



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera Deputatilor for its Opinion concerning the proposal for a regulation on a European Union programme for social change and innovation (PSCI) {COM(2011) 609 final}.

The Commission takes note of your suggestion to consider a re-allocation of budget resources from the Progress axis to the microfinance axis. The Commission considers that increasing the budget of the microfinance axis at the expense of the Progress axis is not desirable given the important role that the PSCI – and in particular its Progress axis - needs to play as the only EU level, horizontal instrument in the field of employment and social inclusion. Moreover, the Progress axis will include a new instrument for the promotion of social experimentation (17% of the total PSCI budget), testing and evaluating its outcomes with a view to scaling them up with greater ESF funding.

The Commission also expects the budget of the microfinance axis as proposed under the PSCI to be sufficient, especially considering the maturity of the market which still needs to be developed. However, Member States are free and encouraged to use part of their ESF resources for setting up financial instruments, including for microfinance. To benefit from the experience and know-how gathered at European level, managing authorities can establish ring-fenced compartments under the fund to be put in place for the implementation of the PSCI microfinance axis. The Microfinance axis can also be used to attract additional funding from the European Investment Bank and other international financing institutions.

I hope that these explanations serve to clarify the concerns raised in your Opinion and look forward to continuing the political dialogue with the Camera Deputatilor.

Yours faithfully,

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