



**RECAPITALISING EU COMPANIES.  
AN INNOVATIVE WAY TOWARDS SUSTAINED AND INCLUSIVE RECOVERY  
15.09.2022**

**JEREMIE FUND**  
Maria Grazia Campese

Good morning everybody and thank you for inviting me to this interesting debate. I apologize for not being there in person, but undeferrable work commitments keep me in Milan. I am glad to bring here our Italian experience related to the JEREMIE Fund (Joint European resources for micro to medium enterprises).

Jeremie was a joint initiative of the European Commission and the European Investment Fund with the European Investment Bank. It was introduced by the Structural Funds regulations 2007-2013, with the aim of facilitating and improving access to finance for small and medium-sized enterprises.

Lombardy Region, where our social cooperative company is based in and where our services are present, was the first region in Europe to activate the Jeremy program on the European Social Fund (ESF). The management of the Fund was entrusted to Finlombarda (an entity whose task is to contribute to the implementation of the regional economic development programs of Lombardy).

In 2011, through a specific call, the Lombardy Region allocated (through Finlombarda) 9 million euros of the investment fund Jeremie ESF - European Social Fund to affiliated banks and credit institutions (Banca Popolare di Sondrio, Banca Popolare Etica and Banca Popolare di Bergamo) in support of local social and production and workers' cooperatives.

These funds were allocated to micro-loans, with a value of € 4,000 each and a duration of 5 years. Banks directly provided them to individuals (both disadvantaged or not ones), who had undertaken to capitalize the cooperatives they belonged to.

50% of these € 4,000 came from the resources of Jeremie Fund at zero interest and irredeemable (which means that the beneficiary was not obliged to refund the amount) in case the cooperative members had maintained this status for the entire duration of the financial operation.

The Jeremie initiative was part of the commitment of Lombardy Region, which aimed at facilitating access to credit to those members who were experiencing hardship or social exclusion, and worked (or would have worked) for cooperative companies.

At the same time Lombardy Region, embracing this project, meant to enable the consolidation and the development of those cooperative companies which pursued social inclusion programmes through their recapitalisation.



This recapitalisation became possible thanks to the cooperative members themselves, who were also beneficiaries of the financial interventions for the exact amount of the granted financial support.

For Spazio Aperto Servizi, Jeremie was a huge opportunity to strengthen its assets and capitalization. In fact, generally in Italy social cooperatives suffer from undercapitalization and are considered fragile from the patrimonial point of view. As a result, they have little access to credit.

This fact significantly reduces the possibilities of investment and of future development. Moreover, it may even risk to compromise the social-cooperative capability to offer welfare services to the community, despite the fact that cooperatives can play a key role for a more equal development for our country.

I would like to underline another interesting aspect that this project pointed out: the sense of belonging of the worker member to the cooperative company.

Within this project, the worker accepted to borrow personally, never forgetting that the goal to reach was to acquire resources that could make his company more stable. Therefore, this measure particularly rewarded those cooperatives which had invested in stable employment and had created a deep link with its members.

The fund started in a critical economic period (2008-2012), but it has never been considered an anti-crisis tool.

In our company, which had a production value of around 8 million euros at the time, 40 members joined the project. They represented then the 15% of the social base (with a maximum limit of 50 members).

A total of € 160,000 was raised. € 80,000 was invested by members themselves, while the remaining € 80,000 came from the fund through a partner bank.

This new capital allowed our cooperative to face important investments (i.e. purchase of a site for a socio-educational center for 15 people with disabilities), an operational headquarters in San Donato Milanese (in the metropolitan area of Milan) and to have a more favorable credit rating bank.

Since 2012, and I conclude, none of the members requested the repayment of the share capital. That is to say that the cooperative's members involved in the programme, deeply joined the cooperative's business project.

---