



**NICOLAS SCHMIT**  
MEMBER OF THE EUROPEAN COMMISSION  
JOBS AND SOCIAL RIGHTS

Rue de la Loi, 200  
B-1049 Brussels  
Tel. +32-2 295 00 90  
Nicolas.Schmit@ec.europa.eu

Brussels, 10. 08. 2020  
Ares (2020) 4527397

Dear Mr Groenevelt,  
Dear Ms Popovska,

President von der Leyen has asked me to reply to your letter of 8 July 2020 regarding the budget resources available for micro-finance support in the Employment and Social Innovation programme (EaSI).

I am certainly aware of the far-reaching adverse impacts of the pandemic for many self-employed and micro-entrepreneurs across Europe who have been affected particularly hard by the socio-economic fallout. I would like to assure you of the Commission's commitment to support the most vulnerable in society and those furthest from the labour market. The EU policy objective of fostering financial and social inclusion remains a priority, and we will continue to promote it by means of all instruments available to that end.

In response, the Commission and the European Investment Fund (EIF) have jointly agreed on an amendment of the mandate for the EaSI Guarantee instrument, providing more flexible contract terms and relief for microfinance institutions in difficulty. This amendment primarily covers the more than one hundred existing guarantee contracts. Unfortunately, given the limited budgetary constraints, I am afraid that it is not possible at this stage to further increase the EU budget of EUR 400 million already foreseen for the EaSI Guarantee.

Mr Elwin Groenevelt  
President, European Microfinance Network

Ms Lucia Lucija Popovska  
President, Microfinance Centre

Avenue des Arts 7-8  
B-1210 Brussels

./..

As you know, the European Council has recently agreed on a very ambitious package to support the recovery of the EU economy in response to the pandemic and provide the necessary resources through Next Generation EU, a new recovery instrument of €750 billion, and the next Multiannual Financial Framework 2021-2027.

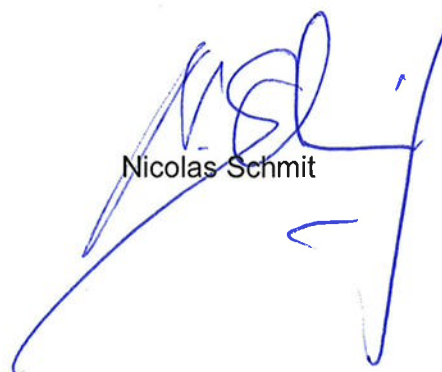
The European Council's decision paves the way for the implementation of a new set of instruments, including the InvestEU Programme, which foresees support for microfinance operations under a dedicated Social Investments and Skills Window. The European Social Fund Plus (ESF+), together with other instruments, will have also as priority to promote social inclusion.

It is now up to the budgetary authority – the European Parliament and the Council – to decide on the final configuration of the different instruments and on the budget resources for the different policy priorities.

As mentioned in my previous letter, you can count on the Commission's commitment to ensure continued EU support for microfinance. Nevertheless, please bear in mind that a renewed EU support for microfinance sector activities is not to be expected prior to the entry into force of the next EU budget that is now under preparation.

My services, notably the colleagues in the Commission's Directorate-General for Employment, Social Affairs and Inclusion are following closely the preparatory work of the new instruments. They remain at your disposal and available to meet with you at your earliest convenience for a more detailed update.

Yours sincerely,



Nicolas Schmit