



EUROPEAN PARLIAMENT

2009 - 2014

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*Committee on Budgets*

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**2009/0096(COD)**

5.11.2009

## **OPINION**

of the Committee on Budgets

for the Committee on Employment and Social Affairs

on the proposal for a decision of the European Parliament and of the Council establishing a European Microfinance Facility for Employment and Social Inclusion (Progress Microfinance Facility)  
(COM(2009)0333 – C7-0053/2009 – 2009/0096(COD))

Rapporteur: Alain Lamassoure

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## SHORT JUSTIFICATION

### *Commission proposal*

The Commission has proposed the creation of a new financial instrument: European Microfinance Facility for Employment and Social Inclusion, in order to give the unemployed the chance of a new start and to open the way to entrepreneurship for some of Europe's most disadvantaged groups.

This new instrument intends to provide Community resources in order to increase access to micro-credits and risk-sharing coverage. The establishment of a single pan-EU facility would, first, concentrate leverage for international financial institutions; and, second, avoid a dispersed approach thus increasing microfinance supply in all Member States. Open to public and private bodies established in the members States, which provide microfinance; it would serve to help to assist people who lost their jobs or are facing social exclusion and want to start or further develop their own business, but do not have access to 'commercial' bank credits.

Your Draftsman welcomes the Commission proposal establishing the Microfinance Facility for employment and social inclusion. Moreover, he supports the idea that the EU budget can and shall be used as a tool to help overcome the current crises, by giving impetus to economic growth, competitiveness and job protection.

### *Budgetary aspects*

Commission's proposal foresees a total amount of EUR 100 million, over a period of four years (from 01.01.2010 to 31.12.2013). The funding would come from a reallocation of the same amount from the Progress programme under heading 1a of the MFF.

Your Draftsman notes that the Progress programme has been proposed by the Commission as a source for funding the new instrument. He recalls that Progress programme was established to support the implementation of the objectives of the European Union in employment, social affairs and equal opportunities, as set out in the Social Agenda, as well as to contribute to the achievements of the EU 'Lisbon' Growth and jobs Strategy. Moreover, he recalls that the European Parliament increased the overall amount of the Progress programme by EUR 100 million under the terms of the 2006 Interinstitutional Agreement.

In this respect, your Draftsman stresses that the Progress programme should be fully implemented in order to achieve its specific objectives and to effectively contribute to the tackling of the consequences of financial and economic crisis.

### *2010 Budget procedure*

In the context of the budget procedure 2010, the committee on budgets has clearly expressed its opinion on the funding of the European Microfinance Facility.

Two new budget lines have been created: 04 04 15 for the operational expenditure and 04 01 04 11 for the administrative expenditure. EUR 37,5 million has been adopted for the European Microfinance Facility and EUR 0,25 million for the administrative expenditure

budget line, both in reserve. These reserves could be released once the legal basis will be adopted.

The European Parliament first reading of the budget 2010 gave a clear support to the demand expressed by its competent committee.

The Draftsman underlines the urgency to adopt this proposal as soon as possible in order for it to have an effect during the current crisis.

## AMENDMENTS

The Committee on Budgets calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following amendments in its report:

### Amendment 1

#### Draft legislative resolution Paragraph 1 a (new)

*Draft legislative resolution*

*Amendment*

***1a. Considers that the annual amount will be decided during the annual budgetary procedure, including if necessary through application of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the European Commission on budgetary discipline and sound financial management<sup>1</sup> (IIA), or by other means foreseen in the IIA;***

### Amendment 2

#### Draft legislative resolution Paragraph 1 b (new)

*Draft legislative resolution*

*Amendment*

***1b. Considers that the funding of new activities should not jeopardise existing programmes;***

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<sup>1</sup> OJ C 139, 14.6.2006, p. 1.

### Amendment 3

#### Proposal for a decision Title

*Text proposed by the Commission*

Decision of the European Parliament and of the Council establishing a European Microfinance Facility for Employment and Social Inclusion (***Progress Microfinance Facility***)

*Amendment*

Decision of the European Parliament and of the Council establishing a European Microfinance Facility for Employment and Social Inclusion

### Amendment 4

#### Proposal for a decision Article 1 – paragraph 1

*Text proposed by the Commission*

1. A European Microfinance Facility for Employment and Social Inclusion, called the ***Progress*** Microfinance Facility (hereinafter "the Facility"), is hereby established.

*Amendment*

1. A European Microfinance Facility for Employment and Social Inclusion, called the ***European*** Microfinance Facility (hereinafter "the Facility"), is hereby established.

### Amendment 5

#### Proposal for a decision Article 3 – paragraph 2

*Text proposed by the Commission*

2. The annual appropriations ***shall*** be ***authorised by the budgetary authority within the limits of the financial framework.***

*Amendment*

2. The annual appropriations ***will*** be ***decided during the annual budgetary procedure, including if necessary through application of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the European Commission on budgetary discipline and sound financial management<sup>1</sup> (the IIA), or by other means foreseen in the IIA.***

<sup>1</sup> *OJ C 139, 14.6.2006, p. 1*

## PROCEDURE

<b>Title</b>	European Microfinance Facility for Employment and Social Inclusion (Progress)
<b>References</b>	COM(2009)0333 – C7-0053/2009 – 2009/0096(COD)
<b>Committee responsible</b>	EMPL
<b>Opinion by</b> Date announced in plenary	BUDG 14.7.2009
<b>Rapporteur</b> Date appointed	Alain Lamassoure 21.10.2009
<b>Discussed in committee</b>	5.11.2009
<b>Date adopted</b>	5.11.2009
<b>Result of final vote</b>	+: 28 -: 0 0: 0
<b>Members present for the final vote</b>	Marta Andreasen, Francesca Balzani, Reimer Böge, Lajos Bokros, Andrea Cozzolino, José Manuel Fernandes, Salvador Garriga Polledo, Ivars Godmanis, Ingeborg Gräßle, Estelle Grelier, Carl Haglund, Jutta Haug, Jiří Havel, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Barbara Matera, Claudio Morganti, Sergio Paolo Francesco Silvestris, Helga Trüpel, Angelika Werthmann
<b>Substitute(s) present for the final vote</b>	Maria Da Graça Carvalho, Giovanni La Via