



EUROPEAN COMMISSION

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Herr Per WESTERBERG  
Talmannen  
Riksdagen  
Sveriges riksdag  
SE – 100 12 STOCKHOLM

Dear President,

*The Commission has taken note of the reasoned opinion of the Riksdag on the Programme for Social Change and Innovation (PSCI) {COM(2011) 609 final} as well as of your support for an overarching strategy for the development of social entrepreneurship in the EU.*

*Such a strategy was adopted on 25 October 2011 in the form of a Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled "Social Business Initiative: Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation"<sup>1</sup>. Following stakeholder consultations, the Strategy is based on three areas for action: an improved legal environment, higher visibility, and better access to funding for social enterprises. The Microfinance and Social Entrepreneurship Axis of the PSCI is part of the actions that address the last of the three areas.*

*Indeed, in the field of microfinance, the PSCI aims to increase access to and availability of microcredit for job creation and social inclusion through entrepreneurship. The European microfinance sector has welcomed the proposal for continued microfinance support at EU level: before the crisis, demand for microcredit was estimated at EUR 6.3 billion or 700 000 loans in the short run for the European Union, but the crisis has greatly exacerbated the needs. The new financial instrument, which aims to facilitate access to finance for social enterprises, would thus stimulate an emerging market currently not sufficiently served by Member States' action.*

*The proposed budgets for the financial instruments under the PSCI are fairly small, as they are not intended to replace public actions in the Member States and regions, but to stimulate and leverage private and public investments in a market segment still in its infancy with positive impact on employment, social inclusion and sustainable development. The intention is to offer a platform for experimentation and learning on a limited scale relating to critical issues (such as classification of investment objects, definition of benchmark criteria for measuring social impact, and suitable legal frameworks for financial intermediaries). The results of this experimentation and learning may, at a later stage, be scaled up by the Member States, including with support from the European Social Fund (ESF). This is why the*

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<sup>1</sup> COM(2011) 682 final of 25 October 2011.

*explanatory memorandum for the proposed ESF Regulation refers to the PSCI. The Common Strategic Framework provided for in the Common Provisions Regulation relating to the Structural Funds will address issues of coordination and complementarity of structural instruments, including the ESF, with other instruments supported by the budget of the Union.*

*The Progress axis of the PSCI will allow for the financing of mutual learning and exchanges of good practice at national level in the field of entrepreneurship and microfinance support. Member States and regions can benefit from the experience that the Commission, in cooperation with the European Investment Fund, has already gathered through the current microfinance facility (Progress Microfinance)<sup>2</sup>. In particular, Member States will be able to establish their own ring fenced compartments under the fund to be set up at European level, for instance using their ESF resources.*

*In terms of scale, once they are pooled at European level, the financial resources are likely to be more successful than individual Member State investments in attracting additional funding from third-party investors such as the European Investment Bank, which, in the case of Progress Microfinance, matched the EU contribution of EUR 100 million. The same applies to an EU level equity fund for investments in social enterprises, which can be expected to attract more resources from other investors.*

*I hope these explanations clarify the concerns raised in your reasoned opinion and I look forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*

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<sup>2</sup> [www.ec.europa.eu/epmf](http://www.ec.europa.eu/epmf).