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JOBS AND SOCIAL RIGHTS

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Subject: More resources needed to strengthen EaSI programme

Dear Mr Groenevelt,
Dear Ms Popovska,

Thank you for your joint letter of 17 April 2020 regarding the Union support to the microfinance sector under the EU Programme for Employment and Social Innovation (EaSI) and the situation created by the COVID-19 crisis. I have taken note of the points you raise.

I am indeed aware of the role played by the sector and the importance of microfinance as a tool in providing self-employment support and entrepreneurial opportunities to citizens who are at risk of being socially and financially excluded. The EaSI Programme has contributed effectively to that effort. The budgetary resources allocated to microfinance and social enterprises, which the Commission reinforced with additional resources from the European Fund for Strategic Investments, are on track to being fully utilised.

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Mr Elwin Groenevelt
President
European Microfinance Network
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Ms Lucia Lucija Popovska
President
Microfinance Centre
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The COVID-19 crisis raises an unprecedented challenge and I would like to re-assure you of the importance that the Commission attaches to the need to continue supporting the sector.

As you know, the Commission is mobilising all its resources to support Member States and to protect lives and livelihoods in the wake of the crisis. As part of a comprehensive economic response, the Commission has set up a €37 billion Coronavirus Response Investment Initiative (CRII) to provide liquidity to small businesses. More recently, it has launched a new €100 billion initiative designed to preserve jobs affected by the coronavirus outbreak, the Support to mitigate Unemployment Risks in an Emergency (SURE) scheme.

Safeguarding the survival of small and medium-sized enterprises, including micro-enterprises, is essential for national economies across the EU. Supporting small businesses is part of an ambitious package put together by the Commission and the European Investment Bank Group. In that context, my services are also actively examining, in close cooperation with the European Investment Fund, the various options available in the short-term under the EaSI financial instruments to be able to provide the necessary support and relief to microfinance institutions within the current budgetary constraints.

In that regard, I invite you to continue discussions with my services related to the various issues you raise. While the focus is understandably now on addressing the most pressing needs in the immediate aftermath of the crisis, the work of your respective networks and members will be key to help shore up the sector and rebuild as part of the ensuing recovery phase. You are also aware of the Commission's proposals for the next Multiannual Financial Framework 2021-2027, which will determine the possibilities to ensure continued support for the microfinance sector under the InvestEU Programme and the European Social Fund Plus (ESF+).

I will remain attentive to your reflections about measures to put in place after the current health crisis has subsided, in view of anticipating and providing the required support to the microfinance sector, ensuring that it can contribute with all its potential to the recovery efforts and continue building an inclusive Europe.

I look forward to our continued cooperation.

Yours sincerely,



Nicolas Schmit