



Deliverable 2.1

Definition of a replicable training scheme for capacity building, addressed to Managing Authorities and Intermediate Bodies, for the Implementation of innovative FIs for the Social Economy

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Piedmont
Lombardy
Andalusia
Valencia

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INTRODUCTION

IFISE is a Multi-regional assistance project under the Fi-compass action, for the assessment of the potential use of financial instruments for Social Economy, supported by the European Regional Development Fund (ERDF) and European Social Fund (ESF), in accordance with Title IV of Regulation (EU) 1303/2013, and also with the regulatory framework for the next Programming period (2021-2027).

The aim is to support the feasibility analysis of Innovative Financial Instruments (FIs) within Structural Funds; at the same time the project address also, the capacity building of Managing Authorities and Intermediate Bodies, with the scope to extend the offer of FIs (on "public" resources) to the actors in the wide field of Social Economy, that usually receive grants from Public Administration (P.A).

One of the outputs of the project is the set-up of a replicable training scheme, taking into account that the range of activities involved in the field of Social Economy can be extremely wide, including all those initiatives, which respond to societal challenges faced by most European regions (unemployment, youth engagement, social exclusion, ageing, health, wellbeing, natural resources, social agriculture, etc.).

The in-class training envisioned by the IFISE project took place from April to October 2018: the training involved Italian and Spanish partners of the IFISE project, that includes Piedmont (Finpiemonte), Lombardy (Finlombarda and Regione Lombardia), Andalusia (IDEA) and Valencia (Generalidad Valenciana e Institut Valencià de Finances).

Based on IFISE's training experience, the purpose of this document is to provide tips and guidelines for a replicable training scheme for capacity building, addressed to Managing Authorities and Intermediate bodies for the Implementation of innovative FIs for the Social Economy, supported by the ERDF and ESF.

1. Strategic and operational objectives

A first strategic objective was to create a common basis of comprehension and knowledge on the social economy and on outcome based approaches among all actors potentially involved in the process of design and implementation of FIs under ERDF and ESF (policy makers, Managing Authorities, financial intermediaries and Intermediate Bodies). At the same time, we aimed to build bridges and networks with new players and stakeholders such as social oriented investors, representatives of third sectors, social incubators, foundations, fund managers in order to capture the different perspectives and create strategic alliances.

A second set of more operational objectives concerned the increase of the capacity building of the training participants on the design and implementation of social oriented financial instruments under the ESIF and state aid regulations by focusing on both new approaches such as Social Impact Bond or innovative use of more consolidated instruments such as debt and equity/quasi-equity instruments and alternative ways of funding (such as crowdfunding).

TIP N.1

The thematic of designing new financial instruments outcome oriented, in our opinion, should not be regarded merely from the technical point of view, but should be rather encompassed in a broader strategic vision on how to introduce outcome based approach in the public administration.

We would suggest to clearly set and pursue, in an ideal training, both strategic and practical objectives.

2. The participants

The training was addressed to representatives of the four participating regions: Andalusia, Valencia, Piemonte and Lombardia.

The participants group was an heterogeneous one and involved experts with innovation and competitiveness background, experts with experience in managing European projects with high complexity and experts in designing and implementing financial instruments mostly for SME's and start-ups under ESIF funds, and finally also regional policy makers. This plurality of competences and vision enriched the dialogue and discussion during the training and helped to create a common vision and methodology.

The presence of four transnational partners (countries/regions with different social and legal frameworks) and the different levels of knowledge among participants required multiple steps of refinement of the agenda before the training. This is fully understandable in an emerging sector as Social Economy and in particular in a pilot initiative as IFISE.

TIP N.2

We would suggest to open-up and encourage the participation to the training (in addition to the managing authorities) to the different representatives of the administration who may play a role in the definition and design of new programme/initiatives/measures for social innovation and social economy at large.

3. The design of the training: key issues

The objective of designing and setting –up a tailored training that would combine many interlinked objectives, as explained above, and be able to convey both a strategic and practical dimension was a challenging one. It was clear from the beginning that the key issues to be explored to improve the capacity building in this field were essentially the following:

- ecosystem of the social economy, including: the demand side, the supply of capitals, trends and legal framework;
- new trends in FIs, such as impact investing;
- financial instruments implemented through resources ERDF and ESF, and compliance with State aid rules.

For its nature and objectives, the social economy and investing arena are multi-stakeholder sectors, where different typologies of players operate to produce social and financial results. For these reasons, it was important to design a training involving different voices and perspectives in the field (e.g. investors, investees, intermediaries, legal experts, impact assessment specialists, etc.) to avoid an excessive standardization of the narrative and help participants capturing the complexity and main challenges.

In the same way, the relation between innovative financial instruments in the social sector and State aid issues and ESIF rules required a focused research, a detailed knowledge of ESIF financial instruments and the availability of experts with economical and juridical background that few companies on the market could offer.

While events and conferences on impact investing, have been multiplying over the last years, as well as training on EU regulations the specific contents we wanted to capture required an ad-hoc design and planning.

The fine- tuning of the whole training path, being a pilot initiative and dealing with emerging topics, was long and implied a close interactions among the participants partners and the providers.

TIP N.3

The effort and timing required for a planning of a pilot training on financial instruments for social economy should not be underestimated.

This type of on-demand trainings are not readily available on the market and there is a relevant need for customization.

The experience of IFISE could help to take stock of some of the constraints and delays that we had to face and of the lessons learnt.

4. The definition of the content

One of the first challenge that we had to face when starting to discuss the content of the training was to converge on a common understanding on social economy and impact investing. Although the concept seemed at a first glance quite clear, we found out that not only we had a different perception of the issues at stake but also that the thematic is much more multifaceted and complex than it appears.

Therefore, a proper design of the training required as a first step, to better understand the scope and scale of the social economy, its dynamics and its stakeholders.

TIP N.4

Prepare the ground for a common understanding of the social economy concept.

It is worth mentioning that we didn't start from scratch as the IFISE project envisaged a Phase 1 activity "Market knowledge" dedicated to the mapping of the state of the art of existing financial instruments for the social sector in Europe (not only implemented on ESIF funds) and assessment of good practices and to the identification of the major trends.

The information gathered and the analysis of more than 50 different financial instruments addressed to the social economy in 13 countries, represented the main layer on which start to design an ad-hoc training.

In addition to the above activity, the analysis of the national and regional context that was carried out previously to the set-up of the training, helped to better process the information and suggestions gathered during the courses and adapt them to the local environment (i.e size of social enterprises, role of private investors, public initiatives at different levels, social incubators, legal framework, etc.)

TIP N.5

Make sure that the trainee are aware of their local social ecosystem, of its main stakeholders and relative dynamic. Alternatively support the acquisition of the basic information through a set of key questions or indicators to be collected by the participants prior to the training.

4.1 Setting the scene

As already mentioned, we felt the need to clearly understand the context related to the social ecosystem and impact investing before moving into the more financial engineering side.

A first preliminary activity was dedicate to understand the main drivers and how to properly have a deep dive on them during the course.

For the purpose of the coherence of this document, we would like to sum-up the major findings of this preliminary "investigation phase" as the output helped the consortium to shape the training structure and content mainly on the social economy and impact investing point of view.

1. The social economy and the access to finance

According to recent studies, the social economy represent more than 10% of European enterprises and about 6% of all employment in Europe (source: *Social Economy in the EU*, web site of European Commission, DG Internal Market, Industry, Entrepreneurship and SMEs)¹. The main drivers for the emergence of social enterprises are an increasing demand for social services in a context of shrinking welfare states, combined with new scalable business models enabled by the technology innovation and digitalisation.

The commonly accepted definition for the **social enterprise** is the one given by the "Social Business Initiative"

¹ Social Economy in the EU, European Commission, Internal Market, Industry, Entrepreneurship and SME's - http://ec.europa.eu/growth/sectors/social-economy_en.

Communication in October 2011, which states, “A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders affected by its commercial activities”².

Based on the results of the Phase 1 of the Project “Assessment of State of the Art of Financial Instruments Addressed to Enterprises/Initiatives Producing Relevant Social Impact”, in the absence of a uniform (legal) definition for “social enterprise” we refer to the national contexts:

Spanish definition

In Spain, there is no formal definition of what constitutes a “social enterprise”. The use of terms such as “social enterprises” and “social entrepreneurship” in public discourse, policy pronouncements, in the media and in society at large is quite rare. The type of entities that can be considered as being part of the social economy are “cooperatives, mutual societies, foundations and associations engaged in an economic activity, employee-owned enterprises, work integration enterprises, sheltered employment centres, fishermen’s associations, agricultural processing companies and unique entities created under specific rules that are governed by the principles set forth in the previous article are part of the social economy”.

Italian definition

The legal category of “social enterprise” was introduced in 2005 with the adoption of the Law on Social Enterprises (Law no. 155/2006). Its purpose was to promote more diversity in the production of social utility goods and services, and to broaden the sectors of activity involved. The law does not create a new legal form or a new type of organisation, but rather allows an existing organisation to be legally recognised as a “social enterprise” regardless of its legal form.

(ref. IFISE Project/ Phase 1, Deliverable D. 1.1 “assessment of state of the art of financial instruments addressed to enterprises/initiatives producing relevant social impact”, page 8).

For the purposes of IFISE project we use the operational concept, as it reflects all the possibilities contemplated by the EC, and is directly linked to the social objectives, independently of the legal form of the enterprise.

Most of the social enterprises are facing a key constraint that limits an adequate development of their business: **access to finance**. The path from the traditional form of financing represented by grants provided by foundation or public administration to different form of financial support (from loans to equity, etc.) it is per-se a big challenge for the social enterprises.

Mainstream banking solutions, in fact, provide no adequate response to the specific financial needs of social enterprises for three main reasons:

- Risk: perception of high risk with no collateral.
- Return: high transaction costs for expected below-market returns.
- Impact: positive externalities are not taken into account.

The financial constrains keeps the social enterprises trapped in a vicious circle of limited growth potential, high dependency on public sector, lack of sustainability of business model and need for capacity building.

In a nutshell, the issues mentioned before, represented the starting point to be further developed through the training.

2. Social Impact Investing

² COM(2011)682, source: EUR-Lex Accessto European Union law - <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2011:0682:FIN>, October 25th, 2011.

The concept of impact investing emerged at the very beginning of the IFISE project as a new orientation of investors towards the generation of social benefit alongside with the financial returns. According to the common definition impact investing are *“investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return”*³.

A relevant subset of the impact investing is represented by new financial instruments known as **Social Impact Bond** or more generally **Payment by Results**, which represent a way for public authority to introduce innovation in the provision of new social services and projects by de-risking the investment through partnership with private investors.

The UK is pioneer in launching financial instruments for the social sector such as “Social Impact Bond”, however these experiences are not directly transferable to other European countries mainly due to a different legal framework and Welfare’s models.

Governments and Public Administrations are among the key stakeholders of this growing impact investing market with different roles, as for example:

- Providing *proof of financial viability* for private-sector investors while targeting specific social and environmental goals;
- *Catalysing impact investments* with policies helping direct private investments to social purpose.
- *Building capacity*, both on the investees (by building investable opportunities and supporting enterprises that will be the end users of impact investments) and on the intermediaries sides (to extend the offer of funding instruments addressed to the wide field of social economy).

TIP N.6

Based on our experience the “impact investing” thematic being an emerging trend that is catalysing the interest of even traditional sector of finance and where the public stakeholders can play a major role, need to be adequately considered when a designing training on financial instrument for social economy.

4.2 The identification of financial instruments to be investigated

The development of innovative financial instruments (FIs) which incorporate a measurable social impact is a new territory for the structural funds and in general for public administrations.

The training envisaged within IFISE project was intended to build the competence needed to develop feasibility analysis on innovative FIs under ESIF regulation. In practical terms, it was focused on how to use new financial instruments (such as “payment by results”) or how to reshape more consolidated modalities like debt, equity or quasi-equity with a view of generating a social benefit.

This very practical objective, in our experience, could not be reached effectively by focusing the training mainly or only on the technicalities behind the financial instruments, the financial engineering should be regarded as a means to move towards a more impact and results oriented and change the mind-set of public intervention. This in turns require to create a common ground of understanding of the social investments and its ecosystem.

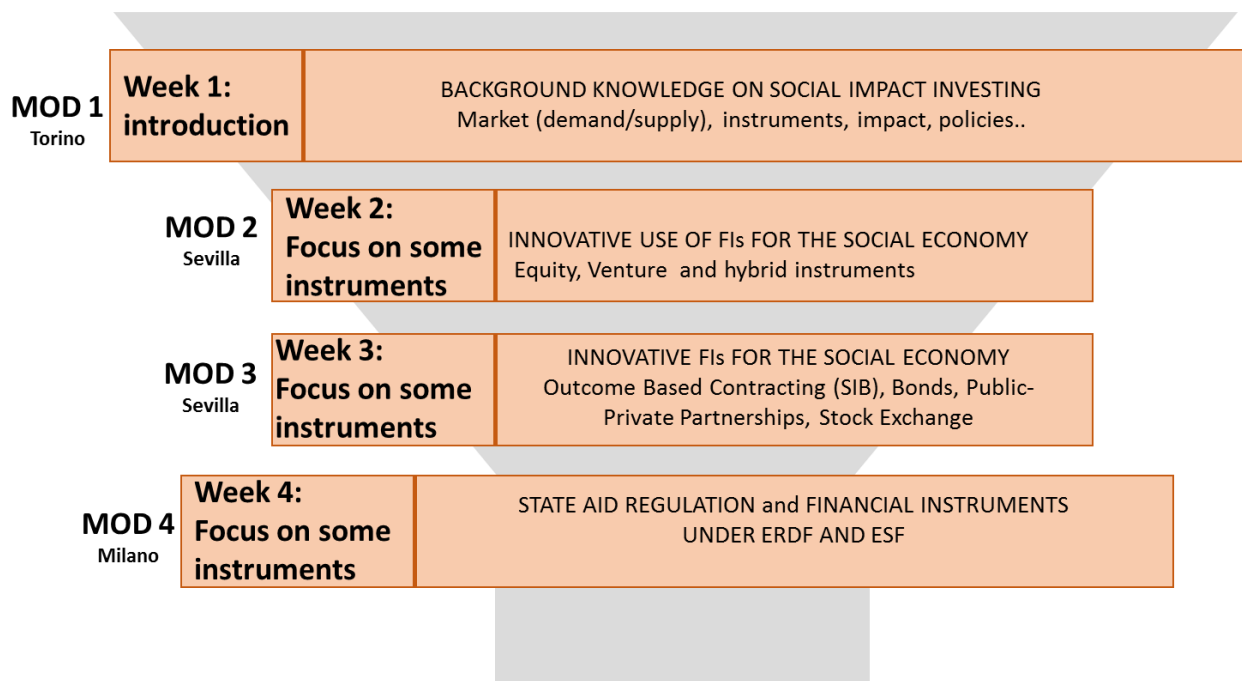
Additionally during the setup of the training course emerged the relevance to connect the design of the FIs with state aid compliance and ESIF general rules also with insight on the next programming period.

4.3 The agenda definition and the methodology

Thus, based on the above-described key issues and FI’s to be analysed, four main modules have been identified:

³ GIIN Global Impact Investing Network/ GIIN Initiative for Institutional Impact Investment/ Impact Investing Overview - <https://thegiin.org/giin-initiative-for-institutional-impact-investment>.

TRAINING AGENDA: TOPICS AND WEEKS/MODULES



Each participating region was in charge of the implementation of a module and the coordination was ensured by Finlombarda. The planning was a continuous activity, which did not end with the start of the training, and included different steps:

- *ex ante* (before the start of the training): identification of participant's training needs and definition of training modules' contents;
- *in itinere* (before each module): definition of the detailed contents of each identified module;
- *ex post* (at the end of each module): evaluation of the course's effectiveness.

During the *ex-ante* activities, the main aim was to identify the level of knowledge of the participants connected to the type of their daily job and responsibilities and their expectations. Firstly were evaluated the brief team presentations included in the application form of IFISE project and its different integrations, however the real assessment of the training needs, was the result of the in-depth discussion during the project meetings and of the preparatory work.

The training audience was heterogeneous in terms of background and work experience. The difference was not only between policy makers, innovation experts and financial intermediaries but also among different work areas such as support services for competitiveness, support to research and innovation policies, support to design and implementation of financial instruments.

Therefore, the main challenge was to build a common terminology and sharing the same meaning and to facilitate the dialogue between public administrations and financial intermediaries. Based on a preliminary working paper prepared by Finlombarda and containing the main categories to be defined (such as objectives of the module, key issues, training levels, suggested duration, speaker competences and experiences) all partners were asked to provide their contribution and express their desiderata.

The paper was fine-tuned and progressively refined according to the different feedbacks and inputs received. Finally, a common agenda was discussed with the provider.

This process was facilitated by the limited number of involved partners and by the possibility, offered by the project, to have a deep exchange. In the absence of such a collaborative framework, we suggest to organise a survey collecting the main training needs and the level of knowledge of the audience.

4.3.1 The provider selection

The modules were organised through the support of external providers/experts.

The partners used two different sub-contracting procedure to set-up the modules under their own responsibility:

- outsourcing to an external organization that involved the various experts;
- contracting individual experts directly.

Based on IFISE experience, each procedure have pro and cons, that must be considered for setting up a training:

| Type of procedure | Pros | Cons |
|---|---|---|
| Single organization | Less risk of "duplication" of the contents since the speakers have single contact, who has an overview of the objectives of the training. | The involvement of specific speakers or success cases, not foreseen initially by the provider, need to be negotiate as the contracting organisation would bear the cost and organisational aspects. |
| Contracted individual experts directly | More flexibility. More independency in the identification of "practitioners". | Organizational complexity. |

The market enquiry for the identification of the right competences and experience to be included in the training required a relevant effort and amount of time.

In order to set a list of high-level experts a scouting phase was put in place, looking for relevant previous events or publications on social issues (mostly financial aspects) organized by representative organizations in the field, such as FI-COMPASS, EIB, OECD etc.

TIP N.7

Market maturity should be considered when looking for experts/providers, as the identification of suitable profiles could be more difficult that one can imagine.

The provider should be experienced in delivering trainings on the identified thematic and able to leverage an external network of international speakers and experience on the fields.

It should be appropriate to allocate at least one full month for the market enquiry of potential providers.

Once selected, an open dialogue and strong interaction was maintained between the provider and the entire project consortium. The two organized market enquiry by Finpiemonte and Finlombarda (module 1 and module 4 of in class training) includes the clause *"In addition to the speakers/trainers that will be proposed by the provider, the contractor would like to indicate the name of 3-4 additional international experts/practitioners to be possibly included in the agenda. They should be invited through the intermediation of the provider"*.

The contents of the proposed agenda were accurately analysed by all the participants. Additional requests have been discussed through call conferences and e-mails. Being a pilot initiative the customisation process was very intense, luckily we could count on a very good collaboration with the providers although this required some extra effort from their side.

TIP N.8

The definition of the agenda for a real tailor-made training requires to allocate a relevant time to the planning it is suggested to define the content in advance by possibly involving participants and collecting their need and goals ex-ante.

It is also important to make sure that the provider is able to operate in a flexible way to respond to the needs as they emerge.

4.3.2 The “modular” approach

The training has been implemented with "modular" approach:

- the training was divided into four independent but intertwined modules;
- each module has been divided into independent sessions.

Based on the IFISE experience, this approach allows:

- the participants, based on their level of knowledge, to "follow" their own *ad personam* course, (attending one or more modules or one or more sessions of different modules);
- to redesign the duration and the effort of the training on the basis of specific needs or budget.

The modules were structured in theoretical and practical sessions. Each theoretical session included “questions and answers” moments, where participants could directly interact with the trainers, asking questions related to their direct experience or specific issue related to the implementation of FIs.

In the case of module on State Aid, for instance, the presence of a co-trainer in all theoretical sessions supported the development and the completeness of such interactive sessions, which resulted particularly useful because they responded to actual issues of the present practitioners (such as the use of some articles of General Block Exemption Regulation or the possible use of regulations on Services of General Economic Interest in implementing financial instruments for Social Economy).

This method is particularly suitable for courses in which the aim is capacity building, to achieve concretely the realization of a financial intervention and in which the participants are not "absolute beginners" or academics.

To ensure an active participation the number of the trainee has not exceed the 30 persons per module.

TIP N.9

We suggest adopting a modular approach to provide more flexibility to the participants.

If the case, and when technical or regulamentary issues are tackled, to foreseen sessions for beginners and advanced level.

4.3.3 A diversified and realistic perspective

For its nature and objectives, FIs in the social economy is a multi-stakeholder sector, an ecosystem where different typologies of players operate to produce social and financial results.

When design the training we tried to include, as much as possible, the different perspective and voices according also to the type of thematic to be developed.

For instance the definition of impact investing is adopted in the arena with different nuances of meaning, i.e. the same term could be associated with different tools and approaches depending on the position of a particular stakeholder in the ecosystem, for example on the impact first-financial first continuum.

To convey a realistic perspective and avoid excessive standardization of the narrative in the first module we involved investors, investees, intermediaries, legal experts, impact assessment specialists, etc.

State aids topic, for its nature, is less controversial than the social finance thematic, however the application may occur at three different levels:

- (a) bodies implementing FIs, i.e. fund managers, financial intermediaries and funds of funds;

(b) private co-investors;

(c) final recipients, such as social enterprises.

The training course focused on the perspective of these 3 different levels: the theoretical session of the course introduced the different regulation for the three levels of possible State aid, and the practical exercises were built based on the perspective of these 3 typologies of actors in the FI process.

TIP N.10

It is recommended to involve, according to the topic, different perspectives and stakeholders, as to provide a realistic and hands-on comprehension of the challenge and constraints related to the FIs for social economy.

5. The content of the four modules

Each module was carefully designed with the direct participation of the project consortium and the experts involved academic figures and practitioners. All the participants accurately studied the contents of the proposed agenda and additional requests have been advanced through call conferences and e-mails.

Training Module 1 “Social Impact Investing: Combining Social Results with Financial Returns”

The partner in charge of the Module 1 was Finpiemonte. The training took place in Turin on April 10th, 11th and 12th 2018, aimed to introduce the audience into the Impact Investing Ecosystem issue with the in-depth description of the key players both on the demand side and on the supply side. The training was designed and delivered by Fondazione Lang Italia with an intense interaction with IFISE partners.

The aim were to provide the participants with the tools and knowledge to understand trends, mechanisms and players of impact investing and it covered key topics in order to provide a comprehensive technical overview of the panorama of innovative financial instruments for the social economy.

The macrothematic was split into the following topics:

| DAY | MACROTHEMATIC | TOPICS |
|---------------------|---|---|
| Day 1 (half-day) | Knowing the Impact Investing Ecosystem | Glossary Social innovation in the Public Administration Key players and instruments for Public Administration The legal framework for social economy (parallel sessions for Spanish and Italians participants) |
| Day 2 | Shaping Investors' approach to the deal | Defining the investor's position in the impact investing map Social Impact Assessment and the practice in Impact Investing |
| Day 3 | Implementing and managing impact investment | Impact finance for intermediate bodies: which possibilities in the impact investment ecosystem? The European framework for social finance The investment process: deals, sourcing, due diligence and management |
| Day 4 (half-day) | Challenges and opportunities on the ground | Case History 1: public investors Case History 2: social incubator Case History 3: Impact fund |

Some main features of the training should be underlined:

- ✓ a gradual three-days path, based on an overall progressing from the preliminary drivers of social economy ecosystem and the impact investing industry (day 1), to the investors' approaches, expectations and roles (day 2), up to the technical features of financial due diligence (day 3);
- ✓ the attention to create a common glossary (i.e. venture philanthropy, social investment, social impact investing, responsible investments, charity bonds, social bonds, thematic bonds, social impact bonds etc.) and a common framework of understanding;
- ✓ the focus on the theme of social impact assessment, one of the main challenges of impact investing. The topic was explored in a dedicated slot but also by the different panellists to provide a concrete overview on the approaches adopted by practitioners;
- ✓ the perspective of public actors and how the public administration can promote new approaches for policymaking through impact finance;
- ✓ the attention to the European dimension for social investments;
- ✓ the involvement of international speakers able to provide insights at a European level;
- ✓ a limited presence of theoretical experts to privilege the role of practitioners presenting

real cases from around Europe.

Training Module 2 “Innovative use of FIS for Social Economy: Equity, venture and hybrid instruments” and training Module 3 “Social Innovative Financial Instruments (New FIS)”

The project partner in charge of Module 2 and Module 3 were IDEA (Agencia de Innovación y Desarrollo de Andalucía) and IVF (Institut Valencia de Finances). The two training modules were organized in the same week in Seville from 2nd of July till 6th of July, due to organizational reasons, with the support of EOI Foundation (Escuela de Organizacion Industrial).

The **Module 2** aimed to present and discuss the innovative use of more established financial instruments for social purpose and **Module 3** was focused on a few social innovative FIS such as microfinance (which is now evolving into an industry that involves different players), Alternative Stock Market as a form of public-private collaboration, Social Impact Bonds, Social Investment and Innovation, Equity Crowdfunding.

| MODULE 2 | | |
|---------------------|--|--|
| DAY | MACROTHEMATIC | MAIN TOPICS |
| Day 1 (half-day) | Impact Investing in practice | Hands-on experience from a start-up and an impact fund manager |
| Day 2 | The European approach to FIS and Impact Investing Equity fund | The role and instrument of EIB Equity and Funds the EIF perspective Equity socially oriented |
| Day 3 (half-day) | Venture Funds Innovative practice within ESIF | Venture capital to promote SMES growth Case study on financial instrument for self-employment (Lithuania under ESF funds) |

| MODULE 3 | | |
|---------------------|---|---|
| DAY | MACROTHEMATIC | MAIN TOPICS |
| Day 1 (half-day) | Financial Instrument for social purpose | The role of microcredit and real case impact project |
| Day 2 | Outcome based instrument Public instrument for social impact | SIB: the experience of a practitioner and the perspective of the European institution Equity crowdfunding Public instrument for social finance: experience from ESF |
| Day 3 (half-day) | Legal framework EASI | Public and private law for FIS in the ESIF regulations Financial tool: EASI guarantee |

Some main features of the training should be underlined:

- ✓ the attention to provide real-case experience (also of failure);
- ✓ the inclusion of different perspectives (start-up, social entrepreneurs, impact fund manager, etc);
- ✓ a focus on EIB and EIF actions and their financial instruments;
- ✓ the deployment of social impact instruments and impact investment strategies within the EIF;
- ✓ a specific slot dedicate to the social impact bond with pragmatic presentations of pros and cons;
- ✓ a case study within ESIF fund (“Financial instruments from ESIF for self-employment and entrepreneurship in Lithuania” presented by the programme manager).

Training Module 4 “State aid regulation and financial instruments under ERDF and ESF”

The module was organized in Milan on 2nd of October until 4th of October under the responsibility of Finlombarda S.p.A. The training was designed and delivered by T33 with an intense interaction with IFISE partners.

The course was aimed to present in-depth the State Aid thematic within EU legislation, with particular reference to innovative financial instruments to support social economy. The training course focused on the perspective of 3 different levels:

- (a) bodies implementing FIs, i.e. fund managers, financial intermediaries and funds of funds;
- (b) private co-investors;
- (c) final recipients, such as social enterprises.

The theoretical session of the course introduced the different regulation for the three levels of possible State aid, and the practical exercises were built based on the perspective of these 3 typologies of actors in the FI process.

| DAY | MACROTHEMATIC | MAIN TOPICS |
|-------|--|--|
| Day 1 | Introduction to state aids FIs with social impact | Key condition for state aids The lifecycle of FIs The case of Social Impact Fund in Sardegna |
| Day 2 | State aids in practice | State aids at different level Market test Service of general interest (focus on social services) Calculating State aids Focus on guarantee |
| Day 3 | State aids compliance | Different form of compliance Case study Interactive working group on real case of socially oriented equity and quasi-equity in different member states |

Some main features of the training should be underlined:

- ✓ an accurate and intense process of fine-tuning the agenda, to meet the participants specific needs and expectations in spite being the state aids thematic an “established” one;
- ✓ a deep discussion, supported by external expert, on the case study presented by Sardegna Region on impact fund;
- ✓ the presence of co-trainers with complementary expertise supported the development of in-depth discussion and active interactions;
- ✓ the hand-on approach through exercise in small groups on selected cases in small group helped to put into practice what learned.

TIP N.11

Based on our experience, we think that the topics related to the impact measurement and outcome based contract, being new territory for Public Administration and entailing an implementation complexity, should be deeply dealt with in the training path. As there is not a univocal way to approach and implement it, due also to the experimental nature of the impact based initiatives. It would be worthy to combine the theoretical dimension with a pragmatic approach from real cases. In particular, we would recommend that the presentation of the SIB takes into consideration and explains in details also the financial flows, the different options (loans, equity, etc.), the selection criteria, etc. This information (relevant for the replicability and compliance with ESIF and state aids rules) tend to be underestimated in favour of the narrative of the model.

6. Main lessons learnt and suggestions for a replicable training

Below are the main findings that emerged following the training:

- The use of financial instruments for measurable social impact (*so-called impact investing*) is a new territory under the ESIF funds and it is an emerging approach in the private finance and public administration at large. Therefore there is a **need to increase the knowledge and build specific skills**;
- The thematic of designing new financial instruments outcome oriented goes beyond the technicalities issues and implies a change of mind-set in public intervention. Therefore the training should help to provide not only practical tools but also to **create a shared strategic vision on the role of public administration and build a common language**;
- This type of **on-demand training** are not readily available on the market and there is a relevant need for customization. Two options may be pursued: (1) dedicating consistent time in defining the required contents in the market enquiry in order to minimize the refinement work once the provider has been contracted, possibly involving participants and collecting their needs and goals ex-ante; (2) making sure the provider is able to operate in a flexible way to respond to the needs as they emerge: large over-bureaucratic institutions in particular could have a hard time to adapt to shifting requests/multiple inputs;
- Market maturity should be considered when **looking for training providers**, as the identification of suitable profiles could be more difficult than one may imagine. It would be appropriate to allocate at least one full month for the market enquiry of potential providers;
- The provider should be experienced in delivering trainings and able to leverage an external network of international speakers. Furthermore, the agenda should present speakers with a demonstrable and strong track record in the financial and social sector. It is essential to **have high-level experts able to provide a comprehensive analysis** (legal aspects, financial technicalities, etc.) of the real cases presented;
- During the definition of the **market enquiry** and when discussing with the training provider, it is suggested to define which topics should be dealt with on a more general level and which ones should be part of a dedicated session. Themes as **social impact assessment**, building the capacity of investees, defining the roles and establishing a proper investor/investee relationship etc., are often underestimated or deemed more appropriate to be discussed in “philanthropic” settings: as a matter of fact, they represent key issues to be discussed to enable participants develop a realistic and informed knowledge of the sector. Besides the relation between innovative financial instruments in the **social sector and State aid issues** requires a focussed research, a detailed knowledge of ESIF financial instruments and the availability of experts with economical and juridical background, that few companies on the market could offer;
- When design the training include, as much as possible, **diversified perspective** and different voices according also to the type of thematic to be developed. For instance, the definition of impact investing is adopted in the arena with different nuances of meaning and it's important to capture this complexity. Including private financial institutions in this type of training **is useful to increase the possibilities of the Public Administration to make networks**

- **A preliminary assessment** (it can be a self-assessment based on precise and relevant questions) of the level of knowledge of participants on the proposed topics might be useful. If background or levels are considerably different, invite participants with an advanced knowledge to join the course at a later stage, and reserve the first part of the course only to participants with less knowledge of the topic;
- Make sure that the participants are aware of their **local social ecosystem** (i.e. presence of social investors, main stakeholders and relative dynamic, etc.). Alternatively support the acquisition of the basic information through a set of key question or indicators to be collected by the participants prior to the training. This help to increase the awareness on the FIs more adequate to the local level;
- The **modular approach** based on four intertwined modules provide the flexibility to the participants, based on their level of knowledge, to "follow" their own *ad personam* course, (attending one or more modules or one or more sessions of different modules); to redesign the duration and the effort of the training on the basis of specific needs or budget;
- **Include groupwork sessions**, with exercises to be carried out and discussed in small groups;
- The topics related to the impact measurement and outcome based contract, being an innovative thematic and entailing an implementation complexity, should be deeply dealt with in the training path. In particular we would recommend that the presentation on the **Social Impact Bond** take in consideration and explain in details also the financial flows, the different options (loans, equity, etc.), the selection criteria, etc. This information (relevant for the replicability and compliance with ESIF and state aids rules) tend to be underestimated in favour of the narrative of the model;
- The perspective of the investee should be included. The involvement of the actors of **demand-side** (social enterprises, start-up, etc.) would help to better understand their real financial needs and capability to enter in an impact –based evaluation.

TIPS for setting up a replication of the training module:

Based on our experience on what worked and what could have been improved, we would like to suggest, in the table below, some practical tips for the design and implementation of an ad-hoc training on innovative financial instruments for social economy under ESIF funds.

Since we started from scratch there were a number of constraints and question marks that we had to face, which in a replicable version of the training, could be overcome based on what we learned. The definition of the specific content of the training, was for instance in our case, particularly time consuming, however since we retain that at the end the results was quite satisfactory we feel confident to provide some practical hints. It would be our suggestion to organise the training around four main drivers which are interlinked and can facilitate a real comprehension of the constraints and challenges related to the support of the social economy. The four main suggested thematic (detailed in the below table) are:

- a) Social economy and Impact Investing;
- b) Innovative use of Financial Instruments: equity, venture and hybrid instruments;
- c) Social innovative financial instruments (es. Pay By Results/ Social Impact Bond);
- d) State aids and financial instruments under ESIF regulations.

Concerning the innovative instruments, such as the Social Impact Bond (SIB), we noted a tendency of the different speakers to explain in details the rationale and structure of the SIB but, somehow, to overlook the financial, technical and legal aspects which are, instead, relevant for the analysis of a possible set-up. Therefore, it might be useful to remind the speakers to cover these issues as well.

The use of facilitating techniques, such as those mentioned in the table below, might help to liven up the class-training and encourage the debate among the trainees.

From the point of view of the speakers selection we adopted two approaches: outsourcing the activity to selected providers and direct contracting to identified experts. In either case, it is important to design a training involving different voices and perspectives in the field: e.g. investors, investees, intermediaries, legal experts, impact assessment specialists, social incubators, etc.

It is important to have a strong coordination of the whole training and be clear with the speakers on what is expected as well as inform them on what has already been done (providing the agenda and presentations of previous modules, if the case), this would help to avoid overlapping and encourage the introduction of new perspective/experience on the same topic.

If possible, it might be useful to have a final wrap- up session with representatives of the main thematic discussed along the training.

Practical Tips Table

| | |
|---------------------------|---|
| FORMAT | Stand-alone modules The use of stand-alone interlinked modules allows a deep dive into the thematic and a greater flexibility to the participants to customize the training according to their background knowledge and interest. |
| SCHEDULE | Min 2 days by Module Max 3 days by Module |
| PARTICIPANTS | 15-25 max |
| LOCATION | <ul style="list-style-type: none"> • U-shaped room or round tables to foster interaction and allow parallel workshops too; • Projector; • Blackboard; • Wi-Fi. |
| TRAINING PROVIDERS | <p>The selected providers for the training should have the three following main characteristics:</p> <ul style="list-style-type: none"> • Experience in delivering training and courses; • Knowledge of the different aspects and players within the identified thematic (see the box below); • Possibility to activate international speakers of its network. <p>During the training, the providers should envision an in-class tutor –to connect the different interventions and wrap-up the main takeouts.</p> |
| SPEAKERS | <p>Different profile of speakers should be envisaged according to the modules content:</p> <ul style="list-style-type: none"> • 1 or more experts (from academic or relevant public/private institutions) to set the scene and discuss the context; • practitioners, based on modules’ contents (see box below), in particular: <ul style="list-style-type: none"> ○ Social Impact Investing: practitioners who work as intermediaries in different stages of the impact investing ecosystem discussing real methods and also analysing case histories; ○ Financial Instruments: practitioners from supply/demand side and from financial intermediaries/investors; ○ State aid: practitioners from institutions’ legal office; managing Authorities and their consultants. • “testimonials” presenting their own case histories; • Representatives from European and International Financial Institution. |
| FOCUS | Combine two dimensions: |

| | |
|--|---|
| | <ul style="list-style-type: none"> • International in order to provide inspiration and networking at a broader level • national and regional, to provide insights for implementing suitable FIs better aligned with local context |
| <p style="text-align: center;">APPROACH</p> | <p>Hands-on, with workshops and a real life attitude.</p> <p>The use of advanced facilitation formats and technique (such as: instructor led training the World Café; Role-Play⁴) are suggested to enhance interaction, maximise results, collect all outputs, and report results in structured documents. In particular, the role-play is helpful if participants need to understand the point of view of particular actors involved in the implementation of Financial instruments (financial intermediaries, managing authorities). This type of groupwork typically sees alternate explanatory moments, with the role-play group exercises, that can be realised with the help of printed materials</p> <p><u>Instructor – Led Training</u> - practice of training and learning material between an instructor and learners, either individuals or groups. Instructors assumed also the role as facilitator, knowledgeable and experienced in the learning material, but also with high ability to deliver material to learners.</p> <p>Instructors delivered training in a classroom format as an interactive workshop</p> <p>World Café and Knowledge Café help the whole audience to focus on 2 to 5 specific themes: all participants will discuss and found solutions for the same issues by working in groups for 2 to 5 rounds, discussing 2 to 5 pre –determined questions/themes. This could be useful to get a deeper understanding of multifaceted thematic such as impact investing.</p> |
| <p style="text-align: center;">SUMMARY OF MAIN THEMES</p> | <ol style="list-style-type: none"> 1) Social Impact Investing: Combining Social Results with Financial Returns”: <ul style="list-style-type: none"> • Social finance glossary: venture philanthropy, social investment, social impact investing, responsible investments, charity bonds, social bonds, thematic bonds, social impact bonds; • Introduction to the social impact investing ecosystem (demand side, supply side); • Key players and instruments for the PA; • Focus on demand side (including legal framework) and supply side; • Measurement of social impact: theory and practice; • Role of intermediaries and investors. 2) “Innovative use of FIS for Social Economy: Equity, venture and hybrid instruments” - traditional financial instruments with: <ul style="list-style-type: none"> • Common glossary: Venture, Guarantee, Soft Loans, etc; • How to combine public and private resources; • Main technical aspects; • Innovative application in the field of Social Economy: key issues. 3) “Social Innovative Financial Instruments (New FIs)”: <ul style="list-style-type: none"> • Innovative Financial Instruments glossary; • Deep dive into the Social Impact Bond including the different financial options (if possible bringing real cases); • Main technical aspects; • Social impact assessment in practice. 4) “State aid regulation and financial instruments under ERDF and ESF”: <ul style="list-style-type: none"> • Main regulatory references on State Aid and FIs (including Services of general economic interest); • The life cycle of financial instruments under ERDF and ESF; • State aid at the different levels of a Financial Instrument; • How to calculate the Gross Grant Equivalent in FIs; • Evaluate suitable State Aid schemes for FIs in social economy field. |

⁴ Ref. IFISE Project/ Phase 2, Deliverable D. 2.1 “Set-up of an in-class training addressed to project partners”, pages 5-6.

7. Annexes

Annex 1: Agenda Module 1 “Social Impact Investing: Combining Social Results with Financial Returns”

Annex 2: Agenda Module 2 “Innovative use of FIS for Social Economy: Equity, venture and hybrid instruments”

Annex 3: Agenda Module 3 “Social Innovative Financial Instruments (New FIS)”

Annex 4: Agenda Module 4 “State aid regulation and financial instruments under ERDF and ESF”

IFISE PROJECT

TRAINING MODULE 1

AGENDA IN LIGHT OF THE FIRST IFISE EXPERIENCE IN
TURIN (2018)

AGENDA

DAY 1: KNOWING THE IMPACT INVESTING ECOSYSTEM

MORNING (ACADEMIC)

GLOSSARY

9.30

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10.00

Venture philanthropy, social investment, social impact investing, responsible investments, charity bonds, social bonds, thematic bonds, social impact bonds...
Defining a common framework of understanding to move in the arena and identify the positioning of the different players and tools.

SOCIAL INNOVATION AND THE ROLE OF THE P.A.

10.00

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12:30

How can impact finance re-shape the relationship between the P.A. and social entrepreneurship? Understanding the practical evolution of social innovation and highlighting how the public administration can promote new approaches for policymaking through impact finance. Key topics should include:

- Social innovation: introduction, key drivers and European ecosystem (e.g. Social Business Initiative, ERDF, ESF)
- How can finance support this evolution? Use of financial instruments
- International case histories of P.A. promoting social innovation
- Short introduction to *pay-per-success* instruments

ATERNOON (PRACTITIONERS)

KEY PLAYERS AND INSTRUMENTS FOR THE P.A.

14:15

-
16.30

The intervention should focus on the key players that shape an impact investing deal: the investors side, private and public actors, their roles and the expectations they shall embrace when entering the sector (e.g. in terms of financial and social returns); the investees side, characterized by a wide range of different legal forms and models; and the possible intermediaries that contribute to creating an efficient ecosystem. Finally the lecture should discuss the available financial instruments and their use with a deep dive on those that can be more relevant and actionable for the public administration.

Parallel Sessions to focus on participants' home countries

16:45

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18:00

THE LEGAL FRAMEWORK

- Focus on possible recipients of impact investments (e.g. social start-up, cooperatives, social enterprises, benefit corporations, etc.).
- Analysis of the current legal scenario, discussing the state of the art, what has changed in these last years, and what is the likely picture that (impact) investors will face in the upcoming period

DAY 2: SHAPING INVESTORS' APPROACH TO IMPACT INVESTING

MORNING (PRACTITIONERS)

DEFINING THE INVESTOR'S POSITION IN THE IMPACT INVESTING MAP

Start with a short analysis of the most established impact investing sector: microfinance. Following this brief introduction, the lecture should focus on how, also from a public perspective, to choose one's position in the impact map when faced with an impact investment. The goal is to analyse the main drivers that shape the investor's approach, role and expectations in the impact-first and financial-first spectrum.

9.30

-

12.30

- Microfinance: introduction, scenario and opportunities
- **Workshop:** the preliminary questions to deal with when considering an impact-oriented organization to invest in such as:
 - What are the success drivers of the business you invest in?
 - What type of investor are you and what are your key pillars?
 - When do you want to come onboard in the lifecycle of the investee?
 - How closely do you need to look into the deal?
 - What types of capital should you provide and what does the answer to this choice involve, for example in terms of influence?
 - What post-investment support should you provide?
 - What is the exit horizon?
 - Which return (financial and social) do you expect? And how to measure it?

AFTERNOON (PRACTITIONERS)

SOCIAL IMPACT ASSESSMENT AND THE PRACTICE IN IMPACT INVESTING

Among the points of attention when it comes to impact investing, impact assessment is probably the most critical one. As a matter of fact, the growth of impact investing has led to an unprecedented focus on impact measurement: however, impact measurement is complex in practice, and varies in approach and rigor - the result being that true impact assessment often differs from the practice in the impact investment sector. This carries a double risk: on one side the label "impact investing" runs the risk of becoming diluted and used more as a marketing tool. On the other, there is a risk of credibility for impact investing practitioners when confronting with specialized convenings, especially in light of an increasing trend at an international level to move towards *tiered-evidence* social policies. The lecture should provide a deep-dive into impact assessment practice to define what impact assessment implies and which are the most common tools and methods available for impact investors, facing topics as:

14:15

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18.00

- What does impact assessment mean?
- What is the state of the art in the impact investment market?
- Planning impact (*ex-ante*): use of frameworks as Theory of Change and logic model
- Monitoring impact (*on-going*): state of the art and established standards in the impact investment sector
- Measuring impact (*ex-post*): main methods - from SROI analysis to Randomized-Control Trials.

DAY 3: IMPLEMENTING AND MANAGING IMPACT INVESTMENTS

MORNING (PRACTITIONERS)

IMPACT FINANCE FOR INTERMEDIATE BODIES

The intervention should focus on the operational feasibility of adopting innovative financial instruments within the European Structural Development Fund (ERDF/EFS) framework, highlighting the state of the art, case histories and potential development of social impact investing in EU.

9.30
-
12.30

- Perspective from current debate on European Structural Funds: how it fits to the Social Impact Investment narrative, implications, and future changes
- From a policy framework initiative to a market building challenge: case study and a prospective scenario of use for Social Impact Investment
- The intangible infrastructure: impact assessment methods and payment by result approaches to shape new intervention models. Opportunity and challenges in the EU

AFTERNOON (PRACTITIONERS)

THE INVESTMENT PROCESS: DEALS SOURCING. DUE DILIGENCE AND MANAGEMENT

The lecture should provide participants the appropriate tools to identify and assess impact investment opportunities in the different contexts that compose the industry ecosystem thanks to the experience of renowned financial intermediaries at an international level and the analysis of case histories of businesses and financial instruments.

14.15
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17.30

To provide a comprehensive overview, the lecture should take in consideration different geographical contexts, with examples in both developed and developing economies, and sectors - as for example education, social housing, credit access, nutrition - through both equity and bonds investments.

In summary the lecture shall discuss the impact investment in its main phases as:

- Deals sourcing and origination
- Pre-investment analysis and due diligence
- Challenges and solutions when investing with different tools in various geographies and sectors
- Deals management, monitoring and assessment of results

DAY 4: CHALLENGES AND OPPORTUNITIES ON THE GROUND

MORNING (CASE HISTORIES)

CASE HISTORY 1: PUBLIC INVESTORS (E.G. EIF)

- Practical drivers of investing for social impact
- Possible supporting networks that could assist intermediate bodies in their attempt to extend the offer of funding instruments in the field of social economy
- The approach to social impact assessment

9.30

-

12.30

CASE HISTORY 2: INCUBATOR

- Which are the needs of eligible or potential investees?
- What does it involve to invest on social businesses and how does the investment strategy fits with the goal of creating impact?
- The approach to social impact assessment

CASE HISTORY 3: IMPACT FUND

- Which are the request of investors and their sphere of influence (e.g. on reporting?)
- Which are the main perceived issues (e.g. liquidity?)
- The approach to social impact assessment

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 Centro Studi Lang



IFISE Innovative Financial Instruments in support to the Social Economy

TRAINING MODULE 2

Innovative Use of Financial Instruments for the Social Economy: Equity, Venture and Hybrid Instruments

Seville, July 2-3-4, 2018.

**Escuela de Organización Industrial, EOI.
Avda. Leonardo da Vinci, 12. Isla de la Cartuja. 41092.**

**The action is funded by the European Commission Directorate-General for
Regional and Urban Policy**



Final Program IFISE Conference (Presentations of 90 minutes + 20 minutes of debate)
MODULE 1. AGENCIA IDEA.

Monday, July 2

13.45 h. **Welcome and Reception of Assistants.**
Opening of the Conference.

14.00-16.00 h. **Juan Martínez Barea: "Impact investing in the upcoming world. The example of Universal DX".**

Founder & CEO of Universal DX, a biomedicine and bioinformatics start-up focused on the early detection of cancer. Expertise in start-ups, innovation, disruptive technologies and future. Author of the book "The upcoming world" (6th edition), published by Planeta.

16.00-18.00h. **Lara Viada: "Case studies of impact investment in Spain: experiences of success and failure".**

Principal at CREAS, First institutional investment fund impact of Spain. Lara is passionate about Social Entrepreneurship and Impact Investing. She has worked in the impact investing sector for more than 8 years: first at OPIC, later at Grassroots Business Fund, then at Ambar Capital (vivergi Fund) and lastly at Grupo Empresarial Sostenible. Lara holds an MA in economics and International Relations from Johns Hopkins' School SAIS, she started her career in finance and marketing at L'Oréal.

Tuesday, July 3

9.00 h. **Julio Samuel Coca Blanes: "Welcome speech".**

Director General Agencia IDEA (Innovation and Development Agency of Andalusia (IDEA)).

9.10-11.30 h. **Bruno Robino: "Financial instruments under the European Structural and Investment Funds (ESIF) in the 2014-2020 programming period: some key aspects".**

Deputy Head of Division. Financial Instruments Advisory. European Investment Bank. Bruno is Head of fi-compass at the European Investment Bank, leading the team implementing a unique advisory platform on financial instruments under the European Structural and Investment Funds. Combining the experience gained in the private sector, at the European Commission (EC), at the European Investment Fund (EIF) and at the European Investment Bank (EIB), Bruno cumulates more than 28 years of direct involvement in financial instruments focusing on SMEs, access to finance, innovation, venture capital and private equity, debt and guarantee products, microfinance as well as on the provision of technical assistance and capacity building services.

11.30-12.00 h. Break.



12.00-14.00 h. **Philippe Bernard-Treille: "Equity Fund Investments – The EIF perspective"**.

Investment Manager at the European Investment Fund (EIF).

15 years of experience in venture capital, private equity and impact investing. At EIF, Philippe is focusing on the deployment of social impact instruments and impact investment strategies within the EU. He has led and monitored investments in impact investing, payments by results, venture capital, private equity, mezzanine and growth capital funds across Europe.

14.00 h. Lunch.

15.00-17.00 h. **María Luisa García: "Startups investment process and valuation. Investment readiness"**.

VicePresident of AABAN (Business Angel Network Andalusia) and Managing Partner of Southup Ventures, company focused on early stages, seed capital. Founder and/or investor of several companies such as QaShops, Bubocar, 3ants Devleopments and Strategies, Abrego Videogames Studio, Innwelt innovation, Trends&Strategies, among others. Co-founder Ad4kids sold to a british multinational (Superawesome Ltd). Director of the program Creation of EBT and acceleration programs of Companies of EOI (Escuela de Organización Industrial).

18.00 h. **Internal working session of project consortium.**

21:15 h. Official Dinner. **San Marco Santa Cruz Restaurant.** Mesón del Moro Street, 6. Meeting point: Mateos Gago Street corner with Mesón del Moro Street.

Wednesday, July 4

9.00-10.55 h. **Inga Beiliūnienė: "Financial instruments from ESIF for self-employment and entrepreneurship in Lithuania"**.

Head of Project Management Division at JSC "Investment and Business Guarantees" (INVEGA) – national financial institution in Lithuania is responsible for the unit, which launches various financial instruments and global grant measures, financed from European Union Structural Funds as well as national funds, and supervises their implementation. She is also a representative of Lithuania at Horizon 2020 committee "SMEs and access to risk finance". Overall, she has more than 8 years of experience at the national and international (i. e. EIF) financial institutions as well as almost 16 years of experience in designing and implementing financial instruments and other support measures dedicated for the development of small and medium-sized business.

10.55-11.15 h. Break.

11.15-13.00 h. **José Martí Pellón: "Venture capital as a tool to promote SME growth"**.

Full Professor at the Department Financial Management and Accounting, Universidad Complutense de Madrid, as of 2016. Head of Department of Corporate Finance, Universidad Complutense de Madrid, 2011-2017. Head of the Master in Corporate Finance at the School of Business, Universidad Complutense de Madrid, 1992-2011. In this session, a description of the market (concepts, structure, agents involved) and the funding process will be offered.



The valuation process followed by investors will be described as well. In addition, some data about the Spanish and the Italian venture capital markets will be offered.

13.00 h. Lunch.



IFISE PROJECT

TRAINING MODULE 3

Social Innovative Financial Instruments (New FIs)

Seville, July 4-5-6, 2018

**Escuela de Organización Industrial, EOI
Avda. Leonardo da Vinci, 12. Isla de la Cartuja. 41092**

**The action is funded by the European Commission Directorate-General for
Regional and Urban Policy**



Final Program IFISE Conference (Presentations of 90 minutes + 20 minutes of debate)
MODULE 3. IVF.

Wednesday, July 4

14.00-16.00 h. **Marcel Abbad Sort: "Microfinance and opportunities for the inclusion of entrepreneurship in the Spain of 2018".**

CEO of IMF Oportunitas and President of the Spanish Association of Microfinance.

He accumulates a wealth of experience in the financial sector, which led him to specialize in microfinance. From this specialization he deepened in the development, the social action and the insertion. He has been a member of the Board of Directors of the European Microfinance Network. Abbad has worked on microcredit, social development, integration and international cooperation, in countries such as Morocco, Senegal, Mali, Niger, India, the Philippines, El Salvador, Peru, Bolivia, Ecuador. Spain and France. He is the author of the book "Microcredits. Loans to Dignity".

16.00 – 16.15h. Break.

16.20-18.00 h. **Antonio Romero-Haupold Caballero: "MAB 2018: a possible social impact".**

President Association of MAB companies.

Law degree from the University of Navarra, Master in Business Administration from IESE Business School and Amp187 from Harvard Business School. He is interested in the Spanish alternative stock exchange for the small caps, known as Mercado Alternativo Bursátil (MAB) and he invests in nearly half of the companies listed in this market. One of the promoters of the Harvard business Angels in Spain.

18.00 h. **Internal working session of project consortium**

20:00 h. Horse carriage ride through emblematic places of Seville + Guided visit on foot of the historical centre of Seville. Meeting point: Main doors of the Plaza de Toros de la Maestranza (Paseo de Cristóbal Colón, s/n). Seville. PENDING CLOSURE. Could be moved to Wednesday.

Thursday, July 5

9.00-10.45 h. **Zachary Levey: "Social Impact Bonds".**

Executive Director at Levoca Impact Labs.

Zach is a global expert on social innovation, environmental finance, and impact investing, and has advised government, business and civil society leaders across the globe. Before joining Levoca, Zach led the team that launched the first social impact bonds in the world in emerging markets. Zach has held positions in the Inter-American Development Bank, USAID, and in management consulting.

10.45-11.15h. Break.



11.15-13.00 h. **Giulio Pasi: "Social Impact Investment in the EU. Financing strategies and outcomes oriented approaches for social policy innovation: narratives, experiences, and recommendations"**.

Scientific Officer. Joint Research Centre (European Commission) in Seville, where he is involved in policy relevant research, dealing with social innovation, new financial engineering and the relationships between public policy and new markets or industries, as well as the social consequences of the Fourth industrial Revolution. Prior to join JRC he worked for several organizations and governments as policy analyst, adviser, and researcher on welfare policies, governance of social services, public procurement, and accountability mechanisms and transparency measures for public administration. During his career he achieved extensive expertise also on policy evaluation and regulatory impact assessment techniques.

13.00 h. Lunch.

14.00-16.00 h. **José Moisés Martín Carretero: "Public financial instruments for social impact. Experiences and lessons from the ESF"**.

CEO at Red2Red Consultores.

Economist, economic commentator and Spanish activist. He was the director of the NGO ACSUR-Las Segovias and a member of the NGO Development Coordinator, coordinating in 2005 and 2006 the Zero Poverty campaign for the achievement of the Millennium Development Goals. Between 2008 and 2012 he was head of the multilateral cooperation department of the Spanish Agency for International Cooperation (AECID). Between 2011 and 2012, he was part of the board of directors of Expansión Exterior, a public international consulting company. He is an associate professor at the Camilo José Cela University and heads an international consulting firm, where he has participated in projects of the World Bank, the European Investment Bank, the International Labor Organization or the European Commission. He is part of the network of experts "The 100 of COTEC" of the COTEC Foundation for innovation.

16.00 – 16.15h. Break.

16.20-18.00 h. **Mariano Torrecilla: "Equity Crowdfunding"**.

Founder & CEO Blockchain Day1. Partner at Loogic.com (academy, venture, smartmoney). Marketing Degree from ESIC, an International Marketing Degree from the University of Cambridge and a CRECE Program from IE (Instituto de Empresa). He is a trainer of trainers and, among his competences, he highlights the management of his family business and works as commercial and marketing director of several companies in the training, technology and investment sector. He is founder of dws.io and Linkovery, co-founder of Loogic Ventures, partner in Loogic and SmartMoney. With experience in investment operations with a total of + € 20MM. He is also Cofounder of Blockchain Day1. In addition, he is a professor, mentor and consultant in: EOI, ESIC, ICEMD, ICADE, Garrigues Studies Center, Founder Institute, INCIBE, Tetuan Valley, Google Launchpad, LaunchTF or Startup Weekend.

18.00 h. **Internal working session of project consortium.**



Friday, July 6

8.00-9.30 h. **Eduardo Gamero Casado.** Not definitive title.

Counselor of Montero Aramburu Abogados and professor of Administrative Law at the Pablo de Olavide University (Seville).

Author of two hundred publications in publishers and magazines of the highest prestige, his works cover the most varied fields of Administrative Law. Doctor of Law from the University of Seville (1994), he has held research stays at the Universities of Florence, Harvard, Oxford and Pisa, and at the Olympic Studies Center in Lausanne. He has developed international consultancies in El Salvador and Guatemala and he has held various public positions, mainly in the academic field. He has lectured throughout Spain, and internationally, in cities such as Bogotá, Mexico D.F., Paris and Brussels. He is a member of the European Law Institute and of ReNEUAL (Research Network on EU Administrative Law). He has directed numerous research projects of the National R+D+i Plan and the Andalusian R+D+i Plan.

9.45 h. Break.

10.00-11.30 h. **José Antonio Carbonell Cañado: "How to finance social initiatives to improve the change. A brief approach to the financial tool EaSI guarantee".**

Subdirector of the Commercial Network of Triodos Bank Spain.

He has extensive banking experience in Andalusia, having assumed various management positions at Caja Rural de Utrera (belonging to the Caja Rural Group), including that of general manager, a position he left to join Triodos Bank. Previously, he has developed functions and held various management and negotiation responsibilities at Banco Popular Español and at Segur Caixa. Law degree from the University of Seville, specializing in Public Law, Master in Human Resource Management from the University of Seville and Master in Legal Advice from Companies at the Andalusian Center for Business Studies (CEADE).

11.30 h. **Closing of the Conference.**

Funded by
the European Union



IFISE training – module 4

State aid regulation and financial instruments under ERDF and ESF

Region Lombardy

Pirelli Tower, 26th floor - via Fabio Filzi, 22, Milan

2-3-4 October 2018

DAY 1 – Tuesday, 2 October 2018

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| 9.30 – 11.15 | Defining State aid | <ul style="list-style-type: none"> • Definition of state aid ex art 107 TFEU • Key conditions of state aid: <ul style="list-style-type: none"> ○ undertaking and economic activity, ○ granted by member State or resources imputable to the State, ○ selective advantage, ○ distortion of competition, ○ ESIF financial instruments and State aid | Trainer: Lorenzo Palego Co-trainer: Carlo Eugenio Baldi |
| 11.15 -11.30 | Coffee break | | |
| 11.30 -13.00 | Financial Instruments under ESIF | <ul style="list-style-type: none"> • The life cycle of Financial Instruments: <ul style="list-style-type: none"> ○ The economic justification for FIs (under ESIF): leverage, revolving nature, expertise of the F.Ints ○ The main phases of the FI: design, set-up, implementation and winding-up ○ Combination and synergy: FIs and grants ○ <i>Focus on the ESF: the social impact and the importance of non-financial services</i> • Proposed new regulation for 2021-2027: an overview | Trainer: Lorenzo Palego Co-trainer: Carlo Eugenio Baldi |
| 13.00 - 14.00 | Lunch break | | |
| 14.00 -15.55 | Financial Instruments with Social Impact | <ul style="list-style-type: none"> • The case of the Social Impact Fund in Sardinia, with a focus on State aid issues | Speaker: Marco Naseddu (MA ERDF Sardinia, Italy) |
| 15.55 - 16.15 | Coffee break | | |
| 16.15 - 17.30 | Financial Instruments with Social Impact | <ul style="list-style-type: none"> • The case of the Social Impact Fund in Sardinia and other ESF cases: questions and answers (open discussion) | Trainer: Lorenzo Palego Speaker: Marco Naseddu (MA ERDF Sardinia, Italy) |

DAY 2, Wednesday 3 October 2018

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| 9.30 – 11.15 | Detecting State aid | <ul style="list-style-type: none"> • State aid at the different levels of a Financial Instrument <ul style="list-style-type: none"> ○ State aid at the level of fund of funds or f.ints ○ State aid at the level of co-investors ○ State aid at the level of final beneficiaries • Economic operator test (market conform?) <ul style="list-style-type: none"> ○ <i>Focus on the ESF: what to take into account in the market test for ESF</i> | Trainer: Salvatore Tarantino Co-trainer: Carlo Eugenio Baldi |
| 11.15 -11.30 | Coffee break | | |
| 11.30 -13.00 | Service of general interest and State aid | <ul style="list-style-type: none"> • Service of general interest and state aid <ul style="list-style-type: none"> ○ Services of general economic interest. ○ Non-economic services, ○ Social services of general interest, ○ Service of general interest and Financial Instruments | Trainer: Salvatore Tarantino Co-trainer: Carlo Eugenio Baldi, (Alessandro Valenza) |
| 13.00 - 14.00 | Lunch break | | |
| 14.00 -15.55 | Calculating State aid | <ul style="list-style-type: none"> • How to calculate the Gross Grant Equivalent in <ul style="list-style-type: none"> ○ Loans, ○ Guarantees, ○ Equity | Trainer: Salvatore Tarantino Co-trainer: Carlo Eugenio Baldi, |
| 15.55 - 16.15 | Coffee break | | |
| 16.15 - 17.30 | Calculating State aid | <ul style="list-style-type: none"> • Focus on guarantee (Italian case) • Open discussion, with questions proposed by participants | Trainer: Salvatore Tarantino Co-trainer: Carlo Eugenio Baldi |
| 19.30 - 22.00 | Networking dinner | | |

DAY 3, Thursday 4 October 2018

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| 9.00 – 10.55 | State aid compliance | <ul style="list-style-type: none"> • Different forms of compliance: <ul style="list-style-type: none"> ○ Notification: compatibility at the level of F.int, compatibility at the level of Final recipient ○ GBER ○ <i>De minimis</i> ○ How to deal with cumulation • What happens if? State aid recovery | <p>Trainer: Salvatore Tarantino</p> <p>Co-trainer: Carlo Eugenio Baldi, Giovanni Familiari</p> |
| 10.55 -11.15 | Coffee break | | |
| 11.15 -13.00 | State aid compliance | <ul style="list-style-type: none"> • Case study: the Italian “Registro nazionale aiuti di stato”. Logic, background and functioning | <p>Speaker: Ugo Boscolo (Galileo Network, Padova)</p> |
| 13.00 - 14.00 | Lunch break | | |
| 14.00 -15.30 | State aid compliance | <ul style="list-style-type: none"> • Interactive groupwork on real cases (equity and quasi-equity) from the recent past in different Member States, in particular Germany and UK | <p>Trainer: Giovanni Familiari</p> <p>Co-trainer: Salvatore Tarantino, Lorenzo Palego</p> |
| 15.30 - 15.45 | Coffee break | | |
| 15.45 - 17.00 | State aid compliance | <ul style="list-style-type: none"> • Interactive groupwork on real cases • Wrap-up and conclusions | <p>Trainer: Giovanni Familiari</p> <p>Co-trainer: Salvatore Tarantino, Lorenzo Palego</p> |