



**EUROPEAN COMMISSION**  
DG Employment, Social Affairs and Inclusion  
Directorate Skills  
Unit Job Creation

**CALL FOR EXPRESSIONS OF INTEREST**

**to select beneficiaries under the social entrepreneurship strand of the Employment and Social  
Innovation Programme Technical Assistance**

## 1. BACKGROUND INFORMATION

Social enterprises contribute to the EU's agenda for growth and jobs. The European Commission has in particular recognised the potential of social enterprises for innovation and their positive impact for the economy and society at large. Social enterprises develop innovative approaches, models or practices for resolving societal challenges in an entrepreneurial way to promote inclusive, socially fair and environmentally sustainable economic development and social change. Their economic operations cover a broad spectrum of activities (including in particular social and economic integration of the disadvantaged and excluded, social assistance and care services of general interest, education and training, community development, reducing emissions and waste, or producing renewable energy).

Lack of or poor access to finance is still perceived as one of the most significant barriers for starting up a social enterprise, ensuring its sustainability and growth. Due to their size, the financing amounts that the majority of social enterprises need are relatively small: the most important financing gap in the market is between EUR 100 000 and EUR 500 000 for early-stage social enterprises<sup>1</sup>. To be able to access the social investment market, social enterprises have to be 'investment ready'. In this context, specialised capacity building support is important to help social enterprises acquire the skills and knowledge they need in order to raise external investment.

One of the objectives of the Employment and Social Innovation Programme (EaSI) 2014-2020<sup>2</sup> is to promote employment and social inclusion by increasing access to finance for social enterprises. Several financial instruments have been launched under EaSI / with support from EaSI:

- The EaSI Guarantee scheme launched in 2015 covers loans to social enterprises of up to 500,000 EUR. This risk-sharing mechanism gives incentives to social enterprise finance providers to reach out to entrepreneurs they would not have been able to finance otherwise. By the end of 2018, 25 guarantee agreements have been signed with financial intermediaries for social entrepreneurship for a total amount of 49.4 million;
- In 2016, the Commission launched the EaSI capacity building instrument (16 million EUR) which aims at building the institutional capacity of selected social enterprise finance providers in Europe primarily through equity investments. The first three operations were signed under the EaSI Capacity Building instrument in 2018.

The European Commission has selected the European Investment Fund as its entrusted entity to implement the EaSI Guarantee and the EaSI Capacity Building Investments Window<sup>3</sup>.

Moreover, a new set of dedicated equity instruments was launched in 2016 under the European Fund for Strategic Investment (EFSI) (with a first-loss piece from EaSI and Innovfin): they include a facility for financial intermediaries linked to incubators, accelerators, and/or that provide incubation services for social enterprises in their early stages (at least EUR 25 million) and a Business Angel Facility (at least

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<sup>1</sup> Subject Paper of GECES Working Group 1: "Improving access to funding" available at: <http://ec.europa.eu/DocsRoom/documents/21252/attachments/5/translations/en/renditions/native>

<sup>2</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=1081>

<sup>3</sup> <http://ec.europa.eu/social/main.jsp?catId=1084&langId=en>

EUR 25 million) that will make investments alongside business angels or in business angel funds, including private individuals or non-institutional investors who invest into social enterprises at seed, early stage as well as expansion and growth stage<sup>4</sup>.

In addition, to further build the emerging European social enterprise finance sector and to facilitate access to EaSI financial instruments, the scope for the provision of EaSI technical assistance, focused on building capacity in Europe, is extended by adding a new strand targeting social enterprise finance intermediaries.

## 2. OBJECTIVE OF THE CALL

Under this call, the European Commission (Directorate General Employment, Social Affairs and Inclusion) seeks expressions of interest from social enterprise finance intermediaries wishing to improve relevant aspects of their operations, performance and governance with a view to boosting their institutional capacity. The aim is to select as EaSI Technical Assistance beneficiaries organisations that are in most need of this support, ensuring a balanced geographical representation.

## 3. DESCRIPTION OF TECHNICAL ASSISTANCE SERVICES

The technical assistance support services will be performed by a consortium of service providers on behalf of the European Commission. The lead partner of the consortium is the European Center for Social Finance at Munich Business School. It will provide those services in collaboration with a network of more than 25 experts from the field.

The selected organisations are entitled to receive Technical Assistance services, free of charge. Two strands of support services will be offered:

1. Provision of targeted capacity building services
2. Exchange and dissemination of good practices in the European social enterprise finance sector.

1. Provision of targeted capacity building services

### *a. Tailored trainings*

Tailored trainings aim at providing knowledge / skills to the staff of an organisation selected under the call for expressions of interest.

The tailored trainings can take the form of interactive classroom trainings, hands-on formats such as coaching, or a blended learning approach combining elements of both. They consist of one or several modules targeted at the topic(s) of improvement/key issues<sup>5</sup> identified for the specific organisation

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<sup>4</sup> [http://www.eif.org/what\\_we\\_do/efsi/equity/call/Guidance\\_for\\_social\\_impact\\_investors.pdf](http://www.eif.org/what_we_do/efsi/equity/call/Guidance_for_social_impact_investors.pdf)

<sup>5</sup> Potential topics could be related to the investment strategy, social impact measurement, risk management, attracting investors etc.

through a needs-analysis. Depending on the needs-analysis the services will probably be provided by 3 to 5 different experts contributing the relevant know-how.

The tailored trainings take, in principle, place at the premises of the organisation. They can also be provided (fully or partially) in the form of webinars. The logistics (room, catering) are to be organised in principle by the organisation that receives the training.

#### *b. Investment readiness trainings*

One of the recurrent concerns is the complexity of the contractual arrangements between the social enterprise finance providers and their investors, lenders or funders (including the EIF in its implementation of the EaSI financial instruments). The negotiation of these financial agreements absorbs a high amount of human resources and often requires the (costly) assistance of lawyers. This puts a particular strain on small social enterprise finance providers.

In relation to the EaSI financial instruments, an insufficient understanding of the concept of "social enterprise" (as defined by the EaSI Regulation<sup>6</sup>) has been identified as one of the difficulties that prevent social enterprise finance providers from tapping into the potential of EaSI financial instruments.

Investment readiness trainings aim at preparing social enterprise finance providers for taking on investments, loans, grants, or guarantees. The trainings aim at explaining in detail the mechanisms of (specific) financial instruments and their legal implications regarding rights and obligation, liability and indemnity.

Two types of investment readiness trainings have been identified:

- trainings preparing for the negotiations with the EIF with the aim of facilitating social enterprise finance providers' access to the EaSI or EFSI financial instruments<sup>7</sup>;
- trainings preparing for the negotiations with other investors, lenders or funders.

Investment readiness trainings may take the form of interactive class room trainings (for one or several social finance providers), hands-on formats such as coaching, or a blended learning approach combining elements of both.

The logistics (room, catering) are to be organised in principle by the organisation that receives the training.

The trainings are provided in English, or, on request of the beneficiary and following the approval of the Commission, in the national language of the beneficiary/-ies.

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<sup>6</sup> <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0238:0252:EN:PDF>

<sup>7</sup> In addition to organisations selected through this call, the investment readiness trainings will be also open to other social enterprise finance providers interested in EaSI-EFSI financial instruments.

2. Exchange and dissemination of good practices in the European social enterprise finance sector through:

- c. *Peer-to-peer trainings*

Peer-to-peer trainings aim at providing an opportunity for selected organisations under the call for expressions of interest to learn from experiences and practices of other social enterprise finance intermediaries, thus avoiding following blind alleys or reinventing the wheel. However, many actors lack financial resources to pay for training or coaching from experienced organisations.

In a peer-to-peer training, experienced practitioners from one or more organisation(s) are providing training, tools and guidance to the staff and partners of the requesting organisations on specific issues identified following a needs analysis. They will be assisted by expert(s) of the contractor for the preparation (structure of the course, preparation of the presentation of the content, training material, teaching methods) and during the delivery (expert as facilitator, putting the learnings in context).

Peer-to-peer trainings usually take the form of interactive class room trainings. Exceptionally, they can also be provided (fully or partially) in the form of webinars.

The trainings are provided in English, or, on request of the beneficiary and following the approval of the Commission, in the national language of the beneficiary/-ies.

- *Study visits*

A study visit aims at sharing the experience of an experienced social enterprise finance intermediary that hosts the study visit with (groups) of selected organisations under this call. It is a field visit during which an experienced and/or innovative host usually shares its strategy and operations, introducing its collaboration with partners and backers, show-casing interesting cases of support, and presenting successes and lessons learnt. The study visit is therefore usually broader than a peer-to-peer training.

The study visits are provided in English, or, on request of the beneficiary and following the approval of the Commission, in the national language of the beneficiary/-ies.

- *Social enterprise finance workshops*

They are workshops on general topics related to social enterprise finance (EaSI financial instruments, investment readiness support, social impact measurement, business development services or similar) with the aim of exchanging practices in applying advanced tools and disseminating good practices. The aim of a workshop is mainly to encourage mutual learning amongst social enterprise finance intermediaries on key topics to enhance their competencies and knowledge, and identify key issues in capacity building in the field of social enterprise finance<sup>8</sup>.

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<sup>8</sup> In addition to organisations selected through this call for expressions of interest, the workshops will be open also to other social enterprise finance providers from EaSI participating countries. Interested organisations can

To minimise costs and to maximise participation, the workshops shall, to the extent possible, be held in the framework of pre-existing social finance events.

#### 4. SUBMITTING THE APPLICATION

Organisations interested in applying to this Call for Expressions of Interest shall submit an Expression of Interest, prepared in accordance with the instructions specified in this call, as scanned copy by email to [easi.ta@ecsocfin.com](mailto:easi.ta@ecsocfin.com), stating in the subject of the email, as appropriate: "EaSI Technical Assistance Social Entrepreneurship - Expression of Interest: [name of the Applicant]".

The Application has to include all mandatory documents as set out in Section 'Application format and details'.

After the submission of the application, an acknowledgement of receipt will be sent out to applicants via e-mail which shall state the confirmation that the Expression of Interest was received. The acknowledgement of receipt is not to be considered confirmation of completeness of the Expression of Interest and the documents submitted therewith, nor any kind of evaluation to this effect.

Applicants may send questions regarding the Call or the nature of the EaSI Technical Assistance.

Such requests must indicate the subject "EaSI TA question" and the name of the Applicant and shall be submitted in English, French or German by e-mail to: [easi.ta@ecsocfin.com](mailto:easi.ta@ecsocfin.com). Answers to all questions will be provided to the Applicant not later than 10 calendar days after their submission, on the Applicant's email address used to submit the questions. An analysis of such incoming questions will be made and the resulting answers may be published from time to time in the form of FAQ (Frequently Asked Questions) document posted on the webpage of this call. The European Commission reserves the right to update the FAQ document from time to time as and when it regards appropriate.

#### 5. ADMISSIBILITY REQUIERMENTS

##### **Application format and details**

The template of the Expression of Interest to be submitted duly filled in and signed is attached as an Annex to this Call for Expressions of Interest and is composed of two appendixes. In order to be valid and assessed, the Expression of Interest has to include:

1. Information about the Applicant (template available under Appendix 1 to the Expression of Interest);
2. Declaration on honour concerning the exclusion criteria (form available under Appendix 1 to the Expression of Interest);

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contact Munich Business School directly to register for a specific support service, in reply to an advertisement published by the contractor.

3. Requested supporting documents (listed under Appendix 3 to the Expression of Interest).

Applicants are encouraged to submit their application in English, French or German in order to facilitate the treatment of the applications and speed up the selection process. It should be noted, however, that applications in all official languages of the EU will be accepted. In this case, applications should be accompanied by an executive summary in English, French or German.

This is an open-ended call for expressions of interest, with no deadline for applications. However, after having received a number of 20 applications or 2 months after the publication of the call, the European Commission will start organising the delivery of the technical assistance services. The European Commission can decide to close the Call for Expressions of Interest at any time. An announcement will be published on the webpage of the call 2 weeks before the call will be closed.

## 6. ELIGIBILITY CRITERIA

### Eligibility of the applicants

#### a) Place of establishment

Legal entities properly established and registered in the following countries are eligible as applicants:

- EU Member States;
- Iceland in accordance with the EEA Agreement;
- Albania, the Republic of North Macedonia, Montenegro, Serbia and Turkey<sup>9</sup>.

#### b) Type of entities

To be eligible, the applicants must be legal entities of any type registered at the time of the submission of the application. They must be:

- 1) social enterprise finance providers<sup>10</sup> (such as banks, public and private investment funds, Fund-of-Funds or (co-) investment schemes), ;
- 2) impact investors keen to address in the future the market segment of the EaSI Guarantee for social enterprises (i.e. investments of up to EUR 500 000)
- 3) social enterprise support organisations (such as incubators, accelerators) that offer accompanying financial support
- 4) social enterprise support organisations (such as incubators, accelerators) that are in the process of widening their scope with a view to providing accompanying financial support to social enterprises.

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<sup>9</sup> Other candidate and potential candidate countries may also participate in accordance with the general principles and the general terms and conditions laid down in the framework agreements concluded with them on their participation in Union programmes. However, it is not yet confirmed, therefore applicants and co-applicants from those countries should check with the secretariat of the call ([easi.ta@ecsocfin.com](mailto:easi.ta@ecsocfin.com)) for their eligibility.

<sup>10</sup> These are finance providers that cover the market segment of the EaSI Guarantee, i.e., they provide finance of up to EUR 500,000 to social enterprises as defined by the EaSI Regulation

## 7. EXCLUSION CRITERIA

Applicants (must sign a declaration on their honour certifying that they are not in one of the situations referred to in article 136(1) and 141.1(b) and (c) of the Financial Regulation concerning exclusion and rejection from the procedure respectively, using the relevant form attached to the template for Expression of Interest.

## 8. ASSESSMENT PROCESS

Expressions of interest that meet the admissibility requirements will be checked against the eligibility criteria. Those that fulfil the eligibility criteria will be included on the list of potential beneficiaries of EaSI technical assistance services. All expressions of interest will be processed chronologically, with the date of application receipt being the principal criterion. However, the European Commission maintains the right to fast track applications that have been received on a later date, in order to ensure a wide geographical coverage and/or to maximize the reach of the EaSI programme.

If clarification is required or if obvious clerical errors in the application need to be corrected, the applicant will be requested to provide clarifications and/or additional information.

If the expression of interest submitted is not fulfilling the admissibility or the eligibility requirements the applicant will be informed by email.

## 9. PUBLISHING OF INFORMATION

The European Commission will publish on its website each year the list of organisations supported through EaSI Technical Assistance, which will include the name and address of each beneficiary as well as an indication of the type of support services received.