

## “3E4SE—European Ethical Financial Ecosystem for local partnerships supporting new Social Enterprises”

The 3E4SE is project co-financed by the European Commission under the Call for Proposals “VP/2013/017 - Supporting the demand and supply side of the market for social enterprise finance”.

Such Call aims to support the development of an impact investment market that would enable more social enterprises to take on repayable finance for developing and scaling their innovative business model, and in such context the 3E4SE project aims at establishing and testing a strategy for cooperation between public and private funding for the development of specific local/regional financial tools supporting social enterprises. A model/guideline for cooperation at EU level will be elaborated, involving ethical financing players, representatives of the beneficiaries and public authorities, and it will then be tested at local level in two regions, Puglia in Italy and Västra Götaland in Sweden.

### RATIONALE

The choice to focus on social enterprises mainly created by youngsters was driven by some evidences:

- the continuously rising rate of youth unemployment in Europe and the difficulty to cope with it using traditional economic policies and
- the overall difficulty for youngsters, and especially for youngsters wishing to create social enterprises, to access appropriate financial instruments, given, for instance, the low capacity to provide guarantees, not to quote other obstacles such as a lack (of knowledge) of technical assistance.

The choice to work on partnership funds was made against the evidence of the reduction of public funds that are available for the specific target and hence the need to bring together different sources of finance (including those that are untapped and/or underused).

The 3E4SE project involves five European Networks, on one hand, and local members of two of these networks (REVES, FEBEA) in two European regions, on the other hand. Together, the partners are in a position to reach out to a network of social enterprises, business support agencies specialized in the accompaniment of social enterprises, potential investors (financial actors in general) and local/regional governments in nearly all EU member states.





## EXPECTED RESULTS

The 3E4SE project will provide useful contributions for the identification of:

- appropriate legal tools and governance models for managing partnership funds;
- technical assistance mechanisms to support the use and functioning of partnership funds;
- appropriate techniques to match the specificity of social enterprises;
- untapped resources at the local/regional level.

The project will also foster the creation of alliances between potential investors, social enterprises, business development services and public authorities at local/regional level.

The creation of an EU level memorandum/guideline will also allow the replication of the experience (thus creation of other local/regional funds based on the same kind of European framework and same terms of referen-

## PROJECT ACTIVITIES

The project is being developed through the following work packages:

### o) Project Coordination and Management

#### 1) Survey phase on existing financial tools for social enterprises [DONE]

The survey was focused on examples of collaborative financial instruments for social economy support, composed of public and private resources, their model of functioning, their success and their shortcomings.

The aim was to collect as many details as possible on such existing instruments/entities, in order to have useful inputs for the drafting of general guidelines for the imple-

mentation and spreading of such initiatives all over Europe.

Please note that, by “social economy” we referred to the general definition provided by the European Commission, according to which Social Economy Enterprises:

- Contribute to a more efficient market competition and encourage solidarity and cohesion.
- Their primary purpose is not to obtain a return on capital. They are, by nature, part of a stakeholder economy, whose enterprises are created by and for those with common needs, and accountable to those they are meant to serve.
- Are run generally in accordance with the principle of solidarity and mutuality and managed by the members on the basis of the rule of "one man, one vote".
- Are flexible and innovative (they

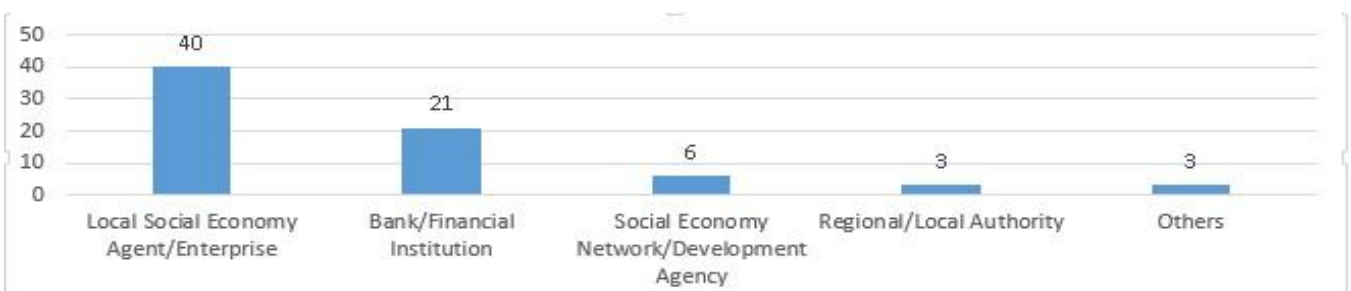
meet changing social and economic circumstances).

- Are based on active membership and commitment and very frequently on voluntary participation.

But at the same time we take into consideration also the more detailed definition provided by Social Economy Europe (<http://www.socialeconomy.eu.org/spip.php?article263>).

A questionnaire with 25 questions was therefore distributed by the projects partners to more than 195 organisations. 73 answers were received, providing useful inputs for the project. The results were analysed and discussed during the first EU workshop held in Brussels on the 18-19th December 2014.

The following graph shows the number of collected answers per kind of entity:



## 2) Elaboration of EU level Memorandum/Guideline [RUNNING]

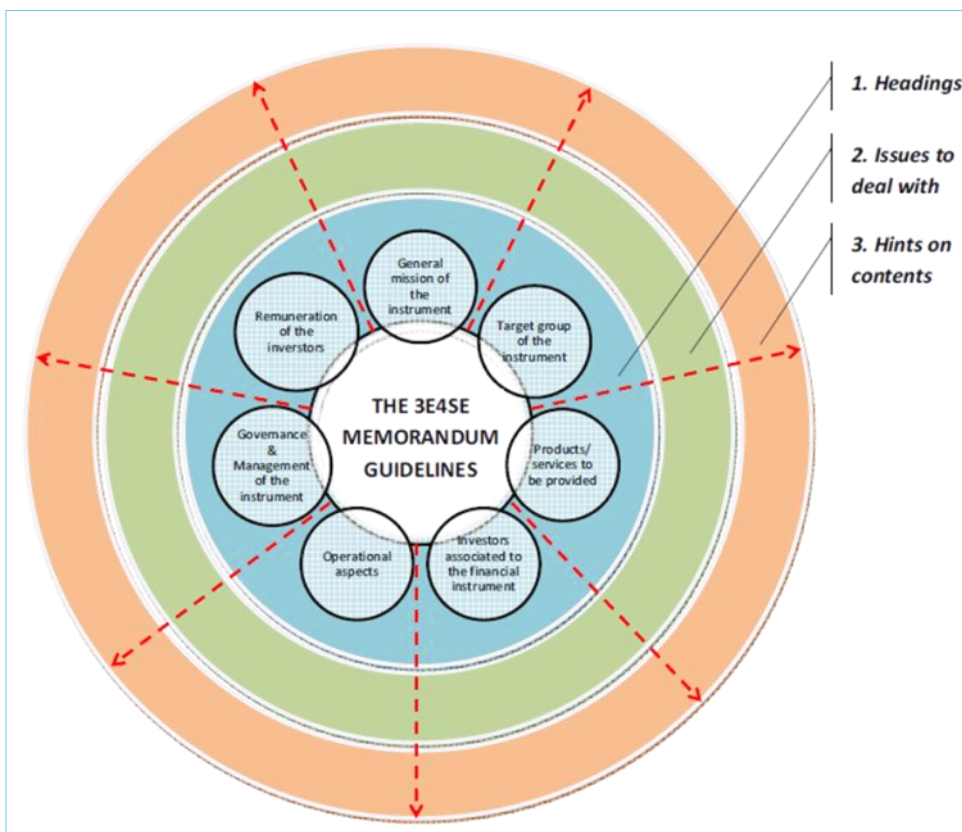
This WP started before the local test phase and will finish after the test phase. Its main objective is to provide a framework for local experimentation and for the establishment of a model fund. It will be based on both the experience of EU level organisations and on the results of the concrete experiences in Sweden and Italy.

Thanks to the results of the survey, the project partners are now currently elaborating such guideline: the contributions of all partners are being integrated in a unique document, and address three levels of topics, going more in depth step by step:

a) the Headings of the memorandum (the light blue circle in the graph here below): all the general topics that should be addressed when designing a financial instrument aiming at supporting the social economy sector (Governance, Products and Services, Mission, Target, Remuneration, Operational aspects, Investors);

b) the main issues to deal with (the light green circle in the graph here below): the issues that should be dealt with under each heading, and that local sponsors should therefore take into consideration when designing the financial tool;

c) hints on contents (the light orange circle in the graph here below): some hints, suggestions and remarks on the actual contents that might be used to address the issues raised at the level above.



The main way of reading the Guidelines is therefore per Heading, as each Heading has its own Issues to be dealt with and its own Hints on contents (coming from the experience of the partners). In the graph this is represented by the different slices (one slice per Heading). Nevertheless, the three levels are represented by circles, as the choice made in one slice may influence the choices in a different slice.

The circle is also a way to show that there's no predefined hierarchy between

the Headings: each time the priorities might be different, according to the specificities of the local context, so what comes first and what comes next needs to be defined by the local sponsors (that's why the Headings have not been numbered).

### 3) Creation and test of two regional memorandums [RUNNING]

This WP will focus on the elaboration and test of two regional experiences of 3E4SE funds in Italy (Puglia) and Sweden (Västra Götaland).

The local partnership in Sweden and Italy are working to engage the different local actors and draft a local memorandum, supporting the development of local funds for the social economy sectors.

### 4) Drafting conclusions and policy recommendations [TO BE DONE]

This WP will lead to the elaboration of guidelines for the creation of 3E4SE partnership fund initiatives and to the elaboration of recommendations for improving the capacities of EU-level and local players to create and use such funds.

### 5) Communication and dissemination [RUNNING]

This WP will be implemented in different phases during the project's activities, with the aim of:

- *facilitating the communications among the project's partners;*
- *facilitating the involvement of external stakeholders/actors in specific activities of the project;*
- *disseminating the results of the project;*
- *providing useful tools and information material for the replication of the project in other EU regions/countries.*

### 6) Evaluation [RUNNING]

#### UPDATES

If you are interested in the activities and outcomes of the project, you can follow all updates on the dedicated website: [www.3e4se.eu](http://www.3e4se.eu)



## WHO WE ARE

**FEBEA:** FEBEA is the European Federation of Ethical and Alternative Banks and Financiers, an international not for profit association incorporated under Belgian law, created in Brussels in 2001 with the goal of reinforcing the financial institutions that already support local and social economy, and microfinance. FEBEA's objective is to create financial and non financial instruments and services, in order to support the initiative already existing or in a start-up phase, operating in the context of ethical and solidarity finance in Europe.

<http://febea.org>

**SEFEA:** SEFEA is a co-operative company incorporated under Italian law, founded in 2002 on the initiative of FEBEA with the purpose of promoting and sustaining the development of ethical finance in Europe by providing financial and non-financial support to its members. SEFEA supports the creation and the development of specific financial instruments for European ethical and solidarity-based financial organisations; participates in other European ethical and solidarity-based financial institutions, provides consulting services to its members and supports the development of microfinance.

<http://febea.org/content/sefea-european-ethical-and-alternative-financing-company>

**REVES (BE) :** REVES is a European network based on partnership between local authorities and social economy. Its membership is composed of local/regional authorities and local social economy organisations that are presently developing or are willing to develop policies to promote social and solidarity-based economy, for a most fair, inclusive, participative and responsible society.

<http://www.revesnetwork.eu/>

**DIESIS COOP (BE):** Diesis is a non-profit European Research and Development Service for the Social Economy, cooperatives, and participative Enterprises. Its mission is to support the development of the social economy and, in particular, of cooperatives and social enterprises in Europe and in the world via the implementation of knowledge-based activities, such as training, project design, consulting and advisory services, technical assistance and research. Its members are Enterprises, federations, advisory and development groups, as well as organisations specialised in the know-how transfer recognised as being part of the social economy in Europe and worldwide.

<http://www.diesis.coop/>

**IMPULSE EUROPE (BE):** Impulse Europe is a cooperative company incorporated under Belgian law and founded on 21 December 1988. Impulse Europe has thirty years of experience and a sound reputation serving as fund, administration and financial manager (internal control, cash management). As a fund manager, Impulse Europe focuses on social investment and socially driven microfinance funds. Impulse Europe developed its expertise in managing microfinance dedicated funds. Impulse Europe is also associated to the management of several equity instruments promoting the development of cooperatives and social economy structures across Europe.



**ENSIE (BE):** ENSIE takes as its objective the representation, maintenance and development within the European Union of Work Integration Social Enterprises (WISEs) networks and federations. ENSIE promotes social inclusion and poverty reduction and seeks in particular to reinforce WISEs and social economy actors by the exchange between the member organizations, stimulate co-operation and partnerships by promoting good practices and by distributing research, results and new applications, organize information exchange between members, develop a close and solid co-operation with other European social economy networks.

<http://www.ensie.org>

**FAEDEI (ES):** FAEDEI is a non-profit association founded in late 2007 as the sole representative of Work Integration Social Enterprises in Spain. The Federation represents the Spanish Regional Associations of Work Integration Social Enterprises, which are an instrument for the implementation of active employment policies since they operate in the market, being autonomous and economically viable, in different sectors, creating employment, providing training and integration pathways for people with difficulties in finding employment or risk of social exclusion. FAEDEI is member of ENSIE.

<http://www.faedei.org/es/>

**COOMPANION (SE):** Coompanion is an business development organization for social economy, owned by cooperatives. The main objective is to contribute to the regional growth and development by increasing the number of social enterprises and the success of existing enterprises. Coompanion is providing start up services/ counselling, business skills to social enterprises, know-how to authorities and other actors in local and regional development. A part of its services is incubators for work integrating social enterprises. Coompanion Gothenburg is member of REVES.

<http://coompanion.se/englishgoteborg.se/>

**CITY OF GOTHENBURG (SE):** The Administration for Allocation of Social Welfare is an administration within the Municipality of Gothenburg, that provides resources and support to the City's ten districts and to social economy within the field of social issues such as homelessness, unemployment, social exclusion, sexual health etc. The Administration is among other things responsible for support to the social economy and administers grants to not for profit organizations that work in the social field. It further takes the lead on the City's work to support social enterprises. The city of Gothenburg is member of REVES.

<http://goteborg.se/>

**BRG—BUSINESS REGION GÖTEBORG (SE):** Business Region Göteborg is dedicated to strengthening and developing trade and industry in the Göteborg region. A non-profit organisation representing 13 member municipalities, it offers knowledge and contacts to companies wishing to set up or expand businesses in the region.

<http://www.businessregiongoteborg.com/>





**Västra Götalandsregionen (SE):** Västra Götalandsregionen is the Regional Development Secretariat of Västra Götaland Region – Sweden. Region Västra Götaland's assignment is to contribute to a thriving Västra Götaland which is a good place to live and work. Västra Götaland must be a good place for future generations to grow up in. It is tasked with offering good healthcare and dental care and providing the prerequisites for good public health, a rich cultural life, a good environment, jobs, research, education and good communications. All together, these provide a foundation for sustainable growth in Västra Götaland. The Region is member of REVES.

<http://www.vgregion.se/en/Vastra-Gotalandsregionen/Home/About-us>



**MICROFONDEN VÄST (SE):** Mikrofonden mission is to increase the number and growth of existing cooperatives and other businesses in the social economy, and by this contribute to the development of the region. Mikrofonden is counselling and providing financial solutions to enterprise. It offers to social economy and public organizations a mechanism for supporting social enterprises financially, providing credit guarantees, mezzanine capital and equity to cooperatives, associations and foundations.

<http://mikrofondenvast.se/english/>



**EKOBANKEN (SE):** Ekobanken is a social, ethical bank that offers full banking service for organisations and savings and loans to private persons. Its savings accounts all have an ethical profile and it offers accounts for both regularly savings and long-term investments. Ekobanken has extensive experience of the social economy in Sweden and effective tools for financing businesses and projects. The bank is spread throughout the country and is locally represented through voluntary representatives. Ekobanken is a democratic, cooperative bank focusing on creating value for its members, the only bank of its kind in Sweden. Ekobanken is member of FEBEA.

<https://www.ekobanken.se/>



**BANCA POPOLARE ETICA (IT):** The idea behind Banca Etica consists in creating a place where savers, driven by the common desire of a more transparent and responsible management of financial resources, may meet socio-economic initiatives, inspired by the values of a sustainable social and human development. The bank manages savings raised from private citizens, as singles or families, organisations, companies and institutions in general, and invests them in initiatives pursuing both social and economic objectives, operating in full respect of human dignity and the environment. Banca Etica is the first institution of ethical finance in Italy. Banca Etica is member of FEBEA and SEFEA.

<http://www.bancaetica.it/>



**CONFCOOPERATIVE—UNIONE REGIONALE DI PUGLIA (IT):** Confcooperative Puglia is a representative association (Incorporated association) having a legal Entity Status. It represents, assists and audits almost 1.400 cooperatives. The member cooperatives operate in all economic sector, most of all in the agricultural and social economy area. It operates as a representative body, promoting initiatives for the development of national and international cooperation, cooperative investment program and regional legislative initiatives aimed to the support of cooperative movement. Confcooperative Puglia is member of REVES.

<http://www.puglia.confcooperative.it/default.aspx>



**CONTACTS:**

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**HOW YOU CAN BENEFIT FROM THE PROJECT**

If you are interested in implementing the project results at local level or in collaborating with the ongoing local initiatives you can:

- Once published, consult the guideline to set up local memorandums, that provide hints and suggestion to implement funds to support social enterprises at local level;
- Contact our networks to have more information on the project outcomes and verify the possibilities of collaboration.

