



BETTER ENTREPRENEURSHIP ONLINE TOOL

GUIDANCE NOTE: ACCESS TO MARKETS

Introduction

Access to public and private markets is one of the key policy levers for enhancing social enterprise development and growth. Through public procurement, the public sector buys goods and services from social enterprises with a strong track record of delivering added social and environmental value. The procurement process is becoming in this way a vehicle to meet social, environmental, or economic objectives, such as the provision of services, the reintegration of long-term unemployment, and the integration of people from vulnerable groups. This type of procurement involves governments strategically choosing to purchase a social or an environmental outcome when buying a good or a service by a social enterprise that has the expertise in delivering the required social and/or environmental benefit.

Although the public sector represents a significant market for social enterprises, some of them seek for opportunities to scale-up their impact by penetrating the private markets and expanding their customer-base. At the same time, firms are increasingly interested in contributing to the attainment of social and environmental outcomes on top of their economic performance. Over the last decade a shift has been occurred from the traditional corporate social responsibility to embedding social and environmental considerations as part of the core business activities. To this end, firms seek to establish commercial partnerships with social enterprises and integrate them in their supply chains. What is more, apart from the business-to-business (B2B) services, social enterprises provide their goods and services directly to individual consumers- may those be from disadvantaged groups or not. This is a critical point as not only these consumers- particularly the millennials- demand goods and services, which have been produced in sustainable way, but also they expect that large firms to have a positive impact on society.

Recommendations for policy actions

Policy Levers

- ✓ Make the inclusion of social and/or environmental considerations a priority for public sector entities.
- ✓ Help the implementation and monitoring of the EU Procurement Directives¹.
- ✓ Develop support activities and material, such as training programmes and guidance notes, that help social enterprises to access the markets and procurers to develop the skill to evaluate the tenders.
- ✓ Tackle misconceptions regarding the goods and services provided by social enterprises, like the fact that are more costly or of lower quality compared to the ones of other firms.
- ✓ Highlight good practices regarding the favourable use of the possibilities of public procurement for social enterprises.

¹ [2014/23/EU \(The Concessions Directive\)](#), [2014/24/EU \(The Public Sector Directive\)](#), [2014/25/EU \(The Utilities Sector Directive\)](#).

- ✓ Encourage the dissemination of good practices of commercial partnerships and/or opportunities between social enterprises and firms.

Pitfalls to Avoid

- ☒ Use exclusively the “lowest-price only” mindset in public procurement.
- ☒ Not control thoroughly enough the bidding offers against green/ social washing (offers without a real integration project or social and/or environmental considerations).

Guidance per assessment statement

5.1. Social enterprises use the opportunities of new technologies to access the markets.

We invite you to consider the extent to which social enterprises use the opportunities that new technologies offer to access both public and private markets. Do social enterprises use new technologies to offer their goods and services, such as online platforms? To what degree, in your knowledge, social enterprises in your territory develop their products and services and penetrate new markets with the help of new technologies?

Why is it important?

Technology opens new avenues for social enterprises to access both public and private markets. Technology can be part of the way social enterprises produce and offer their goods and services; from developing speech recognition programmes based on computer-generated simulation of human speech that allows to deaf or hard-of-hearing people to make phone calls to designing innovative types of wheelchair that can be driven without using one's hands. Social enterprises by capitalising on technology can revise and disrupt traditional conventional business models and create new market opportunities. What is more, through technology social enterprises, which are not focusing on proximity services, can offer their goods and services beyond their local geographic area and penetrate new markets.

Online platforms represent a new form of marketplace. Public authorities and firms can use these platforms in order to purchase goods and/or services produced by social enterprises. For instance, purchasing officials can advertise and post their procurement needs or search for social enterprises as possible suppliers. In the same spirit, in Canada, they have taken a step further by developing a “[social purchasing decision platform](#)”, which is an online collaborative stakeholder engagement tool for social purchasing, policy design, criteria selection, and supplier bid review.

Pointers to help tick the appropriate score

For scoring high, in your territory:

- ✓ There are social enterprises that offer their products/services by using new technologies, such as online market places or tools which help matching supply and demand.
- ✓ There are social enterprises that use new technologies to develop new products/ services in order to diversify their activities and penetrate new markets.
- ✓ There are social enterprises that use new technologies to offer their products/ services internationally.

Good practice example

Social Impact Factory: The creation of an online B2B marketplace (the Netherlands)

The Social Impact Factory is a business-support structure that aims to spur social enterprise creation and embed more socially responsible behaviours in businesses. It fosters multi-stakeholder and cross-sectoral partnerships to tackle social challenges. In January 2016, the Social Impact Factory launched the “Social Impact Market”, an online business-to-business (B2B) marketplace for public authorities and firms seeking opportunities to purchase social products or services. Social enterprises participating in the platform first undergo a quick scan highlighting their societal objective; how they reinvest profits; how their ownership reflects the enterprise’s mission, by using democratic principles or

focusing on social justice; and the number of people they have hired who were excluded from the employment market. Purchasing managers in traditional companies and municipalities use the Market to post their procurement needs or search for possible suppliers. To date, over 90 social entrepreneurs currently offer their services on the Market; 21 matches have been realised, with a total value of EUR 75 000 (euros).

For more information, [click here](#)

5.2. Social enterprises have access to public markets.

We invite you to consider the extent to which social enterprises have the opportunity to access the public markets. To what degree do public authorities use strategically public procurement in order to pursue the attainment of economic, social, and environmental goals and are open to contract social enterprises in this process? Has the EC Directive 2014/24 been transposed in your territory and, in the same spirit, do public authorities use reserved contracts and reserved markets in their public procurement?

Why is it important?

Public authorities and social enterprises share the common purpose of delivering goods and services for the general interest. Naturally, public markets offer opportunities to social enterprises to become financially sustainable while fulfilling their social and/or environmental mission. Similarly, public authorities can use strategically public procurement- a powerful tool for accessing the public markets- in order to pursue the attainment of economic, social, and environmental goals. When joining forces with social enterprises, public authorities signal not only their intention to include social and environmental considerations in their public procurement but also that they are open to new ideas and innovative solutions. Of course, mainstreaming the inclusion of social and environmental considerations requires the adaptation of the procedures in place in order to allow the implementation and monitoring.

In Europe, public procurement represents a significant share of the European GDP and is spent predominantly by the public authorities for utilities, public works, goods and services. The 2014 Directives offer opportunities for social enterprises to participate in public procurement while ensuring the basic requirement of competition, transparency, and equal treatment. Moving away from the “lowest price only” mind-set, public purchasers are encouraged to consider the qualitative aspects as well as the process by which the goods, services and specific works they intend to purchase are being produced. In addition, the 2014 Directives foresee the mandatory use of social clauses, the ability to reserve markets and to use reserved contracts for social, health, and cultural services. Another possibility offered by the 2014 Directives is the exclusion of enterprises from tendering for not meeting certain conditions (exclusion criteria) and the selection of the most suitable enterprises to bid based on technical ability and previous experience in relation to the subject matter of the contract (selection criteria). The 2014 Directives demonstrate the strong political and institutional commitment at EU level as well as at national level through their transposition for including social and environmental considerations in public procurement.

Initiatives to facilitate the access to social enterprise in the public markets have also been undertaken outside of Europe. For instance, in Victoria, New Zealand, big public infrastructure agencies require a Social Procurement Plan from project delivery partners. In addition, the government plans to develop a whole-of-government social procurement framework to leverage public investment to social outcomes delivered by social enterprises. To further enhance this effort, the Mayor of Victoria has established

the Social Enterprise and Social Procurement Task Force, which has developed a concrete action plan for considering the economic, social and environmental value from working with social enterprises. One of the important goals of this Task Force has been to raise awareness of the value of both social enterprises and their consideration into public procurement.

Pointers to help tick the appropriate score

For scoring high, in your territory:

- ✓ Public procurement is used as a means to attain social and environmental objectives.
- ✓ Public authorities have transposed the EC Directive 2014/24 to the national legislation.
- ✓ Public authorities use reserved markets in their public procurements.
- ✓ Public authorities use reserved contracts in their public procurement.

Good practice examples

Barcelona City Council Municipal Decree for Socially Responsible Procurement (Spain)

The City of Barcelona has demonstrated ambition and solid commitment to sustainable procurement since 2001. In 2010, it spent €43 million on green products and in 2013 €92 million on “greened” services (e.g. lighting). What is more, in the same year, it enacted the Municipal Decree for Socially Responsible Procurement for facilitating employment among vulnerable groups through the reservation of some contracts for employment centres and Work Integration Social Enterprises (WISEs). What is interesting in this initiative, is the creation of the Mixed Commission for Social Responsible Procurement comprised of more than 50 members from the non-profit, corporate, and third sectors, along with municipal agents, in order to ensure the Decree’s technical viability and capture the interests and sensibilities of each group.

For more information, [click here](#)

5.3. Public authorities are supported in using social considerations.

We invite you to assess the extent to which public authorities in your territory receive the necessary support and training to include social considerations in their procurement. Are there relevant technical guides available and easy to understand at different government levels? Lastly, we ask you to consider whether there are platforms for dialogue among public authorities, the social enterprise community, and procurement experts, which allow them to learn from each other and exchange good practices.

Why is it important?

Sustainable procurement aims at social and environmental outcomes, which can be visible and yield gains in the medium- and long-run. At the same time, social and environmental considerations have not been fully mainstreamed yet in the public procurement as budget officers and administrators often view procurement from a “lowest price only” perspective. To add a layer of complexity public authorities may not have a clear understanding of what is a social enterprise. To this end, there is a twofold challenge for governments; to spur a state-of-mind shift regarding the use of procurement for sustainability and to raise awareness on the benefits from working with social enterprises in this endeavour.

Even when public authorities embrace the culture of sustainable procurement and recognise the potential of social enterprises, they struggle to define concretely what is a “socially or environmentally preferable” good or service and how to evaluate it during a tender process. Budget officers and administrators may not have the required skills or guidelines that will allow them to proceed effectively. The development of whole-of-government purchasing guidance material could encourage and facilitate government departments and agencies to include social and/or environmental considerations in the procurement and open-up opportunities to social enterprises. Moreover, the provision of technical support and training to budget officers and administrators can help them to develop the necessary skills for incorporating social and/or environmental considerations to public procurement. For instance, Scotland within the framework of its Procurement Reform Act (2014) has developed a Procurement Guidance Note that provides detailed information for each tender stage.

Another option is to organise workshops and exchange good practices with other administrations. For example, the Procura network brings together European public authorities and regions and stimulates knowledge sharing. Similarly, in France, the Réseau Grand Ouest (RGO) is a large network of public authorities from the West of France comprised of specific working groups, which meet regularly and exchange good practices and case studies regarding tender criteria, market activities, and measuring and reporting methods.

Pointers to help tick the appropriate score

For scoring high, in your territory:

- Capacity- building and dedicated training is provided to enhance the skills of civil servants.
- Technical guides are available at all government levels.
- There is a platform for dialogue between public authorities, the social enterprise community, and procurement experts.

Good practice example

A training programme for civil servants (Poland)

In Eastern Europe, initiatives are starting to be taken with regard to incorporating social considerations into public contracts, even if many countries are still at the stage of legally recognising Work Integration Social Enterprises (WISEs). In Poland, a training programme to inform 1,000 local and national civil servants has been launched for 2014. Its aim is to tell them about the actual legal framework regarding WISEs, to help them guide the writing of specifications documents for contracts including social criteria.

5.4. Social enterprises have access to support for responding to calls for tender.

We invite you to consider the level of support that social enterprises receive for responding to calls for tender. Are there dedicated training programmes in your territory that help social enterprises to develop the skills to navigate through the administrative procedures? Also, are there any technical guidance documents explaining the procurement process in simplified and accessible language?

Why is it important?

Social enterprises, similarly to SMEs, often struggle to respond to calls for tender due to factors relating to capacity constraints, lack of skills for navigating administrative procedures, lack of visibility, or simply information deficits regarding market opportunities.

In order to tackle social enterprises' capacity constraints, public authorities could divide contracts in smaller lots in order to make contract requirements more attainable for them particularly in sectors where they may have a significant role to play. For instance, in the UK although the Social Value Act applies to services contracts above the EU procurement thresholds, guidance from the central government advises to apply it more widely and for smaller contracts. This is the policy [in Plymouth Council](#), which applies social value considerations and helps social enterprises to respond to every contract above £5000. In terms of skills, support mechanisms that can facilitate social enterprises' preparation for responding to calls for tender by providing them with information on the administrative steps that they need to take through dedicated guides and supporting documents.

Training programmes and networks for sharing good practices can also enhance social enterprises' capacity to respond to calls for tender. As information deficit can be another important barrier for social enterprises' participation in tenders, public authorities can create calendar of open days and "meet the buyer" events that can inform social enterprises about where opportunities are advertised, how the procurement process works, and what tender documentation is needed. Finally, streamlining the tender documentation, which can be heavily bureaucratic, and eventually allowing for a longer period of time for submission of expression of interest and tenders can be significantly helpful for social enterprises.

Pointers to help tick the appropriate score

For scoring high, in your territory:

- ✓ Dedicated training and support programmes are available to help social enterprises participate in calls for tender.
- ✓ Formal technical guidance documents are available in simplified language.

Good practice example

Relais Chantiers- An organisation to facilitate tendering procedures for enterprises (France)

In France, le [Relais Chantiers](#) provides support for the implementation of clauses for integration of people from vulnerable groups in public contracts in the Strasbourg employment area. More precisely, it helps enterprises to navigate through the procurement procedures and find the most effective way to respond to the integration clauses' requirements. This support takes two forms: technical support (timeframe, information guides and procurement documents) and support for the integration process to the labour market of people from disadvantaged groups (human resources management, candidate recruitment and preparation to the enterprises specific needs).

5.5. Social enterprises use the multiple opportunities that are offered in the private markets.

We invite you to assess the degree to which social enterprises use the opportunities that are offered in the private markets in order to ensure their sustainability. To what extent do social enterprises establish commercial partnerships with private firms or bid for contracts with them? Do social enterprises participate in networks and activities of the larger business community? Finally, do social enterprises produce and offer goods and/or services directly to consumers?

Why is it important?

Access to private markets is crucial for social enterprises as it can open a wider customer-base to them comprised both of firms and individuals. Firms can create market opportunities for social enterprises by integrating them in their business activities as they recognise the opportunity to leverage even a small amount of their spending to achieve social and/or environmental goals and generate greater impact compared to traditional corporate social responsibility initiatives (CSR). At the same time, social enterprises can be valuable partners as they can spur innovation within the firm and enable the employees of the firm to feel that they serve a wider purpose through their work. This is particularly important for the millennial employees, who seek opportunities to engage with “good causes” while reinforcing positive associations between their employer firm’s activities and social impact².

Moreover, by joining forces with social enterprises firms signal that they are different than others by attaching ethical, social or environmental values to their goods and/or services and comply with relevant standards. Last but not least, individuals who select to consume sustainably by buying goods and/or services from social enterprises are using their purchasing power to support social enterprises and their mission. This allows social enterprises to penetrate the market and engage directly with citizens as consumers.

Pointers to help tick the appropriate score

For scoring high, in your territory:

- Social enterprises establish commercial partnerships with private firms.
- Social enterprises bid for contracts with firms.
- Social enterprises participate in networks and activities of the larger business community.
- Social enterprises produce services/goods for consumers.

Good practice examples

Partnerships with big industries – Bio&co by Ateliere Fara Frontiere (Romania)

Bio&co is a Work Integration Social Enterprise (WISE) for organic vegetable farming, composting food waste and reusing food for solidarity. Bio&co employs 11 extremely disadvantaged workers also from the Roma communities. They grow 80 vegetable varieties on 4 hectares (8000m² of greenhouses). They sell weekly baskets directly to members with subscription who can pay for a vegetable basket to be donated to a family in need.

² Deloitte, (2017), The Millennial Survey: Apprehensive Millennials: Seeking Stability and Opportunities in an Uncertain World, <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-deloitte-millennial-survey-2017-executive-summary.pdf>

They also have a 1000m² compost platform. In 2015, they started a commercial partnership with Carrefour Romania and the International Carrefour Foundation: they collect from Bucharest supermarkets 3-5 tons of fruits and vegetables per week and 1/3 of them is reused and donated to the Bucharest social assistance service, which has social canteens serving hot meals to homeless and elder disadvantaged people. The rest they compost and obtain their own soil fertilizer, mixing the fruits and vegetables waste with production haulms and farm manure.

In 2016, they started another partnership with the Bucharest Accor Hotels (Novotel, Ibis, Mercure). There, they collect every week the tea bags, napkins, egg shells and vegetable rests from the hotel kitchens and compost it for reducing waste, pollution, preserving the biodiversity and fertilising naturally the soil.

5.6. There are measures that support social enterprises' access to private markets.

We invite you to examine the diversity of measures that are in place in your territory to support social enterprises' access to private markets. Are there dedicated campaigns that raise awareness and stimulate the demand for goods and services produced by social enterprises both by firms and individuals? Have you observed the use of recognition schemes, such as marks and labels, which can help identify social enterprises and build the confidence of buyers?

Why is it important?

Despite the fact that there is an increasing number of opportunities for social enterprises to penetrate the private markets, support in this endeavour remains important. Social enterprises may lack visibility and firms or consumers may not be aware of the benefits from partnering with and buying from them. Demonstrating the added value of social enterprises can build a better understanding of the potential role that they can play in solving social, environmental, and economic issues.

The development of recognition schemes can help identify social enterprises and build the confidence of buyers. For instance, the use of marks and labels can help in this direction. Another option could be the creation of directories that can help identify social enterprises as potential suppliers. Finally, dedicated campaigns that raise awareness can stimulate the demand for the goods and services produced by social enterprises both by firms and individuals. For instance, since the launch for the first Social Saturday in 2014 at the UK, an annual campaign which is held every October and aims to inspire consumers to buy from social enterprises, awareness of social enterprises among the general public has risen from 37% to 51% (see below).

Pointers to help tick the appropriate score

For scoring high, in your territory:

- Campaigns encourage firms to undertake responsible private procurement.
- Campaigns encourage consumers to buy goods and/or services produced by social enterprises.
- There are recognition schemes to help identify social enterprises.
- Firms collaborate with social enterprises within their CSR framework.

Good practice examples

Buy Social, Social Saturday, and #WhoKnew campaigns (UK)

[Buy Social](#) is the Social Enterprise UK's flagship campaign that aims to build markets for social enterprises among the general public as well as the private and public sectors. It aims to inspire people to think about where they buy goods and services from, and the social impact of their purchasing decisions. Buying social is about using money, as an individual or an organisation, to create a positive impact on the world we live in. The campaign is supported by a permanent and updated '[Buy Social Directory](#)' which allows connecting private and public sector buyers with social enterprises offering products and services. *Buy Social* has been replicated in Canada and the Netherlands.

[Social Saturday](#) is part of the raising awareness activities of Social Enterprise UK and encourages individual consumers to buy from social enterprises. Since 2014, it has been taking place on an annual basis one Saturday during the month of October. Finally, in 2017 the [#WhoKnew](#) digital international campaign took place during the Social Enterprise Day social enterprises can share the facts about the impact of their activities by using this hashtag and posting a picture with a template poster filled in with their messages. 450 social enterprises took part in the campaign had an approximate Tweeter reach of 4.3 million.

Buy Social Corporate Challenge (UK)

In 2016, the UK launched the [Buy Social Corporate Challenge](#) and engaged with seven large firms, such as Johnson & Johnson. The aim of the challenge is to reach at £1bn cumulative spending with social enterprises by the end of 2020. The idea behind *Buy Social Corporate Challenge* is to bring together a diverse group of firms and unite them toward a common goal; to actively support them to spend more resources with social enterprises and to build a network of peers across organisations for sharing insights and good practices.