



**European Commission**

**Directorate General Employment, Social Affairs and Inclusion (EMPL)**  
**Directorate General Enterprise and Industry (ENTR)**  
**Directorate General Internal Market and Services (MARKT)**



**Groupe d'experts de la Commission  
sur l'entrepreneuriat social  
(GECES)**



**5<sup>th</sup> meeting – Tuesday, 10 June 201**  
**Aquila Hotel & Resort - 2, Ygias Street - Heraklion - Crete - Greece**

**MINUTES of the MEETING**

**Adoption of the GECES'4<sup>th</sup> meeting (28 November 2013) [minutes](#) and of the [agenda of the day](#)**

**The SBI: state of play at the European Commission's level**  
***Session I / Chair MARKT***

The European Commission (EC) pointed out that latest [news](#) are available on the [SBI Website](#) as well as the [overview and status of actions of the Social Business Initiative](#). Most important points regarding this overview are:

- Key action 3: European financial instrument: the 1<sup>st</sup> call for proposals for social policy innovations supporting reforms in social services (9.2 Mio€) was launched with a deadline of 30.07.2014.
- Key action 4: Investment priority for social enterprises in the European Structural and Investment Funds (ESIF: ESF and ERDF): Regulations on Structural Funds (EU Cohesion Policy 2014 – 2020) entered into force on 21 December 2013.
- Key action 5: Mapping of social enterprises' sector; business models, economic weight, tax regimes, identification of best practices: mapping should be completed by end of summer 2014.
- Key action 9: Study on the situation of mutual societies and their cross-border activities: Draft Regulation for a European Mutual. The impact assessment was adopted on 22.01.2014, Inter-Service Consultation (within the EC services) done in spring 2014, but adoption probably postponed to new EC.
- Key action 10: Enhancement of the element of quality in awarding contracts in the context of the reform of public procurement: the new Directives on public procurement and concessions came into force on 17 April 2014. Now it's time to implement the Directives into national law, and DG MARKT will help the Member States in this process (transposition phase until 17 April 2016).

The EC further informed on the state of play on [Crowdfunding](#): Following a public consultation closed on 31.12.2013 the EC adopted a Communication on 27.03.2014. Furthermore a call for applications was launched with a deadline of 16.05.2014 with a view to selecting members of the group of experts on crowdfunding called "European Crowdfunding Stakeholder Forum (ECSF)". The creation of this expert group [will take place shortly](#)<sup>1</sup>.

<sup>1</sup> It was established on 25 June 2014. Cf.

<http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3130&Lang=EN>

Finally the EC mentioned the [high level Conference on Mobilising Innovation for a More Social Europe](#)<sup>2</sup> which took place in Brussels on 19/20 May 2014 organised by DG Employment, Social Affairs & Inclusion.

A GECES member wanted to know whether the mapping exercise will be made available to GECES members once finalised. The EC has not decided yet in which way the information will be shared with GECES members and disseminate widely but will come back to GECES members in due time.

<b>G7 Task force on Social impact investing and Sub-group's report "Methodology for measurement of social impact of social enterprises"</b> <b><i>Session II / Chair EMPL</i></b>
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For UK, Kieron Boyle gave a [short overview of the G7 task force](#) on Social impact investing and the follow-up of their work.

For the EC, James Hopegood presented the interaction between the sub-group report and the G7 work on the impact measurement working group in which the EC is represented. It was stressed that:

- the sub-group draft report has been one of the main documents used by the G7 working group
- there are differences in emphasis between the sub-group report and the G7 work, particularly that the sub-group work emphasises the needs of the underlying businesses being invested in while the G7 work is more top-down with a primary focus on larger investors.
- given this difference, the EC emphasises, and the chance that the G7 work could be elevated to G20 status with the consequent work for the European Commission it is very important that the sub-group report is wholeheartedly endorsed by the GECES. Failure to do so would undermine the credibility of this key document. In relation to the G7 report, to be published in September, is in the final stages of preparation.

G7 Social Impact Investment Taskforce was established on the G8 Social Impact Investment Forum. Its objective is to catalyse the global field of social impact investing, by stimulating both the availability of capital for impact investors and the capacity of organisations to take on investment. The Taskforce will publish its report in September 2014. Members: UK, USA, Japan, Canada, FR, DE, IT, Australia (observer).

The aim of the GECES sub-group report is to support the EC in developing an approach for social enterprises' and fund managers' social impact measurement, in particular by facilitating the implementation of the financial instruments under the new Programme for Employment and Social Innovation (EaSI) and of the European Social Entrepreneurship Fund (EuSEF) Regulation. The report was adopted (with only one contrary vote) by the GECES on 3/06/2014. One could not devise a rigid set of indicators in a top-down and "one-size-fits-all" fashion to measure social impact. Rather, the EC suggests setting a universal process, and defined the key characteristics of reporting. Next steps: developing frameworks and guidance papers to help stakeholders to apply (See the [PPT presentation](#)<sup>3</sup> made by Marco Fantini for the EC).

Both reports are very important for the EC regarding the future management of the EU Social Entrepreneurship Fund and Employment and Social Innovation programme.

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<sup>2</sup> [http://europa.eu/rapid/press-release\\_IP-14-562\\_en.htm](http://europa.eu/rapid/press-release_IP-14-562_en.htm)

<sup>3</sup> [http://ec.europa.eu/internal\\_market/social\\_business/docs/expert-group/contributions/140605-session2-report\\_en.pdf](http://ec.europa.eu/internal_market/social_business/docs/expert-group/contributions/140605-session2-report_en.pdf)

#### Questions/Comments:

It was announced that the EESC will start the work on an opinion on social impact measurement (September/October 2014). Each of the national G7 country reports will be coordinated from both governmental and private (typically the civil society) sector.

As regards the remarks on the adoption procedure of the GECES report, it was noted that the report was available for comments since January 2014, so all GECES members had sufficient time to send their positions.

It was proposed, following the recommendation of the report to create a knowledge centre, to prolong the mandate of the GECES sub-group. It was proposed also to launch a public consultation on the report.

Two Member States underlined the importance of the report on social impact measurement for their national policies: SK is preparing a programme for support of social enterprises; BG has adopted 2-years Action Plan for social economy including development of social impact assessment methodology.

The members were invited to send their further comments on the report, especially regarding eco-system.

It was noted that the GECES meetings have to be organised on a way providing more time for members to express their views.

<b>Making the new public procurement rules work in practice: possible role of GECES</b> <b><i>Session III / Chair ENTR</i></b>
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For ENSIE, [Patrizia Bussi](#) made an [overview](#)<sup>4</sup> of Directive 2014/24/EU on public procurement regarding new opportunities for the social enterprises/social economy (i.e. reserved markets or introduction of the Most Economically Advantageous Tender (MEAT) for ALL procedures (art. 67.1) instead of the lowest price). The overall assessment was positive however it was found that the directive contains also some risks depending on the transposition and interpretation, such as. In this respect, during the transposition of the directive, the group created by the EC to assist the Member States<sup>5</sup> should be open to social enterprises, at least, for the items relevant to social enterprises and social services. The guide “Buying social” could be updated and translated in all 24 official EU languages. The EC should initiate the creation of a toolkit for the collection of good practices of the use of social clauses in the procurement procedures etc.

#### Questions/Comments:

A GECES member expressed concerns about eventual risk of misinterpretation of the clause on reserved markets as a trade barrier by the US during the negotiations on the Free Trade Agreement.

It was proposed to invite the governmental experts of GECES to present the work done in the transposition of the directive at national level. In this respect it was underlined that information about the transposition of the directive concerning social enterprises should be presented on each occasion. The idea for regular update of this information was supported by other members.

A GECES member underlined the importance of public procurement and informed that relevant texts would be included in the draft law on Social Economy in Romania.

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<sup>4</sup> [http://ec.europa.eu/internal\\_market/social\\_business/docs/expert-group/contributions/140616-session3-bussi\\_en.pdf](http://ec.europa.eu/internal_market/social_business/docs/expert-group/contributions/140616-session3-bussi_en.pdf)

<sup>5</sup> [http://ec.europa.eu/internal\\_market/publicprocurement/expert\\_group/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/expert_group/index_en.htm)

## **European Commission's Social innovation report update**

### ***Session IV / Chair ENTR***

For the EC, Pierre Goudin (BEPA) presented the on-ongoing update of the BEPA Report on Social Innovation (2010). The new report will reflect the evolution of social innovation issues since the last five years. It will discuss the main points on which the concept of social innovation has solidified, will present examples of flagship projects and on this basis will make a number of recommendations for the future. The second part of the report will focus exclusively on what has been and is still done at EU level; it will contain contributions from many DGs: EMPL, ENTR, MARKT, REGIO etc. about multiple programmes run by the EC and related to the social innovation aspects, including social entrepreneurship.

## **Proposal for possible follow-up events after "Have Your Say!"**

### ***Session V / Chair ENTR***

[Leila Hoballah](#) [presented](#)<sup>6</sup> the results of pre-events "Have Your Say!" (organised by MakeSense platform before the Strasbourg event in January 2014): pre-events in 4 EU cities: Budapest, Vilnius, Lisbon and Athens, as well as 15 workshops in Strasbourg with more than 260 participants. These activities identified the following challenges and proposed the relevant solutions:

1. Raising awareness about social entrepreneurship - a) funding communication and b) website with successful stories;
2. Improving access to (crowd) funding for social enterprises - a) mini-grants on very early-age criteria (between 1000 and 5000 €) and b) promote crowd-funding;
3. Assessing better the social impact - Report on social impact measurement;
4. Building collaborations between social entrepreneurs - a) Solution clusters and b) Collaboration index in funding criteria;
5. Helping NGOs & community-based activities to move into social enterprises

Second, the following ways for the future were proposed:

- Connecting Europe and its citizens to social entrepreneurship in a bottom-up manner, especially youth.
- Developing culture for solutions of challenges.

## **Looking forward to the future of the SBI**

### ***Session VI / Chair MARKT***

The [EESC](#) said that it aims to present concrete recommendation in autumn to the new EC prepared by their Project Group ("[Social entrepreneurship: Make it happen!](#)"<sup>7</sup>), consisting of 9 EESC members. The group took up work following the [Strasbourg event in January](#) and plans to deliver in November 2014. They focus on three priorities of the [Strasbourg Declaration](#)<sup>8</sup>, point 1, 3 and 5. In order to achieve their goal they go local, meet stakeholders, listen to GECES members and cooperate with EU institutions.

The EC explained that in view of the new EC the EESC Project Group should reflect on the way forward and launched a debate with two questions: What are the gaps/barriers? How can the GECES use it full potential?

<sup>6</sup> [http://ec.europa.eu/internal\\_market/social\\_business/docs/expert-group/contributions/140605-sessionv-hoballah\\_en.pdf](http://ec.europa.eu/internal_market/social_business/docs/expert-group/contributions/140605-sessionv-hoballah_en.pdf)

<sup>7</sup> <http://www.eesc.europa.eu/?i=portal.en.social-entrepreneurship-make-it-happen>

<sup>8</sup> [http://ec.europa.eu/internal\\_market/conferences/2014/0116-social-entrepreneurs/docs/strasbourg-declaration\\_en.pdf](http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/docs/strasbourg-declaration_en.pdf)

A GECES member pointed out the gaps in social finance ecosystem and proposed to focus on a city as an arena to attract social innovation. In order to make to project more effective attention should be concentrated on a few cities.

Another GECES member thanked the EESC for their efforts. He pointed out that there is also an [Annex to the Declaration](#)<sup>9</sup> and he would welcome that the EESC would take it also into account in their project.

Another GECES member wished that in addition to the EESC Project Group there should also be a working group at the EC which follows up SBI issues. On top of this, efforts should be strengthened to promote Social Businesses.

Another GECES member thinks that the members should meet apart from the GECES meeting to split up in smaller workgroups to get some real outcome.

The EC proposed to have discussions on selected topics to structure the discussion in the plenary more and to have further discussions in sub-groups. This was taken up by a GECES member who thought it useful to find a process how to make group work better: maybe to discuss 1 key topic in GECES to be treated as a group, have discussions and break into smaller groups on specific subjects and report back to the main group. The EC pointed out that there are difficulties with interpretation and asked whether the GECES group could accept to work without interpretation in smaller groups, i.e. discussions would take place in EN and/or FR. All GECES participants attending the Heraklion GECES meeting accepted this proposal.

It was also proposed that the EC should create more transparency in the market for social finance and help to remove frictions between supply and demand. Much more innovation and experimentation is needed in the social finance area.

A GECES member suggested that GECES also considers the outward facing message of the SBI in terms of showcasing the SBI on the global stage. The G8 initiative to put social impact investing formally on the global agenda is commendable. From our experience, core principles will need to include the embracing of diversity and to create a genuinely pluralistic global narrative if this is to succeed. The European experiences offer much learning and should be celebrated and even showcased for their potential in shaping this agenda globally. There is an exciting opportunity to reinforce European leadership on this topic because it has such a strong track record and legacy in Europe. This fits into the GECES agenda under the priority to improve visibility of social business.

Another GECES member thought that the EU should connect more with their citizens, to sell the SBI message more effectively.

When EC members asked about the future of GECES work, Portugal pointed out that these three questions should be answered by the GECES before the mandate is over<sup>10</sup> and as a way of fulfilling the GECES mission:

1. What are the best financial instruments to promote social enterprises?
2. Social enterprise and social economy agents: how to promote and improve capacity building?
3. What is a social enterprise? Is it only the social enterprise which is aimed at being promoted by the EU or social economy as a whole?

**8<sup>th</sup> Social Enterprise World Forum, Milan, 2015**  
***Session VII / Chair MARKT***

<sup>9</sup> [http://ec.europa.eu/internal\\_market/conferences/2014/0116-social-entrepreneurs/docs/strasbourg-declaration-annex\\_en.pdf](http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/docs/strasbourg-declaration-annex_en.pdf)

<sup>10</sup> 2017

Peter Holbrook informed about the 8<sup>th</sup> Social Enterprise World Forum which will be returning to Europe (Milan) in July 2015. The event will welcome over 1500 social enterprise leaders, social entrepreneurs, academics and supporters from around the world for a 3 day expo and conference. The World Expo also takes place in Milan at the same time. The two events can integrate and complement each other. The theme of World 2015 Expo is “Feeding the planet, energy for life” There will be a food theme running through the Social Enterprise World Forum to complement this.

The central theme of the 2015 Forum is "Growing a new economy" with 5 main sub-themes:

1. *The ecosystem for the growth and success of Social Enterprises*
2. *Development Cooperation and Social Enterprises*
3. *Impact investing and social enterprises*
4. *The business of food and agriculture (from production to recycling)*
5. *Visibility and promotion of Social Enterprises*

Further information can be found [here](http://www.sewfonline.com/)<sup>11</sup>.

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The next GECEs' meetings will take place on Tuesday 18<sup>th</sup> November 2014 in Rome (Italy) together with the Italian EU presidency conference on social entrepreneurship (Monday 17<sup>th</sup> November in Rome too).

Brussels, 11 August 2014

*Minutes written by the European Commission, amended by some experts and implicitly agreed by all attendees (Agreement via exchange of emails between 09 July 2014 and 08 August 2014)*

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<sup>11</sup> <http://www.sewfonline.com/>