



Summary of projects

*Call for Proposals VP/2016/007
EaSI-PROGRESS: Actions to boost the demand and
supply side of the finance market for social
enterprises*

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Introductory note

This document presents a short summary of twenty projects which received an EU grant following a [call for proposals](#) launched in 2016 and aimed at developing social finance markets in Europe.

The call for proposals covered five strands which focussed on the supply side (strands A-C) and the demand side (strands D-E) of the social finance markets. Namely, the strands focussed on:

- Strand A: Establishment of social finance partnerships
- Strand B: Establishment of social finance instruments and mechanisms
- Strand C: Facilitating hybrid finance for social enterprises
- Strand D: Development of investment readiness support for social enterprises
- Strand E: Creation of a European level platform to reinforce the capacity of social enterprise support organisations

The twenty projects were carried out between 2016 and 2018. The summaries in this document were prepared in 2018, by a consortium of experts led by NGen Impact GmbH. The Consortium was tasked by the European Commission with following up the projects, as well as organising mutual learning activities.

Strand A

Beneficiary: Smart Kolektiv

Project title: Social Enterprise Financing in Serbia - Building Partnerships and Models for Sustainable Development of Social Finance Market

Belgrade-based Smart Kolektiv has implemented the project in partnership with Erste Bank and Oksigen Lab. The main objective of the project was to support the development of the local social finance market.

Smart Kolektiv successfully held the Social Innovation Forum in Belgrade, where they launched a publication about the social finance market in Serbia. The recommendations fed into a Memorandum of Understanding (MoU) that was signed by four funders (Erste, Unicredit, GIZ and Divac Foundation) as well as the Government Poverty Reduction and Social Inclusion team, SE coalition and the Network for SE development. The MoU envisages the commitment of key stakeholders to work on further ecosystem development and establishment of a venture philanthropy fund of €500,000 within a year. The fund would provide repayable finance to 5-7 social enterprises in the amount of €50,000 – 70,000 each plus capacity building support.

Smart Kolektiv successfully piloted the first social enterprises loans in collaboration with Erste Bank Serbia. They also organized workshops and study visits for key stakeholders on impact investing and impact management. Two public events with over 130 participants facilitated networking and the sharing of best practices among social enterprises, funders and intermediary organisations in CEE region.

Beneficiary: Fundacion para la Innovacion en Soluciones de Inversion Social (Fundacion Isis)

Project title: CISE: Customized Investment for Social Enterprises

The main objective of the project was to boost the social finance market in Spain by creating an investment vehicle to support social enterprises. A major part of the project was the assessment of the potential sustainability of a fund. In-depth market analysis of social entrepreneurship in Spain as well as a benchmark analysis of more developed markets abroad were conducted and helped to identify the needs, challenges and opportunities.

At the end of the project period, the fund was not yet established but it was decided to create a fund to serve two segments: inclusion-based projects and technology-based projects.

Strand B

Beneficiary: Cooperative Bank of Karditsa

Project title: Guarantee for an enabling Social Enterprise Ecosystem in Greece - SEE GR

The main objective of SEE GR project consortium led by the Cooperative Bank of Karditsa with Cooperative Banks of Chania and Epirus and the Development Agency of Karditsa was to develop and establish the Greek Social Enterprise Guarantee Fund. The partners' vision for the SEE GR fund is to become the leading social finance instrument in Greece providing a broad range of financial and non-financial services to social enterprises.

Moreover, the project developed a support system for social enterprises such as the Social Impact Management System (methodology and tools) and the Investment Readiness System of social enterprises (methodology and tools). During the pilot implementation, one guarantee from the fund was provided to a social enterprise in Karditsa, while several others are under review by the collaborating Cooperative Banks in Epirus and Crete. The project continues to expand to additional Greek regions, for example Thessaloniki and Attika, accrediting and linking to the guarantee facility appropriate business development support organisations and getting closer to social enterprises and their networks to trace needs and offer solutions.

Beneficiary: Finpiemonte

Project title: SIB for Growth

Finpiemonte's objective was to set-up a social impact bond in Northern Italy, addressed to reduce early school leaving in second generation young migrants from outside of the EU (12-16 years old).

The project was the only one emerging from a public body setting-up a financing instrument, thus bringing the regional policy makers to think out of the box and explore innovative and better ways to use resources from the European Social Fund.

The project team worked on the single steps towards the implementation of a social impact contract: the feasibility study was completed within the project period but the call for the social provider could not be launched before the project period ended for administrative reasons. Central to the work and most difficult proved to be the legal and governance issues (e.g., financial structure, contracts with regional government for the use of ESF, legal agreements with the social providers, involvement of private investors).

Beneficiary: Phineo

Project title: Establishing a new early-stage impact fund for social-tech ventures

Phineo created all preparatory materials which are needed for an initial market sounding effort and can serve as a foundation for a subsequent fundraising campaign. These documents include a management presentation, an investment strategy deck with calculations for different fund sizes, a financial model, an impact management framework and an assessment of different legal structures. A discussion paper describing the impact management framework is currently under development. Furthermore, a solid potential ecosystem-partner network and investment pipeline has been developed. However, fundraising for the tech4impact fund has proven to be challenging and remains a critical task for the entire project. Based on the insights from tech4impact fund initiative, the team aims at setting up a new tech4good impact investing vehicle in 2019, provided sufficient interest from select anchor-investors can be generated.

Beneficiary: Réseau Financité

Project title: Instrument de financement social

In December 2018, Financité, Foundation for Future Generations and about thirty social enterprises have successfully set up F'in Common, a financing cooperative fund, created by and for social economy organisations. It aims to provide social enterprises with financial resources while building collective wealth (via indivisible reserves) to ensure solidarity between past, present and future members.

Currently, F'in Common, via Financité, has collaboration agreements with a Wallonian (Sowecsom) as well as a Brussels-based (BRUSOC) financial partners. The idea is that financial partners carry out the due diligence and bring half the funds needed to grant the social enterprise loan while F'in Common brings the second half. Only social enterprises that have Financité & FairFin labelled financial products can request a loan which ensures a high quality of the financed projects.

F'in Common remains open to collaborations with more financial partners as it wishes to complement the Belgian social finance landscape. Operationally, F'in Common aims to grant its first subordinated loans beginning 2019.

Moreover, F'in Common defined a share structure to include guarantors, individual citizens, social enterprises as well as institutional investors. This way it intends to raise the necessary amounts among the retail market in order to grant its loans.

Strand C

Beneficiary: Financing Agency for Social Entrepreneurship (FASE)

Project title: European-wide rollout of customized deal-by-deal support for social enterprises with fine-tuned hybrid financing packages

The Financing Agency for Social Entrepreneurship (FASE) and its co-applicants Ashoka Germany and BMW Foundation Herbert Quandt extended with this action the scope of the deal-by-deal transaction support for early-stage social enterprises to further European regions. The main policy area that this action addressed is better access to finance for early-stage social enterprises and it strived to enlarge both, the size of the investor network and the number of supported social enterprises in two pilot regions, Benelux and Austria.

The project accomplished its two objectives. FASE achieved to demonstrate the feasibility and benefits of an orchestrated approach to providing social finance by different types of donors, investors and public authorities, and integrating a range of financial instruments into fine-tuned packages in further geographic regions. In addition, it mobilized and committed potential investors, donors, banks, crowd-investors or public authorities from different European countries to co-operate and contribute their financial contribution in specific hybrid financing packages.

Selected results include the support of four social enterprises in Benelux and Austria in raising hybrid growth capital, the development of pay-for-success models for two social enterprises and the extension of the network to around 500 contacts.

Website: www.fa-se.de/en/

Beneficiary: Credal

Project title: Belgian Challenge Fund

This strand C project aimed to set-up the Belgian Challenge Fund. This structure should serve as a "one-stop-shop" for social enterprises seeking funding by combining a crowdfunding platform and a follow-up financing possibility by Crédal itself. The fund would then benefit from the deal flow and due diligence by the patient capital investor.

As a strategic partner for equity crowdfunding, Crédal has invested into the equity of the French platform LITA enabling LITA to scale to Belgium. The search for this partner and the set-up of the collaboration have taken a significant proportion of the project time. Going forward, the challenge will remain the sustainability of the fund in the long run.

Strand D

Beneficiary: France Active

Project title: ReadINESS

The country-wide network France Active conducted this project together with its partners Mouves and Antropia ESSEC in the regions of Midi-Pyrénées, Alsace and Aquitaine. After identifying 30 social enterprises (10 per territory), they held a series of seminars and other activities to help them build investment readiness capacity. Networking between social entrepreneurs and funders was enabled through the gathering of funders at a demo day, mobilization of funders and individual support to achieve funding rounds.

78 social enterprises applied for the programme out of which 30 were selected. 8 social enterprises raised the funds they needed, and 6 other social enterprises are currently negotiating their funding. The total amount of funding is €3.9 million with amount ranging from €20.000 to €3 million.

Video (in French):

https://www.youtube.com/watch?time_continue=1&v=zJa9Xog0CFw

Website (in French): <https://www.franceactive.org/actualites/readiness-preparez-levee-de-fonds/>

Beneficiary: Coompanion Göteborgsregionen

Project title: Collaborative Financial Readiness of Social Enterprises in Sweden

The main objective of this project led by Coompanion Göteborgsregionen and supported by co-applicant Mikrofonden Väst was to make social enterprises investment ready. The programme received 32 application, out of which 25 were selected. Social enterprises participated in 6 workshops and trainings sessions including coaching and support to develop their investment readiness. 20 social enterprises completed the programme and increased their investment readiness. 14 social enterprises received investments or are in the process or negotiating them.

In addition, the project helped to popularize the concept of social entrepreneurship and social finance with dedicated events and communication campaigns.

Website (including videos): <https://collfinance.wordpress.com/>

Beneficiary: Fondazione Giacomo Brodolini

Project title: EASII - Easing Access to Social Impact Investments

Fondazione Giacomo Brodolini (FGB) and Impact Hub Milano (IHM) co-manage FabriQ, the Incubator of Social Innovation of the Municipality of Milan and the grant enabled them to expand their scope across the whole country, with a national resonance. They have received 76 applications and 20 projects, operating on different topics, such as People & Health, Agrifood, Environment & Circular Economy, Smart Cities & Sustainability and Education & Culture were selected for a pre-acceleration phase. The pre-acceleration phase lasted 3 months and consisted of modules focused on pitching, business modelling and business planning. The content was delivered in seminars and in one-to-one sessions.

7 startups were admitted to the incubation phase which also included €130.000 in grants. The programme included the support of experts as well as training sessions on low-interest financing, facilitating opportunities supporting the development plans of innovative start-ups, intellectual property management, business planning, term sheet development, pitching, public speaking and negotiation.

In addition, they helped to build the market by involving 34 investors from Italy and abroad.

Website: <http://www.fabriq.eu/incubazione/fabriq-acceleration-program-2017/>

Beneficiary: Grup d'Inversors Cooperatius SL (GICOOP)

Project title: Social Investment Project (SIR Project)

The Social Investment Ready Project (SIR) was managed by a consortium of GICOOP, Tandem Social and Gabinet Juridic. The main objective of the project was to develop the investment readiness of social enterprises in Catalonia.

Overall, they have received 45 applications for the program out of which they have selected 20 participants. The programme consisted of individual learning experience on the social finance web platform and included personal and virtual meeting and a mentoring programme. 9 received social investment during the program while 3 others are in the process of negotiating social investment.

Moreover, they have managed to sign collaboration agreements with 12 finance organizations operating in Catalonia (3 cooperatives, 2 business angel networks, 1 incubator, 4 private funds and 2 guarantee providers). In addition, they held dissemination activities and distributed communication kits to local media.

Website: <http://empresasocial.eu/>

Beneficiary: IFUA Nonprofit Partner

Project title: SEEDS program

IFUA Nonprofit Partner and SIMPACT were implementing this program and were supported by a seed grant from ERSTE Foundation for the 10 most promising social enterprises. It was a major undertaking that delivered a large-scale social enterprise and investment readiness project. IFUA Nonprofit Partner has developed the training and mentoring curriculum and mobilised partners, experts and mentors to work with the start-up and advanced social enterprises.

They received 203 applications and selected 67 social enterprises to participate in the programme which lasted 14 months. The programme contained 5 training workshops in the field of business modelling, mentoring with more than 90 mentors, business development, preparation for investment. The best 10 business plans received seed capital to launch or further develop their business, while many others have the possibility to raise money (loans or equity) from Hungarian social investors that IFUA Nonprofit Partner had identified and mobilised. Investments will take time, as investors are cautious, so the challenge going forward is to provide appropriate and timely financing to the social enterprises that have benefited from the project. SEEDS gave impetus and visibility to the sector and to the Social Banking initiative of Erste Group in Hungary.

The participating social enterprises developed 48 business plans until October 2017. 16 participating social enterprises were interested in bank loans. The media coverage included 65 Facebook posts, 3 press releases (Erste Bank and Erste Foundation), 6 sponsored online and offline articles, 10 online articles (not sponsored) and 3 other media content (radio and TV).

Website: <http://www.ersteseeds.hu/>

Facebook: <https://www.facebook.com/ProgramSEEDS/>

Beneficiary: NESsT Europe

Project title: Preparing High Impact Social Enterprises for Investment

The NESsT project was a demand side project aimed at developing investment-ready social enterprises by supporting them with appropriate capacity building in the validate and prepare to scale phases of their development. With support from the European Commission, NESsT supported over 20 social enterprises from the Czech Republic, Hungary, Poland, Romania and Serbia. The NESsT team provided coaching and support helping to ensure that these enterprises met their financial and social impact goals. Impact was tracked through the use of the NESsT performance management tool. External advisors gave advice on tax issues, strategy development and legal questions. There was also a regional portfolio retreat with selected guests and speakers. NESsT also developed, tested and rolled out a new tool (Talent tool) to assess its portfolio enterprises in each phase of growth; this tool is now available for use on NESsT's website.

Significant effort was put into raising awareness of investors and finding matching patient capital for social enterprises ready to grow. Objectives related to this aspect

were difficult to meet as potential social investors were unable to raise the funds they had planned for and in some cases were hesitant to invest due to differing return expectations. Nevertheless, the project was able to secure and leverage €123.500 in new investment for the social enterprises supported. Two cases studies on social investing were also produced and disseminated widely.

Website: <https://www.nesst.org/>

Beneficiary: Laboratorio de Investimento Social (formerly Associacao IES)

Project: Impact Generator

The main objectives of this project were to generate effective demand for social finance instruments, develop a fine-tuned system of investment readiness for social enterprises and prepare social enterprises in Portugal for the upcoming financial instrument of Portugal among others.

Impact Generator, an accelerator programme, had a duration of 17 months during which it worked with 3 cohorts and a total of 19 social enterprises.

Each cohort encompassed on average 6 impact ventures and had the duration of 16 weeks. After a thorough recruitment process, selected impact ventures (represented by up to 4 team members) were granted a shared working space and access to an intensive acceleration programme which provided customised support to the participants. The programme encompassed a set of initiatives such as training sessions, experts' clinics, individual and hands-on support, mentorship and networking moments with relevant stakeholders.

1M EUR have been raised.

Beneficiary: Legacoop Romagna

Project: Financial Tools for Social Enterprises - FIT4SE

The main objectives of this project were to improve capacity and knowledge of social enterprises to provide them with tools to access social financing. These objectives were achieved through dedicated training to boost their investment readiness, the development of specific services for social enterprises providing assistance and counselling on social finance, matching demand and supply.

The first phase of the project was dedicated to research analysing the economic and financial context in which social enterprises operate as well as the financial gaps of social enterprises (mainly social cooperatives). The second step has been the realization of a structured training activity. This training activity has been delivered to 14 persons working in social cooperatives as directors, financial managers, administration officers, coordinators. The third phase focused on the creation of a "counselling desk" on social finance for social enterprises.

Beneficiary: Mikado

Project: Empowering Social Entrepreneurs in Turkey to Become Investment Ready

The three applicants Mikado Consulting (lead), Ashoka Foundation Turkey (partner) and Koç University (partner) are based in Istanbul, Turkey. Together they conducted a business model development training and an investment readiness programme for social enterprises.

50 social enterprises applied for the business model development training. 30 representatives from 15 social enterprises that are at the blueprint stage were selected. At the end of the first training 5 social enterprises received a seed funding to support them validate their business models. This first training was followed by the Investment Ready Certificate Programme which lasted for seven months and included a total of 7 different modules. Each module was given by different experts exposing participants to various perspectives and networking opportunities. 30 social enterprises applied for the Certificate Programme and 14 social enterprises (29 representatives) were selected. At the end of the Programme 6 social enterprises were selected and received the opportunity to participate in the international site visit to Berlin where they met several social enterprises, intermediary organizations and funders. Also, these selected social enterprises received a total of 42 sessions of mentoring focusing on their needs to scale up and get ready for investment. At the end of the programme, two of the social enterprises received funding.

Their activities also included the publication of an investment readiness handbook which was the first publication on the subject in Turkey.

Handbook:

<http://www.mikadoconsulting.com/dosyalar/yayinlar/482018195513.dosya.pdf>

Beneficiary: Osuuskunta Ehta Raha

Project: Boosting investment readiness of value-based enterprises in Finland

The main objective of the action was to contribute to the social finance market in Finland by assisting value-based enterprises to build their investment readiness. The action was implemented by Ehta Raha, Demos Helsinki and the law firm Castrén & Snellman and was the first in Finland offer investment readiness support to value-based enterprises.

The programme consisted of open educational events (25 open events with over 390 participants and over 820 total visits), pop-up financial advice, two finance boot camps as well as support groups and mentoring. Over 50 enterprises benefited from the action. Nine workbooks were drafted based on the topics of the open events and published at the website www.rahoitusvoimala.fi.

5 new enterprises were registered, and 5 new full-time jobs were created. The total amount of direct finance received was 441.165 euros and if indirect effect is included, the total amount is 618.115 euros.

Website: <http://www.ehtaraha.fi/rahoitusvoimala/>

Beneficiary: Zavod Viva

Project Hive for Better Investment, communicated as Goodbiz

Zavod Viva together with partners offered the first investment readiness programme for Slovenian social enterprises. They have received 23 applications out of which 17 social enterprises entered the programme.

The programme consisted of 5 modules covering value proposition, social impact management, social finance, sales and pitching. The programme also included a 10-hour mentorship scheme.

The project also contributed to raise awareness in Slovenia. This workstream resulted in 15 podcasts, 45 videos, 2 showcase events and one final investor showcase event as well as the publication of "The Book of Goodbiz".

Website: <http://www.goodbiz.si/>

YouTube: <https://www.youtube.com/channel/UCQNLv-Vtg7UK2tyyDg0W1Kw>

Soundcloud: <https://soundcloud.com/goodbiz>

Strand E

Beneficiary: Oksigen Lab

Project: COP-SE (Community of Practice – Social Entrepreneurship)

Social Impact, Oksigen Lab, NESsT and the Social Nest Foundation, CAN, UnLtd and Comptoir De L'innovation (CDI) explored the feasibility of launching a practitioner community made up of European intermediaries or social enterprise support organisations.

The project aimed to strengthen and professionalise those organisations through joint trainings, peer reviews, common tools and working methods; to organise the exchange of experiences and knowledge transfer; to mutualize expertise in order to facilitate and accelerate the (transnational) scaling of the impact of social enterprises,

After a needs and market assessment, the COPSE community launched in the summer of 2017 with 19 SESOs (21 by the end of the project) in 13 EU countries (and 2 non-EU countries) willing to exchange knowledge and professionalise in order to ultimately help their beneficiaries - social enterprises create stronger social impact. COPSE focuses on three main areas: strengthening the capacity of its community members, helping them manage the quality of the services they offer and developing tools and frameworks which allow for better cooperation between organisations.

Website: <https://copse-network.eu/>