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CALL FOR PROPOSALS

VP/2016/007

Actions to boost the demand and supply side of the finance market for social enterprises

**Any questions should be sent by email to:
empl-vp-2016-007@ec.europa.eu**

**To ensure a rapid response to requests for information, applicants are invited
to send their queries in English, where possible**

This document is available in English

**Applicants are invited to read the present document in conjunction with the Financial
Guidelines for Applicants for this call as well as the financial rules applicable to the general
budget of the Union and their rules of application:**

http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm

Table of Contents

1. INTRODUCTION – BACKGROUND	- 3 -
1.1. Programme/Legal base	- 3 -
1.2. Policy and economic background.....	- 3 -
1.3. Main Purposes.....	- 5 -
2. OBJECTIVE(S) – PRIORITIES – EXPECTED RESULTS	- 6 -
2.1. Objectives - Priorities	- 6 -
2.2. Strands of the call.....	- 7 -
2.3. Expected outputs/results	- 10 -
2.4. Monitoring	- 12 -
3. TIMETABLE	- 12 -
3.1. Starting date and duration of the projects	- 12 -
4. AVAILABLE BUDGET	- 13 -
4.1. Co-financing rate	- 13 -
5. ADMISSIBILITY REQUIREMENTS	- 13 -
6. ELIGIBILITY CRITERIA	- 14 -
6.1. Eligibility of the applicants (lead and co-applicants)	- 14 -
6.2. Eligible activities	- 15 -
7. EXCLUSION CRITERIA.....	- 18 -
8. SELECTION CRITERIA.....	- 18 -
8.1. Financial capacity	- 18 -
8.2. Operational capacity	- 18 -
9. AWARD CRITERIA	- 20 -
10. OTHER REQUIREMENTS.....	- 22 -
11. DEFINITIONS	- 24 -
12. LEGAL COMMITMENTS.....	- 25 -
13. SOURCES OF FUNDING.....	- 25 -
14. FINANCIAL PROVISIONS.....	- 25 -
15. PROCEDURE FOR THE SUBMISSION OF PROPOSALS	- 25 -
16. COMMUNICATION	- 26 -
17. REQUIRED DOCUMENTS	- 27 -
ANNEX I: FINANCIAL GUIDELINES FOR APPLICANTS.....	- 33 -

1. INTRODUCTION – BACKGROUND

1.1. Programme/Legal base

This call for proposals is published under REGULATION (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI")¹ and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion.

The **European Programme for Employment and Social Innovation "EaSI" 2014-2020²** is a European-level financing instrument managed directly by the European Commission to contribute to the implementation of the Europe 2020 strategy, by providing financial support for the Union's objectives in terms of promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions.

The EaSI Programme shall, in all its axes and actions, aim to:

- (a) pay particular attention to vulnerable groups, such as young people;
- (b) promote equality between women and men,
- (c) combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
- (d) promote a high-level of quality and sustainable employment, guarantee adequate and decent social protection, combat long-term unemployment and fight against poverty and social exclusion.

Hence, in designing, implementing and reporting on the activity, beneficiaries/contractors must address the issues noted above and will be required to provide detail, in the final activity report on the steps and achievements made towards addressing those aims.

1.2. Policy and economic background

Social enterprises as vehicles for job creation

Boosting Jobs, Growth and Investment is one of the main priorities of the European Union. In line with this goal, the Commission considers entrepreneurship to be a powerful tool in getting Europe growing again and increasing the number of jobs without creating new debt.

Social entrepreneurs and social enterprises³ are drivers of change that operate on the basis of viable business models. Social enterprises develop innovative approaches, models or practices

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0238:0252:EN:PDF>

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

³ For the purpose of this call for Proposals, the following terms are used synonymously:

- social business, social enterprise and social venture;
- social finance, social investment and impact investment
- Structural Funds and European Structural and Investment Funds

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 services of general interest, reducing emissions and waste, or producing renewable energy).

Thus social enterprises can help meeting the Europe 2020 targets⁴ for employment, innovation, climate change and energy sustainability, education and social inclusion.

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. The Social Business Initiative⁵ emphasized that the funding system for social enterprises is underdeveloped in relation to that used by other businesses. This was confirmed by a study that looked at imperfections in the social investment market⁶ and a Commission study on mapping of social enterprises and their eco-systems in Europe⁷, as well as a number of national studies which would confirm that the demand of social enterprises for capital is not met in most parts of Europe.

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.

Barriers in the social finance market

Barriers to develop and strengthen the market for social finance have a different weight across Europe, the most relevant being:

- On the supply side: lack of suitable financial instruments in place; a shortage of investors prepared to invest; scarcity of significant public sector initiatives; little experience in specifying a sustainable investment strategy and risk/return profile of a social finance fund; lack of capacities and tools to assess the viability of business plans and social impact, insufficient quality of investment proposals, absence of market facilitators (such as qualified intermediaries and market places) or business angels etc.
- On the demand side: excessive dependence on grants and insufficient orientation towards capital markets; legal structures which discourage the attraction of (quasi-) equity; lack of transparency of the market for social finance; insufficient experience in making proposals for external financing, or for combining different sources and types of finance (e.g. grants/loans); costs of getting investment ready; insufficient infrastructures /business

⁴ http://ec.europa.eu/europe2020/targets/eu-targets/index_en.htm

⁵ COM(2011) 682 final - COMMUNICATION from the Commission to the EP, the Council, the EESC and the CoR: "Social Business Initiative - Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation"

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2011:0682:FIN>

⁶ "Imperfections in the social investment market and options on how to address them", Zeppelin University, 2013

<http://bookshop.europa.eu/en/imperfections-in-the-social-investment-market-and-options-on-how-toaddress-them-pbKE0214002/>

⁷ <http://ec.europa.eu/social/main.jsp?catId=952&intPageId=2914&langId=en>

development services/ incubators; low ability of investees to operationally scale-up or replicate notably in transnational context etc.

1.3. Main Purposes

Social Entrepreneurship support under the European Union Programme for Employment and Social Innovation (EaSI)

One of the objectives of EaSI is to promote employment and social inclusion by increasing the availability and accessibility of microfinance for vulnerable groups and micro-enterprises, and by increasing access to finance for social enterprises.

Through the third axis of EaSI, for Microfinance and Social Enterprise Finance, over 86 million EUR will be earmarked to stimulate, broaden and speed up the development of social finance markets across Europe between 2014 and 2020.

The Commission aims at supporting the development of the impact investment market and facilitating access to finance for social enterprises by making available financing for social enterprises which could take the form of a combination of equity, quasi-equity and loan instruments. The total amount that a social enterprise can receive is EUR 500 000 (state aid rules to be respected). Support under the programme will be limited to enterprises, not listed on the stock market, with a maximum of EUR 30m turnover (most social enterprises are smaller).

For the implementation of the financial instruments under the EaSI Programme, the Commission cooperates with the European Investment Fund. Since June 2015, the EaSI Social Entrepreneurship Guarantee, with a budget of EUR 40m, is operational.

Lessons from previous EU support actions

A European Parliament preparatory action was launched in the past through the call for proposals "Supporting the demand and supply side of the market for social enterprise finance". The pilot initiative aimed at testing the potential of the finance market for social enterprises in the EU, and the development and establishment of feasible, suitable and reliable models that facilitate the access of social enterprises to funding.

The lessons learned from the pilot actions indicate that the finance market for social enterprises in the EU is still at an early stage of development. Building the capacity of the supply side (finance providers/intermediaries) to create partnerships and develop new funding instruments for social enterprises, as well as of the demand side (through capacity building and investment readiness schemes for social enterprises to support their consolidation, growth and scaling) has to continue.

To make the best use of the experience of the pilot actions, a "Practical guide on designing and implementing initiatives to develop the social finance market"⁸ has been drawn up. The

⁸<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7878&visible=1&preview=CHJldkVtcGxQb3J0YWwhMjAxMjAyMTVwcmV2aWV3>

guide is intended to take readers through the thinking and decision-making process that investors or social finance intermediaries can follow in designing and piloting initiatives to develop the demand or supply side of the finance market for social enterprises, pointing out key considerations and possible pitfalls, illustrated by case studies and examples.

2. OBJECTIVE(S) –STRANDS OF THE CALL– EXPECTED RESULTS - MONITORING

2.1. Objectives

The objective of the call for proposals is to contribute to the development of a social finance market by enabling more social enterprises to take on repayable finance for developing and scaling up their innovative business model. The support aims at:

- Boosting the supply of social finance through institution and capacity building with committed actors, and
- Generating effective demand among social enterprises for social finance by developing their “investment readiness”.

As such, the actions to be funded under this call for proposals are expected to contribute to realising the potential of social entrepreneurship emphasised in the Commission’s Social Business Initiative 2011, as well as in the Communications ‘Towards a job-rich recovery’ 2012⁹, the ‘Social Investment for Growth and Cohesion’ 2013¹⁰ and the Guidelines for the Employment Policies of the Member States for 2015¹¹.

The main tasks of the actions will be to develop and establish feasible, suitable and reliable financial instruments (Strands A and B) or hybrid finance packages (Strand C), to build capacities to use such instruments (Strand D), or to reinforce the capacity of social enterprise support organisations (strand E). In doing so, the partners implementing an action will explore and test effective ways of establishing, consolidating, sustaining and linking social finance schemes and instruments, capacity building programmes for using such instruments, reinforcing capacities of social enterprise support organisations, and organizing learning on what works and how, as well as what does not work, and why.

The call for proposals is addressed to social finance or support partnerships for social enterprises that have the potential for:

- realising innovative solutions with a clear societal impact, or
- scaling their innovative approach through growth,
- replication or adaptation.

Thus, the actions supported under this call for proposals are expected to pave the way for:

- a swift uptake of EU social finance instruments (notably the EaSI instruments and financial instruments under the European Structural and Investment Funds) by the

⁹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2012:0173:FIN>

¹⁰ <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52013DC0083>

¹¹ http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOL_2015_268_R_0005

creation of a pipeline of demand of social finance partnerships capable of using the EaSI instruments to share risk, improve capitalization, and build capacity, in particular from Member States with less developed social finance markets;

- learning from different models and good practice in developing and enhancing social finance across the Union, through organized sharing and disseminating of expertise and experience, and through presenting practical examples that demonstrate how (public-private) partnerships can effectively invest in or complement suitable financial products, as well as develop demand through assisting social enterprises in getting investment ready.

In order to achieve these objectives, the Commission will set up a learning network of the grant beneficiaries, encourage them to incorporate their projects into national, regional, or local development strategies, and assist them in using EU financial instruments, in particular the European Structural and Investment Funds.

2.2. Strands of the call

In order to take into account the variety of social finance market situations, the call offers several strands. Each of them addresses a specific configuration of barriers in the social finance market. Strands A, B and C act on the supply side of social finance, strand D and E on the demand side.

For all strands, the focus of the action should be on supporting social enterprises that aim at social impact and are financially sustainable. A critical segment of the social finance market is that of smaller deals (< 500,000 EUR) or risky development activities, and for which risk sharing financial participation and complementary support services are difficult to find, or not affordable.

Under strands A, B, C and D the replication or adaptation of financing or support models to be implemented in other countries (including through joint ventures or franchising) is also eligible.

There is debate about whether Social Impact Bonds are financial instruments. Given the current social context, for the purpose of this call, the preparation of Social Impact Bonds for strands A, B and C will be considered eligible under the condition that they focus on services to refugees/migrants.

Strand A: Establishment of social finance partnerships

This strand is particularly relevant for actions in countries in which the social finance market is not yet developed. It aims at addressing situations in which no suitable social finance instrument is in place, with a lack of investors or banks prepared to launch or participate in a financial instrument. Although there is little experience in specifying a sustainable investment strategy and risk/return profile of a social finance instrument, there is some openness amongst potential investors and/or public bodies to contribute to establishing a suitable finance instrument.

In order to explore options to close the gap in supply of social finance for innovative social enterprises through suitable financial instruments (including crowdfunding) and to mobilise and commit potential investors and stakeholders to cooperate in setting up a financial instrument, the grant aims at reducing the risk of engaging in the first steps towards a social

finance instrument by facilitating the development of a consortium and commitment to act. It is also meant to encourage learning from good practice examples and expertise that can guide the formation of this partnership.

Strand B: Establishment of social finance instruments and mechanisms

This strand is particularly relevant for actions in countries with a relatively low level of development of the social finance market. It aims at addressing situations in which there is no suitable social finance instrument in place and potential investors, banks or intermediaries lack good practice examples and expertise that can guide the drafting of contractual agreements needed for setting up a financial instrument.

In order to mobilise and commit potential investors (private and public) and stakeholders to act and to cooperate with a view to setting up a financial instrument (including different models of crowdfunding¹²) and to give a strong signal to capital providers by demonstrating the feasibility of providing social finance, the grant is meant to reduce the risk of innovation in the social finance market by facilitating the acquisition of specific expertise in this field and act as process facilitator providing good practice examples and expertise that can guide the drafting of contractual agreements.

Strand C: Facilitating hybrid finance for social enterprises

This strand is particularly relevant for actions in countries in which different types of actors are already operating in the social finance market, but in isolation. As a result, these different types of social finance providers (e.g. foundations, social investors, banks, public authorities, notably ESIF managing authorities) apply a broad range of incoherent and unrelated financial rules and procedures, eligibility and award criteria, return expectations, conditions for repayment, requirements for accounting, impact measurement and reporting etc. In addition, there is a lack of transparency which makes it difficult for social entrepreneurs to develop an efficient mix of funding sources. Some donors, investors or financial intermediaries lack capacities and tools to assess the viability of business plans and to evaluate social impact.

Hybrid capital that combines different types of finance such as grants (public grants, philanthropic funds, and donations) and equity and debt/risk-sharing schemes can meet the specific needs of the business models of social enterprises. Hybrid finance can take many forms, ranging from models leveraging donations with loans, guarantees, or quasi-equity to combining impact investment with crowdfunding, or syndications between multiple investors with public co-investment.

This strand aims at designing, testing and establishing suitable and needs oriented hybrid financing models for social enterprises, through:

- mobilizing and committing potential investors, donors, banks, crowd-investors or public authorities to cooperate and integrate their financial contribution in specific hybrid financing packages (standardized or customized on a deal-by-deal basis), thereby testing different models;

¹² The term “crowdfunding” covers all models as described in the Commission Communication “Unleashing the potential of Crowdfunding in the European Union” (COM/2014/0172), page 3
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014DC0172>

- assisting social enterprises in the legal, financial and mission-related issues of contracts for hybrid forms of finance; and,
- assisting investors and/or social enterprises in negotiating financial deals.

Strand D: Development of investment readiness support for social enterprises

This strand addresses the insufficient investment-readiness of social enterprises. Even in countries where there is a large pool of capital willing to invest in social enterprises, investments often remain complicated as social enterprises are not "investment ready". This can be explained sometimes by their low interest in repayable financial instruments due to an orientation towards the so-called grant economy, but also by a lack of necessary documents such as impact reports or business plans and insufficient experience in making proposals for external financing, or in combining different sources and types of finance (e.g. grants/loans). In many countries, the quality and quantity of start-up and business development services for social enterprises (incubators etc.) is unsatisfactory in this respect.

In order to generate a pipeline of social enterprises prepared to access social finance for development and growth, including under the EaSI programme and the future structural funds, this strand aims at developing a fine-tuned system of advisory services and capability building on social finance (including one stop shops for social enterprises) by improving the offer of specialised, experienced quality assistance and advice that help address social enterprises' weak capacity in acquiring external financing, notably combining different types of finance.

Strand E: Creation of a European level platform to reinforce the capacity of social enterprise support organisations

This strand addresses the insufficient capacities of social enterprise support organisations in Europe and the lack of cooperation between existing support organisations. To facilitate scaling up the impact of social enterprises, social enterprise support organisations need to be in a position to offer a broad spectrum of targeted assistance to social enterprises with strong societal impact and with potential for replication or adaptation.

To address this issue, the strand aims at bringing together social enterprise support organisations with relevant experience and expertise, pooling their competence, resources and approaches to offer targeted support services for social enterprises (including support for transnational scaling of the impact of social enterprises), and further developing tools, quality systems and knowledge.

To this end, the social enterprise support organisations of the applying consortium will set up a system for systematic exchange and sharing of good practices ("the platform"), which would also mobilise the knowledge and experience of already existing European and national networks and organisations in order to empower the support organisations to better operate and serve a transnational context. The platform shall also analyse and disseminate data and research on the development of the social enterprise sector in Europe.

To be able to support transnational scaling the platform should be designed in such a way that it covers the support activities related to both the "origin" and the "target" dimension of the scaling process: identification and assessment of potentially scalable social enterprises, presentation, visibility and potential replicators/adapters, capacity and capability building in

the "origin" and the "target" organisations, collection of knowledge on markets, structures, networks and legal aspects in possible target countries, advice on legal aspects of partnership or franchise agreements, access to networks and partnerships, branding: quality assurance systems etc.

2.3. Expected results

Strand A: Establishment of social finance partnerships

A mobilisation of potential investors and intermediaries that would sign a Memorandum of Understanding between private, public and not-for profit-partners documenting:

- a detailed assessment of the social finance market and a vision for closing gaps and overcoming deficiencies in the supply of social finance;
- the commitment of the partners (including their roles and contributions) to contribute to, and to collaborate in, establishing a financial product providing access to finance for social enterprises;
- the outline of an investment strategy for this financial product, in particular, the key areas of vision, investment focus (geographical and sector focus), models of intervention, risks and returns, types of investee organizations, form and size of investment, co-investment, non-financial support; and
- a description of the strategy and actions planned for achieving this as well as the links and synergies with start-up and business development services for social enterprises.

Strand B: Establishment of social finance instruments and mechanisms

An activation and commitment of investors and intermediaries that would sign a set of legal documents required by EU and national rules to establish a financial instrument, and necessary agreements between private, public and not-for-profit-partners, documenting:

- the legal agreement of the partners (specifying their roles and contributions) to finance, set up and manage a financial tool providing access to finance for social enterprises;
- the detailed investment strategy agreed (encompassing, in particular, the key areas of vision, investment focus - geographical and sector focus, models of intervention, risks and returns, types of investee organizations, form and size of investment, co-investment, non-financial support, governance structures, obligations and benefits of investors, management rules and procedures as well as monitoring and evaluation arrangements;
- all contractual arrangements needed for the registration of the financial instrument, for fundraising, for investments, lending or underwriting and for the conduct of management; and
- the strategy and actions planned to ensure a steady and balanced deal flow and sustainability for the financial instrument.

Strand C: Facilitating hybrid finance for social enterprises

An activation and commitment of different types of investors (private investors, donors, public authorities) and intermediaries that would sign an agreement to participate in hybrid schemes of finance for social enterprises (specific hybrid schemes or tailor-made case by case financing packages), documenting:

- the roles and contributions of the financial partners to contribute to hybrid schemes of finance for social enterprises;
- the roles and tasks, working principles and methodology of the financial intermediary to identify suitable financing partners and investment-ready social enterprises, as well as monitoring and evaluation arrangements;
- a pipeline of investment ready social enterprises that could benefit from the hybrid finance deals; and
- the lessons learnt in making hybrid finance work, and the benefits generated through exploiting synergies and removing barriers.

Strand D: Development of investment readiness support for social enterprises

An improved (in particular in terms of the quality, quantity or geographical outreach) provision of:

- integrated assistance to, and capability building of at least 20 social enterprises in delivering a realistic, but effective investment readiness plans;
- assistance in the contacts and negotiations of social enterprises with potential investors; and
- a description of the methodology (training, coaching, mentoring, capacity building etc.) used and activities performed for enabling social enterprises to become investment ready.

Strand E: Creation of a European level platform to reinforce the capacity of social enterprise support organisations

Mobilisation of social enterprise support organisations and networks to pool their expertise, resources and approaches in order to offer targeted support services for social enterprises, including support for transnational scaling-up of the impact of social enterprises:

- a signed partnership agreement between the social enterprise support organisations delivering support services (including for scaling the impact of social enterprises) which are committed to contribute to the work of the platform. The platform needs to have relevant member organisations in at least 15 EU Member States;
- a synthesis of existing tools and practices for capacity and capability building for scaling up the impact of social enterprises, and of the knowledge on key factors of success and failures in scaling;
- a long term work plan and business model to carry on the activities of the platform on a sustainable basis at EU level, notably specifying the added value of the platform's activities to its members and to the final beneficiaries;
- the articles of association and any other necessary documents for creation of a legal entity to host the platform or the contractual arrangements between the members to entrust the running of the platform to one of its members.

2.4. Monitoring

The Commission, with the support of an external contractor, will monitor regularly the EaSI Programme. Therefore, beneficiaries/contractors will have to transmit qualitative and quantitative monitoring data on the results of the activities. These will include the extent to which the principles of equality between women and men has been applied, as well as how anti-discrimination considerations, including accessibility issues, have been addressed through the activities. Related templates are attached or will be provided.

In setting up the action, beneficiaries/contractors must foresee the necessary funding for monitoring and reporting to the Commission.

3. TIMETABLE

	Stages	Date or indicative period
a)	Publication of the call	April 2016
b)	Deadline for submitting proposals	13 June 2016
c)	Evaluation period (indicative)	June-August 2016
d)	Information to applicants (indicative)	September 2016 ¹³
e)	Signature of the grant agreement (indicative)	September 2016 ¹⁴
f)	Starting date of the action (indicative)	September-October 2016

3.1. Starting date and duration of the projects

The actual starting date of the action will either be the first day following the date when the last of the two parties signs the grant agreement, the first day of the month following the date when the last of the two parties signs or a date agreed upon between the parties.

Applicants should note that if their application is selected, they may receive the grant agreement after the start date of the action that they have indicatively set in the application form. It is therefore advisable to number the months in the work programme instead of indicating the name of the months, for ease of reference.

Any expenditure incurred before the signature of the Grant Agreement will be at the applicant's risk. No expenditure can be incurred before the deadline for submission.

The duration of the actions should indicatively be between 15 months and 18 months.

¹³ And in any case no later than 6 months after the submission deadline.

¹⁴ And in any case no later than 3 months after the date of information to applicants.

4. AVAILABLE BUDGET

The total budget earmarked for the co-financing of actions is estimated at EUR 2.150.000 million.

The indicative grant amount per action will be:

- for strand A: EUR 85 000
- for strand B: EUR 130 000
- for strand C: EUR 130 000
- for strand D: EUR 100 000
- for strand E: EUR 150 000

For strand A, B, C and D, **a ring-fenced amount of 7.000 EUR** for transnational activities such as knowledge dissemination, know-how exchange, joint development etc. **must be included** in the proposed budget of the action¹⁵.

The Commission reserves the right not to distribute all the funds available.

4.1. Co-financing rate

Under this call for proposals, the EU grant may not exceed 80 % of the total eligible costs of the action taking into account the indicative grant amounts above. The applicants must guarantee their co-financing of the remaining amount covered by the applicants' own resources or from other sources other than the European Union budget.

5. ADMISSIBILITY REQUIREMENTS

- Applications must be sent no later than the deadline for submission referred to in section 3(b)
- Applications must be submitted using the electronic submission system available at <https://webgate.ec.europa.eu/swim>, and by sending a signed, printed version of the application form and its annexes by post or courier service (see section 15)
- Applications must indicate the Strand under which they should be evaluated.

Failure to comply with the above requirements will lead to the rejection of the application.

Applicants are encouraged to submit their application in English, French or German in order to facilitate the treatment of the proposals and speed up the evaluation process. It should be noted, however, that proposals in all official languages of the EU will be accepted. In this case, applications should be accompanied by an executive summary in English (checklist point 3).

¹⁵ For details see section 10 'Other Requirements'

6. ELIGIBILITY CRITERIA

6.1. Eligibility of the applicants (lead and co-applicants) ¹⁶

a) Place of establishment

Applicants and co-applicants must be legally established and registered in one of the EaSI participating countries:

- EU Member States;
- Iceland and Norway in accordance with the EEA Agreement;
- Albania, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey¹⁷.

b) Type of entities

To be eligible, applicants and co-applicants may be public or private entities of any type.

c) Consortia

To be eligible, actions must have the involvement of a consortium¹⁸.

For actions dealing with the supply side of social finance (strands A, B and C) applicants must implement the action in cooperation with at least two co-applicants.

For strand A, the applicant or one of the co-applicants must be a (potential) investor that has signed a letter of intention to invest/co-invest in the envisaged financial product (see section 17, checklist point 5).

For strand B and C, the applicant or one of the co-applicants must be a private and/or public investor that has signed a letter of commitment to invest/co-invest in the financial instrument, respectively hybrid scheme of finance to be established (see section 17, checklist point 5).

For actions dealing with the demand side of social finance, applicants under strand D are encouraged to involve (potential) investors in the consortium.

¹⁶ See section 2 of the Financial Guidelines for definitions.

¹⁷ Other candidate and potential candidate countries, would 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 (empl-vp-2016-007@ec.europa.eu) their eligibility.

¹⁸ Letters of mandate, authorising the lead applicant to submit the proposal and to sign any Grant Agreement on their behalf must be submitted by each co-applicant (see section 17, checklist point 6). Letters of commitment must be submitted from each co-applicant, and affiliated entity, certifying that they are willing to participate in the action with a brief description of their role and indicating any financial contribution where applicable (see section 17, checklist point 5). Letters of commitment are also required from any associate organisations (no financial contribution) and from any third party (financial contribution only).

Applicants under strand E must implement the action in a consortium, which includes the applicant and at least four co-applicants. The Consortium shall include members from at least 5 EU Member States.

d) Affiliated entities

Legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation and which satisfy the eligibility criteria, may take part in the action as affiliated entities, and may declare eligible costs.

For that purpose, applicants shall identify such affiliated entities in the application form.

6.2. Eligible activities

a) Geographical location

To be eligible, actions must be fully carried out in EaSI participating countries (see section 6.1).

b) Types of activities

Without prejudice to the specifications for eligible activities below, in a complementary manner and subject to a limit of 10 % of the grant agreement for an action, the scope of eligible activities of any strand may be extended to include activities eligible under another strand, provided that they are necessary for the satisfactory implementation of the action and are directly linked to it.

The grant will finance the following types of activities under each Strand:

Strand A: Establishment of social finance partnerships

- Assessment of the potential demand (e.g. through a workshop with stakeholders and social enterprises)
- Identification and building commitment of potential investors and financial intermediaries
- Identification of suitable managers for the financial product envisaged
- Knowledge dissemination and know-how transfer from and to peers in other Member States (e.g. study visit, expert workshop)
- Assessment of the suitability and feasibility of setting up a sustainable social finance mechanism

Strand B: Establishment of social finance instruments and mechanisms

- Work of financial experts, lawyers etc. to draft the legal documents for setting up the social finance instrument or mechanism required by EU or national legislation, and, in case ESIF contributions are involved, for compliance with ESIF Regulations and related EU and national rules

- Professional work to draft the strategy for the operations of the financial instrument (including fund raising and developing capacities for managing investments)
- Translations of legal documents in case proven models can be replicated or adapted to implement the action
- IT services in case the financial instrument uses web-tools or is based on a web platform
- Knowledge dissemination and know-how transfer from and to peers in other Member States (e.g. study visit, expert workshop, adaption of tools, procedures/contracts, etc.)

Strand C: Facilitating hybrid finance for social enterprises

- Setting-up, testing and piloting of suitable and needs oriented models of hybrid finance for social enterprises (including e.g. syndicate investments, revenue participation agreements between social enterprises and investors, pooling of grants with loans, patient capital, guarantees, crowdfunding etc.) to reduce risks
- Work of financial experts, lawyers etc. to ensure that the contractual arrangements for a hybrid finance scheme or deal do not include hidden risks etc. for the social enterprise or a financial partner
- Identification of potential donors and investors that are willing to invest in a hybrid finance package (including transnational transactions)
- Selection and assessment of investment ready social enterprises that could benefit from the hybrid finance deals
- Development and testing of methodologies, procedures or resources for due diligence procedures, impact measurement and reporting, code of conduct etc., jointly applied by the partners to reduce transaction costs and build mutual trust and confidence
- Case by case transaction support
- Knowledge dissemination and know-how transfer from and to peers in other Member States (e.g. study visit, expert workshop, adaption of tools, procedures/contracts, etc.)

Strand D: Development of investment readiness support for social enterprises

- Establishing a partnership for developing a fine-tuned system of advisory, mentoring and coaching services on social finance, including first points of contact for social enterprises
- Provision of investment readiness services (to individual social enterprises or groups of social enterprises) that aim at assisting, developing, strengthening and presenting an investment case to typically raise between EUR 100 000 and EUR 500 000 of capital.

These services include advice and consultancy, mentoring and coaching, dedicated capacity building, training and peer learning to social enterprises from across different industries and defined geographical locations.

Key service areas in support of investment readiness include, but are not limited to the following:

- Strategy (strategic objectives, strategy review and development of sustainable business models for social enterprises, values, model of change and commitment to change, stakeholder involvement)

- Business planning (business model assessment, business plan review and refining, market analysis, options analysis, implementation of the plan, measuring progress, evaluation and improvement)
- Social impact (social value and impact measurement, methods and capability development to articulate, measure, assure and report on social impact)
- Finance (Financial modelling, cash flow and financial forecasts, accountancy, finances, tax planning)
- Sales & contracting (marketing strategy and customer base development, unique selling point, branding, public sector procurement processes, payment by results)
- Governance & performance (legal structures, governance models, risk assessment, quality management, social franchising)
- Investment (capital structure, fundraising strategies and practices, identifying and engaging with potential investors, investor panels and showcasing events)
- Knowledge dissemination and know-how transfer from and to peers in other Member States (e.g. study visit, expert workshop, adaption of tools, capability building methodologies, etc.)).

Strand E: Creation of a European level platform to reinforce the capacity of social enterprise support organisations

- Work of lawyers and other experts to draft the working principles and the necessary documents for setting up the platform
- Work of experts to prepare a long term work plan and business model for the platform
- Recruitment of platform member organisations providing support services to social enterprises and promotion of the platform towards relevant organisations (such as EU level and national/regional networks)
- Identification of possible donors and investors that are willing to support the development and provision of targeted assistance to social enterprises, including transnational scaling of the impact of social enterprises
- Setting-up, testing and piloting activities in line with the platform's long term work plan and business plan
- Work of experts to draft synthesis tools and practices for capacity and capability building for enterprises scaling-up, and of the knowledge on key factors of success and failures in scaling.

c) Core activities

The following activities are considered to be core activities and may not be subcontracted:

- Management of the project;
- Sharing practices, experience and lessons learnt through different forms of communication, as defined in section 10 “Other Requirements.”

7. EXCLUSION CRITERIA

Applicants (lead and co-applicants) must sign a declaration on their honour certifying that they are not in one of the situations referred to in article 106(1) and 107.1(b) and (c) of the Financial Regulation concerning exclusion and rejection from the procedure respectively, using the relevant form attached to the application form available at <https://webgate.ec.europa.eu/swim/external/displayWelcome.do>.

Only proposals which comply with the requirements of the above eligibility and exclusion criteria will be considered for further evaluation.

8. SELECTION CRITERIA

The applicant (lead and co-applicant) must have the financial and operational capacity to complete the activity for which funding is requested. Only organisations with the necessary financial and operational capacity may be considered for a grant.

8.1. Financial capacity

Applicant's (lead and co-applicant(s)) must have access to solid and adequate funding to maintain their activities for the period of the action and to help finance it as necessary.

The verification of financial capacity will not apply to public bodies.

The applicant's (lead and co-applicant) financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

- Declaration on honour (including financial capacity to carry out the activity) (see section 17, checklist point 4);
- Annual balance sheets and profit and loss accounts for the last financial year available (see section 17, checklist point 18);
- Summary balance sheet and profit and loss accounts using the template provided in SWIM (see section 15) and signed by the legal representative (see section 17, checklist point 19).

8.2. Operational capacity

Applicant's (lead and co-applicant(s)) must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. In particular, applicants must have:

Have demonstrable experience of having already carried out projects in the last three years relating to the relevant strand under the present call.

The operational capacity of the applicants to complete the proposed action must be confirmed by the submission in the application of the following:

- Declaration on honour signed by the legal representative (including operational capacity to carry out the activity) (see section 17, checklist point 4).

- A declaration by the project manager/coordinator of the lead applicant certifying the professional competence and appropriate qualification of the team to carry out the required tasks (see section 17, checklist point 16)
- Curriculum vitae of the project manager indicating clearly the current employer with whom there exists a permanent or a temporary contract of employment as well as the curriculum vitae of the people primarily responsible for managing and implementing the operation (see section 17, checklist point 15).

- For the supply side (strands A, B, C):

- A list of the main projects reflecting related work or similar work undertaken over the past three years (in the design or implementation of finance mechanisms for social enterprises) by the applicant (lead applicant and co-applicants) and affiliated entities. Identify for each action the objectives, location, results, organisation's role and degree of involvement, cost etc. (see section 17, checklist point 17).

- For the demand side:

– Strand D:

- Three references from social enterprises and at least one reference from a funder or investors which the applicant (lead applicant and co-applicant(s)) and affiliated entities have worked with in the last three years, giving details of the investment readiness services provided, the investment targets and the achievements (See section 17, checklist point 17).

In addition, applicants have to submit the following documents (see section 17, checklist point 20):

- A description of the skills, experience and track record in investment readiness support of the applicant (lead applicant and co-applicant(s))
- A description of the organisations providing access to capital (such as impact investment funds, angel investors or fund managers) the applicant (lead applicant and co-applicant(s)) intends to cooperate with.

– Strand E:

Three references from social enterprises and at least one reference from a funder or investors which the applicant (lead applicant and co-applicants) and affiliated entities have worked with in the last three years, giving details of the support services provided (in areas such as investment readiness of social enterprises, scaling-up of their impact, including transnationally) and the results (see section 17, checklist point 17).

If the lead applicant is considered not to have the required financial or operational capacity, the application as a whole will be rejected. If a co-applicant is considered not to have the required financial or operational capacity, this co-applicant will be removed from the consortium and the application will be evaluated without this co-applicant¹⁹. In addition, the

¹⁹ This includes a re-evaluation of the eligibility of the modified consortium.

costs that are allocated to the non-selected co-applicant will be removed from the budget. If the application is accepted, the work programme will have to be adapted as appropriate.

Only proposals which comply with the requirements of the above selection criteria will be considered for further evaluation.

9. AWARD CRITERIA

Eligible applications/projects will be assessed on the basis of the following criteria:

- Relevance of the proposal to the call (20%)

In this respect, the application should present how the proposed activities contribute to the objectives of the call and how the proposed activities of the applicant organisation and/or co-applicants enlarge the size, extend the scope (by covering other Member States or regions) or complement the type of established services of the applicant/co-applicants beyond their operations in the last years.

- Quality of the methodology proposed in view of reaching the objectives (40%)

In this respect, proposals should include a description of the geographical coverage and the type of social enterprises targeted, activities, deliverables, milestones, assumptions, risks and how these will be managed. For strand A, B, C and D, proposals should include a description of transnational activities such as knowledge dissemination, know-how exchange, joint development etc. for which the ring-fenced amount indicated in section 4 must be included in the budget. The activities should be fine-tuned according to the requirements set in section 10 'Other Requirements', after the first workshop on sharing practices and experiences.

- For the supply side, proposals should also include:

- ✓ Strand A:

- a baseline assessment of the social finance market giving an indication of the stage of development of the market the applicant is operating in (including stakeholder analysis and key barriers on the supply side) and a vision for closing gaps and overcoming deficiencies in the supply of social finance

- a description of the strategy and action plan for mobilising potential investors and intermediaries that would sign a Memorandum of Understanding.

These documents should not exceed 45 000 characters in total.

- ✓ Strand B:

- a baseline assessment of the social finance market giving an indication of the stage of development of the market the applicant is operating in (including stakeholder analysis and key barriers on the supply side) and a vision for closing gaps and overcoming deficiencies in the supply of social finance

- a Memorandum of Understanding between private, public and not-for profit partners, including:

- an investment strategy agreed between partners (specifying objectives, action plan, resources, risks/return profile etc.) for the financial product to be established
- a sound (internal or external) feasibility assessment of the investment strategy
- an identification of an organisation that could potentially manage the financial instrument.

These documents should not exceed 55 000 characters in total.

✓ Strand C:

- a baseline assessment of the social finance market giving an indication of the stage of development of the market the applicant is operating in (including stakeholder analysis and key barriers on the supply side) and a vision for closing gaps and overcoming deficiencies in the supply of social finance
- a (proposal for a) cooperation agreement between different types of investors and grant-makers (private, public and not-for profit partners), including:
 - an outline of a joint strategy (specifying objectives, actions, collaboration fields and mechanisms etc.) for aligning resources, procedures and investments agreed between partners for establishing and testing models of hybrid finance for social enterprises
 - a description (design) of the proposed models of hybrid finance for social enterprises to be tested
 - an assessment of the advantages of these models of hybrid finance over current approaches and practices
 - a list of potentially investment ready social enterprises that could benefit from hybrid finance.

These documents should not exceed 55 000 characters in total.

• For the demand side proposals should include:

✓ Strand D:

- a baseline assessment of the drivers and barriers shaping the development of the demand side of the social finance market, including investment needs and assessment of skills deficits
- a description of the planned investment readiness programme (including key services to be rendered) that shows how the service provider will enable social enterprises to move from their current position to investment readiness, including a description of:
 - the key features of the target group and the targeted deal size (min. 50,000 EUR)

- the partners providing access to capital the applicant intends to cooperate with.

These documents should not exceed 45 000 characters in total.

✓ Strand E:

- an assessment of the variety and the needs of existing support organisations to offer targeted assistance to social enterprises to facilitate their development in every stage of their lifecycle (in areas such as investment readiness or scaling up of their impact, including transnationally)

- a description of the strategy and action plans for mobilising potential additional platform members that would sign a partnership agreement. The description shall explain:

- the envisaged representativeness of platform members in relation to geographic coverage and to the types of existing support organisations in Europe
- how the platform will use the knowledge and experience of already existing European and national networks and organisations working in this field

- a detailed description of activities to be implemented during the action period in order to create the platform

- the outline of an overall strategy and action plan concerning the sustainability of the platform in the long term.

These documents should not exceed 55 000 characters in total.

- Impact of the proposal and potential sustainability (20%)

In this respect, proposals should include a brief description of the envisaged results and expected impact. The extent to which the action is likely to be sustainable beyond the grant period will be also assessed.

- The cost / efficiency of the operation (20%).

In this respect, the coherence of the overall budget breakdown, clarity and consistency of the estimated budget description and justification of costs will be assessed, as well as the degree to which the level of output and impact of the action is proportional to the amount of the requested grant.

Applications will be ranked according to the total score awarded. Taking into account the budget available for this call for proposals, the proposals with the highest evaluation scores will be selected for award with due consideration to the Commission's intention to ensure a certain geographical balance between EaSI participating countries.

For strand E, only one proposal will be selected. As it is a European level action it will not be taken into consideration in the geographic distribution of the projects.

Proposals with a score of less than 50% of the maximum score per any award criterion will not be considered for award.

Proposals with a total score of less than 60% will not be considered for award.

10. OTHER REQUIREMENTS

- In case of subcontracting any tasks comprising part of the action (see the Financial Guidelines), the detailed work programme must provide details on the tasks to be subcontracted and the reasons for doing so and these must be clearly identified in the budget. Core tasks as defined in section 6.2(c) of the call cannot be subcontracted.
- Use the "Practical guide on designing and implementing initiative to develop social finance instruments and markets"²⁰ in drafting the proposal and implementing the work programme. The applicant should use the Practical Guide as a source of inspiration and guidance, and ensure that each step in decision making addresses the relevant issues and options.²¹
- Use the Country Reports and the Synthesis Report of the Commission's Study "A map of social enterprises and their eco-systems in Europe"²² as a starting point for own surveys and assessments of the social finance market, and for reviewing the ecosystem for social enterprises.
- Communication and transnational dissemination of practices, experience and lessons learnt:

The selected organisations will have to share practices, experience and lessons learnt through different forms of communication:

- Participating in up to six workshops to share practices and experience gained in implementing the action and lessons learnt, with the objective of mutual learning.

The costs of the participation of at least one participant for each action to the workshops should be included in the budget of the proposal (one night/workshop). The workshops will bring together organisations supported under this call and other competent organisations. The first workshop will be organised within 3 months after the signature of the grant agreement.

- Providing feedback on the implementation of the action through participating in interviews conducted by an organisation contracted by the Commission organised quarterly to provide information on the activities undertaken, problems faced and how these were overcome, tools used, results achieved and learning needs, with the objective of contributing to a common pool of experience from across Europe that could eventually be disseminated.
- Exchanging know-how and engaging in joint activities (e.g. study visits, expert workshops, sharing of tools etc.) with projects from other Member States financed under this call for proposals or the previous call for proposals VP/2013/017, with the objective of stimulating transnational collaboration and action.

²⁰ <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7878&visible=1&preview=cHJldkVtcGxQb3J0YWwhMjAxMjAyMTVwcmV2aWV3>

²¹ The Guide is providing general orientation and guidance along a broad range of options, not all of those may be covered by this Call for Proposals.

²² <http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=2149&furtherNews=yes>

To this end, a ring-fenced amount of 7,000 EUR for transnational activities must be included in the proposed budget, as specified in section 4. The detailed work programme for the ring-fenced transnational activities has to be based on a face-to-face meeting during the first workshop and has to be presented for approval by the Commission not later than four weeks after the first workshop on sharing practices and experience.

- Providing details in the final report about how and to whom the results and findings have been disseminated and how interested parties have been involved in the action, with the objective of documenting recognition and attractiveness of the action.

11. DEFINITIONS

Financial instrument	<p>Financial product that may take the form of equity or quasi-equity investments, secured or unsecured loans, guarantees, or other risk-sharing instruments, grants and other type of participation in an enterprise</p> <p>A financial instrument of the European Union seeks to address specific policy objectives of the Union.</p>
Financial intermediary	A financial institution or contractual arrangement that facilitates the channelling of funds between savers/investors/lenders/donors to social enterprises in the form of financial instruments
Investment readiness	The capacity and capability of a social enterprise to seek and utilise investment. Key elements that help to make a social enterprise investment ready include effective leadership, business planning and strategy, methods and capability to articulate, measure, assure and report on social and environmental impact, risk assessment, quality management
Social enterprise	<p>An undertaking, regardless of its legal form, which:</p> <p>(a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:</p> <p>(i) provides services or goods which generate a social return and/or</p> <p>(ii) employs a method of production of goods or services that embodies its social objective;</p> <p>(b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and</p> <p>(c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities.</p>
Impact investment	Financial activity which has an expectation of both a specified social outcome and an explicit financial return for its investors (usually below “market-rate”). This could include a wide range of financial products.
Memorandum	A document committing the partners of a social finance initiative to

of contribute to the development of a social finance market or the
Understanding establishment of a specific social finance instrument, specifying the purpose, common objectives, investment strategy and joint working modalities and work programme (incl. planned timeline and sources of funding) of the partnership, as well as the roles and contributions of the partners

12. LEGAL COMMITMENTS

In the event of a grant awarded by the Commission, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the beneficiary, or to the coordinator in the case of multi-beneficiary grant agreements.

The 2 copies of the original agreement must be signed by the beneficiary, or the coordinator in the case of multi-beneficiary grant agreements, and returned to the Commission immediately. The Commission will sign it last.

The grant agreement may include corrections and deletion of ineligible costs or activities made by the Commission – therefore the applicant should carefully read the whole agreement and the budget and work programme sections in particular, before signing and returning the copies to the Commission.

A model Grant Agreement is published on the Europa website under the relevant call:

<http://ec.europa.eu/social/main.jsp?catId=629&langId=en>.

Please note that the award of a grant does not establish an entitlement for subsequent years.

13. SOURCES OF FUNDING

In addition to the obligations with regard to visibility of Union funding foreseen in the General conditions to the grant agreement, beneficiaries must acknowledge in writing that the action has been supported by the European Union Programme for Employment and Social Innovation ("EaSI") 2014-2020. In practice, all products (publications, brochures, press releases, videos, CDs, posters and banners, and especially those associated with conferences, seminars and information campaigns) must state the following:

This (publication, conference, video, xxx) has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>

The European emblem must appear on every publication or other material produced. Please see:

http://ec.europa.eu/dgs/communication/services/visual_identity/pdf/use-emblem_en.pdf

Every publication must include the following:

The information contained in this publication does not necessarily reflect the official position of the European Commission.

14. FINANCIAL PROVISIONS

Details on financial provisions are laid out in the Financial Guidelines for Applicants and the model Grant Agreement, both published on the Europa website under the relevant call: <http://ec.europa.eu/social/main.jsp?catId=629&langId=en>.

15. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

The procedure to submit proposals electronically is explained in point 14 of the "Financial Guidelines for Applicants". Before starting, please read carefully the SWIM user manual:

http://ec.europa.eu/employment_social/calls/pdf/swim_manual_en.pdf

Once the application form is filled in, applicants must submit it both electronically and in hard copy, before the deadline set in section 3(b).

The SWIM electronic application form is available until midnight on the day of the submission deadline. Since the applicants must first submit the form electronically, and then print, sign and send it by post service or hand delivery by the submission deadline, it is the **applicant's responsibility to ensure that the appropriate postal or courier services are locally available on the day of the deadline**.

The hard copy of the proposal must be duly signed and **sent in 2 copies** (one marked "original" and one marked "copy"), including all documents listed in section 17 by the deadline (the postmark or the express courier receipt date serving as proof) to the following address:

<p style="text-align: center;">European Commission Call for proposals VP/2016/007 – DG EMPL.E.1 PLB 3 –05/P097 1000 – Bruxelles- BELGIUM</p>
--

Please send your proposal by registered post, express courier service or by hand delivery only. Proof of posting or express courier receipt should be kept as it could be requested by the European Commission in cases of doubt regarding the date of submission.

Hand-delivered proposals must be received by the European Commission before 4 p.m. on the date of the deadline for submission as indicated in section 3(b) at the following address:

<p style="text-align: center;">European Commission Service central de réception du courrier Call for proposals VP/2016/007 – DG EMPL.E.1 Avenue du Bourget, 1 B-1140 Evere</p>

At that time the European Commission's Mail Service will provide a signed receipt which should be conserved as proof of delivery.

If an applicant submits more than one proposal, each proposal must be submitted separately.

Additional documents sent by post, by fax or by electronic mail after the deadlines mentioned above will not be considered for evaluation unless requested by the European Commission.

The applicant's attention is also drawn to the fact that incomplete or unsigned forms, hand-written forms and those sent by fax or e-mail will not be taken into consideration.

16. COMMUNICATION

The information contained in the present call document together with the Financial Guidelines for Applicants provides all the information you require to submit an application. Please read it carefully before doing so, paying particular attention to the priorities of the present call.

All enquiries must be made by e-mail only to:

empl-vp-2016-007@ec.europa.eu

For any technical problems with the SWIM electronic application system please contact:
empl-swim-support@ec.europa.eu

Questions may be sent by to the above address no later than 10 days before the deadline for the submission of proposals.

The Commission has no obligation to provide clarifications to questions received after this date.

Replies will be given no later than 5 days before the deadline for submission of proposals. To ensure equal treatment of applicants, the Commission will not give a prior opinion on the eligibility of applicants, or affiliated entity(ies), an action or specific activities.

No individual replies to questions will be sent but all questions together with the answers and other important notices will be published (FAQ in EN) at regular intervals on the Europa website under the relevant call:

<http://ec.europa.eu/social/main.jsp?catId=629&langId=en>.

The Commission may, on its own initiative, inform interested parties of any error, inaccuracy, omission or clerical error in the text of the call for proposals on the mentioned Europa website. It is therefore advisable to consult the above mentioned website regularly in order to be informed of the questions and answers published.

No modification to the proposal is allowed once the deadline for submission has elapsed. If there is a need to clarify certain aspects or to correct clerical mistakes, the Commission may contact the applicant for this purpose during the evaluation process.

Applicants will be informed in writing about the results of the selection process. Unsuccessful applicants will be informed of the reasons for rejection. No information regarding the award procedure will be disclosed until the notification letters have been sent to the beneficiaries.

17. REQUIRED DOCUMENTS

The table below includes the documents that must be provided on submission of the proposal. It also indicates where originals are required. We recommend that applicants use the table as a **checklist** in order to verify compliance with all requirements.

In order to allow the Commission to evaluate proposals, files must be complete and indicate the strand under which the application is submitted.

While some information must be supplied using the templates available in the SWIM, other documents may need to be completed and/or attached electronically, usually either administrative documents or free format text descriptions. The SWIM application indicates in each section where SWIM templates should be used as well as which and where free format documents can be uploaded electronically.

Compilation of the application file: it is recommended to:

- 1) follow the order of documents as listed in the checklist (and attach a ticked checklist as below to the proposal);
- 2) print the documents double-sided;
- 3) use 2-hole folders (do not bind or glue; stapling is acceptable).

CHECKLIST for required documents

This table includes the documents that must be provided and where originals are required. We strongly recommend using the table as a checklist in order to verify compliance with all requirements. **Notes:** **highlighted documents** do not need to be provided by public entities. Documents marked with * are obligatorily to be attached online in SWIM as well.

No.	Document	Specification and content	The document must be provided by each				Originally signed?	Checkbox
			Lead applicant	Co-applicant	Affiliated entity	Associate organisation/ third party		
1	Official cover letter of the application*	This letter must quote the reference of the call for proposals, be originally signed and dated by the authorised representative and include the application reference number generated by SWIM (e.g. VP/2016/007xxxx) – free format	✓	--	--	--	✓	<input type="checkbox"/>
2	Signed SWIM application form submitted online + hard copies	The SWIM application form submitted online must be printed and dated and signed by the authorised legal representative and sent in hard copies as foreseen in Section 15. <i>Note: the online form must be electronically submitted before printing. After electronic submission, no further changes to the proposal are permitted.</i>	✓	--	--	--	✓	<input type="checkbox"/>
3	Executive summary* (necessary only for proposals submitted in other languages than EN, FR or DE)	Executive summary in EN (maximum 2 pages) – free format	✓	--	--	--	--	<input type="checkbox"/>
4	Declaration on honour*	The template is available in SWIM and must be written on the official letterhead of the organisation, bearing the original signature of the authorised legal representative.	✓	✓	--	--	✓	<input type="checkbox"/>
5	Letter of commitment/intention*	The template is available in SWIM and must explain the nature of the organisation's involvement and specify the amount of any funding provided. The letter must be written on the official letterhead of the organisation and bear the original signature of the legal representative. In addition: Applications under strand A should provide a letter of intention from a (potential) investor (lead applicant, co-applicant) willing to invest or co-invest in the envisaged financial products. – free format Applications under strand B and C should include a letter of commitment from a private and/or public investor (lead applicant, co-applicant) that has committed itself to invest / co-invest in the financial instrument, respectively hybrid financial instrument to be established. – free format	✓	✓	✓	✓	✓	<input type="checkbox"/>
6	Letter of mandate*	The template is available in SWIM and must be written on the official letterhead of the organisation, dated and signed by the authorised legal representative.	--	✓	--	--	✓	<input type="checkbox"/>
7	Legal/capital link with lead or co-applicant*	Affiliated entities are required to provide proof of the legal and/or capital link with the lead applicant or co-applicant.	--	--	✓	--	--	<input type="checkbox"/>
8	Legal entity form*	The template is available in SWIM and online (http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm) and must be duly signed and dated by the legal representative. [Exclusively in the case of social partner organisations	✓	✓	--	--	✓	<input type="checkbox"/>

		without legal personality: a signed letter of the legal representative certifying his/her capacity to undertake legal obligations on behalf of the organisation.]						
9	Proof of registration	A certificate of official registration or other official document attesting the establishment of the entity (for public bodies: the law, decree, decision etc. establishing the entity).	✓	✓	--	--	--	□
10	Statutes	The articles of association/statutes or equivalent proving the eligibility of the organisation.	✓	✓	--	--	--	□
11	VAT certificate	A document showing the identification number for tax purposes or the VAT number, if applicable.	✓	✓	--	--	--	□
12	Financial identification form*	The template is available in SWIM and online (http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm) and must be duly signed and dated by the <u>account holder</u> and bearing the bank stamp and signature of the bank representative (or a copy of recent bank statement attached).	✓	--	--	--	✓	□
13	Detailed work programme*	A detailed description of the work programme for the proposed action, including the description of the work packages, distribution of roles and responsibilities and the timeline (as well as the planned subcontracting – see section 10 “Other Requirements”). The detailed work programme must be submitted as an annex in the SWIM online application and on paper as well.. The document should not exceed 25 000 characters and should be submitted in English, French or German- free format .	✓	--	--	--	--	□
14	Budget Explanation for the action*	This is a separate free format document in addition to the budget section of the on-line application form and it must also be submitted electronically in annex to the on-line application form. The paper version must be identical to the electronic version of the budget explanation. The budget explanation must provide additional information to explain and justify items of the proposed budget. It should in particular explain: how the number of working days of staff involved in the implementation of the action has been fixed; how average travel costs were calculated; unless this is self-explanatory, how costs of services and administration costs were defined. The Commission may request applicants to submit additional justifications of proposed eligible costs during the evaluation procedure.	✓	--	--	--	--	□
15	Curricula vitae of key staff*	Detailed CVs of the person responsible for managing the action (named in section A.3 of the online application form) and of the persons who will perform the main tasks . The CVs should indicate clearly the current employer. The template is available in SWIM.	✓	✓	✓	--	--	□
16	Declaration certifying the competence of the project team*	Declaration of the project manager/coordinator certifying the competence of the complete project team to carry out the required task and demonstrating operational capacity. It should include a job specification of the project manager and the persons (from lead applicant, co-applicants and affiliated entities) performing the main task, with a brief description of their outputs related to the subject of the proposal. – free format	✓	--	--	--	--	□
17	List of main projects/references*	a) For strands A, B and C: A list of the main projects reflecting related work or similar work undertaken over the past three years (in the design or implementation of finance mechanisms for social enterprises) by the applicants (lead applicant, co-applicants) and affiliated entities. – free format b) For strand D: three references from social enterprises and at least one reference from a funder or investors which the applicant (lead applicant and co-applicant(s)) and affiliated entities have worked with in the last three years , giving details of the investment readiness services provided, the investment targets and the achievements. – free format	✓	✓	✓	--	--	□

		c) For strand E: three references from social enterprises and at least one reference from a funder or investors which the applicant (lead applicant and co-applicants) and affiliated entities have worked with in the last three years, giving details of the support services provided (in areas such as investment readiness of social enterprises, scaling-up of their impact, including transnationally) and the results. – free format						
18	Balance sheet & profit and loss accounts	The most recent balance sheet and profit & loss accounts , including assets and liabilities, specifying the currency used.	✓	✓	--	--	--	□
19	Summary balance sheet & profit and loss accounts	The template is available in SWIM and must be signed by the authorised legal representative	✓	✓	--	---	✓	□
20	Additional documents* - free format	Requested for strand D under section 8.2 “Operational Capacity” of the call:						
		a) a description of the skills, experience and track record in investment readiness support of the applicants (lead and co-applicant(s));	✓	✓	--	--	--	□
		b) a description of the organisations providing access to capital (such as impact investment funds, angel investors or fund managers) the applicants (lead applicant and co-applicant(s)) intend to cooperate with.	✓	--	--	--	--	□
		Requested under section 9 “Award Criteria” of the call: ➤ for strand A: a) a baseline assessment of the social finance market giving an indication of the stage of development of the market the applicant is operating in (including stakeholder analysis and key barriers on the supply side) and a vision for closing gaps and overcoming deficiencies in the supply of social finance; b) a description of the strategy and action plan for mobilising potential investors and intermediaries that would sign a Memorandum of Understanding. These documents should not exceed 45 000 characters in total. ➤ for strand B: a) a baseline assessment of the social finance market giving an indication of the stage of development of the market the applicant is operating in (including stakeholder analysis and key barriers on the supply side) and a vision for closing gaps and overcoming deficiencies in the supply of social finance b) a Memorandum of Understanding between private, public and not-for profit partners, including: – an investment strategy agreed between partners (specifying objectives, action plan, resources, risks/return profile etc.) for the financial product to be established – a sound (internal or external) feasibility assessment of the investment strategy – an identification of an organisation that could potentially manage the financial instrument. These documents should not exceed 55 000 characters in total. ➤ for strand C: a) a baseline assessment of the social finance market giving an indication of the stage of development of the market the applicant is operating in (including stakeholder analysis and key barriers on the supply side) and a vision for closing gaps and overcoming deficiencies in the supply of social finance b) a (proposal for a) cooperation agreement between different types of investors and grant-makers (private, public	✓	--	--	--	--	□

		<p>and not-for profit partners), including:</p> <ul style="list-style-type: none"> – an outline of a joint strategy (specifying objectives, actions, collaboration fields and mechanisms etc.) for aligning resources, procedures and investments agreed between partners for establishing and testing models of hybrid finance for social enterprises – a description (design) of the proposed models of hybrid finance for social enterprises to be tested – an assessment of the advantages of these models of hybrid finance over current approaches and practices – a list of potentially investment ready social enterprises that could benefit from hybrid finance. <p>These documents should not exceed 55 000 characters in total.</p> <p>➤ for strand D:</p> <p>a) a baseline assessment of the drivers and barriers shaping the development of the demand side of the social finance market, including investment needs and assessment of skills deficits</p> <p>b) a description of the planned investment readiness programme (including key services to be rendered) that shows how the service provider will enable social enterprises to move from their current position to investment readiness, including a description of:</p> <ul style="list-style-type: none"> – the key features of the target group and the targeted deal size (min. 50,000 EUR) – the partners providing access to capital the applicant intends to cooperate with. <p>These documents should not exceed 45 000 characters in total.</p> <p>➤ for strand E:</p> <p>a) an assessment of the variety and the needs of existing support organisations to offer targeted assistance to social enterprises to facilitate their development in every stage of their lifecycle (in areas such as investment readiness or scaling up of their impact, including transnationally)</p> <p>b) a description of the strategy and action plans for mobilising potential additional platform members that would sign a partnership agreement. The description shall explain:</p> <ul style="list-style-type: none"> – the envisaged representativeness of platform members in relation to geographic coverage and to the types of existing support organisations in Europe – how the platform will use the knowledge and experience of already existing European and national networks and organisations working in this field – a detailed description of activities to be implemented during the action period in order to create the platform – the outline of an overall strategy and action plan concerning the sustainability of the platform in the long term. <p>These documents should not exceed 55 000 characters in total.</p>						
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ANNEX I:

FINANCIAL GUIDELINES FOR APPLICANTS

Annex I is available on the Europa website under the relevant call:

<http://ec.europa.eu/social/main.jsp?catId=629&langId=en&callId=422&furtherCalls=yes>