

## Special Mention 2012

# Mag2 Finance



### Project Name

“Solidarity alliance for small business loans in Italy. From social capital to venture capital: the relations assets as leverage for enterprise development. The case study of Tomasoni’s microfinance mechanism”.

### Initiative Presented for the Award

Mag2 presents the business loan disbursed to Tomasoni’s organic dairy farm which highlights the solidarity alliance that can be created among savers and borrowers for small business loans in Italy. In fact Tomasoni’s clients (GAS-Solidarity Purchasing Groups) were involved in the process of fundraising. Mag2 played a central role in catalysing private personal savings from the GAS and from its own members and in coordinating the resource management. At present, Tomasoni's dairy farm has experienced an increase in orders, even from new GAS, has increased its income, has reduced its stocks and has repaid its bank loan. At the end of 2011, all the GAS loans had been repaid. In September 2012, according to loan planning, Tomasoni will finish paying back the Mag2 loans without delay.

### Institutional Profile

Mag2 Finance is a microfinance cooperative registered as a Mutual Self Managing Society established in 1980. Its mission is to sustain, through its financial activity of fundraising and the use of private capital, the development of companies, mainly registered as Cooperatives or Associations, that operate in sectors of high ethical value and that are excluded from the traditional credit system. It operates mainly in the Italian region of Lombardy.

### Special Mention 2012

A Special Mention has been awarded to Mag2, Italy, for its innovative system for the financing of microentrepreneurs, which involves the clients in the process of funding and monitoring, thus activating mechanisms of solidarity.

In particular, the alliance between different stakeholders represents a revolutionary microfinance instrument for supporting the activity of small, high-quality local farms because of its innovative aspects relating to the financial resources mobilized (funds directly borrowed by some GAS plus the funds collected and gathered in the social capital of Mag2 which were doubled by the financial cooperative itself); the guarantee mechanism; the multi-actor monitoring and tutoring activity.

Type of organization:	Microfinance cooperative registered as a Mutual Self Managing Society
Location:	Italy
Founded in:	1980
MF products offered:	Savings, credits, tutoring
Portfolio:	€1,910,041.03
Av. Loan size:	€9,745.11
Number of clients:	1,293 (members of the cooperative)

[www.mag2.it](http://www.mag2.it)

