



European Commission

Directorate General Employment, Social Affairs and Inclusion (EMPL)
Directorate General Enterprise and Industry (ENTR)
Directorate General Internal Market and Services (MARKT)



**Groupe d'experts de la Commission
sur l'entrepreneuriat social
(GECES)**



1st meeting - 5 June 2012
Charlemagne building, rue de la Loi 170, Brussels / Meeting Room Mansholt

MINUTES

Welcoming remarks by Massimo Baldinato, member of the cabinet of Antonio Tajani (Vice-President of the European Commission, Industry & Entrepreneurship)

Mr Baldinato noted that the Commission put the social economy and social business in its major commitments. There are two particular reasons for that. First it is perfectly in line with the Europe 2020 Strategy and second, social economy and social business are as close as possible to the "social market economy"¹ and it is a real pillar for the EU and its future economic development. Recently VP Tajani stated that social economy is a person based economy, driven by the individuals.

As illustration, Mr Baldinato mentioned the region Emilia-Romagna in Italy as a traditional social economy region. This region was recently stroked by an earthquake but now, thanks to this social economy, a lot of problems could be solved as it develop territorial cohesion, economic consortia and creativity of citizens.

In conclusion, he underlined that the Commission needs specific suggestions and comments of GECES participants and that the VP Tajani and his Cabinet remain at their disposal concerning the future work of the Group.

Session I / Chair MARKT (Henrik Mørch)

Presentation of the GECES

- Adoption of the [agenda of the meeting](#)

The GECES adopted the agenda of the meeting, that had been sent previously to all GECES participants² (attending or not), and had been uploaded on the GECES' [website](#)³.

- [Call for applications](#) results

¹ See Article 3, par. 3 of the Treaty on the functioning of the EU (TFEU).

² GECES participants = members + observers + all substitutes

³ http://ec.europa.eu/internal_market/social_business/expert-group/index_en.htm

The Commission presented briefly the results of the [call for application](#)⁴. All GECES participants had received previously an [explanatory note](#)⁵ and [tables](#)⁶ presenting the results, which had been uploaded on the GECES' [website](#)⁷.

Questioned by a participant, the Commission stated that it is conscious that there is formally no representative from "Mutual societies" in the GECES, but this was not deliberately done, and it is the result of the assessments of the dossiers received, plus the complicated constraints placed upon the Commission to balance the group (gender and nationality).

➤ Functioning of the GECES / [Rules of procedures](#)

The Commission presented the document "[Rules of procedures of the GECES](#)", that had been sent previously to all GECES participants (attending or not). This document is now accessible online, on the Commission's website on [Expert Groups](#)⁸.

Questioned by participants, the Commission stated that:

- ✓ For confidentiality reasons, and as stated in the rules of procedures, neither tweets nor emails sent during the meeting and referring to opinions expressed in the GECES meetings are permitted.
- ✓ Circulation of information within Member States or Third States, or Institutions: for practical reasons, documents sent by the Commission and Internal minutes written by a representative at the GECES can be distributed and discussed internally of each administration.
- ✓ The rules of procedures could of course be amended, but since it needs a lengthy internal work between the 3 DGs (MARKT/EMPL/ENTR) with the Secretariat General of the Commission, it will be amended only if one participant could indeed convince the Commission to do so.
- ✓ As stated in the rules of procedures, the GECES could organize hearings or invite external experts to come to a GECES meeting, should the Commission accept it.

➤ Presentation of the SBI team MARKT/EMPL/ENTR

The Commission presented the colleagues of the SBI team, whose details could be found [online](#)⁹.

➤ Presentation of members and observers of the GECES

Participants attending the meeting presented themselves briefly. The Commission reminds the 44 members who have been selected through the call for applications that a dedicated [webpage](#)¹⁰ has been set up in order to present, through short CVs, their profile. Those of the 44 members who didn't yet send their CV (following the template) are asked to do so as soon as possible.

⁴ http://ec.europa.eu/internal_market/social_business/docs/20120223-geces-call_en.pdf

⁵ http://ec.europa.eu/internal_market/social_business/docs/expert-group/20120524-geces-results_en.pdf

⁶ http://ec.europa.eu/internal_market/social_business/docs/expert-group/20120524-geces-results_en.xls

⁷ http://ec.europa.eu/internal_market/social_business/expert-group/index_en.htm

⁸ <http://ec.europa.eu/transparency/regexpert/openDoc.cfm?id=5544&no=1>

⁹ http://ec.europa.eu/internal_market/social_business/contact/index_en.htm

¹⁰ http://ec.europa.eu/internal_market/social_business/expert-group/cvs_en.htm

- 28 actions identified in the SBI

The Commission presented a series of key actions from the SBI.

Action #1: Key action 1: European social entrepreneurship funds (EuSEF)

The Commission presented the proposal on European Social Entrepreneurship Funds which was adopted by the Commission on 7th December 2011. The proposal aims at introducing a label for investment funds targeting social enterprises in order to make these funds more identifiable to investors. Furthermore, the proposal foresees a passport mechanism for funds targeting social enterprises so that they can more easily be distributed across the EU and cross border fund raising is facilitated. The funds are open to professional and semi-professional investors. Good progress was made with this proposal since it was negotiated together with the proposal for venture capital which is a priority for the Danish Presidency. At the European Parliament, ECON vote took place on 31st May and negotiations between Council, Parliament and Commission have started. There are good prospects for finding a political agreement before the end of June and the proposal will be able to be adopted before the end of the year. The work on European Social Entrepreneurship funds was also identified as an area where a subgroup of the GECES would be useful since the proposal foresees some follow-up work on social impact measurement to which contributions by experts of the group would be highly welcome. The Commission will set up this subgroup in the coming months.

A question was raised in relation to the location of the target social enterprise and whether it must be located in the EU or whether it could also be located in a third country. The Commission explained that the proposal did not contain a restriction in this respect. The point is currently discussed in the negotiations. Some members pointed to some on-going work on social impact measurement and whether this will be taken into account by the Commission. It was made clear that the Commission is very well aware that there is already a lot of work on-going in the area of social impact measurement and that it would be important for the Commission to build on this when developing policy in this area. There was also the question as to whether it would be mandatory for all investment funds investing into social business to comply with the proposed Regulation and to carry the label. The Commission clarified that the new label was not an obligation but an option which is offered to fund managers to facilitate cross border access. National funds can exist alongside.

Some participants also asked whether the Commission will make sure that weaker economies have the chance to benefit from the new regime either as fund location or as location where the enterprise is domiciled. The Commission replied that the regime is open to everybody and that the question of geographical distribution will be part of the monitoring of the effectiveness of the Regulation by the Commission.

Action #2: Key action 2: Microcredit / Microfinance

The Commission reported on the outcome of a [conference on microcredit](#)¹¹ jointly organised by the EESC and the European Commission (DG MARKT) on 2 December 2011. The main message was that microcredit providers are in need of more public recognition and credibility, as a way to facilitate their access to private funding. Two approaches have been considered to achieve this enhanced status: self-regulation through a voluntary code of conduct for bank as well as non-bank microcredit providers, or the extension of the scope of application of all or part of the existing banking prudential requirements to the non-banking institutions. Microcredit providers in their majority showed little appetite for prudential/regulatory solutions, including in respect of a possible light touch, harmonised EU prudential regime for non-bank microcredit providers. This position is not disputed by the European banking supervisors. With respect to codes, the Commission recalled that in October 2011, the European Commission (DG REGIO and DG ENTR) issued a [European Code of Good Conduct for Microcredit Provision](#)¹² drafted in close relation with the microcredit sector. Around 100 microfinance/microcredit providers have already indicated their intention to adhere to the code. The long term objective of DG REGIO and the EIB is to create a quality label for microcredit providers adhering to the code. Such a label could be subject to external auditing. The Commission representative concluded that whilst the Commission was still reflecting on possible next steps, the path defined by the European Code of Good Conduct appeared at this juncture as the most promising.

Action #3: Key action 3: European financial instrument

The Microfinance and Social Entrepreneurship chapter of newly proposed Commission [Programme on Social Change and Innovation](#)¹³ includes the establishment of a financial instrument with the objective to support the development of the social investment market and facilitate access to finance for social enterprises. The initial budget is EUR 90 million, and it will use the Commission contribution for Investment into/co-investments with, financial intermediaries (equity, quasi-equity and debt instruments), and portfolio guarantees. In order to attract private and other public investors, it will provide a first loss provision. Backed by the EU financial instrument, financial intermediaries can engage or expand their operations (notably equity, quasi-equity and subordinated debt) to support the start, development and scaling of social enterprises, provided the social enterprise meets the definition of the Regulation (taken from the SBI), and has an annual turnover or balance sheet not exceeding EUR 30 million, and the deal size is below EUR 0,5 million.

Action #4: Key action 4: Structural funds (ESF, ERDF)

In its proposal for the intervention fields of the Regulations for the European Social Fund and the European Regional Development Fund, the Commission proposed an investment priority 'promoting the social economy and social enterprises'. In its proposal for the Common Strategic Framework, the Commission has encouraged Member States and regions to make use of this investment priority. For the ESF, three key actions are highlighted:

1. Direct support for capacity building of teams starting a social enterprise, in order to speed up and increase the rate of creating sustainable social enterprises

¹¹ http://ec.europa.eu/internal_market/finservices-retail/credit/microcredit_en.htm

¹² http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=6978

¹³ <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1093>

2. Delivery of high quality supply of business development and support services (education, training, networking, coaching, tendering etc.), in order to stimulate the development of a supportive eco-system, and
3. Set up financial instruments to facilitate access to finance

Action #6: Dormant funds

The status of work on dormant funds was delivered by the Commission. A summary of the results from the February dormant funds questionnaire was given, explaining that Member States can be divided into three groups, (i) those who are opposed to using dormant funds as a funding source or do not see its practicality, (ii) those who do not have a framework in place for their use but might be interested in exploring the idea, and (iii) those who already make active use of the funds for various purposes. A brief description of some of these objections and funding systems was provided, and it was explained that the Commission is still considering whether and what European level action is appropriate given that there are already some good examples of effective national schemes.

Action #7: Access to venture capital

This proposal set out a common EU definition for venture capital funds, by which investment funds operating under the terms of the definition (dedicating themselves to investments in SMEs) are provided with a common EU label and a marketing passport so they can gather investments throughout the Union. It fills in a gap for vital for the venture capital industry, which is mostly made up of smaller investment funds that are not able to make use of existing marketing passports. The proposal focuses on improving SME access to private risk capital – equity and quasi-equity finance from institutional and professional investors – which should be able to compliment other forms of financing for SMEs. The proposal was adopted alongside the one on European social entrepreneurship funds, which takes a very similar form. As with that proposal, it is currently under negotiation between the European Parliament and the Council: the Competitiveness Council tasked the Presidency of the Council with reaching a swift agreement on both, given their importance for long term growth in Europe. Good progress in the European Parliament and the Council has been made, and a political agreement between them could well be found before the end of the Danish Presidency at the end of June.

Action #10: Key action 5: Mapping of social enterprises

In July, the Commission will contribute to gaining a better understanding of social enterprises in two ways. Firstly, it will launch a study to map social enterprises in the European Union to be delivered by early 2013. Secondly, as part of the 7th Framework Programme for Research, it will publish the call for proposals for a wider-ranging Research project to be completed by 2016 called Social entrepreneurship for innovative and inclusive societies.

Action #12: Key action 7: National and regional administrations: promotion of mutual learning and capacity building

The implementation of this action is closely linked to the implementation of the Commissions commitment in the Youth Opportunities Initiative ([YOI](http://ec.europa.eu/social/main.jsp?catId=1006)¹⁴) to use ESF Technical Assistance to

¹⁴ <http://ec.europa.eu/social/main.jsp?catId=1006>

support the “setting up of support schemes for young business starters and social entrepreneurs”.

The overall purpose of this assistance is to improve the quality and performance of national and regional support to social enterprises. It will be organised in such a way that enhancing national and regional capabilities to design and implement effective support systems will facilitate the programming of the investment priority on social enterprise under the ESF Operational Programmes 2014-2020. It will therefore focus on key success factors such as a strategic approach, sound planning, stakeholder involvement, specific needs of target groups, transfer of good practice, and good governance. It will:

- Provide strategic assistance to individual national or regional administrations (notably ESF bodies) through capacity building, in particular by providing consultancy and supporting competence development;
- Facilitate mutual learning between national /regional (ESF) authorities, stakeholders and practitioners from different Member States, through supporting learning networks, collecting and disseminating good practice examples, organising exchange and learning events, and establishing learning platforms.

Action #13: Key action 8 a): Electronic data exchange platform

The point is postponed to the session VI.

Action #16: Promoting research, in particular on collection of statistics (satellite accounts)

One of the main objectives of the SBI is increasing the visibility of the social enterprises in Europe’s economy. In this respect a [call for proposals](#)¹⁵ was launched (deadline 7 September 2012) in order to provide reliable statistics on social enterprises at national and European levels and to identify countries interested in collecting this information.

Action #17: Promoting dialogue between social enterprises and financial institutions

The last [SME Finance Forum](#)¹⁶ was dedicated to financing social enterprises. It brought together banks and financial intermediaries engaged in social financing and key stakeholders representing social enterprise and the social economy. Some of the key issues to be followed up are fiscal incentives, labels to increase transparency, and suitable financial instrument for providing patient capital. The minutes of that meeting were circulated by the GECES Secretariat.

Action #18: Key action 9 a) Simplification of the Regulation on the European Cooperative Society

In the SBI the Commission said that, depending on the results of the public consultation, it might propose simplifying the SCE Regulation, making it more independent of national laws and making it easier to set up social cooperatives. Following its report on the implementation of the SCE Regulation, the Commission started to consult stakeholders on whether and how to simplify it. For this purpose, and also to celebrate the 2012 [UN International Year of](#)

¹⁵ http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6013

¹⁶ http://ec.europa.eu/enterprise/policies/finance/financing-environment/sme-finance-forum/index_en.htm

[Cooperatives](#)¹⁷, the Commission co-hosted in [April a large conference in Brussels](#)¹⁸, attended by stakeholders' organisations. The second conference will take place in September 2012, during the Cyprus Presidency, and will bring together representatives of the Member States. On these fora the Commission would ask stakeholders whether individual articles should be simplified by deleting and replacing the references to public company law, and whether the SCE Regulation can be made more independent of national laws. For this purpose a [list of selected articles](#)¹⁹ was published on [DG ENTR website](#)²⁰ for comments and proposals. The deadline to send them is 29/06/2012.

Action #19: Key action 9 b) European foundation

The Commission explained that the European Foundation Statute, which was proposed by the Commission on 8 February 2012, aimed to make it easier for foundations to develop their public benefit purpose activities across the EU, and underlined that the Statute would create a single European legal form, which would exist in parallel to national foundation forms. The Statute was based on Article 352 and therefore required unanimity in the Council and consent of the EP for adoption. The discussions in the Council are on-going with 2nd Working Group meeting planned for 8 June. In the EP, Legal Affairs Committee (JURI) is responsible and Mrs Regner (AT, S&D) will be rapporteur.

Action #21: Key action 10 Reform of public procurement

The Commission's legislative initiative (published on 21 December 2011) for the modernisation of EU public procurement directives proposes a large set of measures aiming at:

- ✓ Encouraging access to public procurement to SMEs (such as social enterprises) through measures to cut administrative burden, incentives to divide tenders into lots and limit the financial capacity requirements for the submission of a tender;
- ✓ Facilitating a qualitative improvement in the use of public procurement (a) by ensuring greater consideration for social and environmental considerations and (b) by creating a special simplified regime for the procurement of social, cultural and education services, which is focused on the need to ensure high quality for these services.

Session III / Chair ENTR (Apostolos Ioakimidis)

The SBI at the European Parliament (EP)

- [Presentation](#)²¹ by Heinz Becker, member of the EP, rapporteur of a [Report on European Social Business Initiative](#)²² - Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation, Committee on Employment and Social Affairs

Mr Becker (AT - group EPP) presented its draft report on SBI. He underlined the importance of the sector and the increasing need for social services, which is a high potential for new jobs. He

¹⁷ <http://social.un.org/coopsyear/>

¹⁸ http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=5876

¹⁹ http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=7454

²⁰ http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=5876

²¹ http://ec.europa.eu/internal_market/social_business/docs/expert-group/12-06-04_becker_en.pdf

²² <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-489.349+02+DOC+PDF+V0//EN&language=EN>

pointed out that the social entrepreneurship is not regulated at EU level. Therefore one of the key debates is on definitions: there is no common understanding due to the different use of terms in Member States.

As regards access to finance he noted that the Commission proposal for a Regulation on European Social Entrepreneurship Funds has to be better coordinated with other initiatives, including better definition for the social business and its specific characteristics. The proposed measures do not have to regulate the competition, so the approach has to be horizontal.

Concerning the visibility Mr Becker expressed his support for online platforms for the social entrepreneurs, labelling and online platform for consumers. Moreover he noted that the EU needs a new phase in the innovation and experimentation, especially for social innovation.

The voting of EMPL Committee on the Report is planned for 10th July and the final voting will be held on in September.

Comments/questions by participants:

- ✓ Four MEPs – participants in the Social Economy Intergroup - recommended improvements in the draft report.
- ✓ A participant recommended improvements as regards the definition (to stick at one term) and development of legal framework (especially legal recognition at national level, as only 12 MS have it). Moreover the draft report should be more focused on the SBI texts and in this respect it needs deep restructuring.
- ✓ A participant recommended that to report has to pay more attention on the role of associations.
- ✓ A participant noted that the definition is a key area and it has to be more flexible as regards the distribution of profits. The need to measure the economic impact is also underlined.

Mr Becker replied that he is waiting for the MEPs' proposals. As regards the definitions he noted that they have to be in line with those proposed by the Commission. He also noted that the Parliament will be very active in promotion of actions between MS and citizen organisations. The Parliament supports also the use of labelling as a tool of measurement.

Intervention of Michel Barnier, European Commissioner, Internal Market & Services

On behalf of President Barroso, Commissioner Barnier thanks each attendee for accepting to dedicate some of each precious time to help the Commission on the SBI. He thanked also the hard work done by Heinz Becker at the European Parliament on the SBI.

He noted that he is interested in the social economy sector for many years. Arriving at the Commission at the end of 2009, he wished to take care of this important dossier, and asked DG MARKT, together with DG EMPL and DG ENTR, to make concrete proposals, which were included in a roadmap, the SBI. Then, these proposals must be discussed by all the European institutional interlocutors (Council, European Parliament, European Economic and Social Committee, Committee of the Regions).

It is important to come back to a "competitive social market economy", each of these 4 words being equally important. The work is done together with vice-President Tajani and Commissioner Andor; this is why the Commission made headway on the SBI. But the

Commission needs the GECES to make proposals and give advice on the subject. There is no economic progress and competitiveness without social cohesion, in business and in the society.

Because of its importance, social entrepreneurship has been identified as one of the 12 levers of the Single Market Act (SMA), adopted by the Commission on 13 April 2011, to relaunch the Single Market. Businesses are interested not only by the lever on Social entrepreneurship, but also by many of the other levers (public procurement, electronic trade). SMEs and social enterprises should be taken care in the internal market, and this year the 20th anniversary of the Single Act should reassure it. People expect now a different type of growth: fairer and greener, more social and more sustainable. Social entrepreneurship should be again part of the future SMA II, which will be adopted by the Commission in September 2012. This is why we are seeking GECES' opinions in order to propose further steps for social business in the EU.

The Single Market week (15 to 22 October 2012) will be an opportunity, during one week of public debate in all Member States, a "humanist week" (encompassing citizens and young people), to present the social economy and the benefits it brings to growth and job creation in the EU.

In their comments, attendees of the GECES stressed the importance of the legal framework which can allow the social economy to flourish.

Session IV / Chair MARKT (Henrik Mørch)

The Single Market Act II (SMA II): the way forward for a new Social Entrepreneurship lever

The Commission is working on a new Single Market Act (SMA II), which will be a new step in bringing growth and jobs within the EU, and would be adopted in September 2012. Like for the SMA I²³, it is foreseen that this new framework document will include a lever focussing on "Social entrepreneurship". The attendees expressed some of their ideas / suggestions for a new priority / action in the future SMA II, and beyond.

Here are the main ideas expressed (all written contributions received after the meeting could be found [online](#)²⁴):

- Member states should open up provision of public services to social enterprises; by default, public services should be provided by social businesses (more efficient, more sustainable and more competitive), not public companies.
- To foster the (almost non-existent) cross-border growth and spread of social entrepreneurs and their innovations: i) Launching "localizer" initiatives to identify proven social innovations that are needed in a given geography (e.g. youth unemployment in Spain), and incentivize their cross-border expansion with public and private support (example from Ireland "[ChangeNation](#)²⁵"); ii) Enlarging the Erasmus for young entrepreneurs program to enable and subsidize (young and mid-career) professionals with key competencies (like management, accounting, marketing, programming ...) to spend time in social enterprises; iii) Adapting the export credit insurance models to guaranteeing social investments, enabling many more investors to enter what is seen as an insecure and risky market.
- Fostering the links between social enterprises and social innovation.

²³ For SMA I of 13 April 2011, please refer to http://ec.europa.eu/internal_market/smact/index_en.htm

²⁴ http://ec.europa.eu/internal_market/social_business/expert-group/index_en.htm

²⁵ changenation.org

- Mandatory obligations on anyone spending public funds to take into account social and environmental benefits (cf. *Social value act* in UK)
- Adopt a kind of European *Community reinvestment Act (USA)* dedicated to social businesses
- Find financial instruments to go further than the European Social Entrepreneurship Funds, in giving opportunities (investments under 100.000 €) to associate the general public to the financing of social businesses (guaranty on the amount invested and on the social destination of their investment), linking the citizen to the general investor.
- Stimulate the demand for capital: piloting programs to support creating further demand around business and investment readiness, to avoid capital unallocated.
- Use asset confiscated to criminal groups to capitalise social business (a European network [FLARE](#)²⁶ has been created, but not enough dedicated to economic use of these assets)
- Combining a future European rating agency and a European social agency
- Enhance the capacity building in the National administration on Social business.

The Commission asked all GECES'participants to send to it its ideas / suggestions **in writing**²⁷ by **Friday 15 June**.

Session V / Chair ENTR (Apostolos Ioakimidis)

The SBI at the European Economic and Social Committee

- European Economic and Social Committee: [presentation](#)²⁸ by Ariane Rodert (Member of the EESC, Observer for the EESC at the GECES)

Ariane Rodert (SE - Group III) presented the activities of the EESC for promotion of social entrepreneurship²⁹. She noted that the social entrepreneurship is a priority in the EESC President Staffan Nilsson's work programme. The EESC definition for social enterprise is based on shared characteristics like primary social objective over profit or primarily non-for profit with principally reinvested surpluses.

The EESC SBI follow-up opinion welcomes the SBI actions and brings clarity to terminology used, i.e. it uses the term "social enterprise" and stays with SBI definition in upcoming actions. The Opinion also calls on the Member States to develop and promote national frameworks. In its opinion on European Social Entrepreneurship Funds the EESC recommends to stay with SBI definition and recognise special features of social enterprise, as well as measuring and reporting social effects as a key challenge.

The current work of EESC includes drafting opinions like these on Structural Funds or European Foundation Statute. On 8 October 2012 the EESC Group III "Various interests" will organise an event on Social Economy and Social Enterprise³⁰.

²⁶ http://www.flarenetwork.org/home/home_page.htm

²⁷ Email to MARKT-SOCIAL-BUSINESS@ec.europa.eu

²⁸ http://ec.europa.eu/internal_market/social_business/docs/expert-group/050612_ariane_rodert_presentation_en.pdf

²⁹ [INT/589 \(2011\)](#), [INT/606 \(2012\)](#) and [INT/623 \(2012\)](#)

³⁰ <http://www.eesc.europa.eu/resources/docs/work-programme----2012.pdf>

Comments/questions by participants (and answers):

- ✓ A participant recommended that more attention has to be paid on definitions and that the issue on "asset locks" (action 4 of the SBI) has to be clearly defined too.

Ariane Rodert replied that the asset locks and other characteristics of social enterprises are going together. Social objective is primary for social enterprises and in its Opinion EESC is encouraging the Commission to follow the same approach.

- ✓ A participant asked how to implement the characteristic of democratic governance.

The Commission replied that MS decide how to apply it: strictly or not so strictly and it is decided case by case. In the most cases there is an authority which decides. The issue on academic definition of social enterprise is so complex that it could not be discussed during the meeting.

- ✓ A participant asked what approach could be taken on the issue of labelling concerning access to funds and public procurement.

The Commission replied that the labelling has been already mentioned in the on-going reform of public procurement; however similar standards have to be introduced.

- ✓ A participant underlined the importance of strong link between the civil society and social enterprises and asked how to bring it into the political agenda of Member States. As regards the question of governance it comes also into political decision, as it is related to the participation of employees which is also very important issue. The issue of labelling is linked to the issue of definition and related to the consumers and quality.

Ariane Rodert replied that she fully agree with comments and added as clarification that the issue of participation is related to the inclusion of people, therefore the participatory governance of cooperatives or associations can be considered as a part of the empowerment of people in risk of exclusion to be included.

Session VI / Chair EMPL (Gerhard Braeunling)

Tour de table

The Commission introduced the agenda for this last session:

- An exchange on new developments in the member states;
- Priority issues which have not been broached in details so far;
- New ideas to be discussed at the next GECES meetings.

As session II did not provide time to discuss key action 8, it was discussed in the beginning of session VI. The Commission presented the state of play on the electronic data exchange platform for social investors and entrepreneurs. Two platforms already exist: the Social Innovation Europe – [SIE](http://www.socialinnovationeurope.eu/)³¹ - and the Your Europe business [website](http://europa.eu/youreurope/business/)³². This latter has been chosen as the basis for further development. It will be modified by DG ENTR to include a section on social entrepreneurship. Several tools will be presented, such as financing possibilities like the ESF or ERASMUS for entrepreneurs. Information available must be both targeted and practical. GECES participants were invited to submit their proposals for the kind of information that should be contained in the platform, also in writing before 15 June 2012.

³¹ <http://www.socialinnovationeurope.eu/>

³² <http://europa.eu/youreurope/business/>

A participant mentioned that a comprehensive web-platform for social enterprises, social investors and support services will be implemented in Germany. He offered to share a market study for this platform. A participant remarked that a subsection of the Your Europe Business website would not be a suitable solution; he suggested that social entrepreneurship should have a separate platform in the right context, such as SIE, and should be accompanied by a social media strategy. A participant indicated as a source of inspiration the [CGAP](#)³³ mix market platform for microfinance. A participant suggested the database not to include only information on EU level initiatives, but to be broadened to activities in the Member States. A participant insisted on the necessity to use such a platform to raise awareness and capacity, based on advice, constructive tools in the areas such as finance but also statistical data. National versions of the website would be necessary because not all entrepreneurs and users of the platform read English. A participant added that statistics and related tools must be comparable between member states. A participant would like the platform to be started as early as possible regrouping first existing information for policy makers. The latter must then make information available for the end users. The Commission reminded that the Your Europe website is multilingual as opposed to the SIE one. Furthermore, it is important to have a single information point at European level. The website is seen as a work in progress, to be completed on a step by step approach. The Commission pleaded for establishing the platform in a modular way, allowing national language subgroups and covering all relevant issues.

Participants used the opportunity to inform each other on the new interesting topics in their respective country. The representative of UK highlighted the launch of [Big Society Capital](#)³⁴ financed by banks and dormant accounts in the UK. In order to encourage and reward innovative solutions in delivering social or health policies, the UK government considers to extent its engagement in social impact bonds. They are a form of payment by results which allow the financing of social outcomes via private investment. A participant added that it is part of the [Public services \(Social Value\) Act](#)³⁵ to be complemented by the [Localism Act](#)³⁶ which will install a community right to buy and bid on public assets. Other measures such as a treasury review of the tax regime for the non-profit sector and the creation of a social stock exchange in 2013 are on the agenda.

A participant made three proposals for the Single Market Act II:

1. The mention of other types of financial instruments than funds, such as participative loans by public authorities to finance social economy,
2. The community rights to buy public assets as proposed in the UK,
3. The insertion of the “buying social” clause in public procurement accompanied by awareness-raising campaign to promote the concept.

The representative of France quoted the three priorities of the new French government:

1. A closer involvement of public authorities to promote social entrepreneurship,
2. The draft of a framework law on the "Economie sociale et solidaire",
3. The measure of the social impact of social entrepreneurship, in particular in terms of job creation.

He pleads for flexibility in terms of labeling, given the heterogeneity of the sector.

The representative of Germany mentioned four areas of intervention in Germany:

³³ www.cgap.org

³⁴ <http://www.bigsocietycapital.com/>

³⁵ <http://www.legislation.gov.uk/ukpga/2012/3/enacted>

³⁶ <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

1. The creation of a dialogue between large structures of the social economy (charitable providers of social services such as [Caritas](#)³⁷) and new social entrepreneurs, which will be promoted through stakeholder conferences,
2. The creation of a social reporting standard the use of which will be promoted by the German government,
3. The German government is providing support to advisory and counseling services for social entrepreneurship, as they implement a new culture of entrepreneurship,
4. Access to finance for social enterprises requires cooperation of public authorities with financial institutions; the German government therefore launched a program to finance social enterprises with the German promotional bank [KfW](#).

Whereas technological innovation is embedded in the well-established academic culture of engineering science, such background still does not exist for our subject.

The representative of Bulgaria mentioned a dialogue with stakeholders in Bulgaria which resulted in an agreement on the concept of "social economy" (close to the social enterprise definition of the Commission). A consultative body dedicated to the issue will be created, together with a database.

A participant pleaded for overcoming hurdles to social economy, by enhancing its credibility (through auditing for instance), stimulating entrepreneurship through a better access to financing – such a pooling of capital, and active employment policies promoted by governments, in particular in the field of education and reduction of the administrative burden.

Following the discussion, the setting up of a GECES' subgroup was mentioned on various themes:

- Social impact measurement (accepted by the Commission);
- The web platform;
- Labeling;
- The future development of the legislative framework.

A participant suggested that the next meeting should have a session on the use of structural funds to promote social entrepreneurship.

Concluding remarks by László Andor, European Commissioner, Employment, Social Affairs & Inclusion

The concluding remarks were presented by Commissioner László Andor. He is convinced of the learning potential of the GECES group as platform for exchanges and learning between their members.

The Commissioner stressed the role of cohesion policy for the promotion of social entrepreneurship which can deliver employment and inclusion in highly cost-effective ways. In the Common Strategic Framework 2014-2020, the Commission proposes to use the European Social Fund and the European Regional Development Fund to support capacity building for social entrepreneurs, to develop support services to be provided by public authorities, and to facilitate access to finance.

³⁷ <http://www.caritas-germany.org/>

Commissioner László Andor exposed the Commission's concern to develop a strong social enterprise sector in Greece. Greece has adopted a legal framework for the development of the social economy and has already earmarked 60 million euros of ESF funding for supporting social enterprises, their business environment and social financing instruments. An integrated support package to develop a better ecosystem for the development of social entrepreneurship is currently under discussion. He called participants to join a solidarity action for the development of the social economy and social enterprises in Greece. His service will shortly send an outline of the support package to give details on how "solidarity partnerships" with social enterprises in Greece could be established.

Please see the speech "[Social entrepreneurship as an engine for job-rich growth and social cohesion – also in Greece](#)³⁸".

Please note that due to a change of availability of rooms in the Charlemagne building, the next GECES' meeting will take place probably on Tuesday 27 November 2012, and not Thursday 29 November as it was announced during the meeting. A confirmation will be sent to all GECES participants as soon as we have the firm certainty of this date.

Brussels, 03 July 2012

*Minutes written by the Commission, and implicitly agreed by all attendees
(agreement via exchange of emails between 22 June and 02 July)*

³⁸ http://ec.europa.eu/internal_market/social_business/docs/expert-group/20120605-laszlo-andor_en.pdf