

Implementation of the European Pillar of Social Rights

Contribution to the consultation

In the following pages, we present an innovative financial structure just launched in the Italian market, which could be an interesting model for developing systemic measures to support Third Sector Organizations and social initiatives across Europe.

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Summary note

Initiative in support of the Italian Third Sector

Introduction

The COVID-19 emergency is causing economic suffering, employment difficulties and financial tensions to the Italian Third Sector Organizations ("TSOs"), due to the partial or even complete suspension of their activities, the contraction of demand, the reorganization efforts to maintain services, and the extra costs to bear in order to work in safety.

Non-profit organizations, cooperatives, social enterprises, volunteers are vital resources for the cohesion of the communities. Essential actors for the promotion and dissemination of social, cultural and environmental values.

Lombardy (Istat, 2015) is the most important region in terms of number of TSOs (over 50,000, or 15.7% nationwide), professionals employed (about 180,000, 22.8%), number of active volunteers (about 1m, 18.3%), data showing the crucial role and the "density" of this sector in the regional social fabric and beyond.

The Project

Full aware of the current fragility of the sector, a group of foundations and financial institutions (Fondazione Cariplo, Intesa Sanpaolo, CSVnet Lombardia, Fondazione ONC, Cooperfidi Italia, Fondazione Peppino Vismara e Fondazione Social Venture Giordano Dell'Amore, briefly described below) designed a very innovative financial structure to support TSOs in accessing credit.

In order to maximize the effectiveness of the measure, the structure operates on several levels and provides for the simultaneous activation of an articulated system of guarantees and cost coverage instruments, to allow the distribution of up to € 30M of loans at favourable conditions, in particular in terms of duration and interest rates. The structure is designed to facilitate the access to credit to the most fragile TSOs, including those with lower rating.

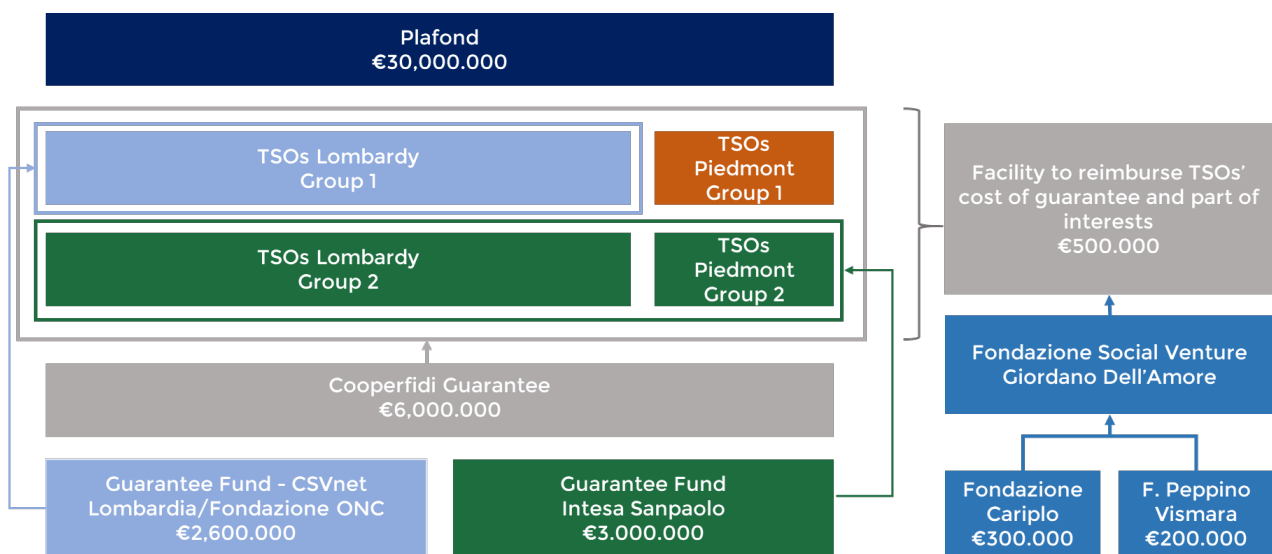
In particular, the tools activated are the following:



1. a € 2,600,000 guarantee fund, set up by CSVnet Lombardia – Fondazione ONC, through the reprogramming of unexploited resources in a program supporting Lombardy voluntary organizations;
2. € 3,000,000 guarantee fund (the Solidarity and Development Fund of the Impact Division of Intesa Sanpaolo bank), to cover the risks of the most fragile TSOs;

3. an additional € 6,000,000 guarantee plafond, made available by Cooperfidi, **backed by FEI resources from the EaSI program, in the "microfinance and social entrepreneurship" program;**
4. alongside the guarantee instruments indicated above, an additional facility will be activated to cover guarantee costs and part of the interests cost, made available by Fondazione Social Venture Giordano Dell'Amore, with philanthropic resources granted by Fondazione Cariplo (€ 300,000) and by Fondazione Peppino Vismara (€ 200,000). This facility will reimburse to the TSOs the entire cost of the Cooperfidi guarantee and part of the cost of interests, with a mechanism favouring the most fragile TSOs, with loans at higher rates.

The facilities illustrated above will be activated and combined differently among entities and territories, based on the following scheme:



The loans will have the following features:

- Lending period terminate on 30th June 2021
- Size: from € 30,000 to € 500,000
- Repayment due by 30 June 2025
- 18 months pre-amortization
- Dedicated rates
- Beneficiaries: Voluntary organizations, social promotion associations, social cooperatives, social enterprises, foundations, philanthropic entities, mutual aid societies, religious bodies, sports associations, non-profit organizations - active in Lombardy and in the provinces of Novara and Verbano Cusio-Ossola

The Partners

Fondazione Cariplo is one of the main Italian foundations of banking origin. It is committed to supporting and promoting projects of social utility in the following sectors: art and culture, environment, welfare and scientific research. Each year it supports more than 1,000 projects, providing grants to TSOs for approximately 150 million euros per year. The Foundation has assets of approx. 7.5 billion euros and is one of the major shareholders of the Intesa Sanpaolo.

Intesa Sanpaolo is the largest Italian banking group in terms of market share and number of branches, with approximately 12 million customers and 3,000 branches. It is among the leading banking institutions in Europe, with a market capitalization of around € 27 billion. The institute is committed to supporting the economy of the countries in which it operates, particularly in Italy, where it is also a leader in terms of sustainability and social responsibility.

CSVnet Lombardia is the network of Lombardy Volunteer Service Centers, active since 1997 to support volunteer organizations and promote the culture of solidarity. The task of the Service Centers for Volunteering is to work with the territories to assist the communities, with focus on common good, through the support and cultural development of volunteering.

Fondazione ONC carries out functions of direction and control of the Service Centers for Volunteering, to allow them to pursue their activities. The ONC Foundation manages the Single National Fund, which ensures funding to the Service Centers for Volunteering and is fed by the foundations of banking origin.

Cooperfidi Italia is the national guarantee consortium of Italian cooperation, born from the merger of the regional cooperatives guarantee bodies. It is supported by three large cooperative consortia (Agci, Confcooperative and Legacoop), with the purpose of facilitating access to credit and supporting the development of member companies, not only cooperatives but also companies established in any other legal form.

Fondazione Peppino Vismara is a private foundation active since 1980, which supports initiatives promoted by non-profit organizations in the social field, with particular attention to the most marginalized sections of the population, families and young people. Over the past 15 years it has financed over 700 projects in Italy and abroad. It is particularly active in Lombardy and in Southern Italy.

Fondazione Social Venture Giordano Dell'Amore, operating arm of F. Cariplo in the impact investing field, has the mission of promoting the culture of investments with a social, cultural and environmental impact in Italy. As an investor and advisor, it supports the ecosystem of social entrepreneurship in the adoption of innovative and economically sustainable intervention models