

# Microfinance in EU policy

## Past, current and future

Microfinance: financial tools (primarily credit), offered to financially **excluded people**, coupled with **business-development services**, for the purpose of **professional activities**.

Inclusive finance is as relevant now as it ever was. It...

- fights inequalities, increases chances for integration into society and the economy
- has net-positive effect on public budget due to reduced reliance on welfare & creation of value.

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Microfinance is a **core part of the EU strategy on inclusive entrepreneurship**, at least since the 2007 communication. This communication proposed the following way forward:

- 1) Member states should adopt appropriate national institutional, legal and commercial frameworks to promote a more favourable environment for the development of microfinance
- 2) EU support should provide a) technical assistance, and b) access to finance for MFIs with exemplary conduct.

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    - ➔ Will access to finance for social/inclusive entrepreneurship be reflected in the Action Plan? Will the regulatory frameworks for self-entrepreneurship be improved?
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    - ➔ 2021-2027 successor programmes under InvestEU? More accessible for small MFIs? Allowing for innovative approaches?
    - ➔ More investment from ESF managing authorities in MFI business development services?

Thank you!

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