

EMN POLICY BRIEFING – JANUARY 2026

FOREWORD

Dear members, Dear partners, Dear friends,

As this is our first policy briefing of the year, we would like to wish you and your loved ones a Healthy and Happy 2026, filled with inspiring and rewarding moments. We are thankful for your support in our efforts to make microfinance more relevant and multiply its positive impact Europe-wide.

The year has just started but we have already started planning our events for this year. We hope to see you all in Barcelona in October for the EMN Annual conference and sooner with some exciting new events!

Kind regards,

The EMN team

Contents

The European Commission published its long anticipated European Affordable Housing Plan	2
Publication of the European Pillar of Social Rights review of Western Balkans 2023 - 2025	3
The Banking Stakeholder Group (BSG) from the EBA is publishing its own initiative paper on access to bank services	4
The European Commission launches its Social Investment Knowledge Hub launched	5
European Semester package: slow decrease in the number of people at risk of poverty and social exclusion	6
The Council of Europe Development Bank approves eight new loans	6
The European Bank for Reconstruction and Development (EBRD) approved a EUR 10 million Green Economy Financing Facility (GEFF) loan for 3 Banka	7
EMN activities	7
Events	8
To Read	9

The European Commission published its long anticipated European Affordable Housing Plan

The European Commission published its long anticipated [European Affordable Housing Plan](#) on December 16th which is the first EU level strategy addressing the housing crisis in the EU. Between 2013 and 2024, the Commission estimates that house prices have risen by over 60%, renting prices by 20% and housing investment have declined significantly. The high prices along with the shortages are affecting low- and middle-income households.

The Commission estimates that the EU faces a shortfall of over 650 000 homes per year which will require an estimated budget of €150 billion annually to satisfy the needs.

Housing remains primarily a Member State competence but with this plan, the European Commission is to strengthen coordination, funding and policy support.

The plan is composed of 4 objectives:

- Increase housing supply
- Mobilise public and private investment
- Deliver immediate relief while pursuing long-term reforms
- Support vulnerable groups

The plan aims at making housing more affordable, which must go hand in hand with the reduction of energy costs such as energy bills. To do that, households need finance and reliable information.

Among the actions planned, we note in particular:

- A new **Partnership for Better Homes** which should help overcome practical barriers at local level to delivering finance for 2026;
- The set up of one-stop shop services to guide the renovation of housing as part of a **Support Package for financing energy efficiency**.

To address the problem of shortage of housing, the mobilisation of investment in housing supply will require cooperation between different financial actors. The European Investment Bank (EIB) will support this Housing Plan through its Action Plan for Affordable and Sustainable Housing. National and regional development banks along with CEB and EBRD will help in attracting public and private investment and will provide advisory support (with an objective of EUR 375 billion in resources by 2029). To do that, they will develop a new **Pan-European Investment Platform for affordable and sustainable housing**.

When it comes to homelessness and **vulnerable groups**, the Commission is planning to adopt a Council recommendation to promote person-centered and housing led policies which will be aligned with the upcoming EU Anti-Poverty Strategy.

Member States and regions will also be encouraged to increase their support for homeless and vulnerable groups using EU funding instruments including future MFF partnerships and facilities for social and affordable housing. Through the Citizens Energy Package, the Commission also intends to support households fighting energy poverty.

From the microfinance perspective

The European Affordable Housing Plan will create a framework to better integrate small-scale, inclusive finance into EU housing and energy policies. While large-scale institutional funding will address the housing supply gap, microfinance can complement this by providing low-income households, vulnerable groups with access to financing tailored to renovation, energy efficiency improvements and housing-related self-employment. The planned one-stop shops and the Support Package for Financing Energy Efficiency can help reduce barriers to accessing financing.

Integrating microfinance into the Plan's investment platforms and funding instruments would reinforce housing-led inclusion strategies and guarantee that affordability measures effectively target those most impacted by housing shortages and energy poverty.

Publication of the European Pillar of Social Rights review of Western Balkans 2023-2025

The latest [report](#) analysing the alignment of 6 countries in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia) with the European Pillar of Social Rights (EPSR) has been published. The review was carried out by the Regional Cooperation Council (RCC) and the International Labour Organisation (ILO) and was funded by the EU.

The report concludes that the region has made meaningful advances in employment and social policy reforms as part of EU accession efforts, but significant gaps remain between policy commitments and real-life outcomes.

Progress varies across countries. North Macedonia and Montenegro show the strongest institutional development and reform momentum, particularly in labour market activation, education, and labour legislation. Albania and Serbia have improved policy coherence and skills development but still face informality, inequalities, and social exclusion. Bosnia - Herzegovina and Kosovo have initiated reforms in social protection and labour inspection.

Some of the key regional challenges include:

- Education and skills: low adult participation in life-long learning,
- High share of informal and precarious work which appears to affect firstly women, youth, Roma and persons with disabilities,
- Digitalisation gaps

Among the recommendations, the report stressed the need to reduce informality, to expand lifelong learning, to improve gender equality and to ensure fair and adequate wage systems.

When it comes to financial and digital inclusion, the report shows a significant progress between 2011 and 2024. For instance, Serbia and North Macedonia have achieved high levels of account ownership and digital banking use.

From the microfinance perspective

The findings of this report emphasise the progresses made by these countries and their support to inclusive financial instruments which will promote social convergence in the Western Balkans.

In these countries, microfinance institutions have proven that microfinance can help to bridge the gap between policy commitments and real-life outcomes by providing finance and non-financial services tailored to the needs of those most affected by informality, precarious work and social exclusion.

The progresses made in financial and digital inclusion in this region create favorable conditions for scaling up digital microfinance solutions combined with financial literacy and skills development to support lifelong learning and labor market transitions.

Integrating microfinance more effectively in these countries labor market policies and social protection reforms could improve employment outcomes, increase resilience, and foster more inclusive regional growth.

The Banking Stakeholder Group (BSG) from the EBA is publishing its own initiative paper on access to bank services

The Banking Stakeholder Group (BSG) of the European Banking Authority (EBA) published its [own-initiative paper](#) on access to banking services highlights growing pressures on financial inclusion across the EU, despite the dense regulatory framework in place.

EU 'hard law' instruments such as the Payment Accounts Directive (PDA), the Digital Operational Resilience Act (DORA), the European Accessibility Act directive (EAA) and the Credit Consumer Directive (CCD) formally guarantee access to bank services. However rapid digitalisation, widespread branch closures, sector consolidation and rising cyber and geopolitical risks are changing the way citizens and businesses engage with banking services.

The paper reveals significant disparities in access to banking services across Member States and shows that vulnerable groups, including older people, rural communities, persons with disabilities, migrants and financially fragile households, are disproportionately affected. The BSG shows that, while digital channels can expand inclusion, they cannot fully substitute for physical access or personalised support, particularly where digital skills and infrastructure are weak.

The expert group therefore calls for a more holistic, evidence-based EU approach that balances objectives such as anti-money laundering (AML), fraud prevention and prudential requirements while preserving 'banking biodiversity', strengthening the resilience of both digital and physical channels.

The report also recommends safeguarding access to banking services across the EU as a core element of financial inclusion. This would ensure that digitalisation and branch closures do not exclude vulnerable groups, such as the elderly, people with disabilities, migrants, rural communities and small businesses. It calls for proportionate, risk-based approaches by banks to avoid unjustified de-risking and refusal of services under AML/CFT rules. It emphasises the importance of consistent EU-wide monitoring, improved data collection on access disparities, inclusive digital solutions, financial literacy initiatives and supervisory oversight, to guarantee that all individuals and businesses can access fundamental banking services effectively.

From the microfinance perspective

The paper identifies the risks and opportunities of improving access to banking services and financial inclusion in the EU.

The ongoing closure of bank branches, increased digitalisation and consolidation of traditional banks could widen the gap for low-income households, migrants, rural residents and micro-entrepreneur's groups that typically form the core of microfinance clients. However, the EU legal framework on basic accounts, non-discrimination, accessibility, and digital resilience provides an opportunity for microfinance institutions, ethical banks, and cooperative lenders to supplement mainstream banking by providing personalised, relationship-based services, small-value credit, and financial education.

From a policy standpoint, the paper suggests that safeguarding "banking biodiversity", recognising the role of non-bank and community-based providers, and ensuring the proportional application of anti-money laundering (AML), creditworthiness, and digital requirements are essential to enabling microfinance to increase its contribution to inclusive growth, local development and social cohesion.

The European Commission launches its Social Investment Knowledge Hub

The European Commission has launched a new [Social Investment Knowledge Hub](#) to strengthen evidence-based policymaking in the areas of the labor market, skills, and social policy.

Developed in collaboration with the Employment Committee (EMCO) and the Social Protection Committee (SPC), the Hub builds on previous work undertaken by the Employment, Social Policy, Health and Consumer Affairs Council and an informal social investment working group. The Hub will serve as a central platform for sharing best practices and improving the efficiency of public investment in social policies. It offers research and evaluation tools, insights into support opportunities and networking functions to facilitate collaboration between Member States.

By consolidating evidence and fostering policy learning, the Knowledge Hub will also help policymakers to identify measures that deliver economic returns and positive social outcomes. This will support smarter investment in jobs, skills development and social inclusion across the EU.

From the microfinance perspective

The launch of the Social Investment Knowledge Hub is important because it strengthens the evidence base for small-scale, inclusive financial interventions that promote social inclusion.

By promoting evaluation tools, cost-effectiveness analysis and peer learning across Member States, the Hub can help policymakers to better assess the contribution of microfinance, (microcredit, social loans and financial education programmes) to support entrepreneurship, job creation and the inclusion of vulnerable groups.

The platform also provides evidence to integrate microfinance more systematically into broader social investment strategies by aligning access to finance with skills development, active labour market policies and social protection measures.

European Semester package: slow decrease in the number of people at risk of poverty and social exclusion

As part of the European Autumn semester, the European Commission published, at the end of November, its **Joint Employment Report (JER)** for 2026 in which the institution monitors the employment situation in the Union and the implementation of the Employment Guidelines.

The report looks at the efforts made by EU Member States to meet the poverty reduction target set for 2030 under the European Pillar of Social Rights (i.e. reducing the number of people at risk of poverty or social exclusion by at least 15 million). This number decreased by 2.9 million between 2019 and 2024. In 2024, 93.3 million people in the EU were at risk of poverty or social exclusion, representing 21% of the EU population. Despite this decrease, the objective of 2030 remains far.

- Sweden and Ireland reached their national targets in 2024
- Portugal, Greece, Bulgaria, Poland, Italy, Romania, Hungary, Croatia, Czech Republic, the Netherlands, Belgium, Cyprus, Estonia and Latvia made some progress since 2019
- France, Germany, Estonia, Slovakia, Finland, Austria, Denmark, Lithuania, Slovenia, Luxembourg and Malta registered an increase of people at risk compared to 2019.

Based on these results, the European Commission calls to strengthen efforts to reach the ambition to eradicate poverty in the Union by 2050.

When it comes to employment level, the data gathered shows that the EU's target of 78% of employment target is well on track.

From the microfinance's perspective

The 2026 Joint Employment Report highlights the progress that has been made, as well as the structural gaps that continue to slow down the objectives set under the European Pillar of Social Rights.

The increase in employment levels contributes positively to social inclusion but in some Member States, the increase of poverty and social exclusion indicate that job creation alone is insufficient.

Systematically integrating microfinance into active labour market policies and social inclusion strategies could strengthen the link between employment growth and poverty reduction, thereby supporting the Commission's long-term objective of eradicating poverty in the EU by 2050.

The Council of Europe Development Bank approves eight new loans

The Council of Europe Development Bank (CEB) has approved eight new loans totaling EUR 902 million, highlighting its commitment to financing socially impactful investments and promoting inclusive development across Europe.

The funding package covers health and social care, social and affordable housing, financing for micro, small and medium-sized enterprises (MSMEs) and microfinance, regional development and

environmental protection. This comprehensive approach aims to reduce socio-economic disparities and strengthen the resilience of member states.

The approved operations include targeted microfinance support for Roma entrepreneurs in Albania, Kosovo, Moldova and Romania. It also includes technical assistance and financial literacy components to address persistent unemployment and financial exclusion. There is also a substantial EUR 250 million facility to support MSMEs in Poland, with significant earmarking for women-led businesses and climate-relevant assets.

Further loans will support the modernization of healthcare in Finland, the expansion of social housing in Germany, urban development in Romania, infrastructure improvements in Serbia, and the completion of strategic transport infrastructure in Turkey.

These approvals demonstrate how multilateral social financing can complement national and EU instruments in addressing vulnerability, promoting gender inclusion, enhancing access to essential services, and catalyzing job creation and sustainable growth in underserved regions.

The European Bank for Reconstruction and Development (EBRD) approved a EUR 10 million Green Economy Financing Facility (GEFF) loan for 3 Banka.

The European Bank for Reconstruction and Development (EBRD) has approved an EUR10 million Green Economy Financing Facility (GEFF) loan for 3 Banka. This marks a strategic extension of support for energy efficiency and renewable energy investments in the residential sector under the Western Balkans GEFF programme.

The loan will be provided by 3 Banka to households and housing associations to finance energy-saving technologies in privately owned homes and apartment buildings. This will reinforce Serbia's transition to a low-carbon economy and broaden access to sustainable finance for smaller clients. Borrowers may also benefit from grant incentives of up to 20 per cent upon the successful completion of their investment projects. This partnership strengthens the EBRD's support for the green economic transition at a local level, leveraging co-funding from the European Union and other international donors. It demonstrates how blended finance can empower microfinance institutions to deliver environmental and social impact in underserved markets.

EMN activities

- **Advocacy committee December 15th**

At the Advocacy and National Network Committee meeting on 15 December 2025, the Committee focused on advancing EMN's advocacy strategy in view of the upcoming Multiannual Financial Framework (MFF) for the period 2028–2034. The discussions emphasized the substantial restructuring of EU funding instruments, particularly the introduction of National and Regional Partnership Plans,

and the ongoing importance of the European Social Fund Plus (ESF+) and the European Competitiveness Fund (ECF) for microfinance, social inclusion, and the social economy. Members emphasized that advocacy efforts must operate simultaneously at the EU, national and regional levels, necessitating stronger country-level engagement by the network. The committee agreed on the next steps for refining a common advocacy document with stronger data and national contributions, with the aim of finalizing it by the end of January 2026 and launching coordinated advocacy actions in early 2026.

- **Participation in the RMA policy forum**

On 20 January 2026, the Romanian Microfinance Association will host a policy forum in Bucharest and online. This hybrid event will focus on the role of Romanian microfinance institutions in supporting the sustainable growth of microenterprises, farmers, and the social economy. Bringing together microfinance providers, investors, public and regulatory authorities, and key stakeholders, the event will facilitate the exchange of good practices for implementing European and national support programmes and encourage discussion on sector performance trends for 2020–2024 and the measurement and use of social impact in policymaking. By fostering dialogue on current challenges and opportunities, the forum aims to strengthen collaboration and enhance the deployment of effective microfinance, social economy financing, and technical assistance instruments in Romania.

Events

- **Microfinance for Inclusive Entrepreneurship: Insights from Greece and Croatia, Zagreb, February 10th**

On 10 February 2026, the Embassy of Greece in Croatia, the European Investment Bank Office in Zagreb, and the European Microfinance Network (EMN) will organise a panel discussion from 10:00 to 12:00 at the European Commission Representation Office in Croatia in Zagreb.

The event will bring together European and national stakeholders to explore how microfinance can foster inclusive entrepreneurship and support underserved communities. The event will open with opening remarks from the Ambassador of the Hellenic Republic to Croatia and Sladjana Ćosić, Head of the EIB Office in Croatia. This will be followed by a discussion featuring representatives from the European Investment Fund, Croatian credit unions and the Cooperative Bank of Karditsa. Drawing on experiences from Greece and Croatia, the discussion will highlight policy perspectives, financial instruments, and best practices to strengthen inclusive finance and entrepreneurship across Europe.

- **EMN 2026 Annual Conference**

The EMN Annual Conference 2026 will take place in Barcelona from 14 to 16 October. This edition is being hosted in collaboration with local partners Autoocupació and MicroBank, whose involvement will ensure the conference is a collaborative event focused on learning, exchange and sectoral coordination.

More information will be available soon.

To Read

Presentation of the Flagship Report on Social Economy (OECD and European Commission)

The European Commission and the OECD published their flagship report on social economy. This report demonstrates how social economy organisations strengthen local communities, create resilient jobs, provide care and affordable housing, and help Europe maintain its competitiveness, particularly during times of crisis. It also reveals the factors holding them back and how smarter policies could help them to reach their full potential.

You can read the full report [here](#).

For all questions, suggestions and feedback related to the above points, please don't hesitate to get in touch with Georgios Papadakis, EMN Managing Director at g.papadakis@european-microfinance.org and Marie Vial, Advocacy Director at m.vial@european-microfinance.org.

Kind regards,

The EMN team