia	52,693,807	0	
Finland	214,925,877	3,850,731	56
France	2,598,845,950	271,951,865	10
Germany	2,206,058,305	196,715,914	11
Greece	323,365,318	29,353,833	11
Hungary	338,953,284	3,077,967	110
Ireland	299,422,865	14,255,000	21
Italy	2,371,474,448	98,264,591	24
Latvia	98,829,208	19,550,075	5
Lithuania	240,947,993	251,603,951	1
Luxembourg	25,053,300	1,775,854	14
Malta	20,002,916	0	
Netherlands	589,706,390	159,271,485	4
Poland	1,744,942,294	489,752,569	4
Portugal	384,040,659	341,591	1,124
Romania	1,063,401,140	512,775,054	2
Slovakia	201,103,235	11,300,000	18
Slovenia	77,524,986	0	
Spain	1,375,659,280	1,352,087,443	1
Sweden	303,242,934	46,992,675	6
Total	**16,465,123,304**	**3,511,336,065**	**5**

Annex 6 – Market potential for non-financial services (number of enterprises)

	Potential new business founders	New business founders	Solo entrepreneurs	Microenterprises	Individual farms	Sub-total
Austria	4,298	4,186	3,219	992	-	**12,695**
Belgium	16,718	4,142	5,249	682	-	**26,791**
Bulgaria	6,049	2,590	1,214	506	1,681	**12,040**
Croatia	8,231	2,558	444	385	1,098	**12,715**
Cyprus	1,747	505	184	181	-	**2,617**
Czech Rep.	8,615	10,660	8,402	825	201	**28,703**
Denmark	9,043	4,566	2,938	678	-	**17,225**
Estonia	1,387	564	391	236	106	**2,683**
Finland	11,458	928	3,287	568	-	**16,241**
France	100,602	29,347	35,301	6,675	-	**171,925**
Germany	84,219	28,344	13,857	10,219	-	**136,638**
Greece	11,119	2,536	4,359	1,256	-	**19,270**
Hungary	4,334	4,009	4,275	1,006	987	**14,611**
Ireland	7,547	3,285	2,781	1,560	-	**15,173**
Italy	165,533	11,700	25,938	6,059	-	**209,231**
Latvia	2,883	1,498	352	210	527	**5,469**
Lithuania	5,555	1,908	1,757	292	2,044	**11,558**
Luxembourg	1,598	282	161	72	-	**2,113**
Malta	726	183	273	67	-	**1,248**
Netherlands	16,396	3,943	13,665	890	-	**34,895**
Poland	8,693	3,470	9,203	1,898	24,976	**48,240**
Portugal	9,213	7,188	4,512	932	-	**21,845**
Romania	13,771	3,982	3,375	1,912	13,399	**36,439**
Slovakia	6,681	1,877	3,432	466	21	**12,477**
Slovenia	1,412	273	1,257	379	68	**3,389**
Spain	53,579	11,863	14,494	5,882	-	**85,818**
Sweden	10,123	3,614	3,720	996	-	**18,452**
Total	**571,532**	**150,002**	**168,040**	**45,821**	**45,109**	**980,503**

Annex 7 – Value of unmet demand for non-financial services (EUR)

	Potential new business founders	New business founders	Solo entrepreneurs	Micro enterprises	Individual farms	Sub-total
Austria	12,894,180	12,558,950	1,287,430	396,957	-	**27,137,517**
Belgium	50,154,566	12,427,094	2,099,493	272,700	-	**64,953,853**
Bulgaria	18,147,842	7,769,923	485,451	202,390	672,561	**27,278,167**
Croatia	24,692,398	7,673,335	177,508	153,883	439,340	**33,136,464**
Cyprus	5,242,242	1,515,290	73,753	72,224	-	**6,903,510**
Czech Rep.	25,844,773	31,978,973	3,360,971	329,977	80,570	**61,595,264**
Denmark	27,129,872	13,698,012	1,175,291	271,045	-	**42,274,220**
Estonia	4,160,586	1,693,311	156,249	94,376	42,210	**6,146,731**
Finland	34,373,712	2,785,135	1,314,757	227,062	-	**38,700,666**
France	301,806,626	88,041,251	14,120,294	2,669,985	-	**406,638,155**
Germany	252,656,464	85,030,596	5,542,702	4,087,473	-	**347,317,235**
Greece	33,358,406	7,608,928	1,743,602	502,226	-	**43,213,162**
Hungary	13,001,144	12,027,026	1,710,116	402,365	394,894	**27,535,544**
Ireland	22,641,728	9,853,871	1,112,406	624,185	-	**34,232,191**
Italy	496,600,264	35,099,201	10,375,393	2,423,647	-	**544,498,505**
Latvia	8,648,584	4,494,400	140,783	83,821	210,667	**13,578,254**
Lithuania	16,666,456	5,724,984	702,915	116,912	817,652	**24,028,919**
Luxembourg	4,793,846	846,849	64,447	28,760	-	**5,733,903**
Malta	2,177,529	548,481	109,123	26,612	-	**2,861,745**
Netherlands	49,188,961	11,828,854	5,466,182	355,914	-	**66,839,912**
Poland	26,079,768	10,409,694	3,681,036	759,177	9,990,409	**50,920,084**
Portugal	27,637,949	21,565,308	1,804,960	372,709	-	**51,380,925**
Romania	41,312,120	11,947,475	1,350,001	764,669	5,359,471	**60,733,736**
Slovakia	20,042,880	5,629,599	1,372,943	186,478	8,344	**27,240,244**
Slovenia	4,237,244	819,108	502,635	151,519	27,298	**5,737,803**
Spain	160,735,560	35,589,022	5,797,668	2,352,955	-	**204,475,205**
Sweden	30,369,036	10,840,897	1,487,826	398,466	-	**43,096,224**
Total	**1,714,594,735**	**450,005,567**	**67,215,935**	**18,328,484**	**18,043,416**	**2,268,188,138**

Notes

1. Unterberg, M. (2017): Assessing the European market potential of business microcredit and the associated funding needs of non-bank MFIs.
2. Guidelines for SME Access to Finance Market Assessments (GAFMA)
3. Eurostat is the statistical office of the European Union, responsible for publishing harmonised, highquality statistics that offer a reliable and comparable view of Europe's society and economy. https://ec.europa.eu/eurostat/
4. Global Entrepreneurship Monitor (GEM) is the world's largest research program on entrepreneurship. It provides internationally comparable data on entrepreneurial activity, motivations, and ecosystem conditions across more than 100 economies, helping policymakers, researchers, and business leaders understand global entrepreneurial trends. https://www.gemconsortium.org
5. 'Special Topic Report 2015-2016: Entrepreneurial Finance.' Global Entrepreneurship Monitor.
6. Microfinance Explorer Europe presents 2024 data from the annual survey of microfinance providers conducted by EMN and MFC.
7. The assumption is based on the exchanges with MFIs which provide non-financial services.
8. GEM's National Expert Survey is conducted among national experts—such as entrepreneurs, policymakers, academics, and investors who evaluate key dimensions known as Entrepreneurial Framework Conditions (EFCs). most questions are rated on a 1–9 Likert scale, from 1=highly insufficient to 9=highly sufficient.
9. Microfinance Explorer Europe is an interactive, data-driven tool developed by the European Microfinance Network (EMN) and the The Microfinance Centre (MFC), providing comprehensive visual data on the European microfinance sector focusing on social outreach, financial inclusion, and lending trends for MSMEs. The platform is powered by HEDERA Sustainable Solutions and analyzes key indicators from the annual EMN-MFC survey.
10. Microfinance Explorer Europe
11. "Microfinance in Europe: Survey Report (2025 Edition). Executive Summary" available at https://mfc.org.pl/microfinance-in-europe-survey-report-2025-edition/
12. 'Microfinance in the European Union: Market analysis and recommendations for delivery options in 2021-2027' Directorate-General for Employment, Social Affairs and Inclusion, 2020

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