

Reviewing OECD Experience in the Social Enterprise Sector: Policy Insights for Central East and South East Europe

Financial Tools for Social Enterprise Development: Sharing Italian Experience

Stefano Marchettini, ACRI, Italy

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ACRI

ACRI – “associazione delle casse di risparmio italiane” - is the association of the Italian banking foundations and of the Italian savings banks.

86 banking foundations and 46 savings banks are associated with ACRI.

The activity of ACRI is mainly focussed on the banking foundations.



QUICK OVERVIEW

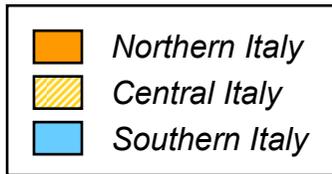
The 88 Italian banking foundations are autonomous non profit bodies set up in the 90s.

They have assets worth 40 billion € (book value, 67 billion market value), their original endowments being made up by the equity shareholdings in the related banks.

Their geographical spread is uneven: northern and central regions get a large share of the pie, resulting in only 3% of total grants, which are in the range of 1.3 billion €, going to southern regions.

Several fields of operations of banking foundations are relevant for social enterprises.





* For sake of brevity the full name of the foundations is omitted



Foundations autonomously select their field of operation, interpreting the current and future needs of their stakeholders, with the aim to provide social value in domains not served by Government and market players.

- Sectors/projects not covered by government/market: positive externalities or postponed returns that Government/market cannot take into account
- Autonomous, innovative and replicable projects
- Partnerships
- Support to community organisations

GRANTS ISSUED (BY SECTOR) million €, 2004

arts and cultural heritage	408	32,2%
philanthropic and volunteer initiatives	167	13,2%
education	150	11,8%
health	146	11,5%
social assistance	136	10,7%
scientific research	131	10,3%
other sectors	129	10,2%
Total 2004	1.267	100,0%

Total 2005:
1,300 M€



BANKING FOUNDATIONS FINANCING SOCIAL ENTERPRISES IN ITALY

The actual share of grants going to social enterprises depends on the definition of social enterprises. If limited to “cooperative sociali” and “associazioni di promozione sociale”, the share is 3.5% of total grants.

Since the total grants issued by the foundations have been growing, the absolute amount going to social coops has experienced a small increase and the aggregate grants to social coops and “aps” have been stable (close to 45 Million €/year).

This figure do not include COSIS, a company specialized in financing social cooperatives set up by a banking foundation, fondazione CR Roma. In a decade of activity COSIS issued more than 50 Million € loans to social enterprises.

Even when the share of grants issued to social enterprises is above the national average, this does not reflect an explicit strategy vis a vis this type of intermediary organisations (except COSIS).



BANKING FOUNDATIONS FINANCING SOCIAL ENTERPRISES IN ITALY

Even when the share of grants issued to social enterprises is above the national average, this does not reflect an explicit strategy vis a vis this type of intermediary organizations, with the exception of COSIS.

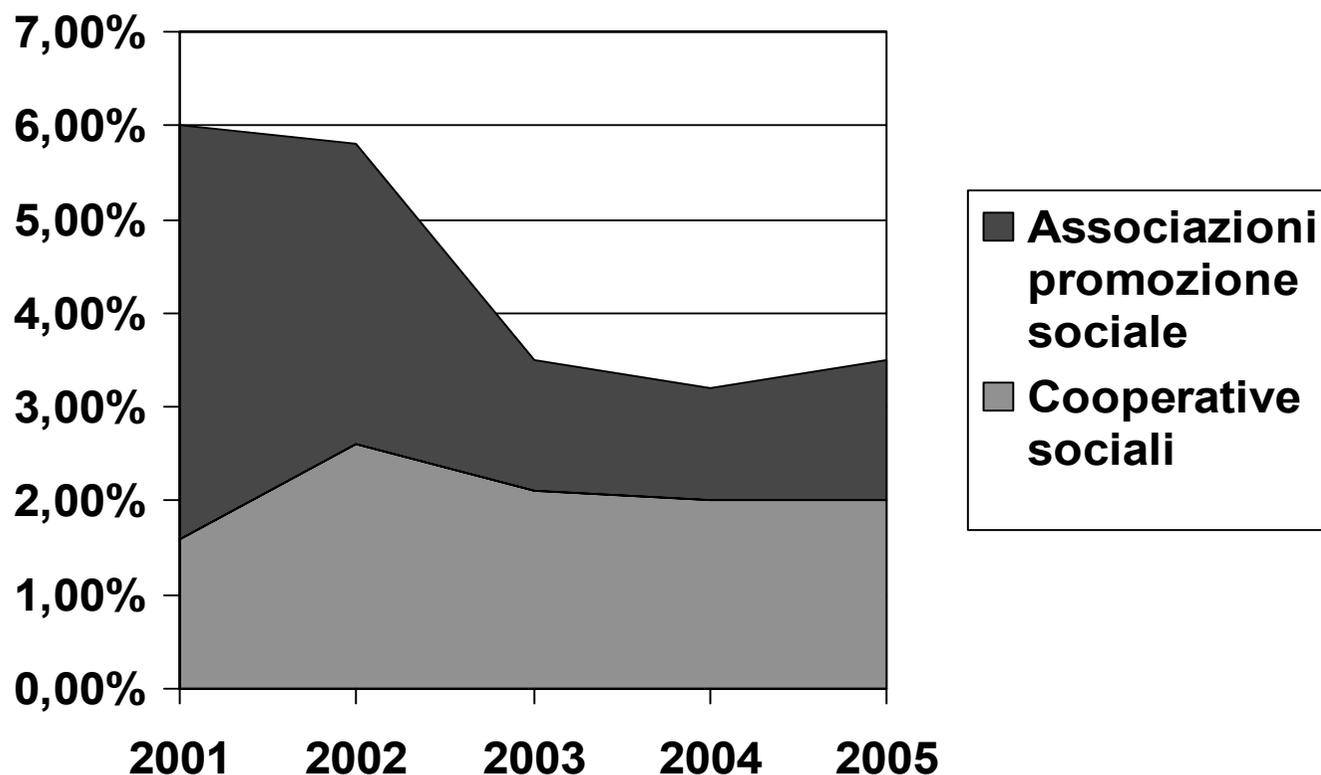
The grants are rather issued on the grounds of the superior skills that these intermediary organizations can claim in fields that are relevant for the foundations.

This often happens because social coops or “aps” best qualify for call for tenders in fields such as: assistance to elderly, education and human development of young people, support to families, job creation for people with disabilities.

GRANTS ISSUED (BY INTERMEDIARY ORGANISATION) per cent of total, 2005

foundations (non banking)	18,70%
other non profit private bodies	18,30%
associations	10,80%
volunteering	10,40%
social coops and “aps”	3,50%
<u>total private organisations</u>	61,70%
local authorities	24,20%
other government related entities	12,40%
central gov't administrations	1,70%
<u>total Government related organisations</u>	38,30%

GRANTS ISSUED TO “SOCIAL ENTERPRISES” per cent of total, 2001-2005



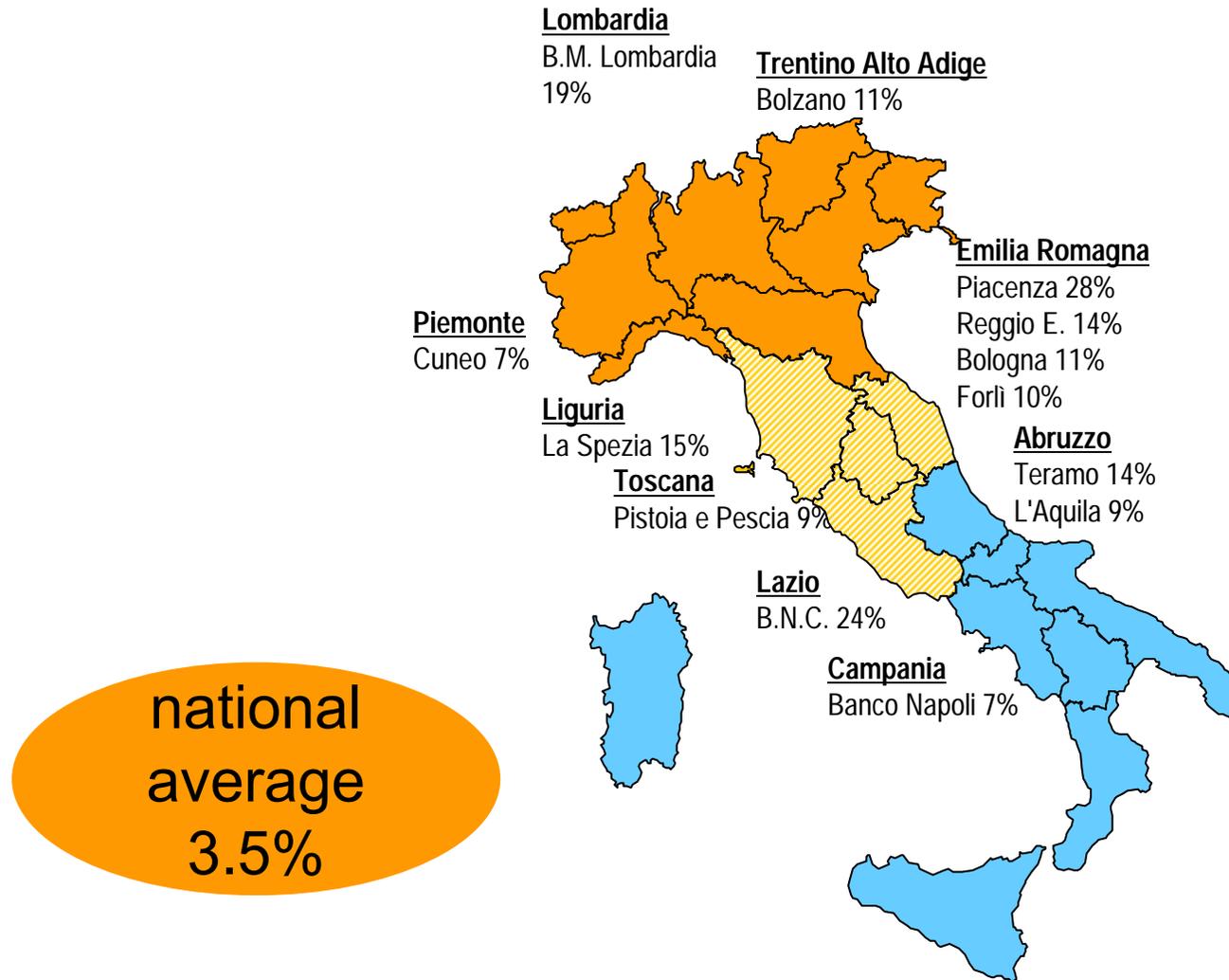
Year	2001	2002	2003	2004	2005
Million €	45*	60	40	41	46

* Adjusted for different length of period covered by banking foundations p&l statements

THE EXPERIENCE OF COSIS

- 1995: Fondazione CR Roma establishes COSIS to foster development of social enterprises.
- 1997 COSIS issues the first ethical bond issue placed with Italian investors.
- 1998 The EU acknowledges the entrepreneurial nature of social enterprises, which leads to the set-up of OASIS, a fund for the development of small and medium social enterprises: out of 85 OASIS-financed projects in a year, 90% involved an equity investment.
- 2004 460 social enterprises have received loans or equity financing (total amount greater than 51 Million euros).
- 2006 COSIS in a transition phase.

GRANTS ISSUED TO SOCIAL COOPS AND “APS” per cent of total, 2005 – partial estimates



EXAMPLE: FONDAZIONE CR PADOVA

Progetto assistenza soggetti deboli 2006 (plafond € 2.000.000): progetto volto all'incremento ed al miglioramento delle strutture di assistenza e dell'offerta di servizi a favore dei soggetti deboli. Si tratta di un bando che prevede erogazioni in favore di enti non profit per la ristrutturazione o la realizzazione di strutture destinate ad attività assistenziali, riabilitative e di reinserimento socio-lavorativo e/o per l'acquisto di arredi ed attrezzature ad esse relative;

Progetto prima infanzia (€ 2.200.000): bando volto a sostenere la realizzazione e il miglioramento delle strutture di accoglienza per la prima infanzia. Beneficiari sono sempre enti non profit che gestiscono senza scopi di lucro strutture educative per l'infanzia.

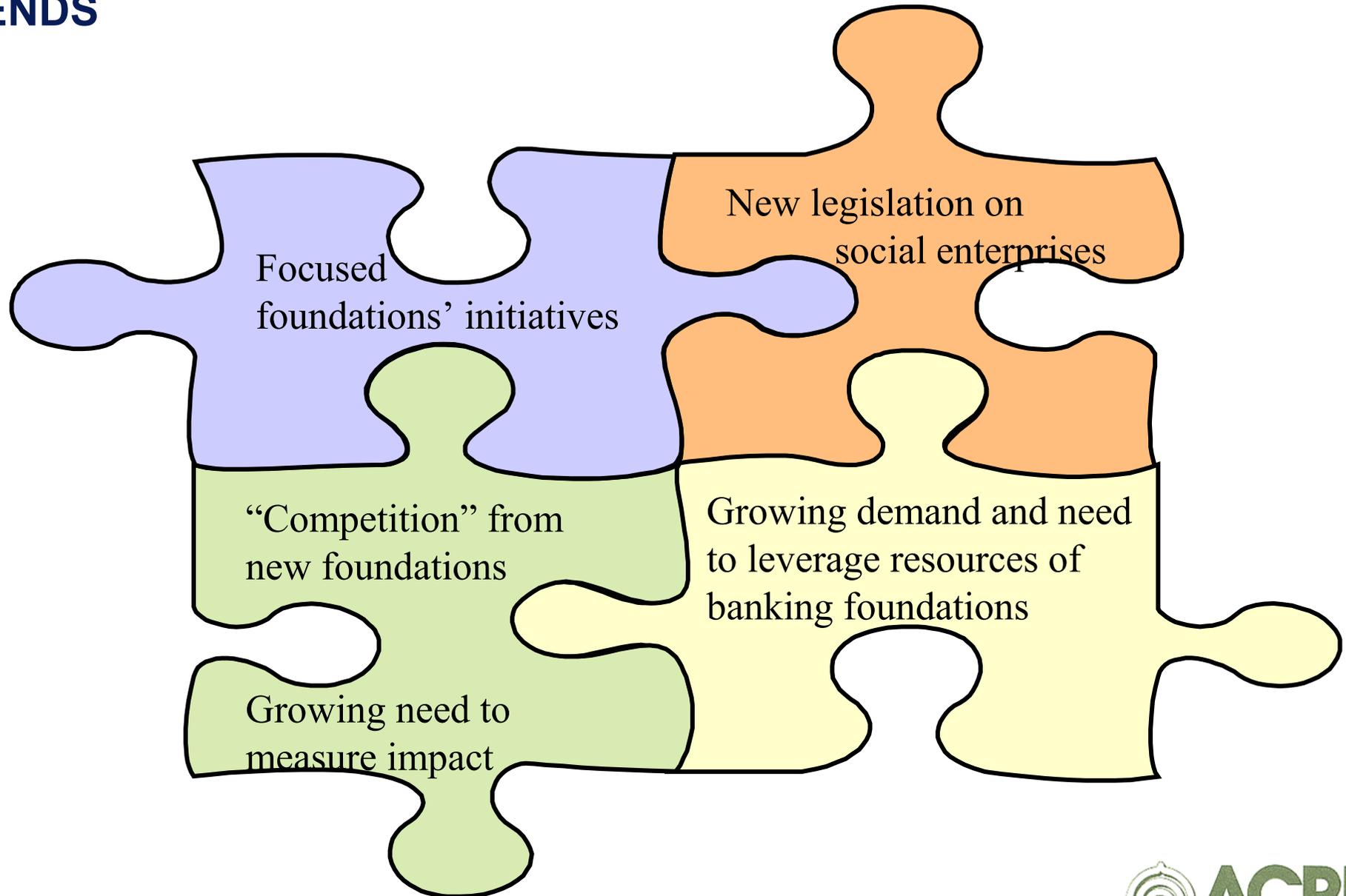
Altri bandi in favore delle imprese sociali riguardano il settore sanitario (in particolare l'acquisto di attrezzature funzionali all'attività sanitaria), il progetto spazio giovani (favorire il recupero di strutture adibite a luogo di aggregazione e socializzazione dei giovani), il bando Innovazione Scuole Superiori 2006 (Obiettivo dell'iniziativa è quello di sostenere la realizzazione di progetti a carattere innovativo in ambito disciplinare e didattico con specifico riferimento alle attrezzature e agli strumenti necessari alla realizzazione del progetto stesso) ed altre iniziative nel settore dell'istruzione (bando dottorati di ricerca e bando per giovani pianisti)



A FEW THOUGHTS FOR THE FUTURE

The current picture is possibly going to change, partly as a reflection of broad external trends (new law on social enterprises, growing “competition” among foundations, need to leverage, need to “measure” impact), partly as a consequence of specific initiatives of foundations.

TRENDS



SPECIFIC FOUNDATIONS' INITIATIVES

Fondazione CR Padova in 2007 will start 2 projects targeted at social coops:

- 1) a “rotating” financial fund aimed at reducing the interest cost of investments in production facilities and of the working capital needed to operate in the field of health and social assistance in partnership with the public sector;
- 2) a “guarantee” fund designed to help the social cooperatives to secure the amount of financing they need.

Also other banking foundations are designing specific strategies aimed at social enterprises.

COSIS is probably going to have a capital inflow and a new governance with the purpose to re-launch its activity.

84 banking foundations have set up the new Fondazione per il sud, that could provide an opportunity for the growth of social enterprises in Southern Italy.

