

Financial instruments to tackle the crisis related to the pandemics

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During the 1st virtual partner meeting of the “ATM for SMEs” add-on project, the partners discussed the local initiatives – responses to the COVID-19 situation, in the field of MSME support. The presented initiatives all included a financial instrument – typically a loan product with simplified conditions and easier access.

The goal of one-year addition to the successful “ATM for SMEs” project is to further exchange experiences on such initiatives, in terms of how they facilitate the recovery from the crisis, and how they fit in to the policy environment. The add-on project is focusing on the exchange of experiences, learning and influencing regional policies so that measures related to microfinance and crisis resiliency can be well grounded, funded and accessible.

The first project meeting was held virtually on 24 November 2021, with the participation of all the 9 partners. Previously, the partners completed the mapping of new regional (national) initiatives, which were supposed to mitigate the effects of the COVID-19 pandemics.

During the meeting, the partners discussed successful initiatives like:

- LP: Resiliency package from FEA
- PP2: Interest-free restart quick loan programme (EDIOP-9.1.1-21)
- PP3: Burgos initiatives – Sodebur and ICE
- PP4: Corona-19 emergency aid programme I and II, EU REACT Programme I and II, SOS Mentoring
- PP5: Extension of 'Zala Innovative Employment Pact' (ZIEP) and Loan moratorium
- PP6: Sardinian Enterprises Emergency Fund, ESF Microcredit for tourism sector
- PP7: Public call for T 100093 - small value aid under Directive 1407
- PP9: Financial instruments implemented under ROP WŚ 2014-2020, measure 2.6 Loan for SMEs

The common element of these initiatives is that they provide financial support with easier (faster, lower threshold) access, even to the micro enterprises which can be excluded from commercial loan products. The regional authorities reacted quickly to the crisis and most of these new financial instruments are available through digital channels also.

These regional initiatives will be analyzed in the framework of a comprehensive study by EMN. The focus of the study will be the role of microfinance within the context of COVID-19 recovery efforts.

Objectives of the study:

- Understand the role of Managing authorities and microfinance institutions (MFIs) in the context of COVID-19 recovery initiatives adopted at the EU and national level
- Analyse and assess the tools and initiatives used by the project partners to answer to the financial needs of MSMEs from the beginning of the pandemic
- Support the diffusion of these initiatives to raise awareness on key role of microfinance to support MSMEs during the pandemic

Out of the 24 regional initiatives elaborated and presented by the partners at the project meetings, the EMN team will choose 8 cases, which are reflecting: Implementation of EU measures at the local,

regional and national level / New initiatives implemented by Managing authorities / Measures, new policy and products developed by microfinance institutions.