

# Guide on promoting cross-border activities for social economy

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# Guide on promoting cross-border activities for social economy

July 2022

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# **Guide on promoting cross-border activities for social economy**

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## 1 Introduction

Social economy entities combine societal goals with an entrepreneurial spirit. They are formed as entities with focus on achieving wider social, environmental or community objectives. Based on these goals and aspirations, the European Commission aims to create a favourable financial, administrative, and legal environment for social economy actors so that they operate on an equal footing with other types of for-profit enterprises.

To this end, to pursue access to the Single Market as well as on an international level, social enterprises need appropriate business models that simultaneously serve their mission and vision, support them in their cross-border activities and – where feasible and relevant – help them use technological advancements and digital solutions.

The study report, forming the basis of this guide has the objective to identify barriers and challenges related to cross border ambitions of social economy entities. Such barriers might cover different dimensions such as legal, cultural, capacity and business model. However, it should be noted that this study does not provides a comprehensive analysis of specific legal obstacles and features. Secondly the study has the aim to picture existing success stories, potentials and processes related to social economy internationalisation and cross border activities. Third, several types of support services are identified supporting internationalisation of businesses in general as well as social economy specific support.

### ○ Objectives of the guide

This guide may be used by any social economy actor interested in pursuing transnational activities and find herein:

- ✓ What kind of challenges are associated with internationalisation,
- ✓ What types of cross-border activities can be followed,
- ✓ a readiness check to use so as to see how “fit” they are to uptake cross-border activities, and
- ✓ policy initiatives and programmes that may be used to facilitate cross-border activities.

For further information and relevant research on the abovementioned points as well as more examples of social economy actors involved in cross-border activities please check the Final Report conducted in the context of the study “*Promoting Cross-Border activities for Social Economy, including Social Enterprises*” (EASME/COSME/2018/032) funded by the European Innovation Council and SMEs Executive Agency (EISMEA) and supported by DG GROW, which has been the scientific basis of this Guide. The study has been implemented by Q-PLAN INTERNATIONAL in collaboration with the Maastricht Economic and Social Research Institute on Innovation Research, Ashoka Austria, and Sociedade Portuguesa de Inovação, with the support of Dr Effie Amanatidou and Dr Dimitri Gagliardi.

The Guide could also be useful for public stakeholders interested in expanding their knowledge about the internationalisation of social economy, the issues it faces and look for interesting and replicable (geographic or sectorial) examples of such initiatives employed in other countries.

## ✓ Types of cross-border activities

Through our study we identified the following types of cross-border activities a social economy actor can engage in, in a non-exclusive manner:

- **Distribution:** Distribution of products and services is the main internationalisation pathway utilised by for-profit entities. The distribution process has therefore also been used to describe the main internationalisation stages of SMEs<sup>1</sup>. If Social Economy entities engage in cross-border distribution this is usually motivated not only by their business model, but also by the underlying impact model. Social economy entities may for instance distribute products cross-border that have been produced by local communities, beneficiaries or other constituencies they support. The actual distribution process is very similar for social economy entities and for-profit SMEs and relies on market research, export logistics, and distribution channels and partners. They also engage in e-commerce and use online platforms.
- **Replication:** Replication is the process that enables social economy entities to spread their impact and business models to other regions or countries. Replication enables affiliates, partners or adopters to implement the offer of the social economy entity (programmes, services/products, methods, collaboration processes, etc.) social economy entities use a wide range of replication strategies, including adaptation. The main difference between them is the amount of control the social economy entity has over the delivery of their products, services or programmes and the achieved impact or revenue. We differentiate between three main replication strategies: Growth, Affiliation, and Dissemination. This differentiation is applied by intermediaries supporting replication processes and has also been used in recent research on cross-border replication.
  - **GROWTH (Branching, Mergers):** Growth is usually connected to high control that comes with 1) higher costs and investments, 2) more responsibility, 3) less flexibility, but 4) full access to collected funds and earned revenue. Following this strategy social economy entities create branches, merge with existing companies in other regions or countries, and hence stay in control of the implementation of their impact and business model and receive revenues. However, this strategy requires heavy investments and resources dedication.

Overall, this approach is useful when a strong business model is evident and when there is a wish to keep the revenue, or when quality management and responsibility towards vulnerable beneficiaries is a strong concern. When branching, the social economy entity needs to develop a deeper understanding of target markets and societal areas without being able to rely on replication partners. A realistic assessment of the upfront investments, not only for hiring, office or marketing, but also for the process of awareness raising, advocacy and stakeholder mobilisation is therefore necessary. When branching, social economy entities also need to check the legal requirements for providing their offer. This regards the establishment of an appropriate legal entity as well as compliance with sector specific regulations (see section 1.4.1 on legal dimension).

<sup>1</sup> Johanson, J., Vahlne, J. (2009) The Uppsala Internationalization Process Model Revisited: From Liability of Foreignness to Liability of Outsidership. *Journal of International Business Studies*. 40(9):1411-1431



- **AFFILIATION** (Franchising, Partnerships, Memberships, Licensing, Etc.): Affiliation strategies try to balance control with openness. Many social economy entities opt for the affiliation strategy. With affiliation models, social economy entities enable other organisations to use their methods under certain formal conditions. The social economy entity can thus keep some control, while handing over responsibility to the affiliated organisation as well as making use of their competencies, resources and networks.

In more structured affiliation models such as social franchising, the social economy entities define and formalise their product, service or programme, engage in a formal relationship with partners, and enable them to deliver/implement it. The formal relationship defines the commitments and responsibilities for the social economy entity and the affiliated partners. In less structured affiliation models such as partnerships, the social economy entity may define a shared code of conduct or general principles that all partners need to commit to without strongly standardising the delivery of services and programmes.

- **DISSEMINATION** (Consulting, Open Sourcing, Training, Campaigns, etc.): Dissemination strategies prioritise fast replication over control and usually come with 1) lower costs/investments, 2) less responsibility, 3) more flexibility for partners, but 4) limited or no access to collected funds and earned revenue and 5) limited or no access to impact assessment data. These strategies are chosen when spreading/sharing a simple solution quickly and increasing its impact is a priority.
- **Sourcing:** refers to cross-border activities that aim to access resources in other countries (knowledge, innovations, funding, staff, volunteers, products, production facilities, etc.). International sourcing can involve e.g., collaboration with other social enterprises, non-governmental organisations (NGOs) and the corporate sector. While sourcing by SMEs in general is dominated by a focus on supply chain management and cost advantages, social economy entities may consider sourcing as an important part of their impact model. They may even achieve their main impact by establishing specific sourcing practices (e.g., Fairphone aims to change supply chain practices in the smartphone industry by introducing new standards and partnership models).
- **Exchanging and collective impact:** refers to cross-border activities where social economy entities engage in cross-border partnerships, networks, movements or campaigns to tackle societal challenges. The focus of collaboration is on advocacy, exchange of knowledge and practices and mutual support. Collective impact is a concept used in the social entrepreneurship sector that describes a process of collaboration that is guided by principles such as co-creation of a shared vision and mission, commitment to shared success criteria, and mutually reinforcing activities. There is usually an entity or network hub facilitating this process also called the 'backbone organisation'. Collective impact is thus a facilitated and outcome-focused type of collaboration that often involves stakeholders from different sectors.

## ✓ **How to make it work: Pathways for cross-border activities**

### ○ **How can social economy actors develop cross-border activities?**

The pathways we will describe hereunder show the variety and potential of cross-border activities of the social economy. Moreover, these pathways are often unique for social economy entities as they combine business development strategies with deeply rooted impact models, often place-based. The pathways are mission driven and aim at generating long-term impact. They also highlight different “speeds” in cross-border activities. We explored multi-year cross-border integration processes for cooperatives as well as rapid growth of platform-based offers. The pathways are more rooted in the core mission of social economy entities rather than their legal form, except for those specific social economy rooted forms such as the cooperative and mutual society model. In most pathways, the legal form in many cases is chosen for technical matters and for responding to specific challenges regarding taxation, funding sources, access to public support or access to markets. However, for pathways primarily geared towards impact, non-profit legal forms seem to be important to express an entity’s mission and to position themselves in a sector although it may come with certain disadvantages.

For more detailed information and conclusions on the pathways please check the Final Report of the study, while for cases of social economy taking up these strategies can be found in the ‘Description of 52 Cases’ report.

#### ▪ **REPLICATION**

Social economy actors use different replication strategies. There are three general replication strategies corresponding with three “pathways” we identified through our analysis:

#### ▪ **Setting up a replication partner network to scale social impact**

Social economy entities on this pathway develop a clear and standardised “offer” that usually consists of a programme or structured activity that partners can implement. A key success factor for this pathway is the ability of the social economy entity to provide partners with a “complete replication package” that includes everything a partner needs to adopt/implement the activity ranging from documentation (manuals, knowledge resources, marketing materials) to support (training, consulting, co-fundraising) to formal frameworks (code of conduct, partnership contract, impact assessment).



**Atempo is a social enterprise in Austria that works to fully unlock the potential of disabled persons. By integrating them into the world of employment, a significant economic advantage is created for the state. Atempo designed a translation method for simplifying text so that persons with mental disabilities and reading difficulties can better comprehend the content (CAPITO).**

**After starting and developing their activities as an association in 2000, soon after Atempo received requests from organisations in various Austrian federal states that wanted to adopt the “CAPITO” products and services.**

**Atempo decided to establish its first branch in Vienna but recognised soon that the branching model did not fit well with the company’s organisational culture, goals and competencies. It looked for a new approach to replication, in which they would create a strong brand for their “CAPITO” products and services and common quality standards and simultaneously their partners would remain independent organisations.**

**Atempo decided to implement a social franchising model and it has been one of the first social enterprises in Austria receiving an impact investment to perform international activities.**

**Today (2021), Atempo has 21 social franchise partner organisations in Austria, Germany and Switzerland. 60 additional organisations use CAPITO internally for their own communication and are**

connected to the CAPITO network as “quality partners”. These partnerships also contribute to changing society’s perception of people with learning and reading difficulties. Atempo’s franchise partners are legally and economically independent organisations or individuals.

**Barriers, challenges and mitigation approaches and strategies**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<b>Finding &amp; selecting the right partners</b>	<p>Many social economy entities face difficulties in expanding their cross-border activities, because their partner profile is not well defined.</p> <p><u>Mitigation strategies / approaches</u> may be:</p> <ul style="list-style-type: none"> <li>• partnering with established entities in own or related sectors.</li> <li>• Test individual social entrepreneurs as replication partners. Thorough selection processes, follow-up support, mentoring and co-fundraising may be needed to achieve success.</li> <li>• Screening of potential partners based on standardised criteria to see whether there is a fit in terms of values/culture, operational capacity, and roles/responsibilities.</li> <li>• Shift the sector. It may be needed to shift the partner’s profile to help better manage the application of own mission, vision, principles, and approaches to work.</li> </ul>
<b>Standardising the offer</b>	<p>Social economy entities – despite creating local impact – in many cases do not have a clearly defined offer.</p> <p><u>Mitigation strategy / approach</u> may be:</p> <ul style="list-style-type: none"> <li>• develop a clear value proposition for potential partners, not just for beneficiaries. The value proposition may be connected to the standardisation of the offer including foreseen impact, business model, clear implementation, impact assessment processes and professional support.</li> </ul>
<b>Managing the partner network</b>	<p>After successfully setting up a replication partner network, smaller social economy entities often face capacity restrictions in facilitating and supporting the partners’ network.</p> <p><u>Mitigation strategy / approach</u> may be:</p> <ul style="list-style-type: none"> <li>• Connect the partners among each other and give them an active role in supporting and advising other network partners. This reduces time investment and provides additional benefits to partners as for instance gaining access to know-how.</li> </ul>
<b>Checking legal requirements for replication</b>	<p>Depending on the country, it can be hard to establish a new entity, as it will have to follow national legal requirements.</p> <p><u>Mitigation strategy / approach</u> may be:</p> <ul style="list-style-type: none"> <li>• Original entity and replication partners should sit together and explore the legal requirements in the target country that are necessary for the replication process, and whether they need further legal support.</li> </ul>

**Fundraising support for replication partners**

In some cases, it may be difficult for replication partners to access the same funding sources as the original entity. Social economy entities often use a funding source mix to finance their activities. Sector and legal differences make it even more difficult for the original entity to immediately identify available funding sources in target countries.

Mitigation strategies / approaches may be:

- Replication partners should specify early on which funding sources they can access (public/private) and whether they need further support.
- The original social economy entity should be able to provide transparent budgets for piloting and replicating and should explore together with partners how long-term funding can be accessed/secured.

▪ ***Integrating strong partners into one legal entity and aligning activities in different countries***

This pathway is primarily chosen by cooperatives and involves a process of integrating separate legal entities into single legal entities that operate across borders, and is based on strong, value-based partnerships and long histories of collaboration and alignment.



**Ikastolen Elkartea** is the Basque Network of Schools that revolves around education services for the Basque. Ikastolen Elkartea started with a collaboration of schools that initially belonged to five different regional administration bodies in the Basque region in Spain, and France. Their cooperation started so as to achieve their mission in a collective way. However, over time, the ineffectiveness in the management and coordination of their educational offers became apparent. In response to this challenge, the EHI was created in 2009 as a single entity by the five regional administrative bodies. It aggregates 111 primary and secondary schools. EHI not only represents these schools but also manages and coordinates their pedagogical approaches, and designs and implements teaching materials, out-of-school activities, and other support services.


EHI was transformed into a European Cooperative Society in 2003. This allows it to operate across the border and administer the schools located both in Spanish and French territories. Through their membership to EHI, all ikastolas can now operate under the same umbrella and apply a unified approach in their teaching activities. Without this legal form, it would not be possible for the ikastolas to work together across the borders effectively due to the differences in the legal frameworks of the two countries.

**Barriers, challenges and mitigation approaches and strategies**

<b>BARRIERS/CHALLENGES</b>	<b>MITIGATION APPROACH AND STRATEGIES</b>
<p><b>Coordinating and aligning entities in different administrative regions and across countries</b></p>	<p>The expansion in new regions and countries comes with a price on administrative and decision taking level.</p> <p><u>Mitigation</u> strategies/approaches may be:</p> <ul style="list-style-type: none"> <li>• Constitute networks and make partner organisations in other countries members who are able to take decisions through collective means, e.g., annual assembly.</li> <li>• Form single funds to which partner entities can contribute financially to channel funding to those partners who face economic difficulties or require financial support for special projects.</li> <li>• The establishment of partner organisations as exclusive operating agents or partners may provide the energy needed for cross-border activities to take off.</li> </ul>
<p><b>Expanding services to/from new countries with different regulations</b></p>	<p>Regulation is of primary importance, especially in the cases of labour involved in the production/offer of services or, overall, in relation to the sector the social economy entity is involved in (health, tourism, financial services, etc.)</p> <p><u>Mitigation</u> strategies/approaches may be:</p> <ul style="list-style-type: none"> <li>• build trustworthy relations with European and international networks that can help one’s own social economy entity obtain a better understanding of enterprises or projects to be funded in countries outside of country of origin.</li> <li>• Financial support for expansion may be obtained via relevant funding streams, such as the European Investment Fund or the World Bank.</li> </ul>

- **Establishing a strong presence in new markets through branching or buying to deliver high quality programmes and services**

Branching is much more common in the for-profit sector than it is for social economy, in particular when the branching is conducted across borders. The reasons are evident: social economy entities often lack the investment capital and the capacity to setup new branches. The decision for branching should be based on a thorough assessment of the social impact and business model. Overall, cross-border branching should be considered by social economy entities that are well established, have a clear offer and business model and already have experience in implementing and replicating their offer in their own country.



**EPEKA** is the Scientific and Research Association for Art, Cultural and Educational Programmes and Technology, with its headquarters in Slovenia. EPEKA’s mission is “to provide young people with equal opportunities and empower them with skills, gained through non-formal education methods”. In Slovenia, EPEKA runs offices, restaurants, galleries and is currently working to acquire a farm.

In 2016, it established the “EPEKA Youth Cooperative Society” to support youth businesses.

EPEKA initiated its cross-border activities through the establishment of local branches in Turkey, Austria, Armenia, Czech Republic, Serbia, Montenegro, UK, Germany, and Kosovo. The work developed in each branch is unique and may vary according to local social and economic challenges. For example, in Turkey, EPEKA works on women empowerment and inclusion; in Germany the work is related to arts and culture. Despite the diversity, the activities of all the different branches are linked to EPEKA’s core mission that is to support European values and promote human rights and create equal opportunities for diverse groups.

**Barriers, challenges and mitigation approaches and strategies**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<b>Assuring cultural and competence fit</b>	<p>Managing a branch includes processes that are very different from managing a replication partner network. With full control also comes full responsibility and liability.</p> <p><u>Mitigation</u> approach / strategy may be:</p> <ul style="list-style-type: none"> <li>• The original entity needs to see whether its staff are willing and ready to take on such management roles (on the side of the branch and the original/central entity).</li> </ul>
<b>Finding the right legal form</b>	<p>Branching implies setting up a legal form, and proximity is essential when setting up a first branch and experimenting with the branching model. Neighbouring countries that share some cultural/ethnic/legal/socio-economic context or language make it easier to assess all relevant aspects in advance by using available information or by approaching intermediaries, legal experts, or sector experts.</p>

	<p><u>Mitigation</u> approach / strategy may be:</p> <ul style="list-style-type: none"> <li>• The entity will need to identify the right legal form allowing the branch to perform all key activities (implementation, business development, fundraising) while pursuing its mission and vision.</li> </ul>
<p><b>Recruiting branch managers</b></p>	<p>Branching comes with the challenge to hire the right “manager” who – at the beginning – will usually have a very entrepreneurial role.</p> <p><u>Mitigation</u> strategies / approaches may be:</p> <ul style="list-style-type: none"> <li>• The hiring profiles and processes must reflect this entrepreneurial role and provide full transparency on the effort it takes to setup the branch successfully.</li> <li>• An internal recruitment of a branch manager is highly recommended if people can relocate, as the branch manager needs to be “immersed” into the key activities (implementation, coordination, fundraising) of the social economy entity before starting the branch. Recruiting internally also makes sure that there is a trustful relationship from the start.</li> </ul>
<p><b>Sandboxing access to target countries</b></p>	<p>Participating in funded projects, especially EU funded ones, can provide the opportunity to social economy entities to test areas, see cultural and other issues existent in target countries and try new ideas in a “safe” sandbox type environment.</p> <p><u>Mitigation</u> approach/ strategy may be:</p> <ul style="list-style-type: none"> <li>• Participation in international projects funded by external organisations, such as the European Commission, OECD, or national/regional funding streams.</li> </ul>

▪ **DISTRIBUTION**

The cross-border distribution of products and services is of course a relevant cross-border activity for social economy entities, although it is not as dominant as for for-profit entities. Distribution activities of social economy entities are clearly shaped by the impact models and impact goals of social economy entities. We identified five such pathways.

▪ ***Innovating products to make them accessible to disadvantaged groups***

There are products present in our daily lives that are indispensable, but millions of people worldwide do not have access to these products because they are too expensive, not offered in remote areas, or can only be offered in combination with professional services that are not available. Social economy entities sometimes innovate to decrease the price to address customers with low purchasing power. This pathway is often referred to as a “bottom of the pyramid” approach. If successful, it can create new mass-markets.

**Eyes For The World®**

**Eyes For The World** designs and distributes self-adjustable glasses that allow users to alter the power of the lenses in order to correct their own eyesight. It distributes its glasses in collaboration with local optometrists, school-based projects, and international partners such as Child Vision. It is currently (2021) active in Brazil, Uganda, Colombia, Myanmar, and South Africa. The technology used is constantly improved and tested with new customers.

Eyes for the World launched its first project in Myanmar with the basic idea to use donations for buying and distributing glasses among people in need. After this first pilot, Eyes for the World looked for more effective ways to collect donations and distribute their product. They developed a campaign around the participation of the Belgium soccer team to the world championship in Brazil. For 20 Euros donors could buy a pair of glasses for a person in need.

Sponsoring a pair of glasses is a very concrete solution. It is simple to understand for potential donors where their money goes to, what is done with it, and who benefits.

**Barriers, challenges and mitigation strategies and approaches:**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<p><b>Managing the quality-of-service delivery of local partners</b></p>	<p>When cross-border projects are set up and run, it is important to monitor closely their progress to guarantee that the relevant needs are fulfilled, and to assure the donor(s) that their money is well spent.</p> <p><u>Mitigation</u> strategy/approach may be:</p> <ul style="list-style-type: none"> <li>• establish close contact with all partners and regularly evaluate their activities centrally.</li> </ul>
<p><b>Responding to innovation barriers and related concerns</b></p>	<p>Innovations are not always welcome, in particular when they seemingly threaten local professions and practices, or when innovations take place in less advanced countries heavily relying on local cultural contexts.</p> <p><u>Mitigation</u> strategies/approaches may be:</p> <ul style="list-style-type: none"> <li>• Identify potential roles in a social system that could be threatened by the innovation is essential for mitigating market entry risks. If there is a high “system change potential” accompanying measures, such as convening and talking to stakeholders, building alliances, and raising awareness may be needed.</li> <li>• Be prepared to change. This may involve a change in professional practices or even business model.</li> </ul>
<p><b>Constantly innovating products</b></p>	<p>If innovation is the key driver for cross-border activities, the social economy entity needs to find ways to keep the “innovative edge” of their products.</p> <p><u>Mitigation</u> strategy/approach may be:</p> <ul style="list-style-type: none"> <li>• Collaborations with universities and research centres may help towards continuous improvements of products/services offered.</li> </ul>



<p><b>Overcoming import restrictions</b></p>	<p>Import restrictions may be faced when products or services are to be distributed in other countries, based on local regulations. <u>Mitigation</u> strategy/approach may be:</p> <ul style="list-style-type: none"> <li>• Before embarking on any transnational activity, it is vital to explore which permissions are involved with your line of work and have them at hand. To this end, working closely with ministries in yours and target countries is needed.</li> </ul>
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▪ *Collaborating with key sector players as customers to sell products/services*



TABIT provides specialised IT services for the agricultural sector. Its capabilities extend to providing services for agricultural contents, agricultural software and applications, smart agriculture, agriculture 4.0 and social projects in rural areas.

TABIT interacts with a wide variety of actors. Concerning farmers, TABIT conducts studies to increase the productivity and profitability of farmers with the possibilities of technology and qualified knowledge. Services extend to Cooperatives and Unions by technology-related productivity and profitability studies along with agricultural trips for farmers working depending on their institution. For companies, TABIT establishes special collaborations, marketing support in communication with farmers and studies on social responsibility in rural areas. As far as the public sector is concerned, TABIT for Municipalities provides product-oriented training centres and special studies for the producers within their municipality. TABIT works with Vodafone (Turkey branch) and the Vodafone Farmer’s Club, a versatile programme that aims to improve the lives of farmers and their families in Kenya, New Zealand, Tanzania, Egypt, India, Ghana, Algeria, Azerbaijan, and Uzbekistan.

Social economy entities on this pathway use partnerships with large companies or organisations to get access to their “internal markets” (e.g., employees, branches). This is a powerful strategy as it allows the social economy entity to focus on key partners that “buy” offers in large quantities. Thus, the social economy entity is thus not forced to “build a market” from the ground. This strategy clearly contributes to more regular revenue and may – depending on the partners – increase visibility and reputation. Moreover, working with multi-national corporations demands a high degree of professionalism from social economy entities as they need to manage partnerships, need to meet corporate requirements (e.g., data security) and need to deliver high quality services.

**Barriers, challenges and mitigation strategies and approaches**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<p><b>Funding restrictions</b></p>	<p>Social economy entities often face funding and capacity restrictions when starting cross-border activities.</p> <p><u>Mitigation</u> strategy / approach may be:</p>

	<ul style="list-style-type: none"> <li>• International relationships in the development aid and private sector can be leveraged not only to successfully replicate, but also to sustain operations in new countries.</li> </ul>
<p><b>Lack of capacity to access new markets</b></p>	<p>Social economy entities may lack the capacity to access new markets abroad and therefore can highly benefit from “following” multi-national corporate partners to new countries.</p> <p><u>Mitigation</u> strategies / approaches may be:</p> <ul style="list-style-type: none"> <li>• Following/partnering with multinational corporate partners may help to immediately start business activities abroad by delivering services to other branches of the multi-national corporate partner.</li> <li>• If into such collaborations, setting up of enterprises and business development in a new country may start after a multi-national corporate partner requests such service.</li> </ul>
<p><b>Assessing legal regulations and subsidies for employing disadvantaged target groups</b></p>	<p>Social economy entities may employ people with disabilities or people from other disadvantaged groups as part of their impact model. The main legal barrier concerns rules regarding different national regulations for employing persons with disabilities.</p> <p><u>Mitigation</u> strategies / approaches may be:</p> <ul style="list-style-type: none"> <li>• readjusting the operational model (employing more people with disability) or the business model (increasing revenue to compensate for the loss of subsidies).</li> <li>• Consulting national legal and financial intermediaries on regulations existent in the target country/ies.</li> </ul>

▪ ***Selling locally produced goods internationally to support local communities***



**Wise Greece** is a non-profit social enterprise with a double mission: to promote quality Greek products, through the sales of which they raise money and buy food for underprivileged people in Greece. Through this effort they aim to globally increase consumers’ awareness, so that they embrace these products, follow and integrate the healthy Mediterranean diet in their daily lives and foremost support the cause.

Its transnational activities are conducted in cooperation with countries such as the United Kingdom, Germany, Austria, Netherlands, Norway, Cyprus and the USA. These transnational activities include trade relations based on the export of food products made in Greece. In the context of increasing its food exports, Wise Greece has achieved to grow its sales by promoting Greek products and the Mediterranean diet abroad. In this way, Wise Greece maximises its social impact and continues to provide basic food supplies to Social Groceries.

**Barriers, challenges and mitigation strategies and approaches**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<p><b>Import regulations</b></p>	<p>This barrier may be faced due to product related regulations, e.g. because the products concern groceries, or countries related regulations, e.g. certain import restrictions may exist between EU and non-EU countries.</p> <p><u>Mitigation</u> strategies / approaches may be:</p> <ul style="list-style-type: none"> <li>• special permissions should be sought that can allow the social economy entity to foster its cross-border regional exchange.</li> <li>• Policy changes are needed to address this barrier.</li> </ul>
<p><b>Access to skilled staff and seasonality of products</b></p>	<p>Access to skilled staff as well as seasonality of products/services offered are important for social economy entities, just like any other entity.</p> <p><u>Mitigation</u> strategies/approaches may be:</p> <ul style="list-style-type: none"> <li>• Use of remote work and sourcing staff from other countries is a possible solution.</li> <li>• Stocking of products is a solution that may be used, especially if the products have high demand periods. But to keep producing income on a continuous basis, cooperation with companies to provide products even during off-season times may help secure regular income for the company.</li> </ul>
<p><b>Taxation of imports</b></p>	<p>Social economy entities may produce higher quality-lower quantity products. This may mean high tax rates which push prices even higher.</p> <p><u>Mitigation</u> strategy/approach may be:</p> <ul style="list-style-type: none"> <li>• This may only be confronted/mitigated at policy level.</li> </ul>
<p><b>Setting up production facilities</b></p>	<p>Social economy entities on this pathway depend on affordable production facilities that are not always available.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• Checking if free office space is offered by local government or anyone else (public or private organisation) in the target area.</li> </ul>

▪ **Professionalising the dissemination of know-how to spread it cross-border**

This pathway is chosen by social economy entity that primarily monetise the dissemination of know-how through consulting, training and programmes. In these cases, a step-by-step professionalisation of cross-border service provision is employed.



**IES-Social Business School** is a business school focused on social entrepreneurship and social innovation, with the aim to promote new models of leadership and management oriented towards impact creation.

IES' international presence was initially driven by foreign participants in IES courses in Portugal, and who then became IES ambassadors in their own countries.

An opportunity to launch a capacity building offer for women in Mozambique emerged in 2012 through IES ambassadors, followed by three successful impact bootcamps in Morocco, Tunisia, and Algeria in the framework of a European Union project (2015) in collaboration with the EUCLID network, the European Network for Social Enterprises and Impact Driven Leaders. IES was then asked by MEDAFCO to replicate the bootcamps in other locations in the region. MEDAFCO took over the fundraising, recruitment, and other organisational tasks, leaving to IES to focus on the conceptualisation and implementation of capacity building. This partnership has been in place since then, resulting in an increased outreach and presence in the region. The same process was also applied in Asia in 2018 through the collaboration with Asia Business Alliance. This resulted in the organisation of IES impact bootcamps in Mongolia and Lebanon.

IES opted for a different method in Europe, where there is already a number of social entrepreneurship training courses and other support schemes. IES in Europe offers its expertise as part of existing programmes instead of creating an offer from scratch. IES also managed to establish a strategic partnership with the European Investment Bank Institute and collaborate in its annual programme "Social Innovation Tournament".

**Barriers, challenges and potential mitigation strategies and approaches:**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<p><b>Lack of seed funding for entering new markets</b></p>	<p>Entering new markets and promoting the offer without seed funding is often difficult.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• The social economy entity can offer its products/services while being supported by international networks and use this opportunity to develop relationships with new partners that can fund further replication and distribution of products/services.</li> </ul>
<p><b>Lack of taxation benefits</b></p>	<p>It may be the case that in target countries certain legal forms may not offer the same tax reliefs offered in the country of origin.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• Networking and consulting legal supporting organisations/networks and financial supporting organisations in the target country/ies.</li> </ul>

<p><b>Involving local ambassadors and defining their role</b></p>	<p>It is not always easy to understand the reality of a certain market/situation/issue in other countries and respectively to know how to adapt the products and services so as to create social impact in the target country/ies.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• Identifying and engaging people at the target country/ies to engage as local ambassadors. These people should live in the region, have a good network, and be interested to contribute to the distribution of products/services offered by the social economy entity.</li> </ul>
<p><b>Experimenting with different legal forms</b></p>	<p>Different legal forms may relate to high taxation or access to private funding. Overall, legal forms may be adapted to specific stages of a social enterprise. However, changing the setup usually has trade-offs and points to legal limitations for social economy entities.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• Networking and receiving consultation on financial and legal requirements in the target country/ies would be necessary.</li> </ul>

▪ ***Leveraging digital platforms and apps to reach large groups of customers and beneficiaries***

For-profit digital platforms have dominated and formed the digital platform economy sphere in the past years, creating multiple disruptions in positive but also negative ways. Social economy entities started to utilise the power of digital platforms to make services more affordable for disadvantaged populations or to bring professional know-how into remote regions.



**Fairbnb.coop** is the social digital alter ego to existing home-sharing for-profit platforms. The mission and vision of FairBnB is to support solidarity and participatory economy through sustainable tourism as well as the proper use of apartments.

Initially the movement emerged in Venice, Amsterdam and Bologna but soon other groups from all over Europe joined the debate and helped in shaping the final business model.

FairBnB went through 3 phases in their development: the first one concerned the design of the manifesto by the founding partners that declares the values and the business model of the co-op. The second involved their transformation from a workers' co-op to a multi-stakeholder co-op supported by various funds. And the third involved the launch of the online platform in 2019 (which unfortunately coincided with the outbreak of the COVID-19 pandemic).

The cross-border activities actually started in 2018, when the platform was first launched. The countries in which they carry out transnational activities include EU and non-EU ones via their online booking platform. Their business model is replicated in other countries.

**Barriers, challenges and mitigation strategies and approaches:**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<p><b>Reaching customers and beneficiaries with limited access to internet</b></p>	<p>Reaching new users in need in territorial contexts outside of own country may be problematic e.g., due to lack of internet access, slower technology uptake, etc.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• In such cases, the mitigation strategy depends on territorial context (e.g., development, access to the internet and technologies, etc.). Educational programmes and trainings may offer the necessary support.</li> </ul>
<p><b>Data security and privacy</b></p>	<p>For the use of digital platforms, the social economy entity needs to take into consideration and embrace all data security and privacy regulations as well as ethical rules around the use of personal and private data.</p> <p><u>Mitigation</u> strategies / approaches may be:</p> <ul style="list-style-type: none"> <li>• Acquaintance with the European as well as target country national GDPR, data and privacy regulations before accessing the country.</li> <li>• Consultation with professional organisations.</li> </ul>
<p><b>Sourcing legal information from different national contexts</b></p>	<p>Complex legal information e.g., public social protection schemes for freelancers, is important to be collected and known prior to embarking on cross-border activities.</p> <p><u>Mitigation</u> strategy / approach may be:</p>

	<ul style="list-style-type: none"> <li>Working with local groups for sourcing information and co-creating solutions where markets and public institutions do not have the solutions available.</li> </ul>
<p><b>Combining platforms with membership models</b></p>	<p>There are differences in how access to online platforms is structured. This is partly due to the legal form and governance of the social economy entities as well as their business model (B2B or B2C).</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>Although the use of digital platforms bears additional legal barriers for members to register, simultaneously it can allow members to adapt the platforms to their needs and participate in decision making on the general platform strategy. Communication and dissemination from original social economy entity to new members and/or companies on this aspect is important.</li> </ul>
<p><b>Introducing sharing economy models to (new) industries</b></p>	<p>Social economy entities may experience that the mindset of companies and networks can be very attached to ownership or established ways of working. In addition, legislations can prohibit or restrict the use of platforms especially if the sector of operation concerns health or other sensitive sectors.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>It needs preparation and acknowledgment from the social economy entity wanting to enter silos that this process takes time.</li> </ul>

▪ **SOURCING**

Sourcing refers to cross-border activities that aim to source necessary resources for delivering services or producing goods. It comprises resources such as staff, know-how, finance or materials for production. We identified one pathway for this type of cross-border activity.

- Building partnerships to establish sustainable value chains*

**FAIRPHONE**

**Fairphone** started as a non-profit initiative in 2010, aiming to demonstrate to key market players (e.g. Apple, Samsung) and the public that sustainable and fair production of smart phones is possible.

Fairphone successfully designs, produces and distributes smartphones that compete with market leaders in terms of functionality and design. Setting up partnerships with producers along the value chain has been essential. Fairphone also introduced a new technological paradigm that focuses on the repair and recycling.

Currently, Fairphone sells and ships its products within the European continent, while its parts are being manufactured in China.

**Barriers, challenges and mitigation strategies and approaches:**

BARRIERS/CHALLENGES	MITIGATION APPROACH AND STRATEGIES
<p><b>Monitoring value chains</b></p>	<p>Performing quality control of the value chain is vital, but not easy.</p> <p><u>Mitigation</u> strategies/approaches may be:</p> <ul style="list-style-type: none"> <li>• Making good negotiations and arrangements with suppliers and intermediaries across the value chain.</li> <li>• Screening vendor lists, asking for material declarations and running impact and improvement programmes.</li> </ul>
<p><b>Conflicts between new technological paradigms and legal regulations</b></p>	<p>Serving within Europe – and even more servicing outside Europe – relates to complicated logistics and different regulations on financial (VAT for example) or other issues (what is considered as waste for example – like in the case of unused phones e.g.). Cost of import tariffs, administration costs and transport costs are a barrier for the efficiency of return streams in a circular and social economy.</p> <p><u>Mitigation</u> strategy/approach may be:</p> <ul style="list-style-type: none"> <li>• The mitigation of this issue needs policy action across borders, especially across EU.</li> </ul>

▪ **EXCHANGE & COLLECTIVE IMPACT**

Social economy entities in many cases engage in cross-border activities together with partners to exchange, collaborate and achieve collective impact. This collaboration can take many forms and can be more or less formalised.

▪ **Collaborating with key sector players to change sector practices and policies**



**Libre Space Foundation** (LSF) is a non-profit foundation established in Athens, Greece that develops and supports open-source (OS) technologies for Space. It is unique on a global level, as it is the only legal entity that provides OS technologies and data for Space.

Overall, LSF since its establishment has been advocating the need for more OS data, software and hardware in the space area, as space is a commodity that belongs to the global population. To date, their activities have helped towards the shifting of conceptualisation around this issue, as evidenced by the recent trend in the US legal framework to become more accepting towards open data. But more things need to be done and relevant initiatives need to spur across the globe.


On national and European level, their continuous collaboration with space authorities and the advocacy they perform – primarily through their line of work and their ongoing international collaborations – has been helping towards an improvement of their appreciation and acceptance as an equal player in the European and international space ecosystem.



**Barriers, challenges and mitigation approaches and strategies:**

<b>BARRIERS/CHALLENGES</b>	<b>MITIGATION APPROACH AND STRATEGIES</b>
<p><b>Setting up international co-operations to influence sectors, the public, etc.</b></p>	<p>Collaborating on European / international level with similar organisations / research institutes, private companies or event volunteers is important for spreading impact and conjointly supporting change.</p> <p><u>Mitigation</u> approaches/strategies may be:</p> <ul style="list-style-type: none"> <li>• Intermediaries may facilitate access to new networks on EU/international level</li> <li>• Wide communication and dissemination activities especially if the public or relevant stakeholders are needed to change view.</li> </ul>
<p><b>Advocating for changes in sector specific regulations</b></p>	<p>The approach of collective impact implies that a social economy entity aims to influence sector specific regulations and at the same time is being affected by them.</p> <p><u>Mitigation</u> strategy/approach may be:</p> <ul style="list-style-type: none"> <li>• Regulations may be addressed on policy level, at national but most importantly at EU wide level and perspective.</li> </ul>
<p><b>Getting recognition in a sector for untypical legal forms</b></p>	<p>It may be the case that a social economy entity may be an untypical player in a specific sector. Or it may be that the selection of such a legal form implies issues in relation to subsidy funding or financial incentivisation or for working in other countries.</p> <p><u>Mitigation</u> approaches / strategies may be:</p> <ul style="list-style-type: none"> <li>• Time and resources need to be provided by the social economy entity wanting to change status quo.</li> <li>• Policy interventions may help, provided they see the added value of social economy engagement in the sector.</li> </ul>

- *Collaborating with partners to innovate or improve products/services*



**Naša Kuća** (Our House) was founded in 2007 in Serbia by parents of children with disabilities as a response to the existing systematic gap in the provision of support to such families. Their mission is to provide conditions for a quality and purposeful life for children with disabilities and facilitate their inclusion in social fabric.

Instead of following the medical treatment model, the founders approached work and children’s development through a social model. The social framework implies taking care of children and youngsters by respecting their needs, opinions, rights and providing them with a safe and supportive environment. The founders expected the initiative would support the evolution of new skills and a sense of belonging in the local communities. To succeed in that, the founders formed a social enterprise and made a job offer to young people in which they can show their best skills and talents. The job offer consists of: i) manual production of high-quality paper and paper bags, cardboard boxes and eco-packaging; and ii) hydroponic gardening. These approaches to paper production (since 2019) and hydroponic gardening (since 2015) are sourced from Japan and are based on innovative and clean technologies. For the past six years, the team has been building capacities to upscale their impact and business model by replicating them to neighbouring countries (e.g., Republic of North Macedonia and Montenegro), Italy, Austria, and the Netherlands.

**Barriers, challenges and mitigation strategies and approaches:**

BARRIER/CHALLENGE	MITIGATION APPROACH AND STRATEGIES
<p><b>Avoiding fragmentation and combining crowd-sourced data</b></p>	<p>Many platforms rely on massive amounts of data to provide useful services to their users but suffer from fragmentation and competing platforms.</p> <p><u>Mitigation strategies / approaches</u> may be:</p> <ul style="list-style-type: none"> <li>• Collaborating with other social economy entities with similar ideas, concepts, visions, and missions may help source information and data.</li> <li>• Crowdsourcing is slowly becoming an important input parameter, and, in some cases, it may become an income stream for people, who then become responsible for the information they share and the purpose for which the information is shared.</li> </ul>
<p><b>Complex fundraising for sector specific innovation activities</b></p>	<p>Funding for specific innovations, e.g., in the health area, may be complex and differ among countries, depending on national legislation.</p> <p><u>Mitigation strategies / approaches</u> may be:</p> <ul style="list-style-type: none"> <li>• Collaborations between social economy entities sharing the same vision and mission, values and perspective may help address such issues.</li> <li>• The role of intermediaries may be facilitating in this aspect.</li> </ul>

<p><b>Utilising innovative technologies for creating meaningful jobs for disadvantaged target groups</b></p>	<p>Through this pathway, the social economy entity can attract specific customer segments for their products. But it is not always easy to identify and use innovative technologies.</p> <p><u>Mitigation</u> strategies / approaches may be:</p> <ul style="list-style-type: none"> <li>• Policy initiatives at national and EU level to support collaboration – on research and implementation side – between social economy and the academic and research communities.</li> <li>• The role of social economy intermediaries may be a facilitator in this perspective.</li> </ul>
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▪ ***Creating membership organisations to secure social mission***

This pathway expresses the responsibility toward local communities and environments and the necessity for a long-term local engagement to achieve expected impact (regional economic development, land conservation).



**The Helsinki Foundation** was established in 2015 in Finland for the purpose of promoting long-term land conservation. Its mission is to acquire lands and leave them in their natural state in order to preserve them for future generations. The Helsinki Foundation pursues its mission across borders and operationalises it through its Greenspace Guardian programme that allows any citizen to take action and contribute to this environmental project.

In practice, the Foundation purchases ecologically relevant lands using the donations provided by individuals and corporations. The lands are then split up into virtual green spaces with exact GPS coordinates, land size and greenspace codes. Permanent and exclusive guardianship over the virtual green spaces can then be bought by anyone through the website of the Foundation. The actual ownership over the entire lands remains with the Helsinki Foundation and the guardians who own the virtual green spaces (inheritable digital assets) acquire voting rights within the Foundation. Land can only be sold / its use changed through the agreement of all the involved parties (the Helsinki Foundation and the guardians with virtual green areas composing the specific land). This system safeguards decision-making rights for all the parties over the lands owned by the Foundation, creating barriers to any future attempts to use these lands for purposes other than land conservation.

Transnational activities for the Helsinki Foundation are essential to enable land conservation with the highest possible impact. The more land is acquired in the most possible countries, the more natural areas will be preserved worldwide.

In this sense, the Foundation has purchased lands around the world, including in Finland, Estonia and Australia. It started off with these activities in 2015 first locally in Finland, to test the entire concept and identify any bottlenecks that could affect its replication in foreign countries. After the proof of concept, land purchasing activities were also initiated in Australia in 2016. This country was chosen due to its unique wildlife and the personal motivations of the founders. Soon after, in 2018, an opportunity for purchasing a nature area arose in Estonia when the Helsinki Foundation was approached by the landowner situated in this country. The land was important from an ecological perspective as it served as a bird nesting place. The Foundation managed to buy it.

In addition to accessing lands in different countries, the transnational element is also strongly present in the Greenspace Guardian programme. Guardians are sourced from a range of countries to purchase guardianship over the lands, including places, such as the United States, Germany, United Kingdom, France, Canada, Hungary, Poland, Australia, and many others.

**Barriers, challenges and mitigation strategies and approaches:**

BARRIER/CHALLENGE	MITIGATION APPROACH AND STRATEGIES
<p><b>Establishing complex legal setups in new countries</b></p>	<p>Finding the right legal form is always a challenging decision.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• Consultation and support from local intermediaries.</li> </ul>
<p><b>Creating long-term formal relationships and local ownership across entities, people and regions</b></p>	<p>Co-ownership of local entities or citizens is therefore extremely relevant.</p> <p><u>Mitigation</u> strategy / approach may be:</p> <ul style="list-style-type: none"> <li>• The original social economy entity may distribute “shares”, while demanding that members become part of the governance structure. This can create long-term formal relationships across entities, people, and regions.</li> </ul>

✓ **Readiness check: How fit are you to undertake transnational activities?**

Welcome to the cross-border activity readiness check for social economy entities! The check has been designed for entities that want to self-assess their readiness to start cross-border activities.

The self-assessment check introduces you to the most important areas of cross-border activity readiness, explains why they matter, asks you questions on the status of your entity and collects a “score” that indicates your current readiness. In doing so it may also point you to areas of potential improvement and contents that could be useful to you.

**For each question, please choose the "stage" that applies best to you.**

Thank you for taking this journey to increase your cross-border activity readiness together with us!

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<b>Q1 IMPACT READINESS: Understanding the social or ecological challenge:</b> The first step is always to have a very clear understanding of the social or ecological challenge you are trying to solve. You may have started to explore the challenge on local/regional/national scale, but for replicating your model you should also be aware of the full scope of the problem on a global scale. You may start to deepen your understanding through direct interaction with your target group, stakeholders and the social system(s) concerned. However, the ability to draw on data/studies will become more important when considering cross-border activities.	<b>IMPACT READINESS SCORE</b>
We started to explore the social or ecological challenge	0
We have a good understanding of the social or ecological challenge based on interaction with the target group and stakeholders	1
We conducted or commissioned studies to analyse the social or ecological challenge	2
We are recognised as leading experts and consultants on the social or ecological challenge	3

<b>Q2 IMPACT READINESS: Conceptualising the impact model:</b> A consistent impact model is the basis for deciding what components of your work should be considered for cross-border activities. The classic I-O-O-I model connects inputs (resources you invest such as time, money, expertise), outputs (activities you implement), outcomes (direct impact on your target group) and impacts (indirect impact on society). It should be as consistent and convincing as possible.	<b>IMPACT READINESS SCORE</b>
We started to work on our impact model ourselves	0
We worked on our impact model together with external stakeholder and/or advisors	1
We have a clear impact model that describes the causal relationship between our activities and their impacts (knowledge, skills, behaviour or general situation) on specific target groups	2
We have a clear and validated impact model and we have defined measurable impact goals	3

<b>Q3 IMPACT READINESS: Assessing the impact</b> Impact assessment means to assess and measure your impact through clearly defined indicators. Many entities report on "outputs" (e.g., number of workshops, number of clients), but few measure and report on social impact (the changes in knowledge, skills and behaviour in your target group caused by your activities). Demonstrating your impact is crucial for convincing your funding and partners to replicate your model.	<b>IMPACT READINESS SCORE</b>
We do not yet have evidence on our impact	0
We conclude on our impact through feedback from beneficiaries	1
We defined indicators and methods that enable us to measure our impact	2
We commissioned external studies by experts/researchers that measure and prove our impact	3

<b>Q4 BUSINESS READINESS: Defining the value proposition:</b>	<b>BUSINESS READINESS SCORE</b>
Successful social economy entities often set themselves apart by defining a clear value proposition for customers/beneficiaries/target groups as well as funders and other supporters. A value proposition is "a bundle of products and services that creates value for a customer or beneficiary" (Business model canvas, Osterwalder). After initial experimentation you may want to define, communicate and distribute this "bundle" through dedicated channels to specified customers/beneficiaries/target groups which is the basis generating income of any kind. Mind that a "customer" can be a direct beneficiary paying for your product/service, but also a third party that is interested in paying for your services (e.g., public administrations, foundations, etc.).	
We are experimenting with different value propositions	0
We defined our value proposition	1
We identified customer groups or funders that are willing to pay for it	2
We identified customer groups or funders and channels for distributing our model	3

<b>Q5 BUSINESS READINESS: Demonstrating a "Unique Selling Proposition" (USP)</b>	<b>BUSINESS READINESS SCORE</b>
A unique selling proposition will be relevant to enter new markets and social systems. In comparison to local actors, you lack local contacts and reputation. A USP is needed to convince local actors that it makes sense to replicate a model from another area. There are of course many ways to set your model apart based on criteria such as innovation, impact potential, or business potential.	
There are other entities with similar models in our area, but we are looking for ways to set us apart	0
There are other entities with similar models in our area, but we can demonstrate what sets our model apart	1
We have enough evidence to demonstrate that our model is unique and innovative in our area	2
We have enough evidence to demonstrate that our model is unique and innovative globally	3

<b>Q6 BUSINESS READINESS: Assessing demand</b>	<b>BUSINESS READINESS SCORE</b>
A social economy entity may be able to demonstrate an impact model and value proposition but may still not generate sufficient demand from beneficiaries/customers. This can have many reasons that relate to the entity itself or the market/social system the entity operates in (systemic barriers that prevent access to potential beneficiaries, etc.). You should have strong indication or proof that the demand for your solution is growing in your own area and target areas before taking your offer cross-border.	
The demand in our own area is still limited	0
The demand in our own area is strong, but we cannot yet estimate the demand in target areas	1
The demand in our own area is strong, and we see indication of demand in target areas	2
The demand in our own area is strong, and we have proof of strong demand in target areas	3

<b>Q7 STRATEGIC READINESS: Developing a cross-border strategy</b>	<b>STRATEGIC READINESS SCORE</b>
A cross-border strategy answers 4 crucial questions: Why do you want to go cross-border? What product/service/programme/activity do you want to offer cross-border? How do you want to offer it? With whom? And where? There should also be a fair amount of alignment within your team. Cross-border activities can change the way your entity works or how roles are performed. Developing a cross-border strategy is a learning and testing process that will help you to become much more efficient and effective as an entity.	
We did not yet think about our cross-border strategy	0
We have started to discuss and develop our cross-border strategy	1
We are applying our cross-border strategy successfully	2
We are testing and finetuning our cross-border strategy	3

<b>Q8 STRATEGIC READINESS: Documenting your model and processes</b>	<b>STRATEGIC READINESS SCORE</b>
A potential cross-border partner does not have your experiences (sometimes many years) in designing and implementing your solution. The partner will instead depend on well documented models and processes that can be easily understood, communicated to beneficiaries/customers and implemented. Cross-border readiness therefore also depends on how well you managed to translate your experiences and tacit knowledge into usable manuals, guides, curricula or training schemes.	
No, most of what we do is based on our experience and tacit knowledge	0
We started to document our model and processes	1
We documented most of our model and processes for internal purposes	2
We have a full documentation of our processes and models ready to be presented to partners	3

<b>Q9 STRATEGIC READINESS: Understanding social systems and markets in target areas</b>	<b>STRATEGIC READINESS SCORE</b>
One of the biggest challenges in cross-border activities is probably to understand how a social system or market works in your target area. There may be strong social, cultural, legal and economic differences. As social economy entities are usually not operating in established markets where a conventional "market analysis" would do the job, you may rely more on conversations with experts or stakeholders in the target area.	
No, not yet	0
We consulted stakeholders and experts to better understand the social system or market in target areas	1
We conducted study visits to better understand the social system or market in target areas	2
We conducted feasibility studies or pilots to better understand the social system or market in target areas	3

<b>Q10 ORGANISATIONAL READINESS: Prioritising and aligning your organisational goals:</b>	<b>ORGANISATIONAL SCORE</b>
Social economy entities will usually define a set of goals relating to 1) Increasing impact, 2) Expanding activities and reach, 3) Achieving systemic change, 4) Sustaining the entity financially, 5) Professionalising operations. The general strategy should somehow "connect" or "align" these different goals (knowing this to be a constant challenge for any organisation). Without this alignment, an entity will be prone to "jumping on opportunities" instead of making strategic decisions. We feel that a cross-border strategy should therefore be aligned with the general goals and development of an entity.	
We still face challenges in formulating our strategic goals	0
We formulated our strategic goals, but they do not feel completely aligned yet	1
We formulated and aligned our strategic goals, but we do not know if taking our offer cross-border should be a priority	2
We formulated and aligned our strategic goals, and we know that taking our offer cross-border will be a priority	3

<b>Q11 ORGANISATIONAL READINESS: Do you already have funding secured for starting cross-border activities?</b>	<b>ORGANISATIONAL SCORE</b>
No	0
Yes	3

<b>Q12 ORGANISATIONAL READINESS: Is there a clear project owner with capacity to lead your cross-border activities?</b>	<b>ORGANISATIONAL SCORE</b>
No	0
Yes	3

<b>Q13 LEGAL READINESS:</b> Cross-border activities involve a range of legal challenges you need to address:	<b>LEGAL READINESS</b>
GOVERNANCE: Is your current governance structure appropriate for setting up cross-border activities	Yes = 1, No = 0
LEGAL ENTITY: Does your legal entity enable you to manage all relevant processes for cross-border activities? (e.g., receiving funds, paying funds)	Yes = 1, No = 0
TAXATION: Did you check whether your cross-border activities will be subject to specific taxations? (e.g., employment, importing/exporting products, investing)	Yes = 1, No = 0
FINANCE AND REGULATORY COMPLIANCE: Did you check whether your activities comply with finance and other regulations in target countries?	Yes = 1, No = 0
PARTNER OR COMMERCIAL CONTRACTS: Do you have contracts for engaging partners?	Yes = 1, No = 0
INTELLECTUAL PROPERTY: Did you check whether you need to protect your intellectual property?	Yes = 1, No = 0
DATA PROTECTION: Do you have systems in place that allow you to manage data (across borders) in a GDPR compliant way?	Yes = 1, No = 0
EMPLOYMENT: Did you check whether and how you will be able to hire staff in other countries?	Yes = 1, No = 0
SECTOR SPECIFIC REGULATIONS: Did you conduct legal research to identify sector specific legal challenges?	Yes = 1, No = 0

## **YOUR SCORE**

### **STEP 1: Please sum up all scores:**

#### **Scores up to 15:**

You may not be ready for cross-border activities yet, but there is certainly potential. The basis for your success is a deep understanding of the social problem, developing a consistent impact model, gaining evidence on your impact and seeing whether there is strong demand for your offer.

#### **Scores from 16-30:**

You are close, but not there yet. There are areas that need improvement before cross-border activities become a realistic option. However, the fundamental prerequisites seem to be there. Please check the sub-scores to identify the most important aspects around your organisation you want to improve. Use your learnings for your organisational development processes to improve your cross-border readiness in specific areas.

#### **Scores from 30-45:**

Congratulations, you perform well in many different areas! You seem to be ready for taking your offer cross-border. However, it makes a lot of sense to share your strategy with others, get feedback, and test your assumptions "on the ground". Make sure that your team is aligned (see STEP 3) and choose the right "pathway" (see STEP 4) to be prepared for the challenges ahead of you.



**STEP 2: Please sum up your sub-scores to see where you can still improve. The sub-scores range from 0 to 9 (0-3: Strong improvements needed, 4-6 improvements needed, 7-9 slight or no improvements needed)**

Impact readiness (Q1 – Q3):

Business readiness (Q4 – Q6):

Strategic readiness (Q7 – Q9):

Organisational readiness (Q10 – Q12):

Legal readiness (Q13):

**STEP 3:** Let members of your team fill in this questionnaire independently and share and discuss results. This exercise helps to find alignment within the team before taking next steps.

**STEP 4:** Have a look at the cross-border pathways in the following chapter. Try to identify a pathway that fits to your organisational strategy. For each pathway we present typical barriers and mitigation strategies that should help you to prepare for the challenges ahead.

**The table below summarises all the pathways we will present in more detail in the next chapter.**

<p><b>Choosing a cross-border pathway</b></p> <p>Based on a comparative analysis of 52 social economy entities we identified 12 “pathways” for cross-border activities. Pathways point to specific “success criteria” for cross-border activities and will help you to make conscious strategic decisions.</p>
<p><b>REPLICATION</b></p> <ul style="list-style-type: none"> <li>• Setting up a replication partner network to scale your impact</li> <li>• Integrating strong partners into the core business or merging with them</li> <li>• Establishing a strong presence in new markets through branching to deliver high quality programmes and services</li> </ul>
<p><b>DISTRIBUTION</b></p> <ul style="list-style-type: none"> <li>• Innovating products to make them accessible to disadvantaged groups</li> <li>• Collaborating with key sector players as customers to sell your products/services</li> <li>• Selling locally produced goods internationally to support local communities</li> <li>• Professionalising the dissemination of know-how to spread it cross-border</li> <li>• Leveraging digital platforms and apps for reaching many customers and beneficiaries</li> </ul>
<p><b>SOURCING</b></p> <ul style="list-style-type: none"> <li>• Building partnerships to establish sustainable value chains</li> </ul>
<p><b>EXCHANGE &amp; COLLECTIVE IMPACT</b></p> <ul style="list-style-type: none"> <li>• Collaborating with key sector players to change sector practices and policies</li> <li>• Collaborating with partners to innovate or improve products and services</li> <li>• Creating membership entities to secure social mission</li> </ul>

## ✓ Financial and non-financial support for transnational activities

### ○ Funding instruments

At European level, some funding opportunities directly promote the internationalisation of social economy such as Interreg, ERASMUS for Young Entrepreneurs, the Enterprise Europe Network and the European Cluster collaboration Platform (Single Market Program) while others are more on an indirect level, such as Horizon Europe or the structural funds (for more information please see Annex I of the present guide). On national level, in the 14 EU Member States and 3 COSME countries that we explored, we identified that there are public regional development agencies who provide mini grants to the SMEs, including social economy actors, to receive professional services of internationalisation mentorship and coaching tailored to their needs. Besides public funding, the social economy entities also depend on donations and social investment from philanthropic actors and investment banks. In the examples of SME funding and their internationalisation, it is relevant to mention cascade-funding schemes which allow funding (even lumpsum) and monitoring of micro-scale initiatives with the support of intermediaries.

Overall, public and private funding instruments are relevant and available to SMEs, and in many cases including social economy entities, but are not tailored to them. The majority of offered instruments support not only internationalisation but also overall support business development and market entry, consulting and coaching. These also include participation at fairs, exhibitions, conferences, exchanges, fashion shows and showrooms. The available instruments usually cover all sectors with only some being exclusively offered for social economy actors: e.g., *SI<sup>2</sup>Fund* or *Financement des entreprises sociales d'insertion* in Belgium. Another good example comes from France that introduced a large-scale funding and capacity building programme for social enterprises carried by the cross-sectoral foundation *La France S'Engage*. This type of blended co-funding and engagement is unique in the European Union.

The focus on financial support to internationalisation of social economy actors is stronger in countries that have already established legal and regulatory framework (e.g., Spain, France, Germany, and Austria, among others). The countries without the legal, regulatory and fiscal framework (e.g., Cyprus or the Republic of Serbia) depend on promoting the social economy through funding of non-profit voluntary organisations (NGOs) and cooperatives. A few examples of cases interviewed as part of this study and their use of available funding is presented below in Table 1: Examples of featured cases and their use of available funding corresponding to their legal form. A more detailed presentation of each country and use of their funding instruments, as well as examples of cases, is outlined in the final report.

Table 1. Examples of social economy entities use of available funding corresponding to their legal form

FEATURED CASE	DESCRIPTION OF THE USE OF FUNDING SCHEMES
<b>Helsinki Foundation</b>	The Finish foundation depends on donations and support from its members. The Foundation made an attempt to access EU funding opportunities via the Finnish Innovation Fund (SITRA). However, SITRA advised that whilst the Foundation could apply for funding, in practice, funding was not available to Foundations.
<b>Naša Kuća</b>	Due to the lack of legal, regulatory and fiscal framework, this Serbian non-profit and non-governmental organisation depends mostly on the support received from international and foreign organisations and is focused on the EU funds for which it is eligible to apply. The organisation received support from the Embassy of the Kingdom of Norway, the Agency for International Cooperation of Switzerland, the US Agency for International Development - USAID, the UniCredit Foundation and the German Agency for International Cooperation – GIZ.

<b>SEAL Cyprus</b>	Registered as a non-profit entity in Cyprus, SEAL Cyprus highly depends on ERASMUS+, EEA Grants and Europe for Citizens programmes.
<b>TEAM U</b>	This German non-profit company with limited liability has been developing services awarded by the EU funds under the COSME programme.
<b>Euskal Herriko Ikastolak Europar Kooperatiba (EHI)</b>	This European Cooperative Society located in Spain has been working with Basque schools which belong to three different public administration systems (French Ministry of National Education, and the departments of education of the Basque government and the Government of Navarre) across the two countries. Due to such complexity, the European funded projects in the area of education (e.g., ERASMUS+) have proved to be good platforms to mitigate these types of administrative challenges and to support joint work on the required adaptations of the initiatives.

### o Intermediary support

Intermediaries are organisations that support local initiatives and promote their success at the national, regional and EU levels. They may be national or international associations, networks, clusters and platforms that provide: i) consulting, mentoring and coaching and other types of services with more of an advisory role to social business development; ii) networking and matchmaking services; and iii) micro-financing. Some of them support directly social enterprises and social entrepreneurs such as Ashoka, REVES, Social Economy Europe, ENSIE, ESS SSE Forum International, Euclid Network, Social Services Europe, Global Social Economy Forum. Others are available to SMEs, but include SEs, such as EBN, Cooperatives Europe, EVPA and European Microfinance Network among others. For more information, please see Annex II. EU initiatives such as Europe Enterprise Network (EEN) and the European Cluster Collaboration Platform (ECCP) can play a role in promoting SME internationalisation. ECCP has a dedicated section on social economy news, events, calls and cluster organisations that can support the internationalisation of social businesses<sup>2</sup>. In 2021, the combined budget of €61 million under the Single Market Programme for these two (EEN + ECCP) focuses on assisting SMEs to “*address disruptions and vulnerabilities or diversify by connecting them to new local and cross-border partners, thereby increasing SME resilience.*”<sup>3</sup>.

Networking and matchmaking are crucial elements in the development of effective cross-border collaboration, and intermediaries have played a great role<sup>4</sup>. Intermediaries have a distinctive role in informing and consulting their members and followers on the relevance of regulations and legislations that are beneficial for the development and internationalisation of the social economy (e.g., OECD Local Development Forum, CIRIEC International, among others). In featured cases, intermediaries have played an advisory role (e.g., In case of Rosia Montana in Romania), access to finances (e.g., in case of BeMyEyes in Denmark) and support to knowledge transfer (e.g., in case of Naša Kuća in the Republic of Serbia).

<sup>2</sup> Social Economy on ECCP. Link: <https://clustercollaboration.eu/social-economy>

<sup>3</sup> New industrial strategy (EC, 2021). Link: <https://ec.europa.eu/info/sites/default/files/communication-new-industrial-strategy.pdf>

<sup>4</sup> Policy brief on support to social enterprises in the European Union. Link: [https://www.interregeurope.eu/fileadmin/user\\_upload/plp\\_uploads/policy\\_briefs/The\\_social\\_economy\\_and\\_support\\_to\\_social\\_enterprises\\_in\\_the\\_European\\_Union\\_Policy\\_brief.pdf](https://www.interregeurope.eu/fileadmin/user_upload/plp_uploads/policy_briefs/The_social_economy_and_support_to_social_enterprises_in_the_European_Union_Policy_brief.pdf)

## ✓ Recommendations

The recommendations at intermediary and national/European policy level are structured along their level of convergence with the EU Social Economy Action Plan, another useful document that social economy actors can use to understand the European Commission's action points to boost the social economy in Europe and help it overcome some of the commonly faced challenges<sup>5</sup>.

### (i) social economy actors

*Accelerate guided self-organisation of cross-border activities (replication, distribution, sourcing activities of social economy entities and creation of collective social, environmental and economic impact in the EU).*

*Mutual learning and networking, so as to facilitate exchange of practices and experiences among peers.*

**(ii) At the level of social economy intermediaries, converging with a key SEAP action point, it is suggested:**

- There is, overall, a strong need to **make social economy support services - public and private - more visible and accessible to the EU social economy ecosystem, as well as increase their capacity - both in terms of financial as well as human resources**. Such important actions need to be well-supported by effective dissemination, communication and awareness raising activities complemented by trainings and mutual exchange programmes may pave the way towards this end. These needs will be addressed by the EU Social Economy Gateway due to be launched in 2023, that will provide a repository of necessary information and simplify access to support<sup>4</sup>.

**(iii) At the level of social economy intermediaries, broadly aligning with SEAP, it is suggested:**

- Overall, **the social economy ecosystem at European level is quite fragmented**. A number of actors, intermediaries, agencies, and supporting mechanisms exist in the different countries. Activities have started being performed to **map** them, yet more activities are needed in order to identify the **networking** (or lack of) among them and their role in the ecosystem (on regional, national and cross-border level). The European Commission aligns with this view, as highlighted by its future action point to better support the development of social economy representative networks<sup>5</sup>. Exploration and mapping of networking within the social economy ecosystem will facilitate the design of policies that will help towards the better functioning of the ecosystem on overall EU level as well as help cultivate more cross-border activities among them.
- **Mapping of available funding instruments across the EU, with particular attention to be paid to microfinance and fintech solutions**. The fragmentation of the social economy ecosystem is also reflected in the dispersion of funding instruments / incentives / practices across the EU. As per the recently released action plan, leveraging networks providing microfinance is also a priority of the European Commission<sup>5</sup>. Highlighting the need for a collective and systematic mapping and exploration of these instruments, the context within which they are provided, the outcomes achieved, and the lessons learnt. This will allow the design of new financing initiatives – funded individually or jointly by various (across the EU) social economy Intermediaries – that will further support social economy development and can be also targeted towards the adoption of cross-border activities by social economy entities.

**(iv) Social economy intermediaries-level recommendations originating from unique inferences of the report:**

- **Mutual learning and collaboration among social economy intermediaries, to avoid the existing fragmentation and facilitate exchange of practices and experiences**. This may be facilitated by cooperation platforms that will offer opportunities for building partnerships among social economy peers and help them exchange experiences and know-how, and lessons learnt to minimise resource duplication. The European Cluster Collaboration Platform on Social Economy<sup>5</sup> may be an inspiration, facilitator and enabler in this regard.

<sup>5</sup> European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

- **It is important to analyse successful cases, but even more important to study the less successful ones to understand the challenges and hurdles they faced.** In addition, it is also key to learn from the non-mainstream cases in relation to how they managed to uptake cross-border activities and overcome the difficulties they faced.
- **Social economy actors need to be regularly updated and supported in building internal capabilities** to take advantage of the offered opportunities for cross-border activities. This can be one of the responsibilities of the Social Innovation Competence Centres that exist or are currently being created in a number of countries.

(v) **at national / European policy level, in convergence with SEAP action points, it is suggested:**

- **Transfer of good policy practices and mutual learning is always valuable.** Yet, the analysis and consideration of the local context is crucial before any transfer of knowledge / practices is attempted.
- At national / regional level, **more coordination and exchange among ministries, social economy actors and stakeholders** would facilitate the improvement of policies designed for social economy entities.
- **Funding and acceleration programmes** are needed that will help social economy actors assess whether they are ready/capable/mature to go international as well as receive funding to experiment with such endeavours, while being supported through capacity building and networking in target countries. To this end, the Action Plan proposes the integration of social entrepreneurship into the scope of a new Youth Entrepreneurship Policy Academy to be set up under ESF+ in 2022. While further alignment can be seen in SEAP's commitment to further promote Erasmus for Young Entrepreneurs programmes amongst potential social economy entrepreneurs<sup>5</sup>.
- The practical and economic feasibility of **cross-border investment partnerships** should be thoroughly investigated and supported on a policy level. Especially in regions where the scope for cross-border cooperation is high (due to shared language, for example), and historical investment relations exist. This could tie in with the investEU Advisory Board's idea of cross-border investment platforms that group together partners looking to invest in social economy entities<sup>5</sup>.
- **Increasing the supply side through policy initiatives supporting social economy entities should go hand in hand with increasing the demand through public procurement.** In this regard, getting inspired by the suggestions and approaches included in the 2<sup>nd</sup> edition of the "Buying Social Guide"<sup>6</sup> promoting Socially Responsible Public Procurement can be a step in the right direction. Which the European Commission plans to supplement through awareness raising, exchange of good practices and training by means of workshops organised per member state<sup>5</sup>.
- **The role of the Enterprise Europe Network (EEN),** whose scope is to support SMEs with international ambitions, **could be leveraged to support social economy entities' internationalisation.** However, an appreciation of social economy entities' peculiarities and distinctive characteristics is needed. To this end, more systematic communication, interaction and training, and possibly creation of specialised units within EEN, will facilitate more effective collaboration. The European Commission also foresees the EEN as a platform that should support the internationalisation of the social economy entities. Together with the network's utility as a site for inter-rural social economy entity networking, and support for circular economy partnerships<sup>5</sup>.

(vi) **at national / European level , broadly aligning with European Commission future action points, yet offering additional perspectives, it is suggested:**

- **Private funding should also be supported, and within this context private investors and investment funds should better understand, possibly through training, the differentiations**

<sup>6</sup> Buying Social is a Guide developed by the EC to facilitate the uptake and inclusion of social considerations in public procurement. The Guide is available at <https://ec.europa.eu/docsroom/documents/45767>

**of social economy and social economy entities** from traditional for-profit businesses before proceeding with funding support. At the same time, specialised funding instruments can be developed in countries that are less developed in this regard taking after good practice that exist elsewhere, while respecting local context. SEAP's action points broadly align with this recommendation, while going above and beyond in terms of practical support for private social economy funding. The Action Plan focuses on launching new financial products in 2022 under the InvestEU programme designed specifically for social economy entity needs. With support for financial intermediaries (which could be in the form of training), being organised alongside the financial products as a secondary activity. Similarly, the European Commission envisages grant-based assistance for building of social enterprise finance markets and complementing equity investment in social economy entities<sup>5</sup>.

- **Stimulation of engagement of foundations in impact investments and more missions-related cross-border investments.** Some national laws require a preservation of the value of the endowment – and mission related investment or investment in social enterprises do not always generate the required returns (or are considered too risky). Other national laws do not permit the provision of loans by public benefit organisations or any other programme activity that generates income on the programme side. EU and national policies could review the role of foundations in cross-border impact investments and identify measures to ease and/or stimulate the engagement of foundations in such activities. Such as infringement procedures opened by the European Commission, when cross-border activity (including mission-related investments) is blocked due to violation, wrongful or non-application of EU law<sup>5</sup>.

## Annex I. Indicative list of EU-funding programmes and initiatives available for Social Economy actors and SMEs

<i>EU programme</i>	<i>Topics</i>	<i>Link</i>
ESF+	<ul style="list-style-type: none"> <li>• Employment.</li> <li>• Social innovation.</li> <li>• Cooperation between authorities.</li> <li>• Education and skills policies, structural reforms in these areas.</li> </ul>	<a href="https://ec.europa.eu/european-social-fund-plus/en">https://ec.europa.eu/european-social-fund-plus/en</a>
EaSI - EU Programme for Employment and Social Innovation, a strand under the <u>European Social Fund Plus (ESF+)</u> (2021-2027)	<ul style="list-style-type: none"> <li>• Employment and social policies.</li> <li>• Job mobility.</li> <li>• Access to micro-finance and social entrepreneurship.</li> <li>• Strengthening the capacity of lending organisations to finance social enterprises.</li> </ul>	<a href="https://ec.europa.eu/social/main.jsp?catId=1081">https://ec.europa.eu/social/main.jsp?catId=1081</a>
Erasmus+ Programme	<ul style="list-style-type: none"> <li>• Social inclusion.</li> <li>• Green and digital transitions.</li> <li>• Youth democratic participation.</li> </ul>	<a href="https://erasmus-plus.ec.europa.eu/about-erasmus/what-is-erasmus">https://erasmus-plus.ec.europa.eu/about-erasmus/what-is-erasmus</a>
Erasmus for Young Entrepreneurs	<ul style="list-style-type: none"> <li>• Cross-border transfer of ideas. Knowledge and cooperation.</li> <li>• Increase entrepreneurial skills.</li> <li>• Knowledge and experience.</li> <li>• Job creation.</li> <li>• SME internationalisation and enhanced resilience.</li> </ul>	<a href="https://www.erasmus-entrepreneurs.eu/">https://www.erasmus-entrepreneurs.eu/</a>
Policy Learning Platform/ “Interreg Europe” programme	<ul style="list-style-type: none"> <li>• Policy knowledge exchange.</li> <li>• Design of suitable policies.</li> </ul>	<a href="https://www.interregeurope.eu/policy-learning-platform">https://www.interregeurope.eu/policy-learning-platform</a>
Cross-border Cooperation / Interreg programme	<ul style="list-style-type: none"> <li>• Increase cross-border access to:</li> <li>• Employment.</li> <li>• Healthcare.</li> <li>• Public facilities and emergency support.</li> </ul>	<a href="https://interreg.eu/strand-of-cooperation/interreg-a-cross-border-cooperation/">https://interreg.eu/strand-of-cooperation/interreg-a-cross-border-cooperation/</a>
Transnational Cooperation / Interreg programme	<ul style="list-style-type: none"> <li>• Enhanced intra-regional cooperation.</li> </ul>	<a href="https://interreg.eu/strand-of-cooperation/interreg-b-transnational-cooperation/">https://interreg.eu/strand-of-cooperation/interreg-b-transnational-cooperation/</a>

<i>EU programme</i>	<i>Topics</i>	<i>Link</i>
	<ul style="list-style-type: none"> <li>Regional Development.</li> </ul>	
Interregional Cooperation / Interreg programme	<ul style="list-style-type: none"> <li>Enhanced inter-regional cooperation.</li> <li>Exchange of good practices and know-how.</li> </ul>	<a href="https://interreg.eu/strand-of-cooperation/interreg-c-interregional-cooperation/">https://interreg.eu/strand-of-cooperation/interreg-c-interregional-cooperation/</a>
Interreg Volunteer Youth (IVY) programme	<ul style="list-style-type: none"> <li>Youth solidarity.</li> <li>Social programmes.</li> <li>Health.</li> </ul>	<a href="https://www.interregyouth.com/">https://www.interregyouth.com/</a>
Interreg SME Support	<ul style="list-style-type: none"> <li>SME competitiveness within the framework of regional development initiatives.</li> </ul>	<a href="https://interreg.eu/programme/interreg-europe/">https://interreg.eu/programme/interreg-europe/</a>
Enterprise Europe Network (EEN)	<ul style="list-style-type: none"> <li>SME internationalisation.</li> <li>Business innovation.</li> </ul>	<a href="https://een.ec.europa.eu/">https://een.ec.europa.eu/</a>
European Business and Innovation Centre Network (EBN)	<ul style="list-style-type: none"> <li>Regional economic development.</li> <li>Quality business support.</li> <li>Access to finance.</li> </ul>	<a href="https://ebn.eu/">https://ebn.eu/</a>
European Cluster Collaboration Platform (ECCP)	<ul style="list-style-type: none"> <li>Partner networking.</li> <li>International collaboration.</li> <li>Enhancing cluster performance.</li> </ul>	<a href="https://www.clustercollaboration.eu/">https://www.clustercollaboration.eu/</a>
Joint Cluster Initiatives (EUROCLUSTERS) for Europe's Recovery	<ul style="list-style-type: none"> <li>SME internationalisation.</li> <li>Green and digital transition.</li> <li>Great sectoral diversity, organised along 13 'strands' covering most economic aspects.</li> </ul>	<a href="https://eisma.ec.europa.eu/funding-opportunities/calls-proposals/joint-cluster-initiatives-euroclusters-europes-recovery_en">https://eisma.ec.europa.eu/funding-opportunities/calls-proposals/joint-cluster-initiatives-euroclusters-europes-recovery_en</a>
EEA Grants	<ul style="list-style-type: none"> <li>Social Inclusion, Youth Employment and Poverty Reduction.</li> <li>Environment, Energy, Climate Change and Low Carbon Economy.</li> <li>Culture, Civil Society, Good Governance and Fundamental Rights and Freedoms.</li> <li>Justice and Home Affairs.</li> <li>Fund for Regional Cooperation.</li> <li>Fund for Youth Employment.</li> </ul>	<a href="https://eeagrants.org/">https://eeagrants.org/</a>



<i>EU programme</i>	<i>Topics</i>	<i>Link</i>
	<ul style="list-style-type: none"> <li>• Innovation, Research, Education and Competitiveness.</li> </ul>	
Horizon Europe	<ul style="list-style-type: none"> <li>• Excellent Science.</li> <li>• Global Challenges and European Industrial Competitiveness.</li> <li>• Innovative Europe, of which the European Innovation Council (EIC) and the European Innovation Ecosystem (EIE) explicitly support SME internationalisation.</li> </ul>	<a href="https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en">https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en</a>
European Regional Development Fund (under the EIE)	<ul style="list-style-type: none"> <li>• Smart growth.</li> <li>• Green economy.</li> <li>• Connectivity.</li> <li>• Social issues.</li> <li>• Local development.</li> </ul>	<a href="https://ec.europa.eu/regional_policy/en/funding/erdf/">https://ec.europa.eu/regional_policy/en/funding/erdf/</a>
LIFE - Programme for the Environment and Climate Action	<ul style="list-style-type: none"> <li>• Nature and biodiversity.</li> <li>• Circular economy and quality of life.</li> <li>• Climate change mitigation and adaptation.</li> <li>• Clean energy transition.</li> <li>• Operating Grants for non-profit making entities.</li> </ul>	<a href="https://cinea.ec.europa.eu/life/life-calls-proposals_en">https://cinea.ec.europa.eu/life/life-calls-proposals_en</a>
Digital Europe Programme	<ul style="list-style-type: none"> <li>• Supercomputing.</li> <li>• Artificial Intelligence.</li> <li>• Cybersecurity.</li> <li>• Advanced digital skills.</li> <li>• Economic and societal proliferation of digital technologies.</li> </ul>	<a href="https://digital-strategy.ec.europa.eu/en/activities/digital-programme">https://digital-strategy.ec.europa.eu/en/activities/digital-programme</a>
COSME Programme	<ul style="list-style-type: none"> <li>• SME Competitiveness.</li> </ul>	<a href="https://ec.europa.eu/easme/en/cosme">https://ec.europa.eu/easme/en/cosme</a>
European Network for Rural Development (ENRD)	<ul style="list-style-type: none"> <li>• Engagement of rural development stakeholders.</li> </ul>	<a href="#">ENRD home page   The European Network for Rural Development (ENRD) (europa.eu)</a>

<i>EU programme</i>	<i>Topics</i>	<i>Link</i>
	<ul style="list-style-type: none"> <li>• Better inform rural development policy.</li> <li>• Better evaluate rural development programmes.</li> </ul>	
European Agricultural Fund for Rural Development (EAFRD)	<ul style="list-style-type: none"> <li>• Sustainable development of the rural economy, including:</li> <li>• Agriculture.</li> <li>• Forestry.</li> <li>• Natural resource management.</li> </ul>	<a href="https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/rural-development_en">https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/rural-development_en</a>

For further information as well as information on national level initiatives, please see the Final Report of the study.

## Annex II. Intermediary Organisations supporting the internationalisation of social economy actors

<i>Intermediary organisation</i>	<i>Link</i>
Ashoka	<a href="https://www.ashoka.org/">https://www.ashoka.org/</a>
Change-X	<a href="https://www.changex.org/ie">https://www.changex.org/ie</a>
CIRIEC International	<a href="http://www.ciriec.uliege.be/">http://www.ciriec.uliege.be/</a>
Cooperatives Europe	<a href="https://coopseurope.coop/">https://coopseurope.coop/</a>
DAFNE - Donors and Foundations Network in Europe	<a href="https://dafne-online.eu/">https://dafne-online.eu/</a>
EBN - European Business and Innovation Centre Network	<a href="https://ebn.eu/">https://ebn.eu/</a>
ENSIE - The European Network of Social Integration Enterprises	<a href="https://www.ensie.org/who-we-are/about-ensie">https://www.ensie.org/who-we-are/about-ensie</a>
ESS SSE Forum International	<a href="https://www.essforuminternational.com/">https://www.essforuminternational.com/</a>
European Social Catalyst Fund	<a href="https://www.euscf.eu/">https://www.euscf.eu/</a>
Euclid Network	<a href="https://euclidnetwork.eu/">https://euclidnetwork.eu/</a>
EUROPEAN MICROFINANCE NETWORK	<a href="https://www.european-microfinance.org/">https://www.european-microfinance.org/</a>
EVPA - European Venture Philanthropy Association	<a href="https://evpa.eu.com/">https://evpa.eu.com/</a>
GSEF – Global Social Economy Forum	<a href="https://www.gsef-net.org/">https://www.gsef-net.org/</a>
Impact Finance	<a href="https://www.impact-finance.com/">https://www.impact-finance.com/</a>
Impact Hub	<a href="https://impacthub.net/">https://impacthub.net/</a>
International Cooperative Alliance (ICA)	<a href="https://www.ica.coop/en">https://www.ica.coop/en</a>
REVES – the European Network of Cities & Regions for the Social Economy works to promote the social economy	<a href="http://www.revesnetwork.eu/wp/">http://www.revesnetwork.eu/wp/</a>
RIPES – International network for the promotion of social solidarity economy	<a href="http://www.ripess.org/?lang=en">http://www.ripess.org/?lang=en</a>
ScaleChanger	<a href="http://scalechanger.com/">http://scalechanger.com/</a>
Snowball effect	<a href="https://www.snowball-effect.org/">https://www.snowball-effect.org/</a>
Social Economy Europe	<a href="https://www.socialeconomy.eu.org/about">https://www.socialeconomy.eu.org/about</a>
Social Services Europe	<a href="https://www.socialserviceseurope.eu/">https://www.socialserviceseurope.eu/</a>
Spring Impact	<a href="https://www.springimpact.org/">https://www.springimpact.org/</a>
UpSocial	<a href="https://upsocial.org/en">https://upsocial.org/en</a>

## Annex III. Glossary of Terms

### Social economy

The social economy covers entities sharing the following main common principles and features: the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users (“collective interest”) or society at large (“general interest”) and democratic and/ or participatory governance.

Traditionally, the term social economy refers to four main types of entities providing goods and services to their members or society at large: cooperatives, mutual benefit societies, associations (including charities), and foundations. They are private entities, independent of public authorities and with specific legal forms. Social enterprises are now generally understood as part of the social economy.

Social enterprises operate by providing goods and services for the market in an entrepreneurial and often innovative fashion, having social and/or environmental objectives as the reason for their commercial activity. Profits are mainly reinvested with a view to achieving their societal objective. Their method of organisation and ownership also follow democratic or participatory principles or focus on social progress. Social enterprises adopt a variety of legal forms depending on the national context.

The Proximity and Social Economy has been recently acknowledged as one of the 14 key European industrial ecosystems.

### Social entrepreneurship

Social entrepreneurship is an approach for solving societal challenges with entrepreneurial means based on a vision of systemic social change<sup>7</sup>. It often has a more individual connotation (“the social entrepreneur”), in contrast to the concept of social enterprise, which underlines the role of community and collective endeavours. It might also focus broadly on the mind-set or more technically and narrowly on the knowledge and skills necessary to establish or run social enterprises<sup>8</sup>.

### Social Enterprises dimensions

- **Economic/Entrepreneurial:** a continuous activity producing goods and/or selling services; a significant level of economic risk; a minimum amount of paid work
- **Social:** an explicit aim to benefit the community; an initiative launched by a group of citizens or civil society organisations; a limited profit distribution; and
  - **Participatory governance:** a high degree of autonomy; a decision-making power not based on capital ownership; a participatory nature involving various parties affected by the activity.

### Social innovation

Social innovations are new ideas that meet social needs, create social relationships and form new collaborations. These innovations can be products, services or models addressing unmet needs more effectively. The

<sup>7</sup> Ashoka, <https://www.ashoka.org/en-us/focus/social-entrepreneurship>

<sup>8</sup> Social enterprises and their ecosystems in Europe – Comparative synthesis report

European Commission's objective is to encourage market uptake of innovative solutions and stimulate employment<sup>9</sup>.

**Social impact (also known as 'social value creation' or 'social return')**

“The reflection of social outcomes as measurement, both long-term and short-term, adjusted for the effects achieved by others (alternative attribution), for effects that would have happened anyway (deadweight), for negative consequences (displacement) and for effects declining over time (drop off)”<sup>10</sup>.

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<sup>9</sup> Social Innovation, [https://ec.europa.eu/growth/industry/policy/innovation/social\\_en](https://ec.europa.eu/growth/industry/policy/innovation/social_en)

<sup>10</sup> GECES, (2014), *Proposed approaches to Social Impact Measurement in European Commission legislation and in practice relating to EuSEFs and the EaSI*

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