



**To:** Commission President Ursula von der Leyen, Commissioner Nicolas Schmit

**Cc:** Joost Korte, Director General DG EMPL, Ann Branch, Head of Unit E1 DG EMPL, Per-Erik Eriksson, Director of Financial Inclusion, EIF

**Subject: More resources needed for EaSI programme to overcome the COVID 19 crisis**

Dear President von der Leyen and Commissioner Schmit,

As you are certainly aware, the self-employed and small entrepreneurs across Europe have been put in precarious circumstances since March. This is particularly the case for the most vulnerable people in need of social and financial inclusion.

In response to this, the European Commission has pushed for a dramatic increase in funding to the COSME loan guarantee facility, which is welcome and necessary. However, we regretfully note that despite very ambitious new EU budget instruments being developed, the programme that supports the most vulnerable entrepreneurs (the Employment and Social Innovation programme supporting microfinance) has not benefited from any budget support whatsoever.

We recognise the steps taken by the Commission services and by the EIF in arriving at more flexible contract terms for EaSI guarantees, but must note that without any further budget for the EaSI programme, these amendments do not go far enough to offer the needed support to the sector.

Microfinance clients have benefited from loan moratoria, deferments and emergency loans over the past months, but the real economic impact from the current and future defaults will only start manifesting now. This is why it is more urgent than ever to increase the capacity of the EaSI programme as of 2020 and ensure that European entrepreneurs are not pushed back into poverty due to the pandemic. We would have a hard time to explain that the enormous support provided by the EU during this crisis would simply not reach the most vulnerable EU citizens.

We are available to discuss this at your earliest convenience and hope we can count on your understanding and support.

Sincerely yours,

Elwin Groenevelt  
President  
European Microfinance Network

Lucia Lucija Popovska  
President  
Microfinance Centre