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(Announcements)

ADMINISTRATIVE PROCEDURES

EUROPEAN INVESTMENT BANK

Call for proposals

The European Investment Bank Institute proposes a new EIBURS sponsorship under its Knowledge Programme

(2019/C 50/07)

The Knowledge Programme of the European Investment Bank Institute channels its research grants through different schemes, one of which is:

— **EIBURS**, the **EIB University Research Sponsorship Programme**

EIBURS provides grants to university departments or research centres associated with universities in the EU, candidate or potential candidate countries working on research topics of major interest to the Bank. **EIBURS** sponsorships – of up to EUR 100 000 per year for a period of three years – are awarded through a competitive process to interested university departments or research centres with recognised expertise in the selected area. Successful proposals entail the delivery of a variety of outputs that will be the subject of a contractual agreement with the European Investment Bank.

For the academic year 2019/2020, the **EIBURS** programme is seeking proposals on a new research theme:

‘Building the future of inclusive finance: the role of Fintechs and digitalisation’

While the intensity of the income inequality debate has somewhat receded in recent years, the issue itself is still highly relevant. Persistent and large income disparities threaten the social fabric of European society and require an appropriate policy response. A proper, long-term solution would be providing opportunities to the most deprived members of society to realise their demonstrated entrepreneurial ambitions. Inclusive Finance, that is providing financial and non-financial products and services to unemployed people or clients from other vulnerable groups, is a policy instrument intended to alleviate poverty and reduce income inequality. However, the inclusive finance sector has come under increased scrutiny and has been criticised for a number of reasons: the outreach has stagnated and loan pricing is considered often too high to address effectively any policy concerns related to poverty alleviation.

Therefore, this research project aims to investigate the potential of technological and financial innovation to increase the efficiency of the inclusive finance sector. Research proposals should contain a strategy to address the following elements:

1. The disruptive potential of technological and financial innovation

- A broad, comprehensive and exhaustive overview of the potential of technological and financial innovations to disrupt inclusive finance mechanisms and improve the ability of the sector to contribute to the achievement of social policy targets.
- We encourage special focus on the ability of financial and technological innovation to improve the outreach of Financial Institutions (FIs) to specific social policy target groups, such as female entrepreneurs, migrants, financially disenfranchised individuals, the rural population and social enterprises.
- Specific topics that need to be addressed: how would the use of Fintechs/financial innovations affect:
 - Client communication interaction
 - Training and mentoring

- Loan pricing
- Screening process
- Loan application procedure
- Loan recovery
- Financial profitability
- Better assessment of social return: to increase visibility

2. The use of financial innovations (Fintechs) in the inclusive finance sector

- A follow-up section would ideally provide empirical documentation of the areas of disruption identified under part 1: history, evolution and current state of affairs.
- A comparative analysis of different European regions/countries is desirable.
- Documentation of the current state of digitalisation in FIs operating in the microfinance, social and immigrant entrepreneurship space.
- A series of case studies that illustrate the disruptive mechanisms documented under part 1.

3. Evidence on the causal effect of financial innovations: the efficiency of the inclusive finance sector in contributing to the achievement of social policy targets

- Based on the theorised mechanisms listed in part 1 and the data collected and documented in part 2, the research proposal should outline a methodology to quantify the impact of technological or financial innovations on a policy target relevant to the sector, *e.g.* access to credit of financially vulnerable groups, number of *migrant entrepreneurs*.
- The empirical methodology can follow either a micro or a macro approach (or both), but should aim to identify a *causal* effect.

The use of financial innovations in the inclusive finance sector being a very relevant topic to the EIB Group is confirmed by the strong involvement of the European Investment Bank, the European Investment Fund and the European Investment Bank Institute in this segment. The EIB Group is well placed to respond to the rapidly changing market environment – including new entrants such as Fintechs – and to achieve the important social dimensions of these activities more efficiently.

Proposals should be submitted in English by 15 April 2019 24.00 (CET). Proposals submitted after this date will not be considered. Proposals should be sent by email to:

Events.EIBInstitute@eib.org

For more exhaustive information on the **EIBURS** selection process and on the EIB Institute, please visit: <http://institute.eib.org/>
