

**SUMMARY REPORT ON GOOD POLICY MAKING PRACTICES**

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## WP 3 - Analysis and Benchmarking

### Deliverable 3.3.2

# Summary Report on good policy making practices

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## 1 Introduction

Each project partner provided a list of chosen good policy making practices from the respective country. This summary report on good policy making practices then assessed this overall list of policy practises and nominated 15 good practices for which detailed information were collected and described by the project partners. Furthermore, this summary report features 4 detailed case studies that describe impact funding instruments implemented by different sectors: Private, Public, Public-Private, Social enterprise.

The case studies are based on two methodologies:

- First, a funding instrument canvas developed by the project partners that explains how the funding instrument works.
- Second, a specific SWOT analysis for each practice case that assesses its strengths, weaknesses, threats and opportunities and recommends improvements.

The deliverable closes with a conclusion on the overall relevance of these funding instruments for the impact funding & investment eco-system and how they can be embedded in this ecosystem. The Annex provides additional information on good practices that were not selected for case studies.

## 2 Good policy making practices in impact investing

The following list of good practices in impact funding and investment results from the 1<sup>st</sup> train the trainers workshop where these cases have been presented, discussed and assessed on different dimensions. From the resulting ranking we selected 4 case studies that are presented in detail in chapter 4. The remaining good practices are shortly described in the Annex and referred to in the conclusions in chapter 5.

Good practice	Score relevance	Score impact	Score sustainability	Score transferability	Score scalability	Total score
<b>YouthBank</b>	<b>58</b>	<b>57</b>	<b>57</b>	<b>56</b>	<b>55</b>	<b>283</b>
<b>Mezzanine capital</b>	<b>62</b>	53	<b>55</b>	49	<b>52</b>	<b>271</b>
<b>Impact Innovation Call 2018</b>	<b>58</b>	54	49	53	50	<b>264</b>
<b>Social Impact Bond Juvat</b>	54	50	52	54	49	<b>259</b>
<b>Social Impact Bond Integrativer Schulcampus Mannheim</b>	<b>58</b>	51	49	51	46	<b>255</b>
<b>SEEDS development program</b>	52	53	48	50	49	<b>252</b>
<b>Bildünger</b>	54	<b>55</b>	53	38	49	<b>249</b>
<b>The model of „municipality social enterprise“</b>	<b>54</b>	<b>50</b>	<b>53</b>	<b>48</b>	<b>42</b>	<b>247</b>

<b>AWS Jumpstart</b>	<b>47</b>	<b>49</b>	<b>48</b>	<b>50</b>	<b>47</b>	<b>241</b>
<b>Hungarian development bank programme for SEs</b>	<b>55</b>	<b>52</b>	<b>47</b>	<b>38</b>	<b>44</b>	<b>236</b>
<b>Sofia public-private fund for innovations – Instrument for testing &amp; development</b>	50	49	44	45	42	230
<b>Social Impact Award (SIA)</b>	<b>47</b>	<b>46</b>	<b>41</b>	<b>46</b>	<b>43</b>	<b>223</b>
<b>Financial instruments for social economy</b>	51	42	40	40	43	216
<b>East Europe Foundation</b>	50	46	39	37	41	<b>213</b>
<b>legal recognition of social entrepreneurship</b>	46	39	35	34	36	<b>190</b>

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### 3 The Funding Instrument Canvas (FIC)

For describing and assessing our case studies we developed the Funding Instrument Canvas (FIC). The FIC describes the main features of a funding instrument such as the value proposition to investees or the key actors needed to set it up. The FIC answers the guiding questions summarized below.

#### FUNDING INSTRUMENT CANVAS – GUIDING QUESTIONS

##### 1) Value Proposition of the FUNDING INSTRUMENT (FI)

- What is the min and max investment sum?
- What type of funding is it? (grant, loan, investment,...)
- What kind of training, mentoring, consulting, networking is provided to investees?

##### 2) Key Actors

- What are the main actors that are setting up/managing this FI?
- Describe the types of organizations and their sector (private individual, private company. Public authority, public intermediary, social enterprise, civil society, etc.)
- Which kind of resources does each partner provide?
- Which kind of activities does each partner perform?
- In which legal setup do the partners operate?

##### 3) Investees

- Which kind of investees is the instrument addressing? Describe the type of organizations (Provide target group description of FI)
- Specify organizational type (Start-up, Social business, Social enterprise)
- Specify the stage of maturity of the investees (pre-seed/seed/mature/scaling)
- Provide more specific characteristics of the investees if available

##### 4) Impact on investee

- What positive impact does the FI want to have on investees and their development?
- Does this FI prioritize social impact (as a success criterion for investments/investees) over financial outcome?

##### 5) Relationship to investee

- How does the FI assess/select investees?
- How does the FI monitor (the development/success of) investees?
- How long does the FI usually “stay invested”?
- How would you describe the role of the FI towards the investee and vice versa?
- How does the investee participate in/contribute to the FI?

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**6) Pipeline Building**

- Is the funding instrument providing processes to build a pipeline of potential investees?
- Is the funding instrument connected to specific organizations, programs or networks that build a pipeline of potential investees?

**7) Key activities**

- What key activities does the FI need to perform for providing the VP?

**8) Key resources**

- What resources does the FI need to mobilize for providing the VP? (funding source)

**9) Cost structure/items of the FI**

- What is the cost structure of the FI (main cost items such as coordination, support programs, experts, etc.)

**10) Income of the FI/Return on Investment**

- Is there a return of investment?
- How is the funding capital of the FI re-generated?

**11) Transferability**

- What are the pre-requisites to transfer this FI to another country?
- Is the FI very context-dependent or can it work in different countries?
- How feasible is it to transfer this FI to another country?

## 4 Case studies

Based on the assessment conducted at the 2nd Train the Trainers Workshop in Karlsruhe and the in-depth discussion of the highest ranked cases at the 3rd Train the Trainers workshop in Vienna we compiled detailed information on four cases studies that illustrate state-of-the-art instruments from different sector that support the impact investment readiness of social enterprises and/or provide them with opportunities to attain impact investments.

<b>Name</b>	<b>YouthBank (Omladinska Banka)</b>
<b>Region</b>	Bosnia and Herzegovina
<b>Operator</b>	YouthBank International, charity funded by different founders including foundations and government funders (depending on the country and the project). YBI builds partnerships with funders and host organizations. Partners in Bosnia and Herzegovina are Mozaik Foundation and Tuzla Kanton.
<b>Description</b>	<ul style="list-style-type: none"> <li>• <b>Nature of intervention:</b> Programme and model where young people run their own group and fund to support youth-led projects (social entrepreneurship) that address issues that matter to them.</li> <li>• <b>Time of implementation:</b> The practice is implemented for 8 years, 1 year, one YouthBank Circle and funding.</li> <li>• <b>Costs:</b> Approximately 20000 EUR Per 18 months pilot project. Small seed grants can be delivered through participatory budgeting, fundraising and social entrepreneurship activity.</li> <li>• <b>Results:</b> In 2018, Bosnia (Tuzla) Network, there are 7 YouthBanks made up from 135 young people that supported 18 young people's projects and gave \$209,982 in grants to support them. Mozaik Foundation had 43 YouthBanks (most of them working in participatory budgeting with City Councils) supporting 269 young people's projects</li> </ul>
<b>Challenge addressed</b>	Empowering young People to create their own Future by giving them the power to make decisions, develop opportunities and change their communities

<b>Public Benefit</b>	Community and ecosystem development, soft skills development, social entrepreneurship as a way forward
<b>Reasons of success</b>	Easily implemented and adaptable to all communities. Participatory budgeting is on the rise. Young people learn how to share power, the impact and choice money gives, solve problems, work in a team(s), make decisions, develop ideas and businesses, manage projects and money, communicate in a clear way, be creative and create sustainable change.
<b>Similar Initiatives</b>	Social impact Award (SIA): A well established award for young changemakers at idea stage. Investment Readiness Program (Impact Hub): A well established program to improve the investment readiness of early-stage social businesses

CANVAS: Youth Bank		TYPE: Social Enterprise	COUNTRY: UK (Globally replicated)	
<b>KEY ACTORS</b> . ) Funders (foundations, companies, etc.) . ) Youth bank office (fundraising, program design & setup, scouting, coordination, training, impact reporting, etc.) . ) Youth (application of projects, implementation & management of social projects)	<b>KEY ACTIVITIES</b> . ) Finding and engaging sponsors for local youth bank programs . ) Access to students, young changemakers . ) Managing the call for project ideas and the program . ) Managing grants . ) Mentoring participants	<b>VALUE PROPOSITION</b> +) Grants for youth teams to solve social challenges +) Grants from 100 EUR to 10k EUR +) Empowerment of youth (Social mission driven, Decision making, project management, social impact)	<b>RELATIONSHIP TO INVESTEE</b> . ) Recruitment through different events & calls using social media and partner channels . ) Self-monitoring of project progress . ) Coordination & advise through youth bank office . ) Investee can co-invest if they want (can leverage funding) . ) Investments/projects run appr. 3-12 months	<b>INVESTEES</b> . ) 14-25-year-old youth . ) Team-based: Applicants apply as team of 4-5 persons . ) Call-based: Applicants need to respond to specific topics of the call (assessment criteria) . ) Context-based: program, school, municipality, etc.

	<p><b>KEY RESOURCES</b></p> <ul style="list-style-type: none"> <li>.) Sponsor</li> <li>.) Local Youth Bank Team</li> <li>.) Youth Bank brand &amp; credibility</li> </ul>	<p>+ ) Training and Mentoring for youth teams to decide on what to invest</p>	<p><b>PIPELINE BUILDING</b></p>	<p><b>IMPACT ON INVESTEES</b></p> <ul style="list-style-type: none"> <li>+ ) Empowerment to solve social challenges in a self-organized way</li> <li>+ ) Raised self-esteem</li> <li>+ ) Increased soft-skills</li> <li>+ ) Improved team work</li> <li>+ ) Improved financial knowledge (financial literacy)</li> </ul>
<p><b>COSTS</b></p> <ul style="list-style-type: none"> <li>+ ) Very low costs: Initial payment to setup a youth office and pilot program is 2000 EUR for 18 months</li> <li>+ ) This excludes additional funding needed for the grants</li> </ul>	<p><b>TRANSFERABILITY</b></p> <ul style="list-style-type: none"> <li>+ ) Already successfully transferred to several countries</li> <li>+ ) Well documented model (manuals, etc.)</li> <li>+ ) Tailormade solution adaptable to different contexts</li> <li>+ ) Presence of key actors</li> </ul>	<p><b>INCOME / RETURN ON INVESTMENT</b></p> <ul style="list-style-type: none"> <li>.) No return on investment (no micro-loan scheme)</li> <li>.) Youth teams can leverage their grants by finding additional funders for their project</li> </ul>		



SWOT: Youth Bank	Strengths	Weaknesses
	<ul style="list-style-type: none"> <li>.) Social enterprise driven approach that mobilizes funding for young changemakers</li> <li>.) Wide reach through replication model and flexibility (can be adapted to many different contexts)</li> <li>.) Educates young social entrepreneurs on funding mechanisms und financial management</li> <li>.) Potentially increases their likelihood of becoming social entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>.) A very early stage intervention in the impact investment eco-system</li> <li>.) It is questionable whether the empowerment of youth translates into the creation of social enterprises</li> </ul>
<b>Opportunities</b>	<b>S-O Strategies</b>	<b>W-O Strategies</b>



<p>.) Participatory budgeting is a trend                  .) Connecting the program alumni to follow-up opportunities such as social start-up programs                  .) Leveraging project results through partnerships with foundations, companies and impact investors/angels who may further support the most promising projects</p>	<p><b>PROMOTE THE IDEA OF EARLY-STAGE FUNDING FOR YOUNG CHANGEMAKERS</b></p>	<p><b>CONNECT TO FOLLOW-UP PROGRAMS TO PROVIDE AN ENTRY POINT TO SOCIAL ENTREPRENEURSHIP FOR YOUNG CHANGEMAKERS</b></p>
<p><b>Threats</b></p>	<p><b>S-T Strategies</b></p>	<p><b>W-T Strategies</b></p>
<p>.) none identified</p>		

<p><b>Name</b></p>	<p>Social Impact Bond (SIB) Juvat</p>
<p><b>Region</b></p>	<p>Augsburg, Bavaria, Investment: 250000 €.</p>

<b>Operator</b>	<p>The SIB was initiated by the Bavarian Ministry of Labor and Social Affairs, Family and Integration (StMAS) and Juvat gemeinnützige GmbH, a subsidiary of the Benckiser Stiftung Zukunft.</p> <p>Investors: BHF-BANKStiftung, BMW Stiftung Herbert Quandt, BonVenture gGmbH, Eberhard von Kuenheim Stiftung of BMW AG.</p> <p>Social enterprises: Ausbildungsmanagement Augsburg/ Eckert Schulen; Kinder-, Jugend- und Familienhilfe Hochzoll; apeiros e.V. and Joblinge gAG München.</p>
<b>Description</b>	<p>The Social Impact Bond (SIB) focused on disadvantaged, unemployed young people in the transition area between work integration and youth welfare. In that area there is a relevant number of young people who are not covered by the offers of the Federal Employment Agency / Jobcenter or the Youth services. The Augsburg SIB reacted to this. It was the first of its kind in Germany and continental Europe (project start September 2013).</p>
<b>Challenge addressed</b>	<p>Work integration of otherwise “overlooked”/unaddressed youth.</p>
<b>Public Benefit</b>	<p>Prevention of “follow-up costs” to unemployment.</p>
<b>Reasons of success</b>	<p>Experience of social enterprises, mix of competencies, close monitoring of success. HOWEVER, the SIB has just about met the criteria and not overachieved in terms of goals.</p>

<b>Other initiatives driven by Public-Private Actors</b>	Bildünger (A cross-sector campaign that brings together public and private foundations to fund innovations in the education sector)
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CANVAS: Social Impact Bond		TYPE: Public-Private	COUNTRY: Germany	
<b>KEY ACTORS</b> .) Ministry or Ministries (State of Bavaria, Germany): Provide guarantee to pay back investment if impact indicators are achieved, Co-coordinate the process  .) Private Foundations (Benkiser, BMW): Co-Coordinate the process, identify & assess investees  .) Impact investors or intermediaries (Bonventure): Invest  .) External scientific evaluator: Measure impact indicators	<b>KEY ACTIVITIES</b> .) Matching of actors .) Coordination & conflict mediation .) CSR / public dissemination  <b>KEY RESOURCES</b> .) Impact investment expertise .) Impact investment .) State budget to guarantee pay-back .) Expertise on social challenge and existing solutions/SEs	<b>VALUE PROPOSITION</b> +) Incentivizes private investments by guaranteeing to pay investments back when social impact is achieved (based on contractually defined impact indicators) +) Public bodies and private investors share risk +) Public, Private and SE actors cooperate around a social challenge to achieve impact (coalition building) +) Social enterprises gain access to investments without taking the risk +) SEs with complementary competencies bridge gaps (e.g. SE active in job integration + SE active in schools)	<b>RELATIONSHIP TO INVESTEE</b> -) No further coaching or support +) Contractual agreements between all parties involved (comment: high setup costs) +) Impact monitoring by an external evaluator  <b>PIPELINE BUILDING</b> .) Foundations & impact investors usually involve SEs in SIBs that they already know/trust/work with/invest in	<b>INVESTEES</b> .) Mature SEs with a track record of achieving impact .) Often in the labour market integration area (important policy field, impact indicators can be measured)  <b>TARGET GROUP:</b> .) Disadvantaged youth at risk of dropping out of school  <b>IMPACT ON INVESTEES</b> +) Investment with limited risk +) More visibility & recognition +) Higher impact through collective/coordinated action +) Clear impact goals

	<p>.) Impact assessment expertise</p>	<p>+ ) 250.000 EUR investment for 2 years ?) Is the SIB model cost-effective? Or is it more an experiment for public-private coalition building?</p>		
<p><b>COSTS</b> .) High setup costs due to contractual agreements &amp; coalition building .) High administrative costs due to external impact assessment</p>		<p><b>TRANSFERABILITY</b> .) Political will necessary .) Administrative capacity .) Appropriate legal frameworks for contracts .) Foundation + Investors needed (Foundation more ok to lose money) .) Works for mature &amp; connected SEs .) Hard impact indicators needed .) Shared and commonly recognized challenges .) Demand for experimentation</p>		<p><b>INCOME / RETURN ON INVESTMENT</b> .) Private investors can get their money back + small premium if impact is achieved .) Public body does not need to pay for solutions that do not generate the expected impact ?) Foundations need to be included as they are usually grant-based funders and can accept to lose money.</p>

SWOT: Social Impact Bond	Strengths	Weaknesses
	<ul style="list-style-type: none"> <li>.) Incentivizes private investments by guaranteeing to pay investments back when social impact is achieved (based on contractually defined impact indicators)</li> <li>.) Builds broad coalitions around a societal challenge</li> <li>.) Public bodies and private investors share risk</li> <li>.) Public, Private and SE actors cooperate around a social challenge to achieve impact (coalition building)</li> <li>.) May Social enterprises gain access to investments without taking the risk</li> </ul>	<ul style="list-style-type: none"> <li>.) High setup costs due to contractual agreements &amp; coalition building</li> <li>.) High administrative costs due to external impact assessment</li> <li>.) Foundation + Investors needed (Foundation more ok to lose money)</li> <li>.) Works for mature &amp; connected SEs</li> <li>.) Hard impact indicators needed</li> </ul>
<b>Opportunities</b>	<b>S-O Strategies</b>	<b>W-O Strategies</b>
<ul style="list-style-type: none"> <li>.) May foster cooperation by SEs with complementary competencies to bridge social service provision gaps (e.g. SE active in job integration + SE active in schools)</li> <li>.) May foster the institutionalization of successful social innovation by the state</li> </ul>	<b>PROMOTE CROSS-SECTOR COALITIONS TO TACKLE SOCIAL CHALLENGES</b>	<b>REDUCE SETUP AND ADMINISTRATIVE COSTS BY SHARING SIB “BLUEPRINTS” WITH OTHER COALITIONS</b>
<b>Threats</b>	<b>S-T Strategies</b>	<b>W-T Strategies</b>

<p>.) Political will necessary: Model demands the will of public authorities to let go of control and invite the participation of private actors in main policy fields.</p> <p>.) Established publicly funded organizations may perceive initiatives funded by SIB as competition</p> <p>.) How can public budgets account for costs that may or may not occur depending on the outcome of the SIB?</p> <p>.) Demand on administrative capacity is high which could prevent the model to be implemented in contexts</p> <p>.) High costs and “experimental” character of the social impact bonds may hurt its reputation as an efficient/effective tool for private-public impact investment</p> <p>.) Appropriate legal frameworks for contracts</p>	<p><b>SHOW TO PUBLIC AUTHORITIES THAT SIB CAN IMPROVE THE EFFECTIVENESS, INNOVATIVENESS AND PUBLIC VISIBILITY OF PROGRAMS</b></p>	<p><b>CREATE A REGIONAL COMMUNITY OF PRACTICE ON SIB TO SHARE GOOD PRACTICES</b></p>
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Name	Mezzanine capital with profit participation and social impact incentive
Region	Germany/ Austria
Operator	FASE

Description	<p>This instrument developed by FASE uses quasi-equity without loss participation and combines it with a share of the investor in the profits of the social enterprise (“profit participation agreement”). . In addition to this purely financial incentive, the social enterprise sets impact targets it wants to achieve. When it meets these targets at the end of the period of the mezzanine instrument it has to pay less for its capital, if it does not reach the targets it has to pay a premium.</p> <ul style="list-style-type: none"> <li>• <b>Nature of intervention</b> (e.g. programme, training, professional development assistance, advice, supportive service, funding, etc.)</li> <li>• <b>Time of implementation:</b> on a rolling basis</li> <li>• <b>Costs:</b> na</li> <li>• <b>Results:</b> More than 10 SEs could be reached with this instrument including Schmökerkisten UG (Germany), Ackerdemia e.V. (Germany) and JobKraftwerk GmbH (Germany) and Sigtime (Austria)</li> </ul>
Challenge addressed	The combination of social impact KPIs of investors with the financial return they expect.
Public Benefit	Social enterprises are guarded against missing drift and investors get their impact.
Reasons of success	Applicable in many cases
Transferability	Given the setup and structure of the practice the application in other countries should be easy and rather straight forward

CANVAS: Mezzanine Capital Investment Instrument		TYPE: Private	COUNTRY: Germany	
<b>KEY ACTORS</b> .) Impact Investor(s) such as Banks, family foundations/offices, impact angels: Funding  .) Intermediaries (such as FASE, Bonventure): Advise, term sheets, transaction management / Leaves process as soon as loan agreement is in place  .) SE/Investee: Provides products/service, monitors and measures its impact (usually in year 4 or 5), reports back to impact investors	<b>KEY ACTIVITIES</b> .) Scouting .) Matchmaking .) Contract setup .) Impact assessment	<b>VALUE PROPOSITION</b> .) Loan between investor and enterprise .) From 25000 up to 500000 (or more) .) For a period of 5 years .) No training or other operational support provided	<b>RELATIONSHIP TO INVESTEE</b> .) Investors starts with due diligence .) Contract is tailor-made and defines indicators, reporting duties, timeframe, etc. .) 5-year relationship between investors and SE ?) No external impact assessment	<b>INVESTEES</b> .) Established SEs looking for growth capital .) Early stage SE with prove of concept for business and impact model and clear impact KPIs
	<b>KEY RESOURCES</b> .) Investment know-how .) Legal know-how .) Impact assessment know-how		<b>PIPELINE BUILDING</b> .) Intermediaries scout for investment-ready SEs .) Intermediaries cooperate with existing platforms to identify investment-ready SEs	<b>IMPACT ON INVESTEES</b> .) Strengthened focus on social impact (and on achieving KPIs) .) Assessment considers social impact as well as business impact .) Access to growth capital .) Investors who are motivated by social impact

<p><b>COSTS</b></p> <ul style="list-style-type: none"> <li>.) Initial costs for matchmaking</li> <li>.) Contract setup</li> <li>.) Lower costs during implementation (no additional support provided)</li> </ul>	<p><b>TRANSFERABILITY</b></p> <ul style="list-style-type: none"> <li>.) Instrument is transferable and can be adapted</li> <li>.) Investors may be banks but appropriate legal frameworks need to be in place</li> <li>.) Professional intermediary is usually necessary to setup the instrument</li> </ul>	<p><b>INCOME / RETURN ON INVESTMENT</b></p> <p><b>Loan structure:</b></p> <ul style="list-style-type: none"> <li>.) 2% yearly loan payment until break-even is reached</li> <li>.) + 2% profit participation after break-even</li> <li>.) 0% loan payment if impact KPIs HAVE been reached</li> <li>.) + 10% loan payment if impact KPIs have NOT been reached</li> <li>.) At the end complete loan + payments are paid back</li> <li>? ) + 10% scenario can potentially set the SE at financial risk (that at the same time under-performs on impact KPIs)</li> </ul>
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SWOT: Mezzanine Capital Investment Instrument	Strengths	Weaknesses
	<ul style="list-style-type: none"> <li>.) The instrument acknowledges impact as well as business indicators</li> <li>.) The instrument is suitable to engage conventional investors in impact investing</li> </ul>	<ul style="list-style-type: none"> <li>.) As the instruments provides no additional training or consulting for the social enterprise by the investor or the intermediary, the monitoring/steering of the process may be difficult</li> <li>.) Financial burden for unsuccessful social enterprises can be high and may force the SE to go out of business</li> </ul>
<b>Opportunities</b>	<b>S-O Strategies</b>	<b>W-O Strategies</b>

<p>.) Impact investors need reliable investment instruments that combine social impact and financial return in a way that matches the needs of SEs. .) SEs need support to find investors and setup investment deals</p>	<p><b>ENGAGE CONVENTIONAL INVESTORS IN IMPACT INVESTING</b></p> <p><b>EDUCATE CONVENTIONAL INVESTORS ON THE RELEVANCE OF IMPACT INDICATORS, IMPACT ASSESSMENT AND THE BALANCE BETWEEN IMPACT AND FINANCIAL OUTCOMES</b></p>	<p><b>ENGAGE ADDITIONAL INTERMEDIARIES OR INVESTORS AS MENTORS TO PROVIDE SUPPORT TO SEs</b></p>
<p><b>Threats</b></p>	<p><b>S-T Strategies</b></p>	<p><b>W-T Strategies</b></p>
<p>.) Social Impact Investment Instruments need a strong pipeline of investment-ready social enterprises .) SEs could look for other less risky/demanding forms of funding</p>	<p><b>ASSURE INTEREST OF SEs BY CONNECTING THEM TO NEW IMPACT INVESTORS (NEW FUNDING SOURCES)</b></p>	<p><b>PARTNER WITH OTHER INTERMEDIARIES TO BUILD PIPELINE OF TRANSFER-READY SEs</b></p>

<p><b>Name</b></p>	<p><b>Impact Innovation 2018 (call for 2019 starting in June 2019)</b></p>
<p><b>Region</b></p>	<p>Austria</p>
<p><b>Operator</b></p>	<p>Österreichische Forschungsförderungsgesellschaft FFG (Austrian Research Promotion Agency)</p>

Description	<ul style="list-style-type: none"> <li>• <b>Nature of intervention:</b> subsidy for innovation activities which address explicitly specific (e.g. social) problems and which integrates all relevant stakeholders (e.g.</li> <li>• <b>Time of implementation:</b> 2017 (pilot call), 2018 (regular operation)</li> <li>• <b>Costs: Pilot (2017):</b> 1 Mio. €, regular call (2018): 2.2 Mio. €; per project: grant of up to 75.000 € or 50 % of eligible costs</li> <li>• <b>Results:</b> 2017: 16 projects; 2018: 29 projects</li> <li>• <b>Eligibility:</b> SMEs, but also associates and non-profit firms and organisations, however certain market activities and income is required</li> </ul>
Challenge addressed	innovative solutions for clearly defined (social) problems (in principle no thematic restriction)
Public Benefit	innovative solutions for a huge variety of social problems
Reasons of success	bottom up approach, market orientation, high co-funding component (50 %); Evaluation is currently work in progress. A well developed innovation system is required; the operating agency has to have good experience in selection and organising juries
Similar initiatives	None

CANVAS: FFG impact innovation (not presented)		TYPE: Public	COUNTRY: Austria	
<p><b>KEY ACTORS</b></p> <p>.) FFG is a public intermediary that usually supports scientific research but moved more into the area of social impact related projects</p> <p>.) FFG encourages participation on SE sector organizations and stakeholders to shape the call</p> <p>?) The participation was however limited and could start at an earlier stage of program/call development</p>	<p><b>KEY ACTIVITIES</b></p> <p>.) Conceptualization of call (goals, target group, criteria, etc.)</p> <p>.) Call and Outreach</p> <p>.) Assessment of applications</p> <p>.) Follow-up</p>	<p><b>VALUE PROPOSITION</b></p> <p>.) Public grant up to 75.000 EUR</p> <p>.) For 1 year</p> <p>.) Funds 20-30 projects per year</p> <p>.) Provides framework for innovation methodology and process (lean start-up, stakeholder participation)</p> <p>.) Incentives SEs to work closely with stakeholders &amp; target groups</p> <p>.) Improves investment-readiness</p> <p>.) Improves access to follow-up grants for SEs</p> <p>.) Very diverse applicant profiles</p> <p>?) Very open and flexible definition of social impact.</p>	<p><b>RELATIONSHIP TO INVESTEE</b></p> <p>.) Call &gt; Proposal &gt; Assessment</p> <p>.) Minimal reporting requirements (one report)</p> <p>.) no coaching or mentoring provided</p>	<p><b>INVESTEES</b></p> <p>.) Very diverse applicant profiles</p> <p>.) Start-ups, SEs, associations, research institutes, etc.</p> <p>.) Idea-stage and prototyping stage for new product/service</p> <p>.) Product/Service focus is a minimum requirement</p> <p>.) No restriction regarding legal status of applicant – only that is has to be a legal (non-public) entity established in Austria</p>

	<p><b>KEY RESOURCES</b></p> <ul style="list-style-type: none"> <li>.) Program budget / public funding</li> <li>.) Program managers</li> </ul>		<p><b>PIPELINE BUILDING</b></p> <ul style="list-style-type: none"> <li>.) Call is published each year</li> <li>.) Dissemination through SE sector organizations and other multipliers</li> <li>.) Openness of call results in many applications</li> </ul>	<p><b>IMPACT ON INVESTEES</b></p> <ul style="list-style-type: none"> <li>.) Learn about innovation methodologies &amp; processes,</li> <li>.) Involve stakeholders</li> <li>.) Are allowed to prototype new products &amp; services</li> </ul>
<p><b>COSTS</b></p> <ul style="list-style-type: none"> <li>.) Administration of call</li> <li>.) Grant funding</li> </ul>	<p><b>TRANSFERABILITY</b></p> <ul style="list-style-type: none"> <li>.) Public funding needs to be available</li> <li>.) Intermediary that can commit to such a broad and experimental funding program</li> </ul>		<p><b>INCOME / RETURN ON INVESTMENT</b></p> <ul style="list-style-type: none"> <li>.) Pure public grants</li> <li>.) High co-funding required that contributions</li> <li>.) On the long-term the public grant supports innovation, the development of market-ready products and the foundation of social enterprises and start-ups</li> </ul>	

SWOT: FFG Impact Innovation

Strengths

Weaknesses

	<p>.) The instrument explicitly emphasis “social impact” as a main goal of activities</p> <p>.) It encourages early-stage involvement of stakeholder to improve product-market fit resp. impact-need fit.</p>	<p>.) The instrument relies on available public funding that is not dedicated to a more narrow “outcome”</p>
<b>Opportunities</b>	<b>S-O Strategies</b>	<b>W-O Strategies</b>
<p>.) Young social entrepreneurs are looking for seed-funding to develop their products/services and make them market ready</p> <p>.) The program is aligned with the lean start-up movement and its emphasis on customer- and stakeholder involvement</p> <p>.) The program speaks to the social impact as well as the start-up sector.</p>	<p><b>IMPROVE THE LEARNING EXPERIENCE FOR SUCCESSFUL APPLICANTS AND THEIR OUTCOMES BY PROVIDING LEAN START-UP WORKSHOPS AND MENTORING</b></p> <p><b>PROVIDE FOLLOW-UP OFFERS FOR IMPROVING MARKET-READINESS OF PRODUCTS/SERVICES</b></p>	<p><b>FIND WAYS TO IMPROVE THE CO-FUNDING MECHANISM OF THE PROGRAM (50% co-funding required) BY SUPPORTING APPLICANTS IN INCLUDING CO-FUNDERS FROM DIFFERENT SECTORS</b></p>
<b>Threats</b>	<b>S-T Strategies</b>	<b>W-T Strategies</b>
<p>.) Instruments like the FFG can be perceived as relying too much on public funding</p> <p>.) In countries/regions where public funding for such programs is not available over longer periods of time, the program could become a one-off attempt with limited impact</p>	<p><b>POSITION PROGRAM AT THE INITIAL STAGE OF GENERATING MORE SOCIAL ENTERPRISES AND PRODUCTS/SERVICES WITH A BETTER STAKEHOLDER-FIT.</b></p>	<p><b>FIND WAYS TO IMPROVE THE CO-FUNDING MECHANISM OF THE PROGRAM (50% co-funding required) BY SUPPORTING APPLICANTS IN INCLUDING CO-FUNDERS FROM DIFFERENT SECTOR</b></p>

## 5 Conclusions

We investigated four case studies in impact investment and impact funding that are driven by different actors. The case studies show that currently all sectors (and cross-sector alliances) experiment with new funding instruments for social enterprises and social businesses. All these funding instruments provide financial opportunities at a specific development stage of a social enterprise. And all of them rely on a pipeline of social enterprises at this specific development stage. This invites an eco-system view on impact investment and funding. The eco-system needs to be established from the ground up and throughout all development stages of social enterprises. We briefly outline these stages to show how the featured funding instruments (and similar approaches) may contribute to the ecosystem.

### **Stage 1: Encourage young changemaker & founders**

Stage 1 starts with the encouragement of young changemakers & young founders to explore social entrepreneurship through programs such as the Youth Bank (SE driven) or – at a later stage – programs such as FFG impact innovation (public driven). These programs allow young changemakers & young founders to direct their efforts towards social impact goals, to structure their ideas, and to involve stakeholders and target groups early on to achieve a good solution-need (respectively product-market) fit. For this they receive initial and (more) easily attainable funding. In our view, these programs could comprise a stronger mentoring component to deepen the learning experience of participants and to improve the outcome. For the most promising ideas coming out of such prototyping processes follow-up funding opportunities could be offered. These follow-up opportunities could include a transition from public-only to mixed public-private funding or private funding (early stage impact funding). Bildunger is a cross-sector campaign with the aim to transform the Austrian educational system. It features different engagement levels, community building and seed funding for SE projects as well as projects from young founders. The advantage of the campaign is that selected SEs/founders are introduced to an already established network of actors in education which allows them to access the educational system, find partners, and apply for funding.

### **Stage 2: Support the development of social enterprises and their investment readiness**

We know from our mapping that more advanced social enterprises (clear impact model, clear product/service offer, proven social impact, stable team) will rely on tailor-made impact funding (not impact investment) provided by impact angels or private foundations. Impact angels can act as mentors in addition to funding the social enterprise. At this stage, an impact angel will not expect a financial return. However, impact angel and social enterprise will align on expectation regarding the further development of the impact and business model, a strategy for replication/scaling (from partnerships to social franchising) and improvement of organizational performance. As a result of this stage, we would expect to see professional social enterprises on a development path towards scalable impact and business models. An interesting strategy in stage 2 can be the financial support of SE incubators as for instance provided by the Austrian good practice AWS Jumpstart. The program funds incubators that provide support to start-ups and/or SEs to build up their capacity. A part of the funding is dedicated directly to SEs supported by the incubator.

### **Stage 3: Provide private investments to investment-ready SEs**

At this stage, the social enterprise may be ready to ask for impact investment based on a track record of achieving social impact, a track record of good organizational performance, a clear product/service offering and proven demand, and a smart replication/scaling model that allows the social enterprises to increase revenue over time. At this stage, funding instruments such as the mezzanine capital instrument used by FASE can be applied. These models work with scenarios with low but realistic returns on investments while also emphasising the impact goals of the social enterprise. Investment collectives are a new trend in the impact investment sector. A group of investors established a shared process and criteria to identify, assess, select and fund social enterprises. Furthermore, the collective setups processes to generate a pipeline of new, investment-ready SEs. The investment collective may for instance be connected to an incubator program.

### **Stage 4: Provide opportunities for long-term funding for SEs**

An instrument such as the social impact bond seems to be designed for providing funding to established social enterprises that show all the characteristics of stage 3 and have a strong track record of not only achieving social impact, but achieving more impact than comparable public support offers. The idea of social impact bonds is to introduce new, innovative and improved approaches to respond to the needs of specific target groups who may already receive support provided by welfare state institutions. Social impact bonds leverage private funding so that new solutions can be introduced that can potentially be funded by public money in the future. The social enterprise is relieved of the financial risk that is taken solely by the private investors and the public institutions that guarantee to cover the investment if the impact goals are reached. The social enterprise however has a strong incentive to perform as the state may continue to pay for their product/service.

Generally, we would emphasize that all these stages and funding instruments allow the involved stakeholders to learn more about social impact and processes that lead to improved and sustained social impact. As a result, the ecosystem becomes smarter and provides pathways for the development of social enterprises and the diffusion, scaling and institutionalization of social innovations.

## 6 ANNEX

<b>Name</b>	<b>SEEDS development program - DTP2-011-1.2</b>
<b>Region</b>	All 7 regions of Hungary is targeted (participants mostly from the Central Hungary Region and North-East Hungary Region)
<b>Operator</b>	Program implemented by Erste Group Social Banking Development and financed by Erste Stiftung and Erste Bank Hungary

<p><b>Description</b></p>	<p><b>The program is the most significant one in Hungary so far implemented with the cooperation of non-profit and for-profit business organisations aiming the development of social enterprises, free for all the participants</b></p> <p><b>ERSTE SEEDS 1 PROGRAM for the tomorrow’s social enterprises</b></p> <p>2 year-program built on Business Canvas model. 213 applicants, 68 participant; EUR 360 m value program, funded by EU and Erste Stiftung; 91 coaches/mentors from 43 institutions</p> <p><b>ERSTE SEEDS 2 PROGRAM for invesment readiness</b></p> <p>9 months program with dedicated consultancy; 10 invited participants; EUR 127 m value program, funded by participants and Erste Stiftung</p> <p>Goal: overcome on current business challenge/growth</p> <p>Financial support: grant / Social Banking loan</p> <p><b>COMMONALITIES FOR SOCIAL ENTERPRISES PARTICIPATING:</b></p> <p>Their commitment to a certain social purpose is underlined by their target group, products or services</p> <p>Their sustainability or the chance for that is financially proved</p> <p>They intend to develop their business activities and social impact throughout the program</p> <p>They are all start-up or already operating enterprises</p> <p><b>DIVERSITY OF PARTICIPANTS:</b></p> <p>As for legal status: mostly civil organisations (51), non-profit business organisations (6), for-profit business organisations (6) and individulas (5)</p> <p>As for lifecycles: business concept only (29), start-ups (16), long-time operating (23)</p> <p>As for most common social concerns undertaken: disabled persons (22), extreme poverty (11), physical and mental health (9)</p>
<p><b>Challenge addressed</b></p>	<p>To support organizations with tailor-made bank products; Equal access working group for clients and employees; Development programs for sustainable social organizations; Act as orchestrator in between profit and non-profit sectors</p>

<b>Public Benefit</b>	Developing those social enterprises that work for decreasing inequality of opportunities and for improving the well-being of the most deprived ones.
<b>Reasons of success</b>	Tailor-made trainings for participants; Professional support, mentoring; Grants up to ca. EUR 95.000.000 for the most successful social enterprises; Improving the relationships with potential investors; Preparing social enterprises for successfully applying for bank loans
<b>Transferability</b>	

<b>Name</b>	<b>Bildünger (www.bilduenger.at)</b>
<b>Region</b>	Austria
<b>Operator</b>	Innovation foundation for education (public), Sinnstifter (Group of private foundations), Ashoka
<b>Description</b>	Bildünger is a collective impact program in education that also introduces new funding opportunities for social businesses. The program provides: Access to a community that allows education to flourish in Austria and jointly develops innovative and cooperative projects. Visibility via an online platform, events and media reports. Access to cooperation partners and pro bono supporters, the public sector, companies as well as NGOs and aid organizations. Access to donors and funding from the Sinnbildungsstiftung and Innovationsstiftung für Bildung. Access to tools (e.g. in project management) and processes to strengthen your own work. Support for the implementation of new cooperation projects that have a joint impact.
<b>Challenge addressed</b>	Overcome system barriers and key challenge in the Austrian education system through multi-sector cooperation and collective impact.
<b>Public Benefit</b>	A stronger collaboration between the education system and external organizations such as social businesses, NGOs, companies can bring more innovation and more impact to the Austrian education system.

<b>Reasons of success</b>	Strong partners with complementary competencies, shared vision, pooled resources
<b>Transferability</b>	Challenging as the stakeholder constellation will look different in other countries. Also the challenges in the educational systems may be different. However, there is a clear methodology and program components that can be replicated.

<b>Name</b>	<b>The model of „municipality social enterprise“</b>
<b>Region</b>	Slovakia
<b>Operator</b>	Municipality Spišský Hrhov
<b>Description</b>	<ul style="list-style-type: none"> <li>• Social investor has 100% share in SE</li> <li>• Timeframe: since 2005</li> <li>• Definition of key areas of sustainable development: education, employment, housing</li> <li>• Financial / non-financial support</li> <li>• Relationship building between SII and SE → own solutions of the municipality in relation to the above development areas → SE as a tool for the development of municipality</li> </ul>
<b>Challenge addressed</b>	<p><b>Challenge:</b> Presence of marginalized Roma communities and the need to solve their problems</p> <p><b>Specific goal:</b> To create and maintain jobs for people from Roma community in a place where they live, as well as to solve particular social problems of people in the region</p>
<b>Public Benefit</b>	<ul style="list-style-type: none"> <li>• Utilization of resources in the municipality to a maximum possible extent</li> <li>• Priority given to the activity (service) needed by inhabitants/municipality/region – not to make the profit „for the profit“ but for further jobs creation</li> </ul>
<b>Reasons of success</b>	<ul style="list-style-type: none"> <li>• Self-sustainable model of SE</li> <li>• Not dependent on external support</li> </ul>

	<ul style="list-style-type: none"> <li>• Strong cooperation ties between SE and SII</li> </ul>
<b>Transferability</b>	<b>High</b> – transfer and sharing of knowledge on how to implement this model in other regions/countries has already started

<b>Name</b>	<b>AWS Jumpstart (<a href="http://www.aws.at/foerderungen/aws-jumpstart/">www.aws.at/foerderungen/aws-jumpstart/</a>)</b>
<b>Region</b>	Austria
<b>Operator</b>	AWS (Austria business service, public intermediary)
<b>Description</b>	In particular, AWS JumpStart supports the incubation services of those selected incubators which contribute to the faster and higher quality maturation of start-ups and which are not covered by existing funding programmes at federal level. This financing offer is aimed at incubators or accelerators that provide start-ups with essential infrastructure and services from a single source and thus significantly advance the development of these start-ups. Selected incubators can furthermore propose start-ups for direct funding through the program (25k)
<b>Challenge addressed</b>	Structural support for start-up incubators
<b>Public Benefit</b>	The program increases the impact of incubator programs and allows them to better support start-ups and build internal capacity and improve the long-term business model.
<b>Reasons of success</b>	Professional call and management structure provided by public intermediary (AWS), critical mass of start-up incubators in Austria, the program supports social business incubators too
<b>Transferability</b>	Yes, Business agencies in other countries/regions could easily replicate the call and the program.

<b>Name</b>	<b>Hungarian Development Bank Programme for Social Enterprises – GINOP881</b>
<b>Region</b>	All 7 regions of Hungary is targeted (participants mostly from the Central Hungary Region and from the North-East Hungary Region)
<b>Operator</b>	Hungarian Development Bank
<b>Description</b>	<ul style="list-style-type: none"> <li>• <b>The aim of the program is to encourage employability with the help of loan system</b></li> <li>• <b>The total amount available is ca. EUR 94.000.000</b></li> <li>• <b>The special loan can be applied between 06.2017. – 06.2021.</b></li> </ul> <p>Repayment period: max. 15 years</p> <p>Interest rate: 0%</p> <ul style="list-style-type: none"> <li>• <b>The amount available:</b></li> </ul> <p>For unemployed and inactive people starting business: EUR 3.200 – 64.000</p> <p>For SME and micro social enterprises : EUR 3.200 – 160.000</p>
<b>Challenge addressed</b>	<p><b>Publicity of loan product:</b></p> <p>Sending Direct Marketing mails for social enterprises</p> <p>Raising awareness for Best Practices</p> <p>Compiling and promoting Product Sheet</p>
<b>Public Benefit</b>	New jobs established
<b>Reasons of success</b>	<p>The number of applications for credit increases</p> <p>The interest for the „social enterprise – product” slightly increases</p> <p>The cost of maximum 3 month-salary for maximum 5 employees is eligible (including taxes and social security contributions)</p> <p>Procurement of used devices</p>

	Procurement of 1 commercial vehicle; in case of SME and micro social enterprises: 1 commercial vehicle and 1 van.
<b>Transferability</b>	

<b>Name</b>	<b>Sofia public-private fund for innovations – Instrument for testing &amp; development</b>
<b>Region</b>	Bulgaria
<b>Operator</b>	Sofia Development Association
<b>Description</b>	<p>Sofia public-private fund for innovations matches public and private funds to provide on competitive basis seed funding for innovative cultural projects. The practice presents an innovative matching local fund based on a public private partnership model to provide access to funding for innovative and risky cultural and creative projects. It is an innovative approach because the risk is shared and there is a wide scope of beneficiaries.</p> <ul style="list-style-type: none"> <li>• Grant, plus mentoring and some promotional and marketing activities</li> <li>• Available budget for investment: at the average 100,000 Euro annual budget</li> <li>• Financing Sources: private sources – mainly business companies, matched annually by Sofia municipal budget</li> <li>• About 50 entrepreneurs reached</li> </ul>
<b>Challenge addressed</b>	<ul style="list-style-type: none"> <li>• To develop local creative ecosystem and local philanthropy;</li> <li>• To test models, alternative or additional to the measures supported by Structural Funds, for fostering innovation in Sofia.</li> </ul>
<b>Public Benefit</b>	<p>The years of testing resulted in evidence-based municipal policy making</p> <ul style="list-style-type: none"> <li>• Start-up Accelerator Sofia</li> <li>• Sofia guarantee fund</li> </ul>

	<ul style="list-style-type: none"> <li>• Social innovations - recognition and enforcement of social entrepreneurs as a priority in the public agenda on municipal level</li> </ul>
<b>Reasons of success</b>	<ul style="list-style-type: none"> <li>• Sofia innovation performance annual improvement rate achieved of 2.5% (vs. 1.7% EU average);</li> <li>• R&amp;D spending in 2015 increased by 27.4% compared with 2014;</li> <li>• Increase of the positive self-evaluation as an eventual entrepreneur of Sofia citizens from 27% in 2014 to 35.2% in 2015</li> </ul>
<b>Transferability</b>	High

<b>Name</b>	<b>Social Impact Award</b>
<b>Region</b>	Country level - Croatia
<b>Operator</b>	2014 - 2016 it was a licensed national program supported by the chamber of Commerce. 2019 it is re launched by ACT Group - social enterprise

<b>Description</b>	<p>The program starts with a Kick-off event on March 7, 2019 , while series of workshops will take place in the second half of March in Zagreb, Split and Osijek. The workshops are free and one-day. Workshop participants then pitch their ideas, which gives them an opportunity to enter the finals that takes place in the form of an incubation process in the summer (June-September).</p> <p>After the jury chooses 8 teams, they enter the final - quarterly incubation, during which you will be able to try out your idea.</p> <p>This implies: Professional Accelerator Program from June to September 2019., Mentoring support, Workshops and webinars, Short video production</p> <p>Of the total of 8 finalists, 3 ideas selected by the jury and 1 ideas selected by the audience, through the online voting community, will be rewarded with a cash prize , free participation (only team representatives) at an international conference in Kiev (Ukraine) and mentoring support .</p> <p>Criteria: students and young people between 14 and 30 years of age</p> <ul style="list-style-type: none"> <li>• “Future change makers”: all young people who are thinking of starting a kind of social entrepreneurship, those who seek inspiration from existing social entrepreneurs, and "Social entrepreneurs" : all young people who already know and have the idea of starting a social entrepreneurship or have already started the same.</li> <li>• <b>Nature of intervention</b> – Award</li> <li>• <b>Time of implementation:</b> 2014 - 2016, 2019</li> <li>• <b>Costs:</b> Public Funding (2014 - 2016) Funded through partnerships (2019)</li> <li>• <b>Results:</b> 2014 - 2016 - 9 Social enterprises awarded</li> </ul>
<b>Challenge addressed</b>	Promotion of Social entrepreneurship
<b>Public Benefit</b>	public benefit of the good practice and establishing more social enterprises, impact
<b>Reasons of success</b>	Additional support and awards. Community engagement
<b>Transferability</b>	High. This award is already transferred as a global award

<b>Name</b>	<b>Financial instruments for social economy</b>
<b>Region</b>	Slovakia
<b>Operator</b>	Slovak Investment Holding + financial intermediaries
<b>Description</b>	<ul style="list-style-type: none"> <li>• Repayable financial instruments (loans, guarantees, equity instrument)</li> <li>• Timeframe: 2019+</li> <li>• Allocated budget: 72 mil. EUR (until 2023)</li> <li>• Improving the access to financing for social enterprises</li> <li>• Public procurement procedure for the selection of financial intermediaries currently ongoing</li> </ul>
<b>Challenge addressed</b>	The financial instruments can be used to finance projects which contribute to the development of employment and meet at least one of the socially beneficial services
<b>Public Benefit</b>	Support to micro, small and medium-sized enterprises in the wider area of social economy in order to increase employment of disadvantaged people
<b>Reasons of success</b>	Impacts will be evaluated after/during the implementation of individual financial instruments
<b>Transferability</b>	Medium

<b>Name</b>	<b>East Europe Foundation</b>
<b>Region</b>	Republic of Moldova
<b>Operator</b>	European Union

<b>Description</b>	<p>Despite the achieved progress, the social entrepreneurship field is still at its inception period in Moldova and was not even officially recognized by national legislation till November 2017, thus there is still a long pass towards a dynamic and developed social economy.</p> <p>The 2015 economic and financial crisis, high inflation combined with poor experience of NGO sector in business management negatively affected social enterprises as well. Despite the optimistic expectations, the established business are still depending on additional support besides the generated commercial income.</p> <p>Although Moldova is a party to the UN Convention on the Rights of Persons with Disabilities, the progress towards its implementation is very slow. The National Strategy on the Inclusion of Persons with Disabilities expired in 2013 and no other policy document was developed. A number of legal amendments enforcing the rights of persons with disabilities are pending Parliament approval. On the other hand, DPOs are extremely focused on service provision rather than on advocacy for the rights of persons with disabilities. Further efforts should be undertaken to combine the two aspects of CSO work.</p> <p>In general, social enterprises contribute to the implementation of the 2030 Agenda for Sustainable Development, particularly on reducing unemployment, empowering women, reducing inequalities.</p>
<b>Challenge addressed</b>	<ul style="list-style-type: none"> <li>• Empowering Moldovan citizens and fostering sustainable development through education and technical assistance programs that promote democracy, foster good governance and build economic prosperity.</li> <li>• Improve business environment by promoting self-employment and entrepreneurship, including social entrepreneurship.</li> </ul>
<b>Public Benefit</b>	<p>Help and encourage the social enterprise to develop.</p> <p>The development of social entrepreneurship in the country.</p>
<b>Reasons of success</b>	<p>The social entrepreneurs' desire to grow; the trainings offered; the financial instrument used.</p>
<b>Transferability</b>	<p>It is depending on the needs of the countries.</p>

<b>Name</b>	<b>Legal Recognition of Social Entrepreneurship in the Republic of Moldova</b>
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<b>Region</b>	South-East Europe, Republic of Moldova
<b>Operator</b>	Ministry of Economy and Infrastructure of the Republic of Moldova
<b>Description</b>	<p>Following a broad process of consultations with civil society, in 2017 a number of Laws were amended and supplemented in order to recognize and regulate social entrepreneurship in the Republic of Moldova. At the same time, the Law provided for a series of measures to support and encourage social entrepreneurship in the Republic of Moldova.</p> <p>Thus, for the purpose of certification of enterprises that will have the right to carry out social entrepreneurship and benefit from state support, has been developed and approved the Government Decision on the organization and functioning of the National Commission for Social Entrepreneurship, which is currently in process of creation (March 2019).</p> <p>This commission will be constituted both by representatives of the central public authorities and representatives of civil society.</p>
<b>Challenge addressed</b>	<p>Until 2017, the legislation on social entrepreneurship had a rudimentary character of support and encouragement for organizations carrying out commercial activity with a strong social role. These are treated in the same way as organizations that carry out classical commercial activity. Since the stipulated support measures involved a difficult implementation mechanism, economic agents avoided resorting to the facilities offered. The same can be mentioned of the difficulties encountered in the registration process of social enterprises: at the local level, the officials responsible for registration were surprised by the possibility of creating a Limited Liability Society by an NGO, considering that the goals of the two types of organizations can not intersect or overlap.</p>
<b>Public Benefit</b>	<p>At present the normative framework has a higher degree favouring the existence and development of social entrepreneurship that will contribute to and encourage the development of the social entrepreneurship activity in order to solve the social problems of community interest as well as for the creation of jobs and employment, of people in disadvantaged categories of the population</p>
<b>Reasons of success</b>	<p>Increased interest of civil society and high level of dialogue between central public authorities and civil society</p>
<b>Transferability</b>	