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ACRONYMS

**BMC** – Business Model Canvas  
**EaSI** – Employment and Social Innovation  
**EBAN** – European Business-Angels Network  
**EMN** – European Microfinance Network  
**EU** – European Union  
**ESF+** – European Social Fund Plus  
**EYE** – Erasmus for Young Entrepreneurs  
**FFF** – Family, Friends and ‘Fools’  
**HR** – Human Resources  
**MFF** – Multiannual Financial Framework  
**NPO(s)** – Non-Profit Organisation(s)  
**PA(s)** – Public Administration(s)  
**PPP(s)** – Public-Private Partnership(s)  
**R&D** – Research & Development  
**R&I** – Research & Innovation  
**SME(s)** – Small and Medium-sized Enterprise(s)  
**ToC** – Theory of Change
A. Disclaimer

This guide has been published with the financial support of the European Commission. It aims to provide early-stage social innovators with tools, information and advice on what is needed (and why) to finance socially innovative ideas, projects or organisations. Furthermore, the guide provides an overview of some of the European funding opportunities that the European Social Innovation Competition’s programme consortium identified as relevant for early-stage social innovators. The information presented here does not necessarily express the official opinion of the European Commission; hence they cannot be deemed liable for any errors, omissions or inaccuracies present in this publication.

B. The context: European Social Innovation Competition

The European Social Innovation Competition is a competition run by the European Commission, with support from the EIC. The competition delivery is supported by a consortium of organisations from across Europe. The consortium is led by Nesta Challenges and includes Ashoka Spain, Euclid Network, and GOPA Com.

Launched in 2013 in memory of social innovation pioneer Diogo Vasconcelos, the Competition acts as a beacon for social innovators across Europe, employing a proven methodology for supporting early-stage ideas. It facilitates the development of a network of radical innovators who are shaping our society for the better. Each year the Competition addresses a different issue facing Europe. The 2021 edition of the Competition ‘Skills for Tomorrow – Shaping a green and digital future’ aims to incentivise, support and reward social innovations that will help people and organisations to identify, develop and strengthen the skills needed to adapt and thrive in a changing world.

The Funding Toolkit for Early-Stage Social Innovators (2021 Edition) is one of the Competition’s main publications. It complements the other support actions, such as the Challenge Prize Support Package. Together with this, the Funding Toolkit is designed and developed to accompany the participants from the phase when their socially innovative ideas blossom, to the step when they are ripe and ready to be launched into the market.

However, recognising the generic nature of this guide, we would like to stress that the information presented here can also be a powerful addition to the toolbox of any early-stage social innovator or entrepreneur who is not participating in the Competition. We believe that the advice and guidance provided in this toolkit is of value beyond the European Social Innovation Competition.

In either case, we definitely hope that you, dear reader, will enjoy going through this publication, and take as much inspiration and guidance as possible to launch your social innovation.

Before starting, let’s make a short introduction and better frame this toolkit and see who can particularly benefit from it.

C. The objective: why another funding toolkit?

Today, the possibilities for an individual to access capital and finance their business idea are vast, much more than in the recent past. Europe, in particular, offers a wealth of funding opportunities for start-ups, entrepreneurs and social innovators who want to launch their own innovative ideas.

This guide slightly differs from several other publications, which are geared towards supporting social innovators who have already defined their business model and need tools to scale their business. In the following boxes two examples of funding toolkits – alternative to the present one – are provided.
Social Investment Toolkit

Author: Mark Cheng, senior advisor at Ashoka, licensed under CC BY-NC-ND 3.0

Who is this toolkit for?
Primarily for social entrepreneurs who are running their own social venture and looking to raise social finance. The Social Investment Toolkit is particularly suitable for social entrepreneurs who are at a slightly more advanced stage with their business, compared to the typical readers of the Funding Toolkit for Early-Stage Social Innovators (2021 Edition).

Quick overview
The Social Investment Toolkit is set out in eight modules, which walk the reader through the key steps in raising social investment, from how to define your social mission to creating a compelling investor pitch. The modules are:

1. Social Change;
2. Measuring Impact;
3. Business Model;
4. Scaling Strategy;
5. Financial Model;
6. Legal Structure;
7. Financing Terms;
8. Approaching Investors.

Along the way, key information and resources are presented, such as: key finance concepts; tips on what social investors are looking for; items of information that social investors need in order to make an informed decision; tools and resources to produce items, such as term sheets and financial models.

European Funding Toolkit

Authors: Antoaneta Ivanova, Alexandra Yaghil and Veerle Klijn (Euclid Network)

Who is this toolkit for?
It is addressed to social enterprise support organisations and social enterprises. The European Funding Toolkit specifically covers EU funding programmes and instruments.

Quick overview
Euclid Network, the European Network for social enterprise and civil society support organisations, designed an interactive EU funding toolkit to help social enterprise support organisations and social enterprises navigating their way through EU funding and programmes. The toolkit presents an overview of the main and most relevant 2014-2020 funding programmes, such as Erasmus+, Horizon 2020, COSME, LIFE, AMIF, amongst others. Besides this, a series of tips and tricks to access funding are also presented to the reader.

A new European Funding Toolkit addressing the 2021–2027 Multiannual Financial Framework (MFF) will soon be issued. Check Euclid Network’s website for updates on the new toolkit and other publications!

With the Funding Toolkit for Early-Stage Social Innovators (2021 Edition), our aim is to provide you with valuable support in finding the initial funding you need to bring your social innovation to market. Through a handy, concise and informative booklet, you will be accompanied step-by-step through your financial adventure’s first steps.

D. Early-stage social innovators: who are we talking about?

This toolkit is for you if you think you can identify with a (very) early-stage social innovator. So, what do we mean when we talk about early-stage social innovators? Who are these innovators?

The premise is that there is no single definition of social innovation, social innovator or early-stage funding.
According to the European Commission:

“Social innovation means developing new ideas, services and models to better address social issues. It invites input from public and private actors, including civil society, to improve social services.”

Another definition of social innovation that is widely used was elaborated by Diogo Vasconcelos – the visionary Portuguese leader of whom the European Social Innovation Competition was launched in memory of – in 2010:

“Social Innovations are innovations that are social both in their ends and in their means. Specifically, we define social innovations as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations.”

Social innovations may be enabled and promoted by any kind of individuals or organisations – public or private. Among the private organisations that typically boost social innovations are social enterprises, due to their explicit purpose-oriented missions. Social enterprises are businesses that are changing the world for the better. Like traditional businesses they create revenues, jobs and profits but their main objective is to create social impact. Social enterprises are understood by the European Commission as businesses with the three following characteristics:

• Those for whom the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation;
• Those whose profits are mainly reinvested to achieve this social objective;
• Those where the method of organisation or the ownership system reflects the enterprise’s mission, using democratic or participatory principles or focusing on social justice.

With that, we can define social innovators as individuals, groups of individuals or organisations – including social enterprises – that do social innovation as part of their activities, projects and initiatives.

1 See also Social Innovation section in the European Commission website.
3 See also Social Enterprises section in the European Commission website.
The initial phase in which you, as a social innovator, find yourself when you want to access the first funding necessary to launch your idea on the market is commonly referred to as ‘early-stage’. This stage corresponds to the first steps of the social innovation spiral⁴, a framework used to categorise social innovation according to its maturity level:

### Figure 1: The innovation spiral

<table>
<thead>
<tr>
<th>1 Prompts</th>
<th>2 Proposals</th>
<th>3 Prototypes</th>
<th>4 Sustaining</th>
<th>5 Scaling</th>
<th>6 Systemic change</th>
</tr>
</thead>
</table>

Briefly, let’s see what it means for a social innovator like you to be in the different stages of the social innovation spiral:

**Step 1 – Prompts**
This is the phase in which you define and contextualise the problem.

**Step 2 – Proposals**
The second step corresponds to the phase of conceiving your project proposal – the solution to the problem you identified.

**Step 3 – Prototypes**
In this step, you adjust and test your idea directly in the field, involving end users and potential customers.

**Step 4 – Sustaining**
In this step, you initiate activities that can ensure a sound economic sustainability to your project, thus allowing your organisation to remain in the market.

**Step 5 – Scaling**
This step corresponds to your organisation’s growth and diffusion into other markets.

**Step 6 – Systemic Change**
Once you and your organisation have reached size, stability and sustainability that last over time, you can have the power to positively impact the ecosystem – people, businesses and any other stakeholder – in which you are operating⁵.

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⁵ Examples of systemic changes are: introducing disruptive technologies, promoting sustainable consumptions, influencing policies, democratising decision-making processes, fostering skilling, promoting partnerships between public and private actors, combating social exclusion, addressing climate change, etc.
It is important to underline that the boundaries between the six steps of the innovation spiral are blurred and may partly overlap. Moreover, the spiral does not indicate an obligatory path, being only a simplified model that shows how social innovations evolve. This means that you may find yourself in the situation of being able or wanting to skip one or even several steps within the spiral. For example: starting your entrepreneurial activity by already testing the idea or even going straight to the scaling phase, under certain circumstances. In simple terms, it very much depends on you and your organisation’s particular situation and conditions, for example your willingness to take risks or your readiness in terms of service or product development.

However, as a social innovator in your early-stage phase, you are highly likely to be positioned in the part of the spiral that goes from the first (Prompts) to the fourth step (Sustain). That is, until the moment when your business plan has been defined and is being implemented. Depending on the stage you are in, there are different opportunities available to finance your socially innovative project. We will look at financial tools and providers for early-stage social innovators – specifically pre-seed and seed financing – in the next section of this toolkit.

Now, it’s time to start our funding journey!

**SOME INSPIRATION**

**Kromkommer**

*Where: the Netherlands*

Kromkommer (a Dutch wordplay on the words cucumber and crooked) is a Dutch social business founded in 2012 with the mission to save all the fruits and vegetables that otherwise would be thrown away because of their appearance or overproduction. Instead of ending up in the bin, these products directly arrive on someone’s plate! Kromkommer’s team believes in a world without waste and ‘strives for equal rights for all vegetables and fruits’. To be able to make this mission work they commit themselves to changing the whole system and work towards a new definition of food quality.
1. **INTRO: all you need to lift off – the rocket and the fuel**

If you have downloaded this guide, it’s because you have a socially innovative idea that you want to flourish, or you have just created a start-up and want to know which funding opportunities are right for you. Or maybe you’d like to get some tips from someone more experienced than you, or someone who could lend you or donate the money you need to launch your project.

Whether you are starting from scratch or already have some basic knowledge of the world of funding for social innovation, you will hopefully find the answer you are looking for in these pages. Or, if this is not the case, you will certainly come across some inspiration or tips and tricks on how to continue your funding journey.

All you need to get your project to the stars of social innovation is: the rocket (i.e. your project) and the fuel (i.e. financial tools – in simple words: money – and their providers).

In this toolkit we will suggest to you what your project-rocket needs in order to access the funds necessary to launch. In particular, we will show how having a clear vision and mission, a good team, a convincing story to tell, an impact to generate (and measure), and a solid business plan, will allow you to easily apply for and obtain funding to sustain and grow.

We will then provide you with an overview of the main early-stage **financial tools** and their **providers** that you can access and that will offer you the fuel to propel your rocket. A special section of this toolkit will be dedicated to relevant funding opportunities for early-stage social innovators within several EU programmes.

Although we will not talk about them here – being out of the scope of this toolkit – **support services** (also called non-financial services) are another important ‘component’ of your fuel, needed to develop your personal and professional skills, your networks and your ability to manage the launch and growth of your socially innovative idea. Support services include all activities aimed at accompanying and boosting the launch and growth of your start-up and your team, such as: education and training (e.g. team upskilling); business ideation; coaching and mentoring; participation in networking events, expos, investor days and similar activities.
In addition to guiding you step-by-step along your funding journey, we will provide several inspiring examples of successful social innovators, useful checklists, a series of tips and tricks, an interview with a promising startup, and quotes by social entrepreneurs, finance providers and other experts.

Before we start our journey to the stars of social innovation, we present to you a checklist showing what an early-stage social innovator needs to have, in general, to access the best funding opportunities to launch their innovative idea. As you can see, it brings together the rocket and the fuel presented right above. Just keep in mind that the following checklist doesn’t claim to be exhaustive. Take a look at it and try to tick the boxes you think you might already have in your pocket:

What do I need to get funding and launch my business idea?

<table>
<thead>
<tr>
<th>Area</th>
<th>Checklist (goals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Clearly defined vision and mission</td>
</tr>
<tr>
<td>Business management</td>
<td>Developed initial business plan</td>
</tr>
<tr>
<td>Financial management</td>
<td>Developed initial financial plan</td>
</tr>
<tr>
<td>Impact management</td>
<td>Defined Theory of Change and simple set of impact indicators and a way to track them</td>
</tr>
<tr>
<td>Marketing / Communication</td>
<td>Outlined market analysis (including users, competitors, other stakeholders)</td>
</tr>
<tr>
<td></td>
<td>Developed initial marketing plan</td>
</tr>
<tr>
<td></td>
<td>Developed clear storyline</td>
</tr>
<tr>
<td>HR</td>
<td>Identified team (and potential skill gaps)</td>
</tr>
<tr>
<td>Legal</td>
<td>Identified suitable legal form</td>
</tr>
<tr>
<td>Prototyping and testing</td>
<td>Business idea prototyped with X potential customers</td>
</tr>
<tr>
<td></td>
<td>Business idea tested through X rounds of tests</td>
</tr>
<tr>
<td>Access to funding</td>
<td>Raised awareness of different funding opportunities</td>
</tr>
<tr>
<td></td>
<td>Developed skills to apply for funding</td>
</tr>
<tr>
<td>Access to networks</td>
<td>Gained knowledge of other organisations/stakeholders who work in the same sphere</td>
</tr>
<tr>
<td></td>
<td>Established connection with other organisations/stakeholders who work in the same sphere</td>
</tr>
</tbody>
</table>

Done? You may not have ticked all the boxes, or have you? You might not even know what ‘business plan’ or ‘prototyping’ mean. No problem, this is a great place to start! Do take the above checklist as a starting point and ask yourself: what do I still need to do? What is not clear to me? Is there anything else I might need to have that is not on the list?

The purpose of this toolkit is to help you gain an understanding of most of these requirements to launch your project. Don’t worry, though: you won’t be making the journey alone. Along with this toolkit, you can benefit from the advice of friends, acquaintances, peers and, above all, the support of experts, trainers, coaches and professionals in the field who can help you get your idea off the ground.

So, come back to this checklist to update it... until you are ready to begin your adventure!
2. **THE ROCKET – your project (and what you need to access funding)**

2.1. **Vision and mission**

*What are we talking about?*

The first thing you need to be clear about is: who are you? Understand who you are, define your identity and your value, and how all this is reflected in the idea you want to develop and launch.

To do this you need to have in mind an idea of yourself, of the problem you want to solve and the solution you intend to put in place, which you will want to fine-tune, test and then launch. It is important, therefore, to start by defining the problem, and then to come up with one or more solutions. A tool such as the ‘problem tree’ can be very useful to graphically represent the causes and effects of the social, environmental or economic problem you want to solve. Take a look at this exercise, developed by the EU URBACT Programme, to get a clearer idea of how to build a problem tree. Once you have identified the causes and effects of the problems, you can build a solutions tree which will show you the way to solve the problems you want to face.

The end point of the process of defining the problem you want to solve and the solution you want to develop will be to formulate your vision and mission, which will be the business card of your organisation, the summary of your identity. What are your vision and mission? In a few words:

- **Your vision** identifies your dream – expressed in your socially innovative idea – and what you want to become with your project/organisation in the future, your big goal.

- **Your mission**, on the other hand, is the statement of the purpose of your project/organisation. It describes how and with what activities you intend to achieve your vision, day by day. We can say that the mission will be the basis of your vision.

*Why are they relevant to access funding?*

Having a clear vision and mission will allow you to show your funders that you have a clear idea of what you want to solve and how you will do it. It will be important that your vision and mission are aligned – or compatible – with the objectives of your finance provider (e.g. a foundation funding projects that benefit students with special needs, or an investor interested in investing in social housing projects).
2.2. Team

What are we talking about?

The team is a working group composed of fellow impact makers, with whom you will share the vision and mission of your organisation, and work on the activities necessary to achieve the objectives you have set. With a balanced and skilled team you collectively contribute to generating the positive impact you desire.

In particular, the characteristics that each member of your team should have are:

- Sharing and promoting the vision and mission of the organisation;
- Having self-awareness of their roles;
- Providing a variety of skills and competencies useful for achieving short, mid and long term objectives;
- Fostering trust and a sense of mutual responsibility;
- Fostering spaces for collaboration, support and mutual growth;
- Fostering transparency and clear communication.

Why is it relevant to access funding?

Having a diverse team in terms of experience, knowledge, skills and abilities – as well as culture, gender and/or other intersectionalities – is crucial when a funder considers investing in your idea or provides you with a grant or other forms of funding. It is important to have a clear mission and vision, and to know what your objectives and activities are in order to convince finance providers to financially support your project. You may have clear objectives and the financial resources to achieve them, but lack the human capital to carry out your project activities. In this case, if you lack a good team, it is likely that in the long run, your start-up is doomed to fail. That is why it is very important to invest in your human resources, i.e. in the engine of your project-rocket.

### Some Inspiration

**Czechitas**

**Where:** Czech Republic

**Vision:** ‘We are a non-profit organization made up of young women and men who all share one common goal – to increase diversity in the world of IT and to fight for a higher level of digital proficiency among women and in the new generation’.

**Mission:** ‘We help women, girls and children to explore the world of information technologies. We teach them to code in various programming languages, test their software, or analyse complex data. We organize workshops and courses on different levels of expertise, focused on particular knowledge or technology. We organize summer IT camps, requalification and evening courses. We inspire, educate and help to place new talents to strengthen diversity and competitiveness’.
2.3. Impact

**What are we talking about?**

In addition to having a clear vision and mission and a good and well-balanced team, it is important to define the impact you want to make with your socially innovative idea.

**Impact** is basically the positive change you want to generate with your projects and activities. Some impacts are quite simple to measure, while for others the measurement is more complex, for some, no measurement can be done. If an impact is measurable – i.e. if we can have a measure of the ‘quantity’ and/or ‘quality’ of the change generated – then you will need to define indicators that allow you to measure and track a given impact. These indicators are called **impact indicators**.

Even before asking yourself how and what impacts you want to measure, you need to ask yourself: what impacts do I want to generate? What change do I want to produce with my project? This question relates directly to your vision, which is like a beacon that lights up your organisation and guides all your activities.

From your vision you will therefore need to build your **Theory of Change** (also abbreviated to ToC). What is it about? Basically, the Theory of Change is a method that allows you to first identify and understand the long-term impact goals you want to generate with your project/organisation. Starting from the **long-term change objective** you want to generate, the Theory of Change helps you to understand the ways in which this change should happen, and the activities and tools needed to make this long-term change occur. In addition to your big long-term goal, the ToC will help you identify several **intermediate goals**, as well as all the **resources**, **stakeholders** (people and organisations) and **knowledge** you will need to achieve your intermediate and final goals.

Here is a possible graphical representation of the Theory of Change:

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition&lt;br&gt;Resources that you need to use to run your organisation</td>
<td>Definition&lt;br&gt;Actions you implement to carry out your business model</td>
<td>Definition&lt;br&gt;Tangible results of your activities</td>
<td>Definition&lt;br&gt;Behavioural or structural mid and long term changes resulting from the delivery of your outputs</td>
<td>Definition&lt;br&gt;Systemic long-term change resulting from the aggregation of the outcomes you generate</td>
</tr>
</tbody>
</table>

| Example<br>Funding, staffing, equipment, facilities, etc. | Example<br>Reaching out to trainers to contract them | Example<br>Training programme or a website | Example<br>Improving the digital literacy of migrant women | Example<br>Fostering socio-economic integration of migrant women |

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**THE EXPERT’S VOICE – ON TEAM**

Who: Frank Appeldoorn, Managing Partner at [Arches Capital](https://archescapital.com)

“**One of the most common obstacles early-stage social innovators face when requiring funding is represented by their team. Indeed, team is a key component of a company; from team selection, to teamwork, to team balance, team competence, etc. – these are all very important elements that, unfortunately, are not always taken into proper consideration at the beginning stages of a business.**"
Why is it relevant to access funding?

Today, more and more finance providers – driven by the changing paradigm of socio-economic development in contemporary society – are sensitive to the issue of impact. Indeed, many finance providers are interested in supporting activities and projects that, in addition to guaranteeing an economic return on investment, favour a positive social impact within the communities where the financed organisation or project operates.

Setting up an impact framework from the outset – i.e. defining your ToC and a basic set of impact indicators – will allow you to measure and monitor the impact of your activities and communicate the change you have generated to financiers in both quantitative and qualitative terms. Such impact reporting will be a very valuable tool in your hands, which you will need in order to access an increasing number of ‘impact-sensitive’ funding opportunities.

THE EXPERT’S VOICE – ON IMPACT

Who: Holger Westphely, Acting Head of CAF Venturesome

“Being aware of your impact is certainly important, but even more important is to understand how your business works. If your business is solid, if your team works, if your sustainability is guaranteed in the long term, only then the impact can be realised. Impact cannot be separated from financial sustainability, which is an essential component of a business.”

THE EXPERT’S VOICE – ON IMPACT

Who: Jakob Detering, Managing Director of Social Impact Award

“What is needed from an early-stage social innovator is definitely a clear understanding of the assumptions behind their project idea ("What is the change I intend to generate? What is my Theory of Change?") as well as what indicators should be used to track its impact, making sure that both quantitative and qualitative ones are taken into account.”
2.4. Story

**What are we talking about?**

If you are at the beginning of your social innovation adventure, it will be useful to conceive a story of your project idea and develop a sketch out of it, called ‘storyline’. You can do it only after defining your ToC, establishing your short, medium and long-term objectives, identifying your beneficiaries and defining the activities you want to implement. What is a storyline, exactly? Quite simply, it is the narrative of the idea behind your organisation’s – and possibly your customers'/beneficiaries’ – journey, which can take the appealing form of a graphic cartoon. Through storytelling, in fact, you can show how your activities, products and/or services manage to solve problem X that is important to beneficiaries/customers Y. You may also decide to create a storyline specifically for each new product or service you may launch in the future.

Here’s an example of a storyboard based on the storyline of a digital product:

![Storyboard Example](image)

Figure 2: example of storyboard

A concise and clear explanation on how to build a storyboard for your project, with some inspirations on style, format and content, can be found at [this](#) weblink.

It is important, after creating a storyline, to be able to develop a pitch to present to your future funders. A pitch is nothing more than a clear and concise presentation of your business idea, or rather your business plan. It can take the form of an elevator pitch (i.e. a short, very concise presentation of a few slides) or a proper business pitch, i.e. a presentation that shows in detail your identity, objectives, activities, customers/beneficiaries, products or services, business and financial plans, and growth prospects for the future. Normally a pitch can be either a digital presentation (*pitch deck*), or an explanatory video (*pitch video*), with animations, sounds and other engaging effects.

Some useful tips on how to develop a pitch deck can be found [here](#), while a short guide on how to create a compelling pitch video can be found [here](#).

**Why is it relevant to access funding?**

A fundamental aspect to consider when you are about to search for financing opportunities concerns the communication of your idea. Direct, simple and comprehensive communication is the basis for achieving your financial goals, whether they be applying for a loan or an investment or expanding into new markets. Indeed, a storyline and a pitch will be very useful when you want to communicate your value proposition to the world, attract new customers and – above all – try to convince some financiers to support you in launching and growing your project.
2.5. Business plan

**What are we talking about?**

Before talking about the business plan, let’s start introducing the **business model**. You may have no idea what we are referring to, or you may already know what it is. A business model is something essential that you and your start-up cannot ignore – without which your socially innovative idea cannot blossom.

In the words of Alexander Osterwalder, creator of the Business Model Canvas:

> A business model describes the rationale of how an organisation creates, delivers, and captures value.

No matter what your field of activity is, to be successful you have to create value for the beneficiaries/customers of your organisation/business. That is why the first document you need, the one that will help you in your strategic planning, is a map of your business model. What you need at the starting line, is not yet the business plan – though it will be important later on – you need a business model. The Business Model Canvas allow you to capture exactly that.

The **Business Model Canvas** (also abbreviated to BMC) is an extremely powerful tool that allows you to visually represent, in a simple and synthesised way, the way in which your socially innovative start-up creates, distributes and captures value for your beneficiaries/customers.

Derived from the BMC the **Social Business Model Canvas**, developed by Social Innovation Lab in 2013, is especially useful for social enterprises, non-profit and other organisations interested more in generating social impact than in maximising their profits.

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7 Here you can download a Business Model Canvas that you can then print out or reproduce on a large sheet of paper. It might be useful to involve your team members or other external people and work together discussing the various elements. Post-its, markers and highlighters will be of great help when filling in the blocks of the Canvas.
Let's now take things a step further and talk about the business plan. A **business plan** is a further elaboration of your business model, defined through the BMC, and it can be considered as the most important document for a start-up organisation that wants to enter the market. It is an open document – in the sense that it is always open to change – that describes your idea in a concise manner. A business plan is useful both for planning your activities, your expenses, your business projects, and for communicating your value proposition to the outside world (e.g. to potential lenders or investors).

Typically a business plan is composed of two distinct sections:

**Descriptive section**

This section contains, in detail, your mission, vision, your human resources (the team), the objectives of your business, the entrepreneurial activities carried out, the characteristics of the products and/or services offered, the market and competitor analysis you ran, etc.

**Numerical section**

This section contains numerical data on the current state of your economic and financial resources, the financial objectives you intend to achieve, the forecasts of future inflows (revenues) and outflows (expenses), as well as the prospects in terms of possible investments to be requested, or other financing opportunities to be intercepted.

The following is a template you can use to start developing your business plan. Please note that there are various business plan templates that you could use, with several levels of detail, and which you can easily find online – most of them are freely shared. Here is a simplified version:

**Your business plan**

1. **EXECUTIVE SUMMARY**
2. **COMPANY PRESENTATION**
   - History of the business
   - Mission & vision
   - Value proposition
   - Property and movable assets
   - Governance and organisational structure
   - Human resources (HR) & core competencies
     - Internal workforce (team)
     - External collaborators
3. **MARKET ANALYSIS**
   - Analysis of demand (customer analysis)
   - Analysis of supply (competitor analysis)
4. **TECHNOLOGY**
5. **PRODUCTS & SERVICES OFFERED**
6. **MARKETING, COMMUNICATION & DISTRIBUTION STRATEGIES**
7. **NETWORKING STRATEGY**
   - Current business partners
   - Possible future partners and collaborations
8. **FINANCIAL PLANNING**
   - Revenue model
   - Revenue streams per customer segment
   - Pricing
   - Sales objectives (short, mid and long term; normally up to 3 years)
   - Cost structure (short, mid and long term; normally up to 3 years)
9. **ATTACHMENTS**
   - CVs
   - Project, product or service data sheets
   - Accounting records
   - Analyses, fact sheets, reports, etc.
Why is it relevant to access funding?

A solid business plan is perhaps the most important thing you need to have if you want to convince a financier to give you funding, especially if you are a start-up and you need capital to launch your idea and grow. With your business plan, you allow financiers to understand your value proposition, the activities you implement, your revenue and cost structures, your team’s skills and abilities, and your future growth strategy. In short, the business plan will be, in the eyes of your financiers, a snapshot of your current situation and of what you want to become tomorrow through (part of) the financial resources you are about to ask for from them.

Keep in mind that when applying for funding, you will need to be very precise in providing details to your financier, who may want to know the cost and characteristics of the product, equipment or service you intend to purchase. In addition you will also need to specify how this new purchase will enable your business to launch, grow and succeed, and in so doing, generate impact.

FOCUS – FINANCIAL PLAN

The financial plan is an important section of your business plan, in which you define your financial goals – i.e., in simple terms, how much money you need to launch your idea and to scale it – and the activities required to reach these goals. In your financial plan you will need to define a timeline so that you know when you will need that money. This information is part of the financial strategy that you will develop and include in your business plan. You can use the (Social) Business Model Canvas (see p. 16) as a starting point to sketch out a first financial plan for your project/organisation.
3. **THE FUEL – early-stage finance tools and providers**

### 3.1. Introduction

You have set the parameters at the starting line – you have a vision and a mission, a diverse team, you have defined the impact you want to generate, you have finally developed a good business plan. Now it’s time to turn on your radar, looking for financing opportunities that will allow you to take flight and create impact.

In this section, in addition to seeing what financial tools are available to an early-stage social innovator like you, we will show you the main categories of finance providers that offer them. To give you a visual idea of the broader framework we are in, we present to you this chart, which simplifies the start-up financing cycle. You – and we, with this toolkit – are in the first bit of the graph, which corresponds to the early-stage (or very-early-stage) phase of an organisation.

![Startup Financing Cycle](chart.png)
Starting from the graph above, we introduce **early-stage funding opportunities**. There are various types of ‘financial fuel’ to launch your project-rocket, which are offered by so-called **pre-seed** and **seed finance**. These two types of fuel are the ones that will allow you to take off and reach a good distance. They are, for example, donations from friends or family, loans provided at a very discounted interest rate or financial support provided by an angel investor.

### Pre-seed finance

Pre-seed capital is a relatively small amount of start-up capital needed to prepare the ground for receiving larger amounts of funding in the next stage (seed finance) and thus let you start producing goods and delivering services. The money you raise through pre-seed finance will normally be used to finance your human resources and cover some of your initial costs, such as rent and utilities, or the purchase of some equipment you need to kick your business off.

In this very first stage you will typically collect money from:
- Founders;
- Family, friends, and ‘fools’;
- Public institutions;
- Foundations;
- Prizes;
- Small loans;
- Crowdfunding;
- **Incubation programmes**, who typically provide initial non-financial support along with small cheques.

### Seed finance

Seed finance provides additional fuel that will help you to develop and generate profits and impacts in the long run. By the time your team has stabilised, your project-rocket will have travelled a good distance. Within the seed finance phase, your goal will be to grow, to expand your activities, to generate profits and to start making your first positive impact – economic, social and environmental – in the ecosystem in which you operate.

Typically, seed finance opportunities are offered by:
- Angel investors (or ‘business angels’);
- Angel syndicates (i.e. groups of business angels);
- Acceleration programmes;
- Corporate seed funding;
- Seed funding platforms.

In order to qualify for seed capital you will have to be very convincing to the investor, who will offer you a large sum of money in this round. You will have to show them that your idea works, that your business model is solid, that your products or services have been tested in the market and are in demand. You will need to communicate your value proposition very well. You will have to show your successes and especially (good) numbers, which indicate in quantitative terms the positive impact you generate. Somehow you have to make the investor ‘fall in love’ with your project!

---

**DEFINITION**

**Break Even**

The Break Even or Break Even Point (often abbreviated to BEP) is a technical term used in economics to indicate the point where total costs – direct and indirect – and total revenues are even. This quantity is generally expressed in production volumes or turnover. From BEP onwards, an organisation gradually starts to have a larger profit margin: this means that from a certain moment onwards the revenues of a business will grow more than its costs, generating an increasing profit.

As you can see from the start-up financing cycle graph, the Break Even somehow marks the end of the ‘Valley of Death’ – an expression for that early stage of a start-up where there is no revenue yet (e.g. from the sale of a product or service), and the business has to rely on its initial capital to keep going and bear its initial costs. At this point, after the BEP, the business rocket has passed the menacing asteroid belt and can continue its journey towards system impact!
Once you have launched your rocket and have covered several kilometres (i.e. you have an established end-user base or relevant revenue figures), the time will come when you will need another type of ‘financial fuel’ to enable your rocket to go even higher and conquer deep social innovation space. In this case, the tools and providers for financing your rocket, which by now will have reached a good cruising speed, will be different from those offered by pre-seed and seed finance. In the start-up financing cycle presented above, you can find them under mid-stage and late-stage funding opportunities, corresponding to more advanced phases of your organisation growth. Among these opportunities there is, for instance, venture capital, acquisitions and mergers. Typically, at these more advanced stages you will have several ‘rounds’ of funding (called ‘Series A’, ‘Series B’ and ‘Series C’ funding rounds). From Series A to C your fuel becomes more and more powerful – in other words, the investments made by financiers for the growth of your business will be bigger and bigger.

Given the early-stage nature of this toolkit we will only deal with pre-seed and seed finance. In particular, in the next two paragraphs we will illustrate the main early-stage finance tools and providers that you may be interested in. Finally, in Section 4 of this toolkit (see p. 33) we will present you with an overview of the main EU funding opportunities that you can monitor and, if necessary, take advantage of at the appropriate time. We will refer in particular to some of the programmes of the new MFF 2021-2027 approved by the European Commission.

Please keep in mind that the following lists do not intend to be exhaustive, as they’re aimed to provide an introductory and broad overview of what is on the field that can be leveraged to help your idea blossom, grow and generate impact.

## 3.2. Early-stage finance tools

### Bootstrapping

**Definition**

Bootstrapping is the activity that an early-stage social innovator or entrepreneur – the founder – does when they finance their own organisation using her/his personal savings. Bootstrapping is generally risky and challenging – since the amount of available money is extremely limited and insufficient to secure future growth. Nonetheless, on the other hand it allows for a certain degree of autonomy and flexibility down the road, due to the fact that the founder has full control of decisions and a total ownership of her/his entrepreneurial project.

<table>
<thead>
<tr>
<th>Typical providers</th>
<th>Founders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage of funding</td>
<td>Pre-seed</td>
</tr>
<tr>
<td>Type of funding</td>
<td>Private</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Donation-based</td>
</tr>
<tr>
<td>Examples</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Donations

**Definition**

Donations are amounts of money provided for free by a donor to a beneficiary individual, group of individuals or organisation to support a particular cause or project. They are often granted by family, friends, colleagues, acquaintances, or by some philanthropists and foundations, or even by private companies. You can also raise donations by using digital technology through platforms that facilitate donation-based crowdfunding8 – sourcing them from individuals particularly sensitive to your idea/project. Like grants, donations do not need to be ‘paid back’, since donors do not require any financial compensation for providing their money.

<table>
<thead>
<tr>
<th>Typical providers</th>
<th>FFF, Crowdfunding Platforms, Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage of funding</td>
<td>Pre-seed</td>
</tr>
<tr>
<td>Type of funding</td>
<td>Private</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Donation-based</td>
</tr>
<tr>
<td>Examples</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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8 To know more about crowdfunding, see p. 27.
### Prizes

**Definition**
Similar to grants, **prizes** (or awards) are sums of money given to an organisation or an individual (or group of individuals) following a selection/competition on a certain theme or within a specific business category. It may also be the case that a prize is not given in the form of money (cash prize) but in the form of non-monetary support (e.g. provision of consultancy services, access to databases, access to investment opportunities, provision of training and skilling activities, access to events and business visits, etc.). Typically, in addition to the prize, winners of a competition have the opportunity to make their project idea known to other social innovators, entrepreneurs, funders and stakeholders, thus increasing their visibility and extending their network of contacts.

**Typical providers**
Foundations, Incubators and Accelerators, Public Institutions

**Stage of funding**
Pre-seed

**Type of funding**
Public or private

**Form of funding**
Donation-based

**Examples**

- **European Social Innovation Competition**
  
  **Thematic area:** Social Innovation | Other (yearly theme)
  
  **Scale:** EU and Horizon Europe countries
  
  **Description:** Launched in memory of social innovation pioneer Diogo Vasconcelos, the European Social Innovation Competition is a Competition run by the European Commission, with the support from the European Innovation Council across all EU Member States and Horizon Europe associated countries. Each year, three €50,000 prizes are awarded for the best socially innovative projects designed to change the world for the better. Besides financial support, participating social innovators have the possibility to benefit from non-financial support, provided through coaching, training and networking activities.

### Grants

**Definition**
**Grants** are sums of money that a public or private organisation grants to another organisation, or sometimes even to individuals, to finance certain projects and/or entrepreneurial activities. The characteristic of grants is that, unlike other funding instruments (e.g. loans), they do not have to be ‘paid back’ by the grantee. In some cases, however, you will be asked to participate in the project costs – through a minimum co-financing percentage that you will have to provide. Other times, the funding organisation or programme will cover 100% of the costs. This means that you will not have to put any money of your own.

**Typical providers**
Foundations, Incubators and Accelerators, Public Institutions

**Stage of funding**
Pre-seed

**Type of funding**
Public or private

**Form of funding**
Donation-based

**Examples**

- **Funding & Tender Opportunities Portal**
  
  **Thematic area:** any
  
  **Scale:** EU
  
  **Description:** The European Commission’s Funding & Tender Opportunities Portal is the entry point for applicants, contractors and experts in funding programmes and procurements managed by the European Commission. The portal provides a single access point for viewing all available EU calls for proposals and tenders through a powerful search engine. In addition to searching for all available EU funding, the portal also allows you to search for a partner for your project through a special search service that facilitates dialogue with other companies and organisations wishing to take part.
### Loans

**Definition**

A loan is a form of debt in which an individual or organisation (debtor) receives a sum of money from another individual or organisation (creditor). The loan involves a contract, signed by both parties, which specifies the modalities and timing of disbursement of funds (by the creditor) and repayment (by the debtor), with the common addition of an interest rate.

You can find more information on loans in the box ‘Equity and debt’, under the section ‘Debt-based finance’ (see p. 24).

**Typical providers**

FFF, Banks and Microfinance Providers, Incubators and Accelerators, Crowdfunding Platforms, Public Institutions

**Stage of funding**

Pre-seed or seed

**Type of funding**

Public or private

**Form of funding**

Debt-based

**Examples**

Loans offered by financial intermediaries supported by [EaSI Guarantee](#)

**Thematic area:** any

**Scale:** EU

**Description:** The EaSI Guarantee Instrument is a mechanism funded by the EaSI Programme (see p. 35) and is specifically dedicated to microfinance and social entrepreneurship. One of its key objectives is to increase the availability of and access to finance for vulnerable groups wishing to launch their own enterprises, micro-enterprises and social enterprises, both in their start-up and development phases. The EaSI Guarantee Instrument does not provide financing directly to micro-entrepreneurs or social enterprises. Guarantees and counter-guarantees are instead offered to financial intermediaries, thereby providing them with a partial credit risk protection for newly originated loans to eligible beneficiaries. Social enterprises or micro-enterprise looking for debt finance can click [here](#) to search and select, on a country basis, European financial intermediaries offering debt financing products, including microfinance solutions.

### Investments

**Definition**

An investment is an amount of resources – usually money – that a financier (called ‘investor’) offers you with the expectation of generating profit, in return for a share of ownership of your organisation, business, or part of your sales.

You can find more information on investments in the box ‘Equity and debt’, under the section ‘Equity-based finance’ (see p. 24).

**Typical providers**

Angel Investors, Angel Syndicates, Crowdfunding Platforms, Incubators and Accelerators, Public Institutions

**Stage of funding**

Seed

**Type of funding**

Public or private

**Form of funding**

Equity-based

**Examples**

Investments offered by members of the [European Business Angels Network](#)

**Thematic area:** any

**Scale:** EU

**Description:** The European Business Angels Network (EBAN) is the pan-European representative for the early stage investor community gathering over 150 member organisations in more than 50 countries today. As a not-for-profit trade association, EBAN does not provide funding for startups and is likewise unable to put entrepreneurs directly in contact with investors. Nonetheless, on EBAN’s webpage it is possible to contact national business angel networks for funding requests. To access EBAN’s membership directory and find investment opportunities offered by business angel networks located in your country click [here](#).

You can find more information on EBAN at p. 31.
DEFINITION

**Equity and debt**

Besides being classified according to the time factor and the size of the financing (pre-seed and seed stage, see p. 20), opportunities for financing can also be distinguished according to their form. You have probably heard of debt and equity. We do not want to go into detail here, but just show you in simple terms what the difference is between a debt-based and an equity-based form of funding. There is also a third form of financing called quasi-equity, which is halfway between debt and equity (normally more ‘risky’ than debt, but less than equity).

### Debt-based finance

**What is debt financing?**

Debt-based financing means that you are borrowing money from an outside source (for instance, a bank) and you are pledging to pay it with a certain interest by a specified date in the future. Within debt finance terms are clear from the beginning – meaning that you already know how much and when you will be paying for the requested funding. A loan you apply for at a bank is a typical example of debt-based financing.

**How quickly do I receive funds?**

With debt financing, you will get your funds in a relatively short time, generally from a few days up to some weeks.

**Do I have control of my business?**

Yes, debt-based financing doesn’t imply a transferral of ownership from your business to your funder – neither total nor partial. The lender is only interested in receiving back the money they lend you, plus an interest rate.

**How can I receive debt financing?**

Normally, you can access debt financing if you demonstrate to the lender the validity of your business model, your ability to repay the debt, your past experience with loans or other forms of financing, the presence or absence of guarantees that you can secure, etc.

**Who can offer me debt financing opportunities?**

In the next section of this toolkit we will provide you with a selection of finance providers that offer debt-based financing solutions suitable for financing your start-up (see p. 26).

### Equity-based finance

**What is equity financing?**

When someone invests capital or assets in your company in return for a share of ownership, this is referred to as equity financing. An investment made by a business angel is a typical example of equity-based financing.

**How quickly do I receive funds?**

Compared to debt-based opportunities, equity financing takes more time. Investors will interview you several times and you will have to negotiate your position with them (i.e. what percentage of your business to give them in exchange for funding), trying to find a compromise that works for both of you.

**Do I have control of my business?**

It depends on the amount of shares and how this influences control. In equity financing you give up a minority or majority stake in your business (e.g. a percentage of your revenues), thus losing control of your start-up.

**How can I receive equity financing?**

Normally, you can access equity financing if you demonstrate to the investor that your start-up has a strong business plan, the capacity to generate long-term positive impacts and thus have all the credentials to become a successful and sustainable business in the future. In this case, compared to debt-based finance, the funder is more interested in your long-term objectives and less in your short-term cash flow availability.

**Who can offer me equity financing opportunities?**

In the next section of this toolkit we will provide you with a selection of finance providers that offer equity-based financing solutions suitable for financing your start-up (see p. 26).
SPECIAL FINANCING TOOLS

Sales

The sale of a product or service is conceptually different from the loan you can ask for to a bank or the investment a business angel can make in your organisation. If you are (or aim to be) a (social) enterprise, the sale of goods and/or services – i.e. the fruit of your productive activities – will represent the heart of your business. Sales, in fact, can guarantee you a certain level of profitability and allow you to reach economic and financial stability in the medium and long term. This stability is essential if you are to continue to generate a positive economic, social and environmental impact around you.

How, then, to achieve this economic and financial sustainability? Certainly at the beginning of your entrepreneurial adventure – when the sales you manage to make do not yet allow you to support yourself 100% and generate profit – the fuel you need to move your project forward will maybe come from the financial support of family, friends, or a bank that offers microfinancing, or perhaps an angel investor who wants to bet on your idea.

These are all excellent funding opportunities that can help you boost your organisation. However, it is important to emphasise that good business and sales plans will allow you to get by without ringing the bells of foundations or being overly dependent on ‘external’ financial support, such as public funding or loans.

It is important then, if you choose to become either a ‘traditional’ enterprise or a social enterprise, to focus most of your efforts on your entrepreneurial activities, in particular on marketing and selling the goods and services you produce. This does not mean giving up the search for grants, or asking for other kinds of financial support. You may, in fact, need a loan or a government grant even at a late stage of your business. These opportunities are often very good and should be certainly seized. Keep in mind, however, that depending exclusively on grants, donations and other ‘external’ support will never guarantee the ‘tranquillity’, autonomy and stability over time that only selling goods and/or services to your customers can provide.

A good social innovator who intends to do business will have to be good at choosing and mixing funding opportunities such as grants, donations, loans and investments, with ‘pure’ and income-generating entrepreneurial activities such as the sale of goods and services.

THE EXPERT’S VOICE – ON SALES

Who: Holger Westphely, Acting Head of CAF Venturesome

“If you ask me whether an early-stage social innovator should prefer grants, donations and other ‘external’ support or rather sales, I can tell you that there is no right answer. It very much depends on the business model. Some innovations are just not income-generating enough to rely on sales exclusively. On the other hand, even some commercial businesses need grant capital to grow. The advice that I can give to early-stage social innovators is: grant funding can play an important part, but don’t expect it to provide the working capital that boosts your growth.”
3.3. Early-stage finance providers

**Founders**

<table>
<thead>
<tr>
<th>Definition</th>
<th>A <strong>founder</strong> is an individual who starts her/his own organisation. If an organisation is established by more than one person, there will be more co-founders. At the very beginning of their entrepreneurial activity founders and co-founders typically finance their own organisation with personal savings. This financing opportunity is commonly called ‘bootstrapping’.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical financial tool offered</td>
<td><strong>Bootstrapping</strong></td>
</tr>
<tr>
<td>Stage of funding</td>
<td><strong>Pre-seed</strong></td>
</tr>
<tr>
<td>Type of funding</td>
<td><strong>Private</strong></td>
</tr>
<tr>
<td>Form of funding</td>
<td><strong>Donation-based</strong></td>
</tr>
<tr>
<td>Prerequisites to access funding</td>
<td><strong>Vision and mission</strong></td>
</tr>
<tr>
<td>Examples</td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

**Family, friends and ‘fools’**

<table>
<thead>
<tr>
<th>Definition</th>
<th><strong>Family, friends, and ‘fools’</strong> – also abbreviated FFF or ‘The 3 Fs’ – highly likely are the very first financial providers you will deal with in the beginning of your entrepreneurial activities, besides yourself as a founder. They will provide you with the first pocket of money – be it relatively small or big, depending on their financial capabilities, their personal attachment to you and how credible they deem your idea. ‘Fools’, in particular, are people who bet ‘blindfolded’ on your idea and who might have little or no investment experience. The relationship you will have with the 3 Fs will most likely be informal, and will allow you to raise a certain amount of money to start some basic activities or meet some small expenses, such as, for instance, a monthly subscription to an Internet data provider, buying some of your equipment, or renting a co-working space. It is obvious that the financial support offered by Family, Friends and ‘Fools’ will not be enough – you cannot rely only on donations and ‘cheap’ loans. You will have to look for other opportunities which will provide you with much more fuel to launch your project-rocket. But in the meantime, no doubt FFF will be a great start!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical financial tool offered</td>
<td><strong>Donations, Loans</strong></td>
</tr>
<tr>
<td>Stage of funding</td>
<td><strong>Pre-seed</strong></td>
</tr>
<tr>
<td>Type of funding</td>
<td><strong>Private</strong></td>
</tr>
<tr>
<td>Form of funding</td>
<td><strong>Donation-based, Debt-based</strong></td>
</tr>
<tr>
<td>Prerequisites to access funding</td>
<td><strong>Vision and mission, Story</strong></td>
</tr>
<tr>
<td>Examples</td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

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9 Prerequisites refers to the elements outlined in the first section of this toolkit (see ‘The rocket – your project (and what you need to access funding) at p. 11.)
### Crowdfunding platforms

**Definition**

Crowdfunding is an activity that consists in raising funds from a number of people to finance one's own enterprise, social business or non-profit activity, typically using digital environments – crowdfunding platforms – that connect the entrepreneur/social innovator and their donors/funders. You need to be convincing to push people to finance your project. Creating a video or animation telling the value of your proposal and the benefit of the solutions you have developed could be very useful in this regard.

If your fundraising goal set is met or exceeded, you will receive the requested funds, the funder will typically receive a 'reward', and the crowdfunding platform will receive a fee. Generally, if your fundraising goal is not reached, the money offered by your backers remains in their bank accounts, and your project is not funded.

The European Commission developed a very useful guide on crowdfunding, which offers information for enterprises on different types of crowdfunding, also giving practical tips on how to access it. You can check the guide [here](#).

### Typical financial tool offered

- Donations, Loans, Investments

### Stage of funding

- Pre-seed

### Type of funding

- Private

### Form of funding

- Donation-based, Debt-based, Equity-based

### Prerequisites to access funding

- Vision and mission, Team, Impact, Story

### Examples

Below you can find a list of websites providing lists of crowdfunding platforms, including per country:

- [practicalecommerce.com/13-Crowdfunding-Sites-for-Social-Cause-Entrepreneurs](#)
- [startup.info/crowdfunding-platforms-for-startups-in-different-parts-of-the-world/](#)
- [crowdsourcingweek.com/blog/top-15-crowdfunding-platforms-in-europe/](#)
- [investopedia.com/best-crowdfunding-platforms-5079933](#)
- [godaddy.com/garage/top-crowdfunding-platforms/](#)
## Foundations

**Definition**  
A foundation is a non-profit organisation that offers economic support to other organisations through donations, grants, loans or investments. Besides financially, a foundation can also offer support to an organisation through non-financial tools, in terms of, i.e. free consultancy, technical support or training activities. Foundations can be of public or private nature and are usually established by individuals – often philanthropists – families, corporations, groups of individuals or companies. The characteristic of foundations is to support, through their activities and capital, a cause of particular relevance that is in the public interest. For example: the employment of former drug addicts, the promotion of social or environmental justice, the promotion of the social integration of migrants.

<table>
<thead>
<tr>
<th>Typical financial tool offered</th>
<th>Donations, Grants, Prizes, Loans, Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage of funding</td>
<td>Pre-seed</td>
</tr>
<tr>
<td>Type of funding</td>
<td>Public or private</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Donation-based, Debt-based, Equity-based</td>
</tr>
<tr>
<td>Prerequisites to access funding</td>
<td>Vision and mission, Team, Impact, Story, Business Plan</td>
</tr>
<tr>
<td>Examples</td>
<td><strong>Skoll Foundation</strong></td>
</tr>
</tbody>
</table>

**Thematic area:** Social Innovation | Social Entrepreneurship  
**Scale:** Global  

**Description:** The mission of the Skoll Foundation is to catalyse transformational social change by investing in, connecting, and championing social entrepreneurs and other social innovators who together advance bold and equitable solutions to the world’s most pressing problems. One of the most interesting initiatives run by the Skoll Foundation are the Skoll Awards for Social Entrepreneurship. Each year the Foundation selects and invests in a group of social entrepreneurs whose innovations have already had significant, proven impact on some of the world’s most pressing problems. Each awardee receives a $1.5 million investment or core support grant from Skoll over three years to scale their work and increase their impact. They also gain leverage through their long-term participation in a global community of leaders and innovators dedicated to addressing urgent global issues.
### Banks and microfinance providers

**Definition**

Banks are financial institutions that collect deposits from their customers and offer loans of various types to both individuals and organisations. They are the classic finance providers that entrepreneurs turn to when applying for a loan. There are several types of banks and financial mechanisms designed to offer credit to those who request it.

A particular category of financial institutions, very interesting for early-stage social innovators, are microfinance providers. Nobel Prize winner Muhammad Yunus is credited with the invention of microfinance—a financing model that provides relatively small amounts of capital to entrepreneurs and social innovators in precarious economic and financial situations. Many of such entrepreneurs, in fact, often present a level of risk that is too high for the traditional financial institutions (e.g., big banks), which are thereby not willing to grant credit to them. Hence, the idea behind microfinance is to provide small and micro-entrepreneurs with the liquidity they need to launch their projects and reach a certain level of independence.

<table>
<thead>
<tr>
<th>Typical financial tool offered</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage of funding</td>
<td>Pre-seed</td>
</tr>
<tr>
<td>Type of funding</td>
<td>Private</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Debt-based</td>
</tr>
<tr>
<td>Prerequisites to access funding</td>
<td>Vision and mission, Team, Impact, Story, Business Plan</td>
</tr>
</tbody>
</table>

**Examples**

**European Microfinance Network**

**Thematic area:** any

**Scale:** EU

**Description:** the European Microfinance Network (EMN) is a member-based not-for-profit organisation based in Brussels, which promotes microfinance as a tool to fight social and financial exclusion in Europe through self-employment and the creation of microenterprises. It is the Network’s mission to facilitate capacity building and to advocate on behalf of the sector. EMN’s core membership is made up of microfinance practitioners, i.e., social purpose organisations delivering financial services to the underserved or facilitating access to such services. On this page you can search for EMN members by country and contact them in order to apply for a microcredit solution.
Incubators and accelerators

**Definition**
Incubators and accelerators are ‘places’ that help you bring your idea to life, launch it and give it the boost it needs to grow and succeed in the market. They do so mainly through non-financial support – but sometimes also providing financial opportunities.

An **incubator** supports you by helping you to define and boost your idea from the very first steps. An incubator is the ideal place for social innovators who still need to develop their idea and therefore their business plan, and who need an initial accompaniment. Such an accompaniment is often provided in the form of mentorship, training and advice on calls for proposals, funding opportunities, business modelling, skilling pathways, etc.

An **accelerator**, in contrast to an incubator, is aimed at start-ups that are already established, have a functioning business model and activities already in place, but need a further push to conquer the market. The type of services offered by an accelerator are in some ways similar to those offered by incubators, but more focused on the growth of a start-up and its market penetration.

<table>
<thead>
<tr>
<th><strong>Typical financial tool offered</strong></th>
<th>Grants, Prizes, Loans, Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stage of funding</strong></td>
<td>Pre-seed (incubators) and seed (accelerators)</td>
</tr>
<tr>
<td><strong>Type of funding</strong></td>
<td>Public or private</td>
</tr>
<tr>
<td><strong>Form of funding</strong></td>
<td>Donation-based, Debt-based, Equity-based</td>
</tr>
<tr>
<td><strong>Prerequisites to access funding</strong></td>
<td>Vision and mission (i(^{10}), a(^{11})), Team (i, a), Impact (a), Story (a), Business Plan (a)</td>
</tr>
</tbody>
</table>

**Examples**

**F6S**

**Thematic area:** any

**Scale:** Global | EU

**Description:** F6S is a global founder community, supporting startup founders, growth companies and most of the global startup ecosystem. The F6S community includes 16,000 of the world’s top corporates, governments, and startup programs. F6S helps start-ups find programs like hackathons, accelerators and competitions and have the opportunity to get deals from a wide range of companies.

**Here** you can browse international, European and national start-up incubators and accelerators, by simply using the search engine provided by F6S. You can also search for investment opportunities, contests and other relevant events.

---

10 Letter ‘i’ refers to incubators.
11 Letter ‘a’ refers to accelerators.
**Angel investors and angel syndicates**

**Definition**

An **angel investor** – also called ‘business angel’ – is a (generally wealthy) person who invests in small businesses or entrepreneurs providing them with the initial capital – cash money – needed to launch or expand their business, in return for a share of the company’s ownership. An investment made by a business angel is a typical example of equity-based financing. If your very first financiers will almost certainly be yourself and your FFF’s, a business angel will most likely be the second type of investor you will meet during your funding journey.

When two or more angel investors decide to join forces – and resources – in a consortium we speak of **angel syndicates**. Acting together, angel investors associated in syndicates are then able to increase their investment potential and thus their ability to generate impact through their investment choices.

<table>
<thead>
<tr>
<th>Typical financial tool offered</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage of funding</td>
<td>Seed</td>
</tr>
<tr>
<td>Type of funding</td>
<td>Private</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Equity-based</td>
</tr>
<tr>
<td>Prerequisites to access funding</td>
<td>Vision and mission, Team, Impact, Story, Business Plan</td>
</tr>
</tbody>
</table>

**Examples**

**European Business Angels Network**

**Thematic area:** any

**Scale:** EU

**Description:** EBAN is the pan-European representative for the early stage investor community gathering over 150 member organisations in more than 50 countries today. Among its several activities, EBAN organises two flagship events every year, along with several smaller scale events, which offer entrepreneurs access to investors, startup coaches and support agencies that can help them scale their business. EBAN events have the following activities designed for entrepreneurs: training; coaching; pitching.

As a not-for-profit trade association, EBAN does not provide funding for startups and is likewise unable to put entrepreneurs directly in contact with investors. Nonetheless, on EBAN’s [webpage](#) it is possible to contact national business angel networks for funding requests. To access EBAN’s membership directory and find your nearest business angel network click [here](#).

Check [this](#) page to know more about EBAN’s opportunities for entrepreneurs and browse useful resources.
Public institutions

**Definition**

Public institutions, both at local/regional, national and EU level, are important finance providers able to stimulate the creation and growth of socially innovative ideas, start-ups and social enterprises through a variety of financial support mechanisms.

It is beyond the scope of this toolkit to provide an overview of the funding opportunities offered by public institutions at all the three levels. Focussing on the European dimension, this toolkit specifically addresses relevant European programmes that are suitable to support early-stage social innovators. More details on EU funding opportunities are provided in the next section (see page 33).

<table>
<thead>
<tr>
<th>Typical financial tool offered</th>
<th>Grants, Prizes, Loans, Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage of funding</td>
<td>Pre-seed and seed</td>
</tr>
<tr>
<td>Type of funding</td>
<td>Public</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Donation-based, Debt-based, Equity-based</td>
</tr>
<tr>
<td>Prerequisites to access funding</td>
<td>Vision and mission, Team, Impact, Story, Business Plan</td>
</tr>
<tr>
<td>Examples</td>
<td>See page 33 and following.</td>
</tr>
</tbody>
</table>

### 3.4. Overview

The following table provides an overview of the main financing providers and tools set out above, highlighting which of the former typically provide the latter.

<table>
<thead>
<tr>
<th></th>
<th>Bootstrapping</th>
<th>Donations</th>
<th>Grants</th>
<th>Loans</th>
<th>Prizes</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founders</td>
<td>X</td>
<td></td>
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<td></td>
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<tr>
<td>FFF</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crowdfunding platforms</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundations</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Banks and microfinance providers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Incubators and accelerators</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Angel investors and angel syndicates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Public institutions</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. **FOCUS: EU funding opportunities for early stage social innovators**

As a further specification of financing opportunities offered by public institutions (see p. 32), here we present to you a focus on some of the EU funding programmes relevant for early-stage social innovators. The programmes mentioned here are constituent elements of the EU’s MFF for the 2021-2027 period – the EU’s long-term budget providing the framework for the funding of almost 40 EU spending programmes over a seven-year period.

As you will see, EU funding programmes finance a large number of projects in many different fields, involving a variety of actors (private companies, public bodies, NPOs, etc.). For detailed information on the MFF 2021-2027, and the programmes it funds, please check the European Commission’s website.

Please note that some of the programmes – and the related working documents – proposed here are still to be defined, approved and/or published by the European Commission. We therefore invite you to regularly check the official websites of the individual EU programmes and the other links provided below for up-to-date information on programmes’ guides, working documents, calls for proposals, events, etc.

The 2021-2027 EU funding programmes we have selected and of which we will give you a brief overview are the following:

- European Social Fund Plus (ESF+)
- Erasmus+
- LIFE
- DIGITAL
- Single Market Programme (SMP)
- Erasmus for Young Entrepreneurs (EYE)
- EIC Accelerator (former SME instrument)
- InvestEU

For each programme we will briefly explain:

- What it supports (objectives of the programme)
- Who it supports (who can apply/who are the beneficiaries of the programme)
- Type of support (grant, loan, investment, non-financial support, etc.)
- Budget size (referred to seven-year period: 2021-2027)
- Who to contact/where to apply

For more information on the negotiation process of the 2021-2027 long-term EU budget and NextGenerationEU – the recovery instrument developed to respond to the current pandemic crisis – click [here](#).

Lastly, to find out what the European Commission does on social innovation and for social innovators, we refer you to this page.
## European Social Fund Plus (ESF+)

<table>
<thead>
<tr>
<th>Thematic areas</th>
<th>Employment</th>
<th>Skills</th>
<th>Social Inclusion</th>
<th>Social Innovation</th>
</tr>
</thead>
</table>
| **What it supports** | The **European Social Fund Plus (ESF+)** is the EU’s main instrument for investing in people with the aim of building a more social and inclusive Europe. The Programme aims at supporting EU Member States to tackle the crisis caused by the coronavirus pandemic, achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the transition to a green and digital economy. In particular, the ESF+ finances the implementation of the principles from the European Pillar for Social Rights through actions in the area of employment, education & skills and social inclusion. It will also provide resources to EU Member States for the recovery of our societies and economies after the coronavirus crisis. The overarching priorities of the ESF+ are:  
- To invest in young people, who have been particularly hard hit by the socio-economic crisis following the coronavirus outbreak;  
- To support the most vulnerable suffering from job losses and income reductions;  
- To provide food and basic material assistance to the most deprived;  
- To invest in children who have suffered the effects of the crisis;  
- To directly support social innovation, social entrepreneurship and cross border labour mobility, through the new **Employment and Social Innovation (EaSI)** strand, with a dedicated financial envelope of €676 million (see next box to know more about EaSI).  
ESF+ is managed by the European Commission, which establishes the programme’s overarching goals, but it is implemented by national and regional governments. This ensures that funds are allocated to EU Member States and Regions, who then publish calls for proposals and run a selection of the best projects to finance. The frequency, deadlines, specific objectives, and budget of ESF+ calls for proposal vary greatly. |

| Who it supports | Organisations (PAs, SMEs, NPOs, workers’ and employers’ organisations, etc.)  
**Note:** individuals are typically the end beneficiaries of the projects financed by ESF+. For example: older employees learning new skills, young job seekers, or people seeking advice on how to start a business |
| Type of support | Grants |
| Budget size | €87.9 billion (of which € 676 million for EaSI) |
| Who to contact / where to apply | ESF+ funding is available through the Member States and regions. The European Commission does not fund ESF+ projects directly. Interested organisations/individuals should contact the ESF+ Managing Authority in their country or region (see here for the list). |
The Employment and Social Innovation (EaSI) programme is a financing instrument at EU level to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. For the period 2021-2027 the EaSI programme will become a strand under the European Social Fund Plus (ESF+).

One of the axes of the EaSI programme run within the 2014-2020 MFF was the ‘Microfinance and Social Entrepreneurship’, which regarded access to microfinance and social entrepreneurship. This axis, in particular, was aimed at promoting investment and scale up the work of social enterprises and micro-enterprises.

To know more about how EaSI’s Microfinance and Social Entrepreneurship axis worked click [here](#).

EaSI calls for proposals will be published on the Funding and Tenders Portal of the European Commission.

If you are a social enterprise or micro-enterprise looking for debt finance you can click [here](#) to search and select, on a country basis, European financial intermediaries offering debt financing products, including microfinance solutions.

Since the list contains their websites links and other relevant information, you will be able to easily contact them and ask for the kind of financial support you deem more suitable for your start-up.

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**Erasmus+**

**Thematic areas**

Education & Training | Employment | Green & Digital Skills

**What it supports**

Erasmus+ is the EU’s programme to support education, training, youth and sport in Europe. The 2021-2027 Erasmus+ Programme places a strong focus on social inclusion, the green and digital transitions, and promoting young people’s participation in democratic life. It supports priorities and activities set out in the European Education Area, Digital Education Action Plan and the European Skills Agenda.

In particular, Erasmus+ offers mobility and cooperation opportunities in:

- Higher education;
- Vocational education and training;
- School education (including early childhood education and care);
- Adult education;
- Youth;
- Sport.

The Erasmus+ Programme funds projects along three main axes (called ‘Key Actions’):

- Key Action 1: Learning mobility for individuals;
- Key Action 2: Cooperation among organisations and institutions;
- Key Action 3: Support to policy development and cooperation.

The Programme is managed both at EU level by the European Commission, through its agency FACEA (European Education and Culture Executive Agency), and at national level, by National Agencies in programme countries, and national offices in some partner countries.

Check the official [Erasmus+ Programme Guide](#) to get a comprehensive understanding of the programme, its objectives and the actions financed.

**Who it supports**

- **Individuals:** they can apply for funding from Erasmus+ Key Action 1 (although will have to apply through a participating organisation)
- **Organisations:** universities, education and training providers, think-tanks, research organisations, NPOs and private businesses can apply for funding from Erasmus+ Key Actions 1, 2 and 3, although eligibility varies from one action to another and from one country to another.
### LIFE

<table>
<thead>
<tr>
<th>Type of support</th>
<th>Grants</th>
<th>Tenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget size</td>
<td>€26.2 billion</td>
<td></td>
</tr>
<tr>
<td>Who to contact / where to apply</td>
<td>The 2021 Erasmus+ online application forms and related documents are currently being developed. Depending on the actions concerned, organisations are invited to submit applications online to the National Agency in the relevant country, via the Erasmus+ forms website, or to the European Education and Culture Executive Agency (EACEA). Here you can see which actions of the programme are managed by which agency. For more information on how to apply, check this website.</td>
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</tbody>
</table>

#### Thematic areas
- Environment | Climate Change

#### What it supports
The LIFE Programme began in 1992 and has co-financed thousands of projects in the field of environmental protection. LIFE provides financial assistance to organisations working on environmental issues and climate action.

The 2014-2020 LIFE Programme had four objectives:

1. Help move towards a resource-efficient, low carbon and climate-resilient economy, improve the quality of the environment and halt and reverse biodiversity loss;
2. Improve the development, implementation and enforcement of EU environmental and climate policy and legislation, and act as a catalyst for, and promote, the mainstreaming of environmental and climate objectives into other policies and practices;
3. Support better environmental and climate governance at all levels;
4. Support the implementation of the 7th environmental action plan.

The new LIFE Programme (2021-2027) will cover the following areas:

- Nature and biodiversity;
- Circular economy and quality of life;
- Climate change mitigation and adaptation;
- Clean energy transition.

As well as supporting public authorities, NGOs, universities and institutes, LIFE programme helps companies bring their green products, technologies, services and processes to the market. Check out this page to know more about how LIFE supports close-to-market projects.

The European Commission manages the LIFE Programme through its services Directorate-General for Environment for Climate Action and for Energy, and its European Climate, Infrastructure and Environment Executive Agency (CINEA).

#### Who it supports
Organisations (PAs, SMEs, NPOs, etc.)

<table>
<thead>
<tr>
<th>Type of support</th>
<th>Grants</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget size</td>
<td>€5.4 billion</td>
<td></td>
</tr>
<tr>
<td>Who to contact / where to apply</td>
<td>Details of the 2021-2027 calls for proposals are still under discussion. A LIFE call for project proposals will be published in the coming months. The European Commission makes use of the Funding &amp; tender opportunities portal to ensure applicants have a common entry point to most EU grants. Check this page to find further information on LIFE calls, info days, partner search tools, National Contact Points and FAQs.</td>
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</table>
**DIGITAL**

<table>
<thead>
<tr>
<th>Thematic areas</th>
<th>Digital Technologies</th>
<th>Digital Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>What it supports</td>
<td>The Digital Europe Programme (DIGITAL) is the first financial instrument of the EU focused on bringing digital technology to businesses and citizens. The aim of DIGITAL is to strengthen Europe’s digital capabilities by encouraging the use and development of new technologies by businesses, public administrations and citizens. DIGITAL will provide strategic funding to answer these challenges, supporting projects in five crucial areas: supercomputing; AI; cybersecurity; advanced digital skills; digital technologies across the economy and society. With a planned overall budget of €7.5 billion (in current prices), it will accelerate the economic recovery and shape the digital transformation of Europe's society and economy, bringing benefits to everyone, but in particular to SMEs.</td>
<td></td>
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<tr>
<td>Who it supports</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Type of support</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Budget size</td>
<td>€7.5 billion</td>
<td></td>
</tr>
<tr>
<td>Who to contact / where to apply</td>
<td>Details of the 2021-2027 DIGITAL calls for proposals will be discussed and published in the next months. Check DIGITAL’s website to stay updated and get further information on the Programme.</td>
<td></td>
</tr>
</tbody>
</table>

**SMP – Single Market Programme**

<table>
<thead>
<tr>
<th>Thematic areas</th>
<th>Innovation</th>
<th>Entrepreneurship</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>What it supports</td>
<td>The key goal of the 2021-2027 Single Market Programme is to enable individuals, customers, enterprises, and governments across the EU to fully benefit from market integration. As a result, SMP encourages actions aimed at:</td>
<td></td>
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<tr>
<td>Promoting consumers and strengthening their role in the European economy;</td>
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<td></td>
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<tr>
<td>Promoting the competitiveness of enterprises, in particular SMEs;</td>
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<tr>
<td>Improve the governance and the functioning of the internal market;</td>
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<tr>
<td>Promote fair competition in the digital age;</td>
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<tr>
<td>Enable the development of high-quality European standards;</td>
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<td></td>
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<tr>
<td>Promote high standards of human, animal and plant health;</td>
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<tr>
<td>Promote high quality European statistics.</td>
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<tr>
<td>The new EU Single Market Programme will replace, in the seven-year period 2021-2027, activities that are currently funded under six different programmes, including COSME. The non-financial instruments of COSME will be included in the New Single Market Programme, whereas the financial instrument will be part of the InvestEU Programme (see p. 39).</td>
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<tr>
<td>Here you can read the position adopted by the Council on 13/04/2021 and the Regulation of the EU Single Market Programme.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Who it supports</td>
<td>Organisations (SMEs, PAs, CSOs, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of support</td>
<td>Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tenders</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget size</td>
<td>€4.2 billion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who to contact / where to apply</td>
<td>Details of the 2021-2027 SMP work programme and related calls for proposals will be discussed and published in the next months.</td>
<td></td>
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</tr>
</tbody>
</table>
### Erasmus for Young Entrepreneurs (EYE)

<table>
<thead>
<tr>
<th>Thematic areas</th>
<th>Youths</th>
<th>Entrepreneurship</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What it supports</strong></td>
<td><strong>Erasmus for Young Entrepreneurs</strong> is a cross-border programme facilitating the exchange of entrepreneurial and management knowledge and skills, thus helping to create jobs and to promote internationalisation and cooperation among businesses. The EYE exchange programme involves the stay of a newly established or potential entrepreneur with a well-experienced entrepreneur who’s running a small or medium-sized enterprise (SME) in another country. The experienced entrepreneur helps the new entrepreneur acquire the skills needed to run a small firm. By hosting a junior entrepreneur, the experienced entrepreneur benefits from fresh perspectives on his/her business and gets the opportunities to cooperate with foreign partners or learn about new markets. EYE is financed by the European Commission and operates across the participating countries with the help of the local contact points, competent in business support (e.g. Chambers of Commerce, start-up centres, incubators etc.). Their activities are coordinated at European level by EUROCHAMBRES, the support office of the EYE Programme.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Who it supports</strong></td>
<td>Individuals</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
|                      | • New entrepreneurs, firmly planning to set up their own business or have already started one within the last three years;  
|                      | • Experienced entrepreneurs who own or manage a SME in one of the participating countries. | |
| **Type of support**  | Grants |
| **Budget size**      | €80 million (2016-2020) |
| **Who to contact / where to apply** | If you are a new or an experienced entrepreneur who wants to apply for the EYE Programme, click [here](#). Further information on EYE can be found [here](#). |

### EIC | EIC Accelerator (former SME instrument)

<table>
<thead>
<tr>
<th>Thematic areas</th>
<th>Innovation</th>
</tr>
</thead>
</table>
| **What it supports** | The European Innovation Council (EIC) is a key novelty of Horizon Europe Programme and represents the most ambitious innovation initiative that Europe has taken, with a budget of €10 billion for the period 2021-2027. The EIC is Europe’s flagship innovation programme to identify, develop and scale up breakthrough technologies and game changing innovations. Among EIC’s funding opportunities there are:  
|                      | • EIC Pathfinder;  
|                      | • EIC Transition;  
|                      | • EIC Accelerator;  
|                      | • EIC Business Acceleration Services;  
|                      | • European Innovation Ecosystems;  
|                      | • EIC Prizes – including the European Social Innovation Competition. The EIC Accelerator, in particular, supports individual SMEs, especially startups and spinout companies to develop and scale up game-changing innovations. To know more about EIC Accelerator check [this](#) webpage and the EIC Work Programme 2021. | |
| **Who it supports**  | SMEs |
| **Type of support**  | • Grants (of up to €2.5 million) for innovation development costs;  
|                      | • Investments (direct equity investments) of up to €15 million managed by the EIC Fund;  
|                      | • Non-financial support: coaching; mentoring; access to investors and corporates; and many other opportunities as part of the EIC community. |
Who to contact / where to apply

You can apply for EIC Accelerator funding at any time through the EIC platform, by clicking here. To know more about all steps and procedures you need to follow once you decide to apply, check the EIC Accelerator’s Guide for Applicants.

If you need support in the application or want to know more about the Programme, check this webpage. Besides the National Contact Points, support is provided also by Enterprise Europe Network and Access2EIC.

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InvestEU

**Thematic areas**
- Research & Innovation
- Infrastructures
- Entrepreneurship
- Green & Digital Transition

**What it supports**
InvestEU is a new EU programme that will provide the EU with crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery. It will provide crucial support to companies, and help mobilise private investments for the EU's policy priorities, such as the European Green Deal and the digital transition. InvestEU will bring together under one roof the multitude of EU financial instruments currently available to support investment in the EU.

InvestEU consists of three main building blocks:

- **InvestEU Fund**, a fund supporting four policy areas which represent important policy priorities for the EU and bring high European added value: sustainable infrastructure; research, innovation and digitisation; SMEs; social investment and skills. In particular, InvestEU will mobilise more than €372 billion of public and private investment.

- **InvestEU Advisory Hub**, providing technical support and assistance to interested investors;

- **InvestEU Portal**, bringing together investors and project promoters (entrepreneurs) on a single EU-wide platform, where it is possible to register and to search for or offer investment opportunities.

**Who it supports**
- Private entities (SMEs, large companies, project companies, NPOs, etc.);
- Public entities;
- Mixed entities, such as public–private partnership (PPPs).

**Type of support**
- Loans;
- Investments;
- Guarantees;
- Other.

**Budget size**
€372 billion (InvestEU Fund)

**Who to contact / where to apply**
If you are a SMEs and social or micro-enterprises you should apply to your local commercial or public banks whose financial products are covered by the EU guarantee in your country or region. The local intermediary will inform you if a particular financing programme is covered by the InvestEU Fund. You can contact your local intermediary on the Access to Finance website, which already lists intermediaries under current EU programmes and will also list InvestEU financial intermediaries as of the launch of the Programme.
5. LIFT OFF!

It’s time to go!

At the beginning of this journey we showed you what components your project-rocket needs to access the funding needed to launch: vision and mission; team; impact; story; business plan. In the business plan, as we have seen, there is a section called ‘financial plan’, which will contain the funding strategy of your project – objectives, methods, timing and forecasts of your income and expenditure. Through an analysis of your current financial state and a forecast of your future situation, you will understand what you already have and what you require – in terms of human resources, equipment and services – to start implementing your project activities, as well as what kind of finance tools and service providers suit you best for this purpose.

In this toolkit – without aiming to be exhaustive – we have tried to give you as broad an overview as possible of the financial tools and providers you might need in your early-stage startup phase. We hope that the information, clues and advice you have found here will help you to set up your own funding strategy and seize the right funding opportunities for you and your social innovation.

5.1. Tips and tricks... and an interview!

Before closing, we want to propose to you some tips and tricks from experienced entrepreneurs and startup financiers on how to apply for financial support. We think that the voice of experts in the field can help you to set the controls right when you are about to press the button to launch your project-rocket.

TIPS AND TRICKS ON EARLY-STAGE FINANCING

Who: Ivana Stančić, Programme Manager at Smart Kolektiv

Type of organisation: Financial and non-financial service provider

1. Build your own network, speak to people about your idea, attend events, meet with like-minded individuals and organisations, foster collaboration, and partnerships.

2. Invest time in mentoring – finding good mentoring programmes is crucial.

3. Be open to others’ opinions, welcome others’ feedback, and criticism. Beware that it’s ok to pivot and/or fail.

4. Don’t run after the money! First of all, define your growth strategy, explore what is a good instrument for your needs and phase of development, then consider which finance provider is the right match for your business and what else they are bringing into partnership.
Lastly, we think it’s appropriate to let you hear the voice of an organisation – ‘former startup’ – active in the Ed-Tech\textsuperscript{12} sector that made it to launch and is now growing strongly. We present to you \textit{Czechitas}, a Czech non-profit organisation whose mission is to increase diversity in the world of ICT and to fight for a higher level of digital proficiency among women and in the new generation. In the following interview with Ondřej Čejka, CEO of Czechitas, you’ll find out how Czechitas got started in the world of early stage funding and get to know who provided financial and non-financial support to their team and activities. The interview closes with more tips and tricks on early-stage funding.

\textsuperscript{12} Ed-Tech (abbreviation of Education Technology) designates a particular type of educational and training approach to workers and/or students that involves the use of computers, softwares, and digital-based educational systems.
INTERVIEW WITH A SUCCESSFUL STARTUP

Who: Ondřej Čejka, CEO at Czechitas

Type of organisation: NPO (Non-profit organisation)

Location: Czech Republic

1. Can you tell us something about Czechitas – who you are and what you do?

Czechitas is a NPO based in the Czech Republic aimed at increasing diversity in the ICT sector and to foster digital proficiency among our two main target groups: women and the new generation. Through our workshops, lectures and courses, we have motivated thousands of women and helped them find their dream jobs in the field as well as enabled their connection with our partner companies. The kind of ‘skills for tomorrow’ that we foster are mainly focused on: programming, website design, graphic design, testing and digital marketing. Since 2014, we have organized over 600 one-day workshops and long-term courses with more than 18,000 participants in total. As a result of our efforts in promoting digital literacy and innovative job creation, we have been awarded with a series of relevant recognitions, such as: Social Impact Award (2015); European Citizen Prize (2016); SXSW Community Service Award (2017); and two awards from Google (2016 and 2018).

2. Generally speaking, in your opinion, how important is it to foster innovative skilling pathways among individuals?

In today’s connected economies and societies we see that data and digital technologies – such as, for instance, artificial intelligence – are becoming (or have already become, in many cases) of crucial importance, and are evolving at a very fast pace. Along with the ‘digital world’ the market is rapidly changing, too. Hence, we – as lifelong learners – need to quickly update our knowledge and skills on ICT, to better address the current digital transition, seize new job opportunities and avoid skill mismatches.

3. What were the main obstacles and challenges you faced in the very early-stage phases of your start-up?

One of the main challenges we faced, and still face, at Czechitas regards the stereotype, common in the Czech Republic – but not only there – of the ICT world being ‘inhabited’ and ‘ruled’ by men only. Many women don’t consider working in the ICT sector as an option for their career. This happens mostly because of a cultural issue: several families in the Czech Republic don’t support or even openly discourage female family members who wish to become ICT professionals. This happens mainly because they are (wrongly) supposed not to have or not to be able to acquire the skills needed to become successful within this sector. We at Czechitas are spending a lot of time and efforts in marketing and communication activities, trying to popularise ICT topics among women and within the whole Czech society.

4. Regarding the funding strategy you set up back when you were a start-up, what initial funding sources did you choose to launch your activities?

It was not immediate and not always easy for us to find the resources needed to launch and grow. It all started with the financial support of our families and friends and other ‘fools’ who believed in our idea and offered their financial and non-financial support. In the very initial phase of our venture, we mostly relied on the work of volunteers – and we still do, indeed. Actually, a very important role in our business was and is played by organisations with which we have partnered and who have supported us by providing key human resources offering specific training and/or coaching around ICT to our female students. Several of such organisations with which we have established a partnership have ended up being employers of some of our best alumni, thus contributing to fostering job opportunities in the Czech ICT sector among women.

As a startup, besides the support coming from volunteers and the small fees we typically require for our courses, we also managed to get important funding from non-Czech organisations, such as Konica Minolta – a Japanese multinational company manufacturing business and industrial imaging products – Microsoft and Google.
In addition to private funding we also applied for public funding, which was – and in part still is – a challenging activity for us. Particularly when we were a small start-up, local public bodies did not seem to understand our message. They wondered what we were doing and why it was necessary to innovate education through upskilling or reskilling activities. Now, after seven years of struggling to dialogue with Czech public bodies, the situation has changed a lot, and public institutions are very keen on establishing a dialogue with us: they support us and also ask for technical advice on specific education policies.

5. Besides financial support, did you also receive other forms of support (e.g. non-financial support, such as training, incubation, advisory services, etc.) in the early-stage phase of your organisation? Can you provide relevant examples?

We initially received non-financial support in terms of startup incubation from Impact Hub Prague. Furthermore, in 2015, we got mentoring and technical support from Tania Le Moigne, regional director of Google Czechia, Hungary, Romania & Slovakia. As said, we also received and still receive support from many volunteers coming from partner organisations that run volunteering programmes, and that provide training and coaching to our students. One of our two educational centres – the one based in Brno – was established in 2019 thanks to the support of CTP, and includes the FabLab digital workshop.

6. Imagine you are being asked for advice from an early-stage social innovator who has an amazing socially innovative idea and wants to launch her/his own start-up, but needs some steering or inspiration from an expert entrepreneur. What tips and tricks would you give her/him? What should not he/she do, instead?

What she/he should do:

• Be brave – don’t be afraid to grow and to ask for help, whatever help you need!
• Work hard
• Try to inspire others with your ideas and work
• Accept advice, suggestions, and criticism – and learn from them

What she/he should not do:

• Don’t lie!
• Don’t exaggerate when you present someone your business – be realistic and credible!
• Don’t take and keep all the credits for yourself as a founder – give credit to the people who helped you, including your team and supporters.

5.1. Connect with the galaxy

We have come to the conclusion of our funding journey.

With these last words, we wish to invite you to connect with the galaxy of people that, like you, believe in a new economy and want to contribute to a greener, more sustainable and more inclusive Europe and world by working for change.

You and your team won’t travel alone.

In your journey towards the stars of social innovation you will meet people who, like you, have ideated and launched their project ideas and want to grow and generate positive impacts, either locally or globally. You will be able to exchange knowledge and information with peers and more experienced people and organisations. You will certainly be able to engage in healthy competition, but also and above all, you will be able to collaborate with other organisations.

You will meet people and organisations who believe in and bet on your idea and are willing to support your business, by giving you financial and/or non-monetary support.

You will probably have the chance to meet decision-makers, politicians and managers with whom you can establish a dialogue and whom you may even inspire and lobby for certain public or private policies to be adopted.
You will certainly meet ordinary citizens, third sector organisations and informal groups, or small and medium-sized enterprises, corporates, public bodies, local authorities, professionals, entrepreneurs, workers. All these could be your final beneficiaries or clients, whom you will possibly listen to, to whom you will address, communicate and offer your value proposition. They could then make use of your social innovations and thus be both protagonists and multipliers of change.

Your project-rocket will likely encounter several obstacles throughout its journey – asteroids, electromagnetic storms, fuel spills. It will not always be easy to get your message and your idea across. You will meet people and organisations that will remain more or less indifferent to your socially innovative project, maybe because they have not (yet) understood the need to rethink – innovating for the better – the economy and society in which we all live. Or maybe because you need to change something crucial in your rocket’s control system – be it your team or your business model, or other important components.

Don’t let all this get you down.

Be aware of yourself – your strengths and weaknesses – and know the ecosystem you live and operate in. Think systemically. Analyse, study, work hard, listen to others, be creative, open and collaborative. Accept criticism, advice and suggestions. Don’t be afraid to ask for help. Embrace risk, make decisions, act. Iterate the process, refine your ideas. Be ready to change course and don’t be afraid of failure.

You have a whole galaxy ready to be explored and to connect with, and within which you can find what you need to grow and support yourself and your project-rocket. An ecosystem of ideas, energies, resources, individuals and organisations with which you have the opportunity to build, today, Europe and the world of tomorrow.

DON’T MISS IT

Startup Europe | Startup Europe Club

Startup Europe is an initiative of the European Commission to connect high tech startups, scaleups, investors, accelerators, corporate networks, universities and the media. Created in 2011, Startup Europe has the mission to support the digital single market by building a healthy ecosystem that allows startups across the EU to scale their businesses. Through its projects, this European Commission initiative directly supports around 60 local ecosystems, encourages startup creation and growth, and connects startups, investors, accelerators and universities. Startup Europe has also mobilised tech entrepreneurs and helps make their voices heard in EU policy making, raising political awareness of the crucial role entrepreneurs play in creating growth.

Particularly useful for early-stage social innovators and entrepreneurs is the Startup Europe Club, a platform where to find information, opportunities and resources on nearly every aspect of the startup world. Whatever the involvement in startups, the Startup Europe Club offers trusted information and support on topics ranging from funding and scaling up, to investment opportunities and networking.

Check for startup success stories: https://startupeuropeclub.eu/success-stories/
