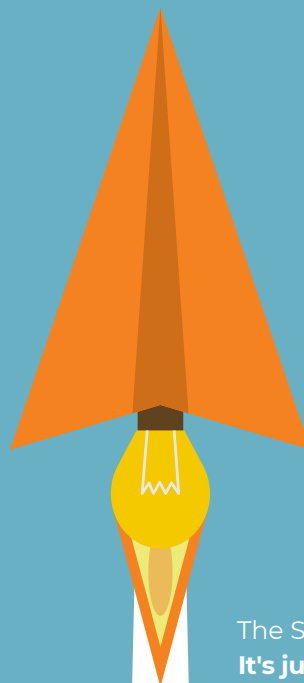


 **dive deeper**

INTO SOCIAL ENTREPRENEURSHIP

Guide on CO-FUNDING and **LOBBING**



The Sky is not the Limit.
It's just the beginning...

Co-funded by the
Erasmus+ Programme
of the European Union



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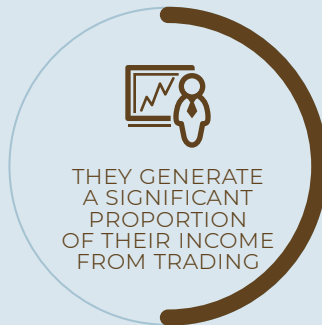
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Introduction

Among the young people, there has been a remarkable raising awareness about the opportunities of the social entrepreneurship.

The project **“Dive deeper into social entrepreneurship”** brought more than 10 000 young people from 9 countries and from 3 continents closer to the concept of social entrepreneurship.

In the “Dive deeper” project, the term **‘social enterprise’** covers a wide range of understandings, each of them united by some key characteristics:



Diving deeper in the project and the concept, the young people involved in the project emphasized that the social enterprises should bring together the entrepreneurial skills of the private sector with the ethos and values of civic sector. The social enterprises comprise thousands of different organizations using diverse business models in different markets to meet many and varied social needs.


During the project “Dive deeper into social entrepreneurship” we concluded that in all involved 9 countries the origins of the social enterprises varied too. Many have simply started independently; perhaps nurtured by specialist support organizations. Some social enterprises have grown out of charities and NGOs; whilst others have emerged as spin outs from the public sector. Therefore recommendation of the consortium is to focus on the needs of the society not on the forms of the social enterprise.

Costa Rica 

Peru 

In short, social entrepreneurship is a vast, growing, and rapidly changing field. Therefore, it would be a challengeable mission to prepare guide for this topic that will be useful in the near future. What this guide tries to do is to cover different good examples and mechanism detected during 12 months of the project that can be useful in different context from the young people.

The team of authors is inviting you on 40 pages inspirations.



*SOCIAL ENTREPRENEURSHIP,
REWARDING ORDINARY
PEOPLE FOR MAKING AN
EXTRAORDINARY
IMPACT ON THE WORLD!*

Portugal

North Macedonia

Greece

Romania

Bulgaria

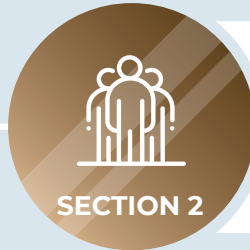
Turkey

South Africa

GUIDE OVERVIEW



examines basic steps of roadmap for creation of supportive system to enhance and support the development and implementation of social business ideas initiated by the young people.



looks at the many ways in which different stakeholders in the society can work together to support social business ideas and fight youth unemployment. It covers campaigning; networks; media; and the building of consortia.



explores how a 'youth organization' can be engaged in advocacy for youth employment through social entrepreneurship.



provides an overview of the sources of finance that social enterprises are able to access: grants, loans, investment and some of the more innovative models that have developed in recent years such as crowd sourcing and social impact bonds.



is a wrap up of all gathered knowledge and recommendations for usage of the guide.

CREATING AN SUPPORTIVE ECOSYSTEM FOR SOCIAL ENTREPRENEURSHIP



Young people are really demanding to be part of the social entrepreneurship category, consequently requiring a range of support and help to develop their ideas. On the other hand, investing in the young people is investing in the future of our societies. It is quite a journey to make from bright idea to successful social enterprise, and well-targeted support can make a big difference for the number, quality and sustainability of the social enterprises that develop. To start with the implementation of an idea, young people need to learn how to think creatively about social problems and consider enterprise-based solutions. But how to create this culture of social entrepreneurship?

During the project “Dive deeper into social entrepreneurship”, we identified the key circles to support young people to think in a more entrepreneurial way, to develop business skills and to put them into practice for a social purpose. Projects such as “Dive deeper into social entrepreneurship” are very important to stimulate and inspire young people to start a social enterprise. Once someone is inspired and motivated to start a social enterprise, the aspirant young entrepreneurs often need support and encouragement to help them develop these ideas.

While some social entrepreneurs succeed independently in launching a social enterprise, this support will help many more to succeed. A different sort of support is then required for social enterprises once they have started to work, and again for those developing and growing.

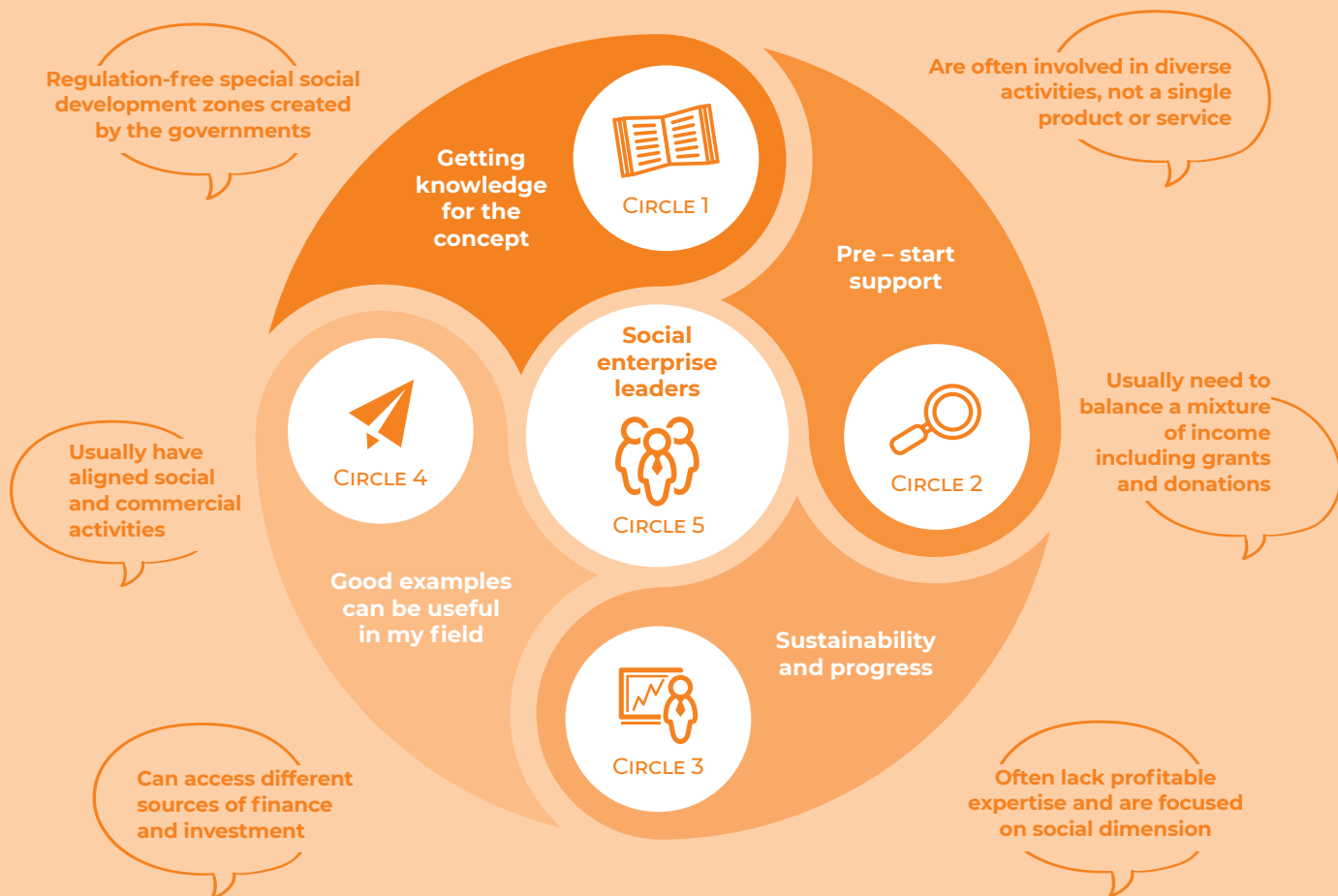
And finally further support is needed to help successful and sustainable social enterprises replicate their model into a different city or region.



WHY THE YOUNG PEOPLE NEED SPECIFIC SUPPORT FOR DEVELOPMENT IDEAS FOR SOCIAL ENTERPRISES?

As the young people need support for traditional business, the needs for support in developing social enterprise idea are very similar. They need to: carry out market research; write a business plan; develop products or services that reach a market; raise finance and so on. BUT, there are many important differences in the way social enterprises operate, therefore young people need specific support.

As a result of these differences, young people need specific support that is different from mainstream business support services. We are proposing support delivered by different range of programs and organizations able to provide specialist support focused on social entrepreneurship. This support can come directly from the social enterprise sector itself, from charities, from national or local government and from the private sector.



CIRCLE 1

Getting knowledge for the concept

For young people who have studied before the year 2000, becoming a social entrepreneur was not an obvious career path, while for many young people who are studying today, the possibility of setting up or working for a social enterprise is at least something they are aware of.



**WHAT WE AS YOUNG PEOPLE
NEED IS AN ENTREPRENEURIAL
SOCIETY IN WHICH INNOVATION
AND ENTREPRENEURSHIP ARE SEXY,
STABLE AND CONSTANT**

*– participant at Dive Deeper into
Social Entrepreneurship.*



Today, the social entrepreneurs are active in all parts of society. During the implementation of the project “Dive Deeper into Social Entrepreneurship”, the partners provided information and different approaches from different parts of the world, to embed the skills and motivation of the social enterprise leaders of tomorrow.

FORMAL EDUCATION

Social entrepreneurship in education is still a relatively rare topic. The majority of literature advocating entrepreneurship in education is based on the principle that not everyone needs to become an entrepreneur, but that all members of our society need to become more entrepreneurial. This is echoed in what social entrepreneurs write and say about their own understanding of entrepreneurship, focusing on creating change, not just companies. From “Dive deeper” project key outcome awareness was raised about necessity of a wider application of entrepreneurship as a way to develop a skillset among the young people. We concluded that success then is not creating more companies or even more jobs, it is about developing a more entrepreneurial society, starting as early as possible. Therefore we are starting with the schools.



Schools

Entrepreneurship education is needed throughout in the education system and beyond, but there various needs and requirements for a sustainable social enterprises to be presented. Since schools are important key stakeholders in supporting ecosystem for social entrepreneurship, there is movement towards integrating the social entrepreneurship subject into schools. The EU has implemented policy to integrate entrepreneurship in high schools, making the concepts of ‘enterprising child’ and ‘enterprising youth’ increasingly popular.

However, the Global Entrepreneurship Monitor, an annual, global study from 2018, highlights entrepreneurship education in primary and secondary schools as the biggest weakness in the entrepreneurship ecosystem. The “Dive deeper” results are leading towards the conclusion that if we want to have strong ecosystem for social entrepreneurship we should lobby for integration of entrepreneurship into education much earlier, particularly when we consider how children and young people develop core skills. Entrepreneurship isn’t just about creating economic value but also about promoting social values.

Different mechanisms and models can be implemented for integration of entrepreneurship in schools. One of the proven mechanism which can be implemented is **SOCIAL ENTERPRISE IN SCHOOLS**. Mostly, governments provide support to pupils and teachers to set up pupil-led social enterprises in their schools.

This mechanism gives students hands-on experience in running a business with a social purpose.

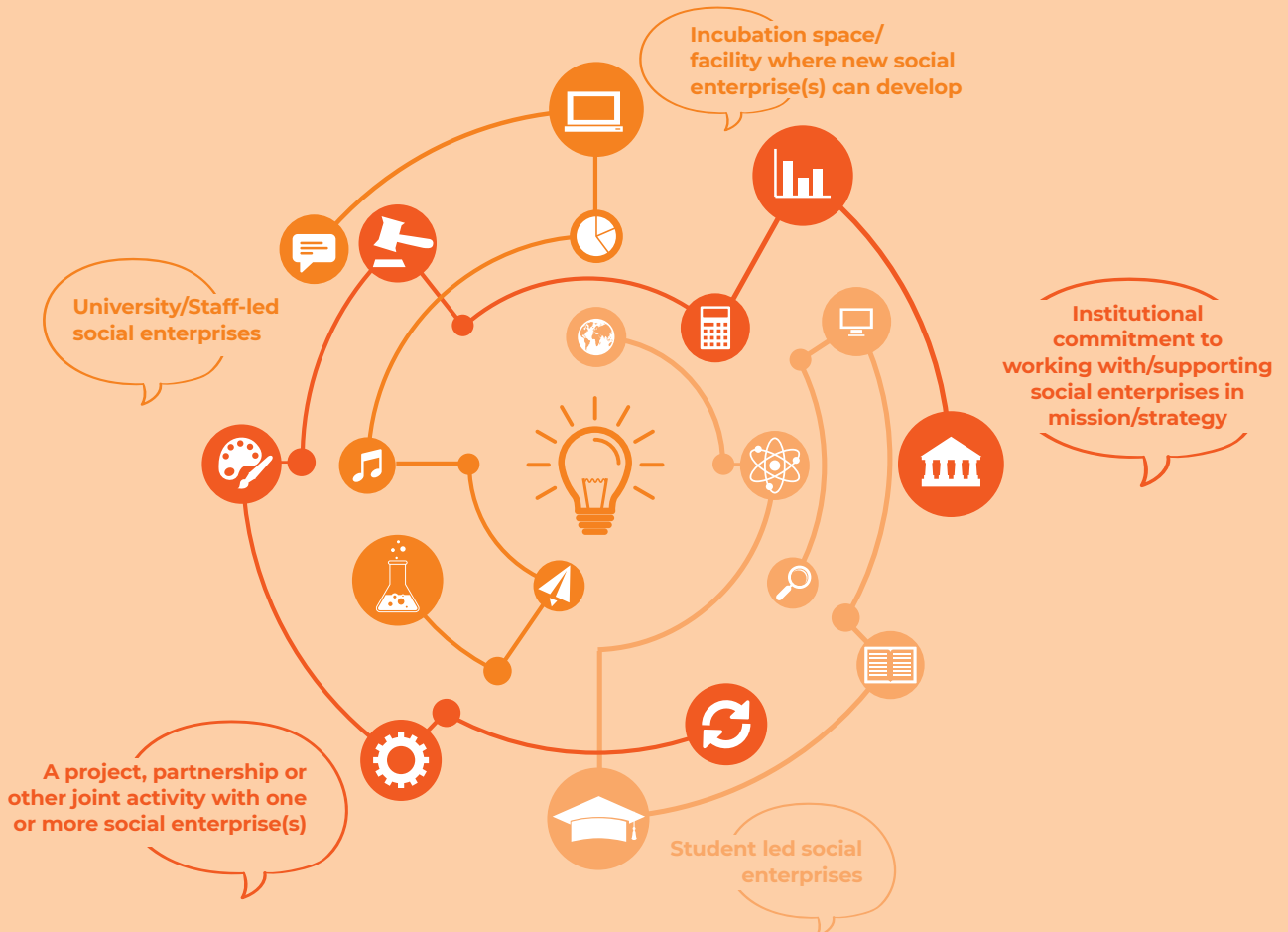


CREATE YOUR BUSINESS
with a social purpose



Universities

Embedding social enterprise in the higher education can have very important role in supporting ecosystem for social entrepreneurship. There is huge diversity of mechanisms and tools that can involve the higher education institutions to have supportive role for development of social entrepreneurship topic in their community and area. We are presenting you 6 ways to boost social enterprises in higher education.



NON-FORMAL EDUCATION

Non-formal education can significantly contribute to develop a supportive, sustainable and inclusive ecosystem for social entrepreneurship: playing a tremendous role in addressing the issue of skills shortages; involving key stakeholders in the process of support; modernizing of education; providing young people with high-valued skills, abilities and knowledge.

In addition, the skills through youth work and participation in non-formal education activities, can help to promote social entrepreneurship and contribute to the personal development of young people in general. This is the form of education of choice for a better and more prosperous future for the young generation.

Non-formal education can take different forms and can include programs as school trainings, seminars, and forums, job shadowing, study visits and many others, preparing the young people for their active involvement in social entrepreneurship field. As a voluntary, participatory and learner-centred process, non-formal education can take place in a diverse range of environments and situations that can be staffed by professional learning facilitators and by volunteers. It can be based on involving individual and collective process-oriented approaches based on experience, action and applied in different contexts. What is more tangible is that non-formal education can provide and improve a range of broader life skills and competencies needed and valued in the labour market right now.

While the models of non-formal education vary, there are a number of key features in a successful support service for the young entrepreneurs. These include:



Building self-confidence and encouragement



Peer support and access to networks



Access to a mentorship programs or other source of right-hand advice



Personal development

BUILDING SELF-CONFIDENCE AND ENCOURAGEMENT

While some young people have an unshakable belief in their ideas and ability, most of them have serious doubt whether anyone will really take them seriously. One of the most important need of support is to give young people the confidence to try – even when the idea still needs a lot of work to turn it into anything like a viable social enterprise!



PEER SUPPORT AND ACCESS TO NETWORKS

Two editions of the project “Dive in” and “Dive deeper” confirms that the self-confidence of young people grows when they are introduced to other peers to mutually discuss their social business ideas. The best motivation in overcoming doubts and distrust comes from the connection between young people facing similar situations. The Erasmus plus program is facilitating creation of peer networks through the sharing of different types of activities, often extending beyond the current cohort of participants to previous or next cohorts.



Young people declare to need help for shaping the future of their communities. Support and advice from the current generation of business leaders can help the next generation of social entrepreneurs to develop the right business model, the most effective means of tackling their chosen social problem, and an appropriate plan for development and growth.



For the success of a new social enterprise, the skills and abilities of its founder or leader are important parts of the mosaic. Many NGOs are offering access to training in areas such as finances and accountancy, legal structures, human resource management (HR), and marketing. Such support is typically provided by externally sourced professionals with specific experience and skills.



ACCESS TO A MENTORSHIP PROGRAMS OR OTHER SOURCE OF RIGHT-HAND ADVICE

PERSONAL DEVELOPMENT

CIRCLE 2

PRE - START support

Young people require strong support, from the early stages of development of the social business idea and initial concept to the launch and investment. The experiences show that this “pre-start support” is crucial in the process of social entrepreneurship development, so numerous new business incubators and accelerators were initiated. While many of the larger incubators and accelerators are based in business schools or higher education institutions, a significant number are independent, driven by either public support or established entrepreneurs, or a combination of both. Apart of incubators and accelerators, pre-start support can be found in incubation programs specialized in supporting promising social enterprises to become **‘investment ready’**. The models of “pre-start support” vary, but there are a number of key features in the provision of successful pre-start support.



idea



vision



development



success

Product and service development

Product and service development is emphasized in most support programs. A number of tools and methodologies are used to support this process including variations on the Business Model Canvas, Design Thinking and the Lean Start-up. In all cases the focus is on building a more detailed understanding of what customers and beneficiaries value.



Model improvement and business planning

There is a higher survival rate amongst new businesses with a business plan than those without. Furthermore, most grant funders and all investors will want to see a business plan before putting any money into a new social enterprise. Young people have weak knowledge in developing strong and sustainable business plan. Therefore, guidance in developing a business plan including a clear overview of the business, product or service and sections on governance and staffing, a budget, a cash flow forecast, and a marketing strategy is important and needed.

Guidance about the basics of setting up a social enterprise

There are a huge number of tasks that every new social enterprise has to do. On the other hand, the young people are starting and finishing with their idea for social enterprise. “Basic advices” on everything from selecting the right legal structure to opening a bank account, registering for taxes, and selecting an IT system are simple but important “pre-start” support.





Social impact assessment

The successfulness of the social enterprises depends directly from their deliver of a social impact and changes in the society. The community of investors and funders expect social enterprises to capture and report on this social impact. Therefore “pre-start” support of how future generation of the social entrepreneurs to plan, measure and report their social impact is important for further successful development of the idea.

Access to funds

Young people often claim “We cannot be the new generation of social entrepreneurs because we need funds for bringing our idea into reality”, the “pre-start” support with funds for them is maybe the most important in the process. Some programs provide direct investment as part of their core package of support. In other cases, the focus is on supporting participants to get their social enterprises ‘fund ready’. At this point they are introduced to potential funders or investors, for example at a ‘demo day’ event or a ‘pitch night’.



Co-working spaces

The provision of shared workplace provides fresh social entrepreneurs with a base for their operations, as well as access to vital social networks, peer support and sources of information and expertise.

Social enterprise support programs

Different organizations and incubators support the pre-start development of social enterprises and offer training, mentoring, master classes and networking. Social enterprises can receive support from consultants with expertise in areas such as business planning, legal structures and marketing.



Social enterprise competitions and awards

Some programs (e.g. Social Impact Award) offer awards to individuals developing new social enterprise ideas. The programs offer support to early-stage social entrepreneurs in developing and implementing innovative business solutions to tackle the most important societal challenges of our times. Basically the organizers are hosting events and organizing workshops to raise awareness for social entrepreneurship, teaching the necessary skills to navigate from vague intentions to promising ventures, providing access to networks and promoting the best teams.

"Social enterprises angels" networks

"Social enterprises angels" networks connect ambitious social entrepreneurs with innovative projects and investors investing them their money, expertise, skills and business contacts. Social enterprises angels are successful entrepreneurs and company/corporation leaders, funding high-risk start-up projects by acquiring ownership equity and helping further growth of projects. They are informal individual investors who, with their business experience, advise young social entrepreneurs and help their future growth. The highest value of social entrepreneurs angels is "smart financing" – offering their expertise, skills and contacts.



CIRCLE 3

Sustainability and progress

The results of analysis implemented in the first edition of “DIVE” cycle show that the majority of for-profit businesses fail in their first five years. By contrast, same analysis and reports highlight that social enterprises are 20 per cent more likely to still be trading after five years from their establishment, and nearly 90 per cent of social enterprises supported by programs focused in sustainability and growth were still trading after five years of the establishing. The right support in these early years can make all the difference to whether a social enterprise becomes sustainable or not. Furthermore, if a social enterprise generates a positive social impact, it can often be more effective to help grow or ‘scale’ that existing enterprise than to start a new one. Based on the knowledge and experience of the authors crucial support for sustainability and growth of the social enterprises is **GOVERNMENTAL SUPPORT**. There are different supportive government mechanisms and as the most recognizable we are presenting you the following mechanisms:



CIRCLE 4

Good examples can be useful in my field

With the last sentence of the previous circle we are entering in the next circle for support called **“GOOD EXAMPLES CAN BE USEFUL IN MY FIELD”**. Replicating successful social enterprises ideas would provide instant job creation for the young people, and would not require waiting for the next great idea to emerge from local change makers. Many successful for-profit businesses replicate their model in new areas, either by opening new stores or operations themselves, or by licensing other people to do so through a franchise model. There is considerable interest in adopting this approach in the social enterprise sector through what is termed ‘social replication’ or ‘social franchising’.

CIRCLE 5

Nurturing social enterprise leaders

The success of a social enterprise, particularly in its early years, is often down to the quality of its leadership and management. Building a successful enterprise in any sector, whether commercial or social, relies on having access to a broad range of skills and expertise, either within the organization or through external support. Social entrepreneurs face a particularly tough set of challenges. On the other hand, the social enterprise leaders **MUST** accept the need for continuous upgrade of their knowledge and skills. There are a number of leadership programs that provide support and development of social enterprise leaders. However, for us as authors of this guide is important that these supportive programs should be focused on quality not of quantity.

COLLABORATION

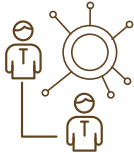


SOLIDARITY is the core value of the social entrepreneurship sector, therefore the whole the sector is mutually supportive. Many social enterprises will freely give their time and expertise to support other social enterprises, to mentor smaller or less experienced local organizations and to share business plans and learning with similar social enterprises in other parts of the country.

Striving towards facilitation of this co-operation development of social network/s and mutual support mechanisms on regional, national and international level is very important. Its main role will be to provide a platform for communication and cooperation among the existing social economy entities, to advocate for improvement of policy making based on the experience of the sector, to cooperate with stakeholders on national, regional and international level.

This section looks briefly at each of these developments in turn.

NETWORKS AND LOBBYING



Apart of networks and lobbying as a core elements of the collaboration sector, very important segment of the social entrepreneurship sector is the visibility and dissemination of news.

1

SOCIAL ENTERPRISE MEDIA



Social enterprise media is an important tool for sharing news within this fast evolving sector.

2

CREATION OF CONSORTIA



Finally, creation of consortia are enabling the social enterprises to come together to bid for large contracts, competing with large corporates.

3

Regional social enterprise networks are working on lobbying and campaigning targeting on support from decision makers. Very often the regional networks are adopting a more enterprising model, selling consultancy services.

ONE OF THE PRINCIPAL ROLES THAT EACH OF THESE NETWORKING ORGANIZATIONS PLAYS IS DEFENDING THE NEEDS OF THEIR MEMBERS, PARTICULARLY TO DECISION MAKERS.

National networks usually are functioning as national body for social enterprise that helps to build the social enterprise sector through a number of activities. They conduct research, provide information and tools for social enterprises, share knowledge, build networks, raise awareness, and campaign to create a business environment where social enterprises can thrive.

Local networks are created by local social enterprises or local stakeholders, creators of social enterprise eco-system offering support and training alongside networking opportunities.

International networks gather different organizations supporting social entrepreneurs around the world to improve the reach, quality and sustainability of their work.

SOCIAL NETWORKS

and mutual support mechanisms

The networks are bringing organizations together to share what works in supporting social entrepreneurs. There are different levels of social networking: local, regional, national and international. Based on the experiences from the implemented activities of the project "Dive deeper into social entrepreneurship" we can conclude

LOBBYING AND CAMPAIGNING



The lobbying and campaigning for the needs and rights of the social enterprises and entrepreneurs depends of the clearance of their collective voice. As it was previously emphasize, the key role in lobbying for the social enterprises are playing regional and national social enterprise networks played. The most important role for impactful campaigning and lobbying is having civil society sector by developing policies and helping to raise the public profile of social enterprise on local, regional and international level.

From the extensive experience in lobbying for the employment policies for the young people we are recommending the following key steps for successful results:





Step 6

DEVELOP LOBBYING TOOLS

Whenever you meet with an official, you'll be asked to provide background information on the issue. Do you have this? Is it clear, simple and easy to understand?



Step 7

CREATE AN ACTION PLAN

Now that you've done all of these steps, how are you going to engage with your identified policy makers? Create a lobbying plan that is realistic and possible to achieve. Who will you meet when? What are the messages and information you want to convey? What would you like them to do? What will determine success?



Step 8

LOOK FOR LOBBYING OPPORTUNITIES

Meeting and lobbying policy makers is just one option for a lobbying effort. You can also: look at other opportunities such as engaging with the media; building awareness over social media; possibly creating a petition, or having a third-party generate one (if relevant); publishing research; speaking at events or public meetings; or event create a third-party advocate programme where you have other supporters speak on your behalf. There are plenty of creative opportunities to consider.



Step 9

CONDUCT YOUR LOBBYING ACTIVITIES

Many teams spend lots of time creating a lobbying strategy, but aren't always effective in implementing it. Ensure that those activities you plan actually get implemented and you've got a mechanism in place to evaluate if it's working.



Step 10

EVALUATE, MEASURE, REVIEW AND REFINE

This says it all – make sure that you are evaluating the success of your initiatives. Are they working? If not, why not? What changes do you need to make to have more success?

POTENTIAL POINTS FOR LOBBYING: legal framework for social enterprises, governmental support and support from political parties

The dynamic ecosystem of social enterprise is based on social culture, legal framework, and politics.

Why we should lobby for legal framework for social enterprises:



Legal and regulatory frameworks bring clarity on the definition of social entrepreneurship, its mission and activities and help to open up opportunities for fiscal relief, provision of forms of support and access to market and public procurements. Policy makers and investors need clarity

In countries where no appropriate legal framework is in place, social enterprises may struggle to have their dual bottom line (social and economic activities) recognized and find themselves subject to legal and regulatory frameworks that are inappropriate

Although an appropriate legal framework is needed, it is important to carefully evaluate whether new legislation is needed or the adaptation of the existing framework can be a better solution.

For what kind of governmental support we can lobby?

Usually the social enterprise sector has grown thanks to grassroots community action and committed social entrepreneurs. But the practices from different countries are demonstrating that the speed and scale of the development has been due, in large part, to the role of government as catalyst and facilitator. Therefore we should lobby our governments to:

support infrastructure bodies to make the sector more cohesive and robust

encouraged financial sustainability and independence through a series of grant and loan funds

support the development of the social investment market by introducing tax incentives for social investors

introduce new legal forms to make it easier to set up and run a social enterprise

encourage the public sector to buy from social enterprises, both through guidance and through legislation

Facilitate public sector services to spin out as new, independent social enterprises



Lobbying for support from the political parties

The political parties are relevant actor of the democratic societies, and it is very preferable they to be involved in the process for development of strong eco-system of social entrepreneurship. How they can be involved?

Active support of campaigns

The most successful campaigns were focused on raising awareness amongst the general public of the benefits of buying from social enterprise. This kind of campaign is encouraging the consumers to unleash their spending power and buy from social enterprises. Usually the focus of the lobbying is on support of the camping by the government, but the political support from all political parties is even more important.



Support of the alliances dedicated on the social economy

While social enterprises use the trading models of private business, their social purpose ensures they are rooted firmly within the 'social economy'. As well as social enterprises, the social economy or 'third sector' (which sits between private business and government or public sector) includes: charities and not-for-profits; cooperatives and social investors; and many other organizations working for a better world. The creation of alliances with mission to help create a social economy better supporting people and communities is very important, especially with focus on promoting economic policies for equality, transparency, democracy and sustainability. To be more effective, these alliances should work with all political parties to encourage them to adopt these policies.



“

SOCIAL ENTERPRISE IS A MOVEMENT!
SOCIAL ENTERPRISE IS FIRST AND
FOREMOST A 'MOVEMENT', A WAY
OF DOING – CHARACTERIZED BY
ORGANIZATIONS THAT TRADE,
TO EARN INCOME, BUT WHICH
SIMULTANEOUSLY ACHIEVE SOCIAL
AND ENVIRONMENTAL BENEFITS –

*trainer of Dive Deeper into
Social Entrepreneurship*



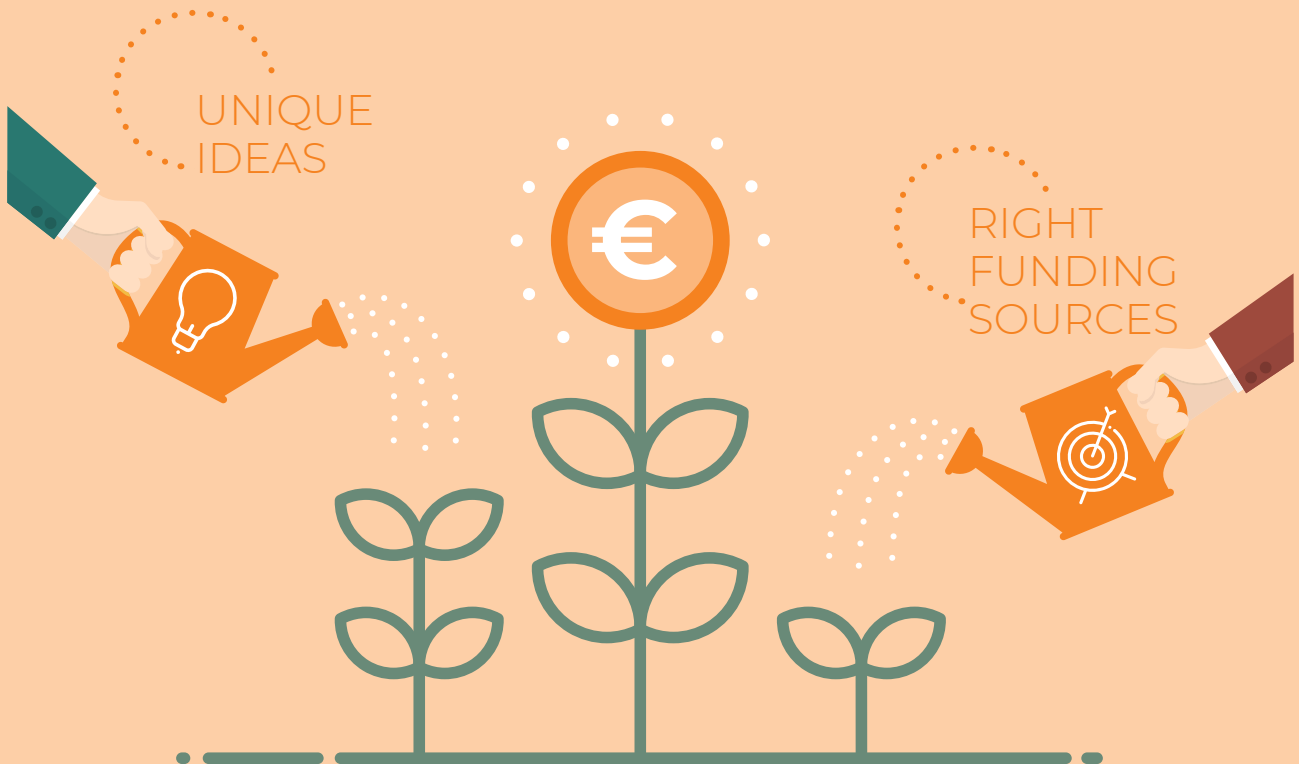
”



FUNDING SOURCES FOR SOCIAL ENTERPRISE



Social entrepreneurs, as well as the young people with new social business ideas, repeatedly report that access to finance is the main obstacle they face. On the other hand, **social entrepreneurship ideas are unique in the variety of finance they can access.** For the social enterprises are open finance opportunities as for-profit businesses e.g. equity investment. On the other hand, most of them can also obtain non-repayable grants like charities and NGOs. And in addition social enterprises have access to an increasing number of social investment products developed specifically for them. **It is important for the social enterprises to be able to access the right funding sources.** Also, the financial needs of social enterprises change at different stages of their growth. Start-up ventures seek out capital to test and prove the viability of a new idea, whilst established organizations can require finance to facilitate growth or to balance an uneven cash flow.



GRANT FUNDING

Grant funding is offered by charitable, philanthropic, and government bodies who do not expect a financial return but are instead investing in the social outcome that the social enterprise promises.

Grants are most useful in the following three areas:

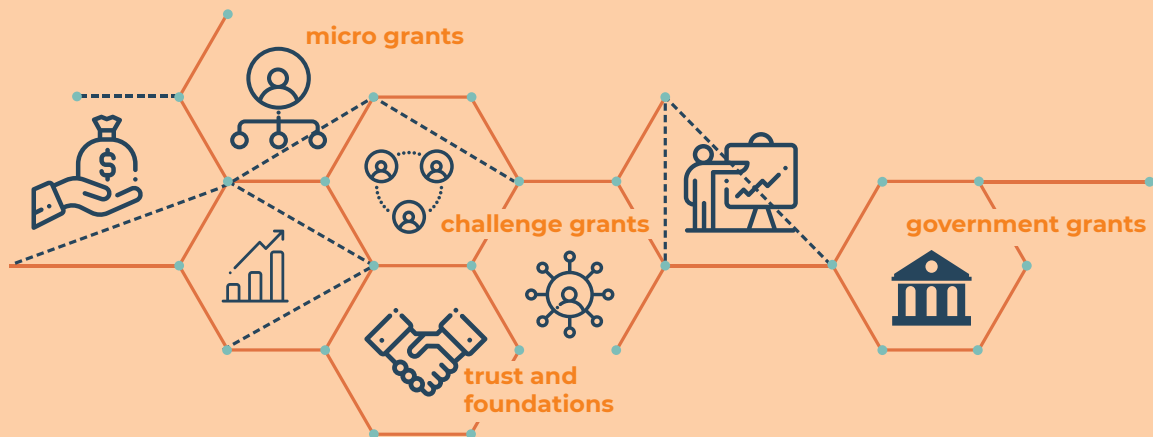
to pilot a new initiative that is too risky for repayable finance;

to pay for capital investments to help a social enterprise develop assets and become more sustainable;

To pay for social costs that cannot, and should not, be borne by trading activities.

Reliance on grant funding to cover revenue costs can quickly become unsustainable and can prevent social enterprises developing commercially sustainable models.

Available grant funding for social enterprises: Micro grants, Challenge grants, Grant making trust and foundations, Government grants opportunities, Funding through European Union (EU) programs and International donors.



SOCIAL INVESTMENT FUNDING

Some social enterprise models may generate sufficient profits to become attractive targets for traditional equity and debt investment funding as well. Social investment funding is the use of repayable finance to achieve a social as well as a financial return. The social investor hopes to receive their original investment back with interest generated from the trading profit of the social enterprise. And they expect the investment to result in measurable social impact as well.

Sources of social investment funding include:

Angel investors: wealthy individuals interested in making investments;

Seed funding firms: companies that invest small amounts of early-stage capital in start-ups;

Venture capital funds: companies that pool and invest large amounts of money in emerging businesses;

Government support for social investment.

Loans

If a social enterprise is dealing successfully, it should be able to borrow money from a regular bank just like a for-profit business. But many social enterprises have complex business models balancing income from trade, contracts and grants and are poorly understood by commercial banks. Other social enterprises are simply too high risk for a commercial lender. Loans specifically tailored for social enterprises: **social banks** and **social lenders**.



BONDS

Bonds are tools for raising money from a variety of investors. They generally pay the investor back with interest.

Social Impact Bonds

Social impact bonds are generating interest around the Europe and world. They provide a way to unlock the future savings to government of a particular social program. For example, for the young unemployed people the governments pays for them several thousand euros a year in the form of various benefits. If a social enterprise can help that person get a job that saves the government money. But someone has to pay for the service before any saving is made. The Social Impact Bonds provides a solution. It provides a way to finance a **payment by results contract** in which the government pays a service provider, such as a social enterprise, but only if it achieves certain agreed outcomes, such as helping a specified number of young people to secure employment.

The problem with payment by results contracts is that the service provider must cover the initial costs of delivering services. Many potential providers do not have sufficient funds available to provide services in advance of being paid. An SIB is a way to bridge this gap, enabling socially-minded investors to fund the provision of a service delivered by a social enterprise or charity on the basis that they will receive a return on their investment from government if the service delivers the results specified in the PBR agreement.



CROWD FUNDING

Crowd funding involves raising money by collecting a high number of small-scale contributions from many people. Although it is relatively marginal at the moment in terms of amount of money raised, there is a lot of interest in its potential. This process is often hosted on web platforms that create space for organisations to present their work to prospective micro-investors who can then transfer funds online.



SUMMARY AND RECOMMENDATIONS



SUMMARY

Young social entrepreneurs around the world are catalysts for social change. They use needs-driven strategies to tackle critical social issues in new ways. Through non-profit, for-profit and hybrid enterprises, social entrepreneurs have promoted a broad range of solutions focused on sustainable development.

To continue us to be catalyst of social change, we should promote the key elements of the successful social enterprise:



SUSTAINABLE

The goal of every enterprise is to become self-sustaining. Relying on donor aid and funding isn't practical any more as policies from around the world are limiting the amount of aid and funding countries and organizations receive. As a result, it is important that any enterprise adopts strategy which ensures that the business becomes an ongoing concern. Use different funding sources for sustainability and growth of the social enterprise idea.



REACTIVE

Don't stick to the definitions! The only successful definition of the social enterprises is that they respond actively to social needs and provide answers to problems within the community. Use the first cycle of support, and learn how to make candid analysis of the needs of your community!



VALUE ADDITION

Learn how to put values in the heart of your social business idea! Make product that limits waste as processed goods are made to last, and they can be easily exported thus bringing in forex into the country. Use the opportunities of non-formal education to pilot value addition social business ideas!



SOCIALLY INCLUSIVE

Plan the social impact of your social business idea stronger by striving towards inclusion in the workplace. Use the opportunity of pre-start support for social impact assessments and focus on your social change!



DIVERSIFIABLE

Cooperation can open the social business ideas to have diversity, which is strategy that also ensures sustainability.



PROFESSIONAL

Social enterprises also demand a high level of professionalism and quality, and its success should not be based only on the social mission of the enterprise. Collaboration with universities, schools, different experts will provide professionalization of the SE team.



EASILY REPLICATED

Replicating successful social enterprises ideas would provide instant job creation for the young people, and would not require waiting for the next great idea to emerge from local change makers. Many successful for-profit businesses replicate their model in new areas, either by opening new stores or operations themselves, or by licensing other people to do so through a franchise model. There is considerable interest in adopting this approach in the social enterprise sector through what is termed 'social replication' or 'social franchising'.

RECOMMENDATIONS

Young social entrepreneurs need to do what they do best: examine the field and identify the challenges in the sector, then develop and implement solutions.

For next generations of social entrepreneurs we are recommending the following elements to be considered:



The structure of the sector **MUST** promote innovation

RISK, EXPERIMENT, FAILURE, SUCCESS



Providing to the sector consistent access to capital
CAPITAL ACCESS FOR ALL

SIMPLIFYING THE AGENDAS

I am aware about the needs of the funding community **BUT** the needs of my target group is my mission.



TRANSPARENT REPORTING

Failures are persistent in all successful routes. Just be transparent!



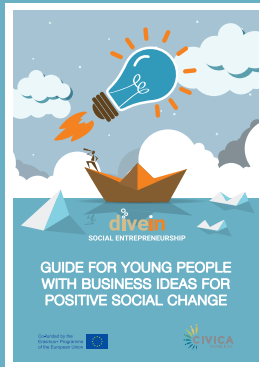
USE THE LOVE OF THE MEDIA TOWARDS NON-PROFITS

Stories of a small or new enterprises results are “sexy” for the media. **BUT** the social sector is an elephant graveyard for such short-term stories. Creation of collective voice provides ability for reflection on the full spectrum of social institutions, and can provoke large-scale change.

dive deeper

INTO SOCIAL ENTREPRENEURSHIP

First compilation to read...



Now...



I'm happy :) to come...



Policy recommendations for promotion of cross-sectoral cooperation in social entrepreneurship.

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