



Brussels, 14.11.2013

FREQUENTLY ASKED QUESTIONS

Call for Proposals VP/2013/017

Supporting the demand and supply side of the market for social enterprise finance

Deadline for submission: 15/11/2013

Total budget: 1 000 000 EUR

Attention: Please note that we can only answer questions related to the requirements of the call for proposals and the application process. We cannot prejudge the assessment process by offering any opinion on the merit of a particular application.

1. Would it be possible to introduce a proposal for a pilot experience in a clearly defined geographical area (city, region)? Would a consortium involving a public authority of that level be eligible?

To be eligible, actions must be fully carried out in the EU Member States (one or several), at the European, national, regional or local level. Nevertheless, the applicant should be able to demonstrate clearly the value-added of the action and how this responds to the European priorities in the area and to specific objectives of the call. Applicants are encouraged to read carefully the award criteria in section 9 of the call, on page 16.

The following categories of applicants and co-applicants are eligible for the above-mentioned call for proposals: public, private and not-for-profit entities.

2. Can public and private universities participate in the call?

Public, private and not-for-profit entities are eligible to apply for this call for proposals as applicants or co-applicants.

3. Could the investor committed to invest or co-invest in the financial instrument to be established through a project submitted under strand B, be a business angel or an individual?



As stated in the call for proposals on page 13, "applications under strand B should include a signed letter of commitment from a private and/or public investor (applicant or co-applicant) that has committed itself to invest in / co-invest with the financial instrument to be established". Consequently, at least one public or private investor committed to invest in the financial instrument to be established should be applicant or co-applicant in the proposed action and therefore, respect the eligibility criteria under section 7 in the call.

4. Regarding the letter of commitment from a private and/or public investor, required for applications under strand B, what kind of commitment should it demonstrate? How detailed should it be and which are the main constraints?

This letter should demonstrate the financial commitment from the part of the investor to invest or co-invest in the financial instrument that will be established through the action proposed. The letter should specify the amount to be invested by the investor in the financial instrument established by the consortium and the conditions and it should contain the signature and stamp of the investor.

5. The text of the call says that the action aims to promote agreements / partnerships / cooperation (according to the different strands) "between private, public and not-for-profit-partners". Does it mean that it's mandatory to involve at least one subject for each of these types of organisations?

As stated in section 7 of the call ("Eligibility criteria"), "for actions dealing with the supply side of social finance (strands A, B and C), applicants must implement the action in cooperation with at least two co-applicants with a view to working towards the access of finance for social enterprises and in particular young entrepreneurs." While having a varied profile of the applicants and co-applicants could foster the achievement of the expected results of the action (as defined on page 9 of the call), there is no obligation to have all the above-mentioned categories involved in the consortium applying for this call for proposals.

6. In the financial guidelines it is stated that "Affiliated entities are legal entities which have a specific relationship with a beneficiary. On that basis, they can incur eligible costs for the action covered by the grant under certain conditions" (page 5). If the Applicant is an Association, is it possible to consider the activities carried out by the members of the association in the eligible cost (also in terms of staff)?

Affiliated entities can incur eligible costs for the action covered by the grant. For this, the affiliated entity needs to register as such in the online application form and demonstrate the link with the (co-)beneficiary as well as send a letter of commitment explaining their



involvement in the implementation of the action. As stated on page 6 of the Financial Guidelines, "the following type of affiliated entities is accepted under the current call for proposals: legal entities satisfying the eligibility and non-exclusion criteria and having a link with a beneficiary or co-beneficiary, notably a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation¹. This link has to be proven by supporting documents such as, the statutory list of members as part of reports approved by governance bodies, the list of controlled companies in audited consolidated accounts, the balance sheet or the deeds of establishment to prove ownership or partnership. Contrary to co-beneficiaries, affiliated entities are not financially liable in case of recovery of funds. In addition, the Commission does not test the financial capacity of affiliated entities at time of application. (...) Affiliated entities should provide a signed letter of commitment, explaining the nature of their involvement in the implementation of the action. They need to provide a document showing their legal or capital link with the parent organisation. No letter of mandate is required."

7. Regarding the additional documents to present for some of the strands (page 15 of the call), it seems that they are similar to the eligible activities to be realised through the implementation of the action.

For example, concerning strand B, in the eligible activities, there's "Professional work to draft the strategy for the operations of the financial instrument (including fund raising and developing capacities for managing investments)" (page 13), while in the additional documents requested for this strand there's "An investment strategy (specifying objectives, action plan, resources, risks/return profile etc. for the financial instrument to be established) agreed between the partners" (page 15). Concerning strand C, in the eligible activities, there's "Design, assessment of the feasibility and test (for a period of up to 9 months) of innovative models of cooperation between investors, donors and public authorities ...", while in the additional documents requested for this strand there's "A joint strategy (specifying objectives, action plan, collaboration fields and mechanisms etc.) for aligning resources and investments agreed between the partners, and its advantages over current approaches and practices."

Could you therefore specify better the contents to be provided through the additional documents of page 15? This could be useful in order not to include in the annexes some activities that are the object of the Call.

¹ Examples of this type of affiliated entities are: member organisations of European social partner organisations, branches of international NGOs.



The additional document requested on page 15 of the call for actions under strand B refers to the investment strategy of the instrument to be established and its feasibility assessment, which typically could include the objectives of the financial instrument and the criteria on which investment decisions will be taken, financial products offered and structure, methodology for measuring the impact of the investments made, the risk-return profile and guidelines etc. A feasibility assessment of the strategy should also be included together with the other documents. The investment strategy should feed into the work to be carried out under the eligible activities foreseen on page 13. The eligible activities will focus on the concrete actions which will lead to the establishment and running of the fund, such as the strategy for the operations of the financial instrument or the drafting of legal documents.

The additional document requested on page 17 of the call for actions under strand C should contain the joint strategy of the partners involved describing their common objectives and goals of the collaborative funding model for social enterprises, collaboration fields and advantages of such a collaboration over existing practices and so on. The proposed list of eligible activities on page 13 focuses on the design of an operational plan for the establishment of a collaborative funding model, the assessment of its feasibility and its testing.

8. Is it possible that all the co-applicants are legally established in the same Member State? And all the activities are in one Member State?

As stated in section 7.1, "Applicants and co-applicants must be legally established in one of the Member States of the EU". As per section 7.2, "to be eligible, actions must be fully carried out in the EU Member States (one or several)."

9. I would like to ask if there is a maximum grant/project within the Call for proposals VP/2013/017. I can see there is a limitation per strand, however it is not very clear if there is a limitation per project too.

As stated in section 4, the total budget earmarked for the co-financing of actions is estimated at EUR 1 million.

The maximum grant for action will depend on the strand under which the action was submitted. The maximum amounts for grants are:

- for strand A: EUR 75 000
- for strand B: EUR 125 000
- for strand C: EUR 125 000
- for strand D: EUR 100 000



The EU grant cannot cover more than 80% of the total eligible costs of the project and should not exceed the maximum grant amounts for each strand, as indicated above.

10. In the official documents, it is understood that strands A and B are aimed at countries in which the social finance market is not developed or is relatively low. Could you please specify which countries fall under these categories of not developed / low social finance market?

The applicants are expected to be able to evaluate the level of development of the social finance market in their country / region based on the information and characteristics provided on pages 7 and 8 of the call.

11. My enquiry regards the geographical scope of the 4 actions indicated in text call. I understand that the first 3 strands envisage actions focusing on a precise country/region, while it is not clear to me if the fourth strand "Development of investment readiness support for social enterprises" should rather have a transnational character and cover more than one country/region, or should have a limited geographical focus.

To be eligible, actions (submitted under all strands) must be fully carried out in the EU Member States (one or several).

12. Does the applicant organisation have to be pre-existing?

As stated in section 7.1, the applicants and co-applicants must be legally established in one of the Member States of the EU at the moment of the submission of the application in order to be eligible.

13. Is it possible to submit a proposal only applying to one Strand? Or is it needed to elaborate a proposal covering the whole call?

Eligible organisations can apply with one or more proposals for the same or different strands. There is no need to elaborate a proposal covering all the strands foreseen in the call.

14. It is mentioned that the action can be carried out in only one EU Member State. However, is it asked for any geographical distribution within the country? In big countries as Spain, can initiative be focused during these 12 months projects in one region?

Please see the answer to question 1.



15. The call states that one expected result of Strand C is "describing the actions to test (for a defined period - up to 9 months) a fine-tuned mix of financial products that facilitates investments in social enterprise". Should the mix of instrument be tested within the project duration?

The mix of financial products should be tested during the lifetime of the project, as indicated in section 7.2. The quote refers to the points that should be included in the Memorandum of Understanding, among which the description of the actions planned in order to test a fine-tune mix of financial products.

16. Could you please specify the definition of "affiliated organisation"? Must the "affiliated organisation" be legally established in one of the Member States of the EU (as applicants and co-applicants)? Is it possible for the "affiliated organisation" to execute some of the core activities of the project?

For the definition of the affiliated entities, please see on pages 5-6 of the Financial Guidelines published together with the call. Affiliated entities should be legally established in one of the EU Member States and all activities need to be implemented in the EU Member States. Applicants or co-applicants with whom the affiliated entity has a legal or financial link should indicate in the application form the activities which will be implemented by their affiliated entities. Affiliated organisations shall take part in the action as applicants and therefore become part in the grant agreement in order to declare eligible costs.

17. We see on page 10 of the call document "the EU Grant is limited to a maximum co-funding rate of 80% of the total eligible costs". Can the remaining 20% be funded "in kind" by our consortium?

As stated on page 6 of the Financial Guidelines of the call for proposals, "Contributions in kind (i.e. contributions for which no financial flow can be traced in the written accounts like unpaid charity work by a private individual or corporate body, etc.) cannot be accepted."

18. Please clarify whether it is obligatory for National MAs of Programmes financed by Structural Funds (especially ESF) to be involved in project proposals and, if so, in which specific strand (A, B, C, or D) and under which specific role (applicant, co-applicant, associate or affiliate).

There is no obligation to have National Managing Authorities in the consortium.



19. I would like if the Application Form is available in word format and if there are there any templates for the annexes and, if so, where can we get them.

The application form is not available in Word format, but a blank application form in PDF format can be printed, if the beneficiary clicks the link "Check the form you will fill online" on the SWIM home page:

Current calls for proposals

SWIM enables applicants to create and submit their applications in response to calls for proposals published by our DG. You can start to complete your application today, save it, and continue to work on it another day. Please take into account that you must submit your completed application, both online and in paper form, before the deadline indicated in each call for proposals.

<p>VP/2013/017 Deadline: November 15, 2013</p> <p>Supporting the demand and supply side of the market for social enterprise finance</p> <p>Check the form you will fill online</p>	<p>Apply now</p> <p>Deadline 2 weeks from now</p>
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There are templates provided by the European Commission only for some of the requested documents /annexes to the online application form (eg. legal entity form, CV etc.). For these cases, the templates can be found by clicking on the link available in the description, as shown below.

A.1.14 Legal entity form *

Please [click here](#) to download the 'Legal entity form'. Please save it on your computer and complete it. Then attach it to your application by clicking the Browse button. You should also return by post, duly signed, stamped and dated, together with all other requested documents.

Attach a file: Max 10MB

This link indicates that a template is available.

For other annexes, no template is available. In that case there is no link in the description and you have to provide a document yourself. For all the documents requested which do not have a template in the online application form, applicants are expected to create their own templates, making sure they fulfil all the content requirements foreseen in the annex (checklist) of the call for

F.1 Detailed work programme *

Please attach the 'Detailed work programme' to your application by clicking the Browse button. You should also send your 'Detailed work programme' by post, together with all other requested documents.

Attach a file: Max 10MB

There is no link "Click here" in the description, so there is no template available.

proposals.

20. Can we do a multiple proposal, for example A + B + C?

Applicants can apply for more than one strand, but will need to present distinct applications for each strand. Please note that applications for projects under strand B would typically require the results described for projects under strand A and those for projects under strand C would require the results described for projects under strand B. Moreover, the strand for which the consortium applies should be defined depending on the market situation in that area, as indicated in the specific objectives of the call, on pages 7-8.



21. At point 7.1 of the call it is clearly stated that for strands A, B and C, the presence of at least two co-applicants is needed. But what about strand D? Under strand D the presence of at least ONE co-applicant is anyway needed or can proposals be submitted by a single applicant, without co-applicants?

Proposals under strand D can be submitted by only one organization, namely the applicant.

22. At the beginning of the annex it is clearly stated that the Evaluation Committee will not examine applications lacking one or more of listed documents. Then, at point 8, it is stated that “A letter of commitment from a third party that has committed to make a cash contribution to any action applying under any strand (if such contribution is available).” So, the presence of a similar “third party” providing cash contribution and the related letter are to be considered as mandatory or not?

The presence of a third party is not mandatory.

23. About the project in object, we would like to know the exact type of companies involved in the project. In particular, we would like to know if they should be: social enterprises composed of young or just social enterprises or new social enterprises.

This call for proposals is addressed at social enterprises respecting the definition and criteria defined on page 17 of the call and in particular social enterprises in their early stages, and/or started or developed by young people ("young" refers to both the age and/or the early-stage experience as entrepreneur).

24. If in a project we want to involve 2 legal entities, and one legal entity (A) is shareholder of the other (B) (minority shareholding), can we consider the two legal entities as separate beneficiaries or is mandatory to specify the link between the entities?

The legal entities can decide whether to apply as applicant / co-applicant or affiliated entities, taking into consideration the differences between the two typologies and the conditions for affiliated entities accepted under this call for proposals, as defined on pages 6-8 of the Financial guidelines.

25. In the “Financial guidelines for applicants” (pg. 12) it is indicated that “it must be clearly specified which tasks will be subcontracted and why this subcontracting is necessary, in the annex foreseen for this purpose in the electronic application form (“Contracts for implementing the action”)”. At this regard we would like to know if we



have to make also a print-out version of the annex on the official letterhead paper and return it by post, duly signed, stamped and dated with the other documents requested. In that case we would like also to know who must sign the form (the applicant or every co-applicant wishing to sub-contract a task).

Yes, all annexes provided in the online application form should be printed and returned by post, duly signed, stamped and dated together with the application form. The "Contracts for implementing the action" form should be signed by the lead-applicant and printed on the official letterhead paper.

26. In order to determine the staff costs we have to use the workable days per year. In the “Financial guidelines for applicants” (pg. 9) it is indicated that in the form we have to fill “the daily rate calculated on the basis of an average of 225 workable days per year”. It is indicated also that “The determination of the workable days should be made respecting the standard working time either under national laws, collective agreements or under the organizations’ normal accounting practice”.

At this regard we would like to know if 225 days are an accepted average for the EC or if it is mandatory to determine the workable days in our organization.

It is mandatory to determine the number of working days foreseen in the project and the daily rates, taking into account the number of days in a work year. In the example from the Financial Guidelines the workable days per year correspond to 225. In case of significant difference between this estimation of workable days per year and the standard working time either under national laws, collective agreements or under the organizations' normal accounting practice, the applicants should determine the number of workable days per year. Please refer to the point 4.2.2.1 of the Financial Guideline for applicants.

27. Concerning the Beneficiaries’ contribution in cash, we would like to know if it can be an effective expenditure (not covered by the EC grant), as for example personnel costs traced in the written account of the beneficiary.

Each person employed and paid by the applicant/co-applicant and assigned to the implementation of the action must appear in the project under heading 1 - staff costs in order to be considered eligible. The staff members must have an employment contract with the employer. In-kind contributions, such as voluntary work, equipment or premises made available free of charge are considered as ineligible.

Persons who receive a fee and/or submit an invoice for their services are considered external experts and are subject to the rules governing the award of contracts. The cost of any work to be performed by external experts must not be included in heading 1 - staff costs but under heading 3



– services (external expertise). Please refer to the Financial guidelines, point 4.2.2.1 for eligible staff costs and point 4.2.4 for non-eligible costs.

28. We took note of the fact that the costs related to the applicant and co-applicants' participation to the 4 workshops have to be included in the budget proposal. Do only the travel costs have to be reported in the budget or also the daily rate for each participant?

The following estimated costs should be included: average travel costs (within the European Union; venues to be decided at a later stage, depending also on the place of origin of the beneficiaries of the call for proposals), average subsistence costs and average accommodation costs for one day and one night per workshop. These costs should be foreseen for one or maximum two persons per workshop. Please note that the maximum amounts (in Euros per calendar day) accepted for each country are set out in the table under point 4.2.2.2 in the Financial guidelines. The estimated costs foreseen in the budget should not exceed these maximum amounts, but rather be closer to an average of the costs in EU countries.

29. Should ALL partners provide direct financial contribution to the project (their 20% share in their proposed sub-budget) or could they engage staff with NO EXTRA payment for his/her participation? In other words, could only one or two partners present eligible costs in the total proposed budget?

As stated in the "co-financing principle" in the Financial guidelines, the applicants must contribute to the implementation of the action either by way of own resources or by financial contribution from third parties. All applicants should be actively involved in the implementation of the action and be financially engaged, be it by engaging staff or other costs or by providing a direct financial contribution. Therefore, is not mandatory that all applicants provide financial contribution for the budget of the project, since this could come from external sources to the consortium as well. Nevertheless, they should all be financially engaged in the action by incurring eligible costs. For other typologies of entities participating in the action, please see point 2 in the Financial guidelines.

30. Could an expert/employee belonging and attributed to one of the partners be hired by another SO AS TO PERFORM TASKS for the specific program? In other words, e.g. could an already salaried personnel of a private-law entity be hired by the other private-law entity for the performance of tasks related to the project?

Persons who are directly employed by the applicant or co-applicant (permanent or temporary staff working under an employment contract) will be included under heading 1 – staff costs. All other persons, i.e. persons who receive a fee and/or submit an invoice for their services and are not directly employed by the applicant or co-applicant as permanent or temporary staff under an



employment contract, are considered external experts and are subject to the rules governing the award of contracts. The cost of any work to be performed by external experts must not be included in staff costs but under services. Please refer to section 4.2.2.1 in the Financial guidelines for more information.

31. Could a civil servant already working for a public-law entity be remunerated ADDITIONALLY for the work offered for the specific project?

The costs of personnel of national administrations may be considered as eligible to the extent that they relate to the cost of activities which are additional and which the relevant public authority would not carry out if the project concerned was not undertaken. Please refer to section 4.2.2.1 in the Financial guidelines for more information.

32. Regarding strand A Memorandum of Understanding, are the co-signing parties asked to commit capital? Is there any financial commitment in signing it?

No financial commitment is mandatory for strand A. Nevertheless, as mentioned in the eligibility criteria, both applicants under strands A and C are encouraged to involve investors in the consortium (as applicant, co-applicant, associate or affiliated organizations). Moreover, the action should aim to mobilize investors who will commit to contribute in the elaboration and establishment of a financial product through the Memorandum of Understanding.

33. Could the Memorandum be ONLY signed by the existing 3 partners, namely a Municipality, a Cooperative Bank and a Private Company? OR should it include others?

While there is no minimum requirement, it is expected that at least the applicants will sign the Memorandum of Understanding. Please see the reply to question 32.

34. Should ALL co-signing parties of the Memorandum be in the banking business (banks, financial intermediaries etc.)?

There is no such requirement. The objective is to have the commitment of different entities to contribute to the elaboration of a financial product providing access to finance for social enterprises.

35. Regarding the deliverables of page 13, STRAND A, could they be other, additional to the kinds of deliverables laid? Should they specifically be: Written Reports, Workshops,



Study Visits, Online Platforms and Modules, Deployment of Qualitative Research targeting stakeholders etc?

The list of deliverables on page 13 is not exhaustive and could be complemented by the applicants depending on their action ad profiles.

36. It is possible to take advantage of the contribution of volunteers in providing training to social enterprises? It's clear that the call doesn't allocate funds for them but the question is if cooperatives association can draw on their contribution in teaching.

Contributions in kind, such as volunteering working hours are not accepted as eligible costs for this call for proposals. Nevertheless, the applicants can foresee volunteers' contribution for different activities and include them in the "other staff" category in the budget with their details (full name, function organisation etc.) with no cost.

37. There is a common issue: is the financing only for social enterprises?

As stated in section 7.1, through this call for proposals (all strands are included), the following types of organisations are eligible for financing: public, private and not-for-profit entities. However, the common objective of the projects submitted should be that fostering the social finance market both on the supply and the demand side, therefore providing more finance opportunities for social enterprises meeting all criteria of the definition in the call (p 17), and in particular social enterprises in their early stages, and/or started or developed by young people.

38. Strand A: What you want is a Business Plan AND an MoU by the different stakeholders?

Please see the expected results of projects which will be financed under strand A on page 9 of the call. For the documents that need to be send together with the application form, please see the checklist in the annex of the call.

39. Strand A: You speak of risk/return profile, but not of size? Is there a minimum value commitment?

The list of elements that should be included in the "outline of an investment strategy for this financial product" for projects under Strand A (page 9 of the call, "Expected results"), is non-exhaustive and should contain all the information retained necessary to be included in such a document.



40. Strand B: You speak of “a” finance instrument? Must it be specific and / or can it be multiple? If it is multiple instruments, is it one proposal, or several proposals: ie a SIB and a mezzanine financing require different legal and operational frameworks...

The objective of projects under strand B will be to establish a social finance instrument offering one or different financial products to social enterprises. In this respect, the call is very flexible, allowing organisations to submit several applications for one or more strands. Nevertheless, it is the applicant's responsibility to ensure the respect of the national legal frameworks when proposing one or more projects for the call.

41. Strand B: How specific must we be at this stage, in terms of the product, assuming that there is a vast choice of options? At this stage, do we need to be specific about who would be the stakeholders?

The objective of Strand B is to establish a financial instrument, based on a sound feasibility assessment of the investment strategy. Please check the requirements on page 15 and in the annex of the call for proposals. The applicant is expected to provide the necessary information in order to reply to the requirements, taking into consideration the award criteria which will be used by the Evaluation Committee (pp 16-17 of the call). The group of stakeholders should be clearly identified and analysed, as stated in the award criteria on page 16 of the call. The same applies for strand C.

42. Essentially strand B is very similar to A – though it goes further in the detailed work demanded. Do I understand well? Moreover, Strand C seems like a “practical extension” of A+B? Is that a good understanding?

Please see the expected results of projects under each strand on page 9 of the call for proposals and on the eligible activities under each strand on page 13.

43. Strand C: Do we need to specify the product mix (ie: 10% of A and 20% of B)?

Such information is typically part of the joint investment strategy and should be specified in the documents provided.

44. Concerning the affiliated entities, which documents are needed in order to prove the legal or capital links with the Applicant or co-applicants? Since our organisation is an aisbl, there isn't any official document with the list of the members; there are only the documents with the decisions of the General Assembly and of the Board of Directors approving the request of membership of the different organisations. Are these documents accepted in order to consider them as "Affiliated



entities"?

This link has to be proven by supporting documents such as, the statutory list of members as part of reports approved by governance bodies, the list of controlled companies in audited consolidated accounts, the balance sheet or the deeds of establishment to prove ownership or partnership.

45. In the Financial guidelines of the Call it is stated that the affiliated entities can incur eligible costs for the implementation of the action. It is also stated that each affiliated entity must present a Commitment letter stating the "technical or financial" contribution to the action. Does it mean that the Affiliated entities can also provide a part of co-financing? If so, the affiliated entities should present the total costs divided according to the costs covered by the UE funding (assigned to the Co-applicants reference of the Affiliated entity) and the costs covered by themselves as co-financing?

As stated in the Financial guidelines, the commitment letter signed by the affiliated entities should explain the nature of their involvement in the implementation of the action. There is no obligation to have a financial contribution to the action. Please refer to the replies to question 24 and 29 for more information.

46. If the Applicant or the co-applicant is a European network gathering different national networks, are the members of the national networks (which are members of the European Network) also considered as "Affiliated entities"?

Please refer to the conditions for affiliated entities described on page 6 of the Financial guidelines. Should they be respected, the members of such a network should be able to apply as affiliated of the co-applicant or applicant organization.

47. Concerning the income, do we need to consider in the estimated budget also the possible interests generated by the mix of financial instruments we will test (such as loans, venture capital etc...)? Are the incomes generated by the mix of financial instruments considered as profit (and the EC's grant will be consequentially reduced)?

Indeed, the estimation of the income generated by the mix of financial instruments should be included in the estimated budget. In the end, the amount of the grant will then be reduced by the percentage of the profit corresponding to the Union contribution to the eligible costs of the action actually incurred by the beneficiaries.



48. Would there be a Draft Memorandum of Understanding publicly available for Strand A?

There is no template of any Draft Memorandum of Understanding (for none of the strands) provided by the European Commission. This should be a document resulting from the implementation of the action and adapted to its specificities. The document should be elaborated and agreed by the parties signing it. Since the main goal of strand A is to mobilise potential investors and intermediaries, it is expected that the Memorandum of Understanding will include also other stakeholders who are not part of the consortium benefiting from the current grant and were attracted to commit as a result of the project.

49. Strand C - The eligibility criteria state that this strand is for the design and testing of models of cooperation “between investors, donors and public authorities” – may I ask whether this is indicative of the types of actor that could be brought together, or are you expecting all three forms of social finance provider to be collaborating on the proposed model?

There is no obligation to cover all the three types of actors mentioned. For more information on the requirements for applicants, please see section 7.1 "Eligibility of applicants" in the call for proposals. Section 7.2 "Eligible activities" does not present an exhaustive list and only presents some types of activities that are expected to / could be undertaken through the projects. The list can be complemented by the applicants depending on their action ad profiles, in order to ensure the achievement of the expected results.

50. In order to prepare the call for proposal we have some doubt about if social entrepreneurs must be a set up enterprise, a self-employed... Likewise, I will be very grateful if you could me clarify if the definition "Social enterprise" includes self-employed and what kinds of legal status they must have.

Social enterprise as ultimate beneficiary of the call are enterprises that respect all principles stated in the definition of social enterprise on page 17 of the call for proposals. They are not bound to any specific legal form.

However, these social enterprises have to be in a position to attract capital from a financial intermediary.

51. In the online application form, in section B "co-applicants involved in the action", under point 1/ B.1.16 Declaration of honour, the template available for download is the one to be completed by the APPLICANT. Our question is: Is the "Declaration of



honour" form for Co-Applicants the same as the "Declaration of honour" form for the Applicant?

The template of the "Declaration of honour" is the same for applicant, co-applicants and affiliated entities. These organisations should fill in and sign the declaration and then upload it in the online application form. Please refer to sections A.1.16, B.1.15 and C.1.4 in the online application form.

52. What is the item 12 on the list of required documents in the annex of the call?

Due to a typing mistake number 12 was omitted from the counting. Therefore, applicants are not expected to submit any additional document for number 12. We apologize for the inconvenience.

53. Concerning strand B a sound feasibility assessment is required. Given the limited number of characters do you expect it to be some selected items of the usual content of feasibility study. Should the applicants put emphasis on the market/competition analysis or rather financial/operational issues? Would you prefer an external assessment?

This document should contain a succinct feasibility assessment containing the usual items comprised in such a document. There is no preference for emphasizing one aspect rather than another or for external versus internal assessment.

54. Concerning the upload of forms and declaration that imply a "signed" paper version, such as "Legal Entity" or "Declaration of honour", do I have to upload simply the filled but unsigned version or do I have to scan the signed one and then upload it?

Please download the forms, fill them in, print them, apply the stamp and sign them and then scan and upload them in the online application form. Please make sure to send the originals by post together with all the other documents.

55. Do I have to upload only the main document or a merged file including the attachments requested in the main document itself, such as, for the legal entity, the VAT registration document and the official document showing the information inserted in the legal entity form?

Concerning the documents attesting the legal entity, please see section F15 in the Annex section of the online application form. These documents should be uploaded there. Whenever the applicant needs to upload more documents, please follow the instructions on the screen: "Only



one file can be uploaded. In case you have several annexes, include them in a Zip file and upload it by using the Browse button."

56. What should be the content and type of the written declaration of professional competencies and qualifications of the team assigned to the project (cf. no 13 of check-list)? Should it be signed by all the team members or just by the official representatives of each co-applicant?

This document should provide details of the professional competencies and qualifications of the team assigned to the project, by describing previous work and projects, papers, education etc. This declaration should be signed by the Person responsible for managing the action (as per A.3 in the Application form) certifying the professional competencies and qualifications of the team assigned to the project for which funding is requested.

57. Is there a minimum level and kind of commitment in monetary terms expected from the co-applicant who is the investor for Strand B?

It is expected that the investor's role and commitment in strand B (acting as applicant or co-applicant) should be described in the investment strategy agreed between the partners. This strategy would include information on the resources and risk/return profile etc for the financial instrument to which the investor will commit itself. The assessment of the strategy would also inform on the minimum size of the financial instrument below which it will not be sustainable. The application does therefore need to be accompanied by a financial commitment of the investor that is in line with the proposed investment strategy.

58. Target audience on the investee side: The proposal determines young social enterprises as sole beneficiaries of the action. According to the proposal and the related documents young can refer both to the age and/or the early stage nature of the enterprise. Could this definition be clarified and probably be adjusted and/or extended given the fact that young enterprises in this sense may lack investment readiness, are in many cases covered by microfinance programmes and costs for small finance transactions often exceed the benefit. At the same time more established social enterprises and SMEs have difficulties to get finance and social investors are often more interested in bigger investments.

The eligibility criteria specify that the financial instruments at stake would be working towards the access of finance for social enterprises and in particular young entrepreneurs.

Generally, the European Commission considers young people below the age of 30 years old. Nevertheless, the definition of "young" in both meanings varies between the Member States.



Applicants are expected to carefully explain how they define "young" in their project, taking into account the national context. Moreover, applicants should be pragmatic and reflect their experience. For further explanation about the final beneficiaries of the call on the investee side, please refer to the replies to questions 23 and 38 in the Q&A published on the page of the call.

59. Concerning the requirements for Strand D, in the text of the call is specified that we should provide 3 references of social enterprises which have received investment readiness support in the last 2 years. Should the services provided refer to already established companies or to entrepreneurs in the process of establishing a company?

As stated in section 8.2 on page 16 of the call for proposals, the references should include details of the services provided in the area of investment readiness, the investment targets and achievements. Generally, investments are made in established enterprises, not into individual entrepreneurs. Even if investment readiness support was received by entrepreneurs in the process of establishing a company, they may have established their enterprise in the meantime. However, in exceptional and well justified cases, such references could be provided also by social entrepreneurs who have not yet established an enterprise.

60. On point 8 of the ANNEX of the Call which requires a letter of commitment from a third party that has committed to make a cash contribution to any action applying under any strand (if such contribution is available). Does an individual donor (philanthropic investor) stand for a third party? If yes, does he or she need to reside in the EU? Is there a minimum or a maximum to the amount of the contribution in cash, is there any recommendation?

Third parties can be represented by individual donors contributing to the action and there is no geographical limit concerning the residence of the third party. In addition, there is no minimum or maximum amount for the contribution in cash.

61. Can a bank (quoted on the stock exchange) participate in Strand B or C?

Please refer to the eligibility criteria on page 12 of the call for proposals and the reply to question 2 in this Q&A.

62. We would like to know if in the “Declaration of honor”, each applicant has to require from the Commission the total amount of the grant or just the quota to co-finance its own activities under the project’s proposal.

In the Declaration of honour the whole grant amount requested from the Commission should be filled in.



63. If we were to buy in translation services during the course of the proposed programme would this count as a subcontract that we would have to include within the proposal?

Please refer to section 4.2.2.3 of the Financial guidelines for more details on costs of services, implementing contracts and subcontracting.

64. Where can we find the template for the letter of mandate?

The template for the letter of mandate is available in the application form, section B.1.15.

65. The deadline for this call is Friday 15 November. Is this for the electronic submission or do the hard copies of the submission also need to be submitted by the same date, or can they be posted by that date?

As stated in the call for proposals on page 18, section "Procedure for the submission of proposals", in order to be to fulfil the formal requirements, both the electronic and paper submission should respect the deadline of 15th of November (the date of postmark will serve as proof of timely shipment for submission on paper). This means applicants need to first submit the online application form via SWIM system and then print it and attach all the annexes and submit via post/courier service/hand the paper version containing one original and one copy before the deadline. Only one application file for each proposal should be submitted, containing the online application form and all its annexes.

66. In annexe F1 a work program should be uploaded. Our question is: how is this additional to the information provided in the online form? We have already described the action, time-table and the distribution of responsibilities between partners in the required cells. Should the detailed work program just be a repetition of this? And if so, how is the detailed description under F1 different from the 'full description' that can be requested under points E3, E4, E6 and E7?

Annex F1 should provide more detailed information on the project, as well as include the distribution of tasks, which is not required in any of the cells of the application form. The information in the cells only foresees the possibility to insert a summary of the key points (see the limit of 4000 characters, and the note: "A full description must be provided, if requested, in a separate annex").

67. Do character limits include spaces?



The character limits do not include spaces.

68. There is a requirement to submit References to related work – is this seeking references from external parties to work of the applicants? Or is it a description by the applicants of past projects?

This document should contain information on related work or similar work undertaken by the organisations in the consortium or experts involved. Therefore, it should be written by the applicants, co-applicants, affiliated organisations or experts themselves.

69. In the first paragraph on page 4 of the Call for Proposals it is stated that: " The total amount that a social enterprise can receive is EUR 500 000 (state aid rules to be respected)". Question: Does this mean that the fund wouldn't be able to invest more than that quantity in each social enterprise participating in? Or, would it be possible to exceed that quantity in "follow in investments" in successive capital rounds of the referred enterprises?

The amount mentioned on page 4 of the call refers to the financial products provided through Social Entrepreneurship facility under the third axis of the EaSI programme.

Regarding projects to be implemented with EU support under this call for proposals, the "Specific objectives" state (on page 7) that "For all strands, the focus should be on social ventures that aim at social impact, are financially sustainable, want to scale up (including through franchise) and, for that purpose, want to raise between EUR 100 000 and EUR 500 000."

This means that projects should address the market segment in social finance that is characterised by comparatively smaller deal sizes, higher risks, and lower returns. In other words, the instruments to be established, or the services offered should serve the demand in the market segment for financing social enterprises that is above microfinance and small volume finance, and below larger deals that are closer to venture capital approaches.

70. Is it required to send all the entities' official documents (like articles of association/statutes, profit and loss account and balance sheets) in English and with authenticated signatures?

These documents can be sent in any of the EU official languages.

71. Is the letter of intention from a potential investor mandatory for the participation to the call for proposal under strand C? In other words is the lack of this letter of intention cause of exclusion from the call for proposal?



As stated on page 12 of the call for proposals, this letter is necessary in order to assess the applicants and co-applicants' eligibility. Without this document, the application will not pass the eligibility criteria.

72. With regard to the preparation of the work programme, are there mandatory work packages to be developed/ included under this call?

There are no mandatory work packages. Nevertheless, applicants should ensure they include all the information requested under point 11 of the checklist in the call for proposals. Please refer to the award criteria as well, when preparing the application form and in particular the detailed description of work.

73. Concerning the mentioned call for proposals and regarding the project staff to be mentioned in budget section, is it possible not to indicate the concrete person for the position of project manager, but just indicate that he/she will be contracted for the period of implementation of the project.

As stated on page 15 of the call, section 8.2 Operational Capacity, the "CV of the project manager indicating clearly the current employer with whom there exists either a permanent or temporary contract of employment" should be submitted with the application in order to assess the operation capacity of the applicant and co-applicants. Moreover, the management of the project may not be subcontracted (Financial Guidelines, page 13 section 4.2.2.3).

74. Is it possible that one of the co-beneficiaries provides human resources for the project by subcontracting external expertise? It is an organization in which all human resources are subcontractors (as independent workers or similar status). In this case, are the costs of these services eligible? And if all the human resources provided by the co-beneficiary are external experts, can the organization cover the role of co-beneficiary?

If all tasks are subcontracted, the applicant cannot be a co-beneficiary. Please refer to the Financial Guide of the call, section "Subcontracting and implementing contracts" on page 12, 13 and 14:

- subcontracting may only cover the execution of a limited part of the action.
- The management of the project and the core activity of the specific strand may not be subcontracted.

In addition, please refer to the Financial Guide, page 12: "However, it is not permissible to include normal commercial suppliers of goods and services as co-beneficiaries in order to avoid these rules. By way of example, the Commission does not find it appropriate to include as co-beneficiaries independent consultants, conference organisers, and so on."



75. In case of being our proposal supported, how are the Main Applicant and Co-Applicant receive the support, grant (separately, the main applicant transfers to the co-applicant)?

Where proposals are submitted by several applicants, one applicant must assume the role of lead-applicant and is called the "coordinator". The other organisations involved in the application are called "co-applicants". The lead applicant and co-applicants shall agree – preferably in writing – upon appropriate internal arrangements, consistent with the provisions of the grant agreement, for the proper implementation of the action. The coordinator is responsible for submitting the proposal and signing the grant agreement after having received all the required powers of attorney from co-applicants. Since co-beneficiaries will share the financial responsibility; the financial capacity of each co-applicant will be assessed against its share in the action's budget.

76. How would we need to present the financial report? Main applicant and co-applicant directly to the donor? Or the Main Applicant needs to administrate the Main applicant and co-applicant's reports and send the final version to the donor?

There will be just one final report for the entire action and will be submitted by the lead-applicant.

77. We understand that the management of the project cannot be subcontracted. Though, can it be done by a Co-applicant (and not the main Applicant)?

According to the Multi-Beneficiary grant agreement (section II.1.3), the obligations and tasks of the coordinator include among others the following: monitor that the action is implemented in accordance with the Agreement, provide the Commission with the information related to any change related to any of the beneficiaries or to any event likely to affect or delay the implementation of the action, bear the responsibility for supplying all documents and information to the Commission, bear the responsibility for obtaining and verifying this information before passing it on to the Commission, etc. In addition, the coordinator cannot subcontract any part of these tasks to other beneficiaries or to any other party. Therefore, in order to be able to take the responsibility, coordinate and perform these tasks, the coordinator needs the direct involvement of the person responsible for the action.

78. Where may I find a model for the official covering letter?

There is no template for such letter. Cover letters generally introduce the proposal, present the consortium (if available), enumerate the documents submitted and could provide also other information considered important by the applicants. The cover letter should be signed by the legal representative of the lead applicant.



79. Can in-house consultants be considered as staff costs? In-house consultants are persons working for the beneficiary/ies as an independent/self-employed consultant via a management contract which has been in most cases concluded with their own private company (limited).

As stated in the Financial Guidelines, "Only persons who are directly employed by the beneficiary/ies and, if accepted by the call, the affiliated entities and who receive a salary are considered staff. All other persons, i.e. persons who receive a fee and/or submit an invoice for their services are considered external experts and are subject to the rules governing the award of contracts (see subcontracting below). The cost of any work to be performed by external experts must not be included in staff costs but under services."

Cost of in-house consultants may be eligible as costs of implementation contracts (under the "subcontracting" budget heading - Heading 3, Cost of services External expertise) and not under the staff cost heading, which covers remuneration costs of persons employed under labour law contracts by the beneficiary.