

European Progress Microfinance Facility for employment and social inclusion

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This Commission Staff Working Document presents an ex-ante evaluation of the European Microfinance Facility for Employment and Social Inclusion (Progress Microfinance Facility).

Given the currently reduced level of lending and the dramatic fall in outstanding loans, ongoing **Community and national efforts need to be strengthened to increase the supply of microcredits** to a sufficient scale and within a reasonable time-frame so as to address the high demand of those who need it most in this period of crisis. Using Community resources is appropriate and responds to the [Resolution](#) of the European Parliament of 24 March 2009. Further, a single facility will concentrate leverage from international financial institutions. A pan-EU facility will avoid a dispersed approach thus increasing micro-finance supply in all Member States.

This report considers that taking into account the limitations of the currently running initiatives and the strong Community interest in meeting the objectives for this initiative in a term as short as possible, the setting up of a microfinance facility through the adoption of a **new legal base and the reallocation of EUR 100 million from the Progress programme** seems to be the most appropriate solution.

The reallocation of funds from the Progress Decision will require an adjustment of the activities developed under the different strands of activities. Moreover, from a political point of view it is generally accepted that the current economic crisis requires a **redeployment of resources** to actions that can benefit more directly those groups of European citizens that are affected by the crisis.