

OUTPUT FACT SHEET

Pilot action Social Impact Fund (SIF)

Version 4

Project index number and acronym	CE 1345 SIV
Output number and title	O.T2.1 Pilot action Social Impact fund (SIF)
Responsible partner (PP name and number)	PP1 Social Enterprise Neue Arbeit PP2 ZEF PP3 Sklad 05 PP5 Caritas Vienna
Project website	https://www.interreg-central.eu/Content.Node/SIV-.html https://www.next-access.org
Delivery date	30 th April 2022*

Summary description of the pilot action (including investment, if applicable) explaining its experimental nature, demonstration character and transnational added value

SIF pilot action was agreed to be organized within FUND 05 legal entity as an independent account. The reason for that is that after considerable time studying different legal systems and legal options, partners decided not to establish a new legal entity that would serve the purpose of cross-national fund goals but rather organize in this pilot phase with a minimal, flexible structure enabling the work of the SIF and SIFs pilots.

Based on such a decision, FUND 05 opened a new account with e-bank WISE. The account is based in Belgium and is for EUR as a base currency, but can also support other European currencies if needed. An account can serve to obtain donations and investments from different EU and other countries. Furthermore, an account can be electronically managed via an e-bank app on mobile phones and computers. The legal representative of the account (and in the pilot period only legally authorized person for transactions) is FUND 05 CEO Primož Šporar.

100% of those funds collected are private.

In Slovenia, 28.000 EUR was donated by Google.org to finance a voucher system for underserved groups. Since investment/donation was purpose-related, spending decision was made by FUND 05 and funds were transferred to beneficiary organizations Zavod Meta and Kovačnica to implement envisioned activities.

The pilot action was developed within the Fund 05 team based on consultation with stakeholders and external experts. Lessons learned show that the investors market in Slovenia does not exist. For the first investors, we needed international stakeholders to be able to understand the importance of private funds for social economy projects. The pilot action was implemented within regular activities. Transnational added value is establishing cross-sectoral cooperation with the business sector as an investor/donor.

PP1, PP2 and PP5 have also created plans to shift their pilot activities through the Transnational fund. For that purpose, PP1 has secured 105.000 EUR of the investment to the transnational fund, PP2 has target of adding 50.000 EUR to the transnational fund in the coming 3 years and PP5 has envisioned 10.000 EUR annually, without contributions to be achieved through a joint transnational campaign.

The distribution of the fund is planned as follows:

Year	Fund size	Growth rate	Number of beneficiaries
2022	€ 105.000,00	0	95
2023	€ 177.500,00	69%	161
2024	€ 210.250,00	18%	191
2025	€ 254.275,00	21%	231
2026	€ 269.703,00	6%	245

Special value of the fund is that for the first time there is an employment support mechanism that operates and functions across participating member states and is open to accept and support new organisations willing to utilize its infrastructure. The next task of the fund is to position itself as a valid mechanism of expanding and complementing public employment support services and to attract additional public funding to expand its reach.

NUTS region(s) concerned by the pilot action (relevant NUTS level)

Slovenia Eastern part
Slovenia Western part
Stuttgart (DE11)
Stuttgart, Stadtkreis (DE111)
Grad Zagreb (HR05)
Northern Croatia (HR06)
Vienna (AT13)

SIF implementation costs (EUR), if applicable

Not applicable.

Expected impact and benefits of the pilot action for the concerned territory and target groups and leverage of additional funds (if applicable)

The expected effect is to scale (limited) possibilities to develop the fund as a relevant vehicle in impact investment for the labour market in Slovenia. Beneficiaries will be long term unemployed being offered new instruments for their employment, including possibility of self-employment or starting the business.

Our activities were presented to decision makers, and we hope synergies between SIB and SIV projects will be achieved. Changes in legislation are not needed for that, rather political will from main stakeholders.

Based on good results of pilot action we expect to scale the investment from investor Google.org in 2023 to 50.000 EUR. Also new investors & donors might be now interested since first investment was done.

PP1 aims to increase the use of vouchers from 84 planned to be distributed in 2022 in total value of 86.250 EUR to over 100 in 2023 with continuously increasing both capacity and variety of programs offered to long-term and structurally unemployed people.

PP2 plans to expand its program from supporting employment of the disabled people to other disadvantaged groups by replicating the success of the original model.

PP5 is working on the expansion of their Code to Work program to more involved companies and by attracting other organizations from their network to join the transnational fund and support territorial expansion of the project.

Sustainability of the pilot action results and transferability to other territories and stakeholders

After successful implementation of the pilot projects through the transnational fund, partners participating in the fund will meet in October 2022 for a strategic planning on the future development and operations of the fund. Partners have committed to operate the fund till at least end of 2023 and discussions have already commenced about the participation of the new entities in the fund, with special example of Caritas Munich that has been actively involved in the fund development phase of the project even though it was not part of the SIV project.

Other partners from SIV project have also expressed interest in being informed about the Transnational fund developments and are also invited to join the transnational fund depending on the situation of the development of their national fund and additional opportunities that Transnational fund will offer. Particularly, PP6/CpKP & PP8/Cofund had been interested about further information on it. As we realized it will be important to have a comprehensive relationship with the donors, we wanted to build up here a comprehensive system.

This includes additional promotional activities. We are also planning to be a part of a project where the transnational fund can be further developed. Concerning this PP1/Neue Arbeit will visit until 31st of July 2022 different events to have here a better decision basis for activities later on. It is planned to have a monthly exchange until autumn with most of the transnational fund members on a regular basis to exchange about current developments and to update each other. With Caritas Vienna it was agreed to meet them in autumn 2022 for a bigger meeting to see about future possibilities from their side.

PP2/ZEF agreed to be in any case further on a member of the transnational fund and to work on further capitalization of the fund through its network.

As during the implementation phase of the fund has been realized, it is not possible under current circumstances to ensure financial self-sufficiency of the fund, since it is not realistic to expect that the fund itself will be able to generate revenues high enough to cover operational costs. Therefore, the financial aim of the fund is to maximize efficiency of the utilization of the capital that it manages and minimize its losses and not to create profit for the fund investors. Considering those aims, it means that costs of the operations of the fund will also need to be included into the fundraising strategy of the fund. Here we have planned that around 10% of the raised amount will be used for the operational costs of the fund, while rest will be used for the support of the beneficiaries. Large part of the fund's promotion, expansion, administration etc. will be amortized by general processes of the participating organisations.

If applicable, contribution to/ compliance with:

- relevant regulatory requirements
- sustainable development - environmental effects. In case of risk of negative effects, mitigation measures introduced
- horizontal principles such as equal opportunities and non-discrimination

All fund related activities were relevant for the sustainable development goals of the project.

Based on Sklad0 Impact Design methodology (www.fund2740.com see impact design) maximization of the impact of used funds is planned rather than only minimization of negative effects.

Horizontal principles of equal opportunities were our leading goal within investment and within pilot period since final target groups (final beneficiaries of the SIV fund) were set based on these criteria.

In its management policies, the fund has integrated process of environmental and social measurement of its impact in accordance with ECG (Economy for Common Good Methodology), recommended for such use by European Economic and Social Committee (EESC) by ECO/378-EESC-2015-02060-00-00-ac-tra recommendation.

As fund is to be hosted within Sklad05 (PP3) and not run as an independent legal entity for the time being, its compliance to relevant regulatory requirements will be ensured by the hosting organization.

In either case, the fund and its management will ensure that fund is fully compliant with EU Non-financial reporting directive (NFRD - 2014/95/EU) as well as with the upcoming Corporate Sustainability Reporting Directive (CSFRD), expected to be voted in power by the end of 2022.

In its internal rules, fund will strictly prescribe, implement and follow rules of equal opportunities and non-discrimination on gender, race, national, age, political or religious aspect, both towards fund employees and co-workers as well as towards final beneficiaries.

References to relevant deliverables (e.g. pilot action report, studies), investment factsheet and web-links

If applicable, additional documentation, pictures or images to be provided as annex

Project website:

<https://www.interreg-central.eu/Content.Node/SIV-.html>

The platform of the transnational fund is:

www.next-access.org

Relevant deliverables from the investment can be followed within ActImpAct program on web

www.fund2740.com.

Relevant deliverables to the implementation of the pilot action are:

D.T2.1.2 - Social Impact Fund Structure

D.T2.1.3 - Payment procedure

D.T2.1.5 - Fund management protocol

D.T2.2.2 - Updated Social Impact Fund Structure

D.T2.4.1 - Social Impact Reports

D.T2.4.2 - Social Impact Fund Management Routine