



*After the steering committee meeting, IDEA partners decided to approve the business ideas presented by the candidates who took part in the application with their business ideas. The steering committee decided that for Albanian part to approve 5 ideas.*

*Through this newsletter edition we are going to present shortly this ideas of potential Social Enterprises.*

## MORE THAN AN IDEA...

*"Diellëza" is more than a business idea, it is a sun that will shine in the eyes of every child or teenager with different abilities as well as their families....*

### More in this issue:

#### **Social Enterprises In Europe, Greek case**

*Which is the situation of the Social Enterprises in Europe, their definition and how is the situation of the legal framework in Greece through the years. More in pages 4-5.*

#### **Financial mechanisms**

*As is now a practice to present for the readers some of the most interesting Financial Mechanisms. The University of Ioannina has worked to present for IDEA a collection of the most important financial mechanisms. Read more in pages 5-6.*



*Invest In Social Capital*

*Welcome to the next newsletter of IDEA project. The overall objective of the project is to "Improve cross border capacity to support entrepreneurship, business survival and competitiveness" regarding the social entrepreneurship sector.*

"Diellëza" is more than an idea, more than a project, it is part of the dream and the steps taken in life. It is what brings us back to our happy childhood close to nature.

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It is the desire, the passion, the dedication to bring it to a UNIK service for the area and so necessary for everyone.

It's air, sun, and earth fragrance and all together they are a "Wreath of colorful flowers" in the hands of children, teenagers with different abilities and their parents.

At the pedagogical farm we see the changes that will bring to children and adolescents the presence of animals, individual and group therapy, care for them, nutrition, etc., thus revealing their competencies so far hidden or undiscovered.

The "Diellëza" pedagogical farm will give children and teenagers the opportunity to experience emotions and affective relationships, to develop psychomotorly.

The connection of the animal with man exists in everyone and does not know age.



Photo source: <https://www.napervilleanimalhospital.com/>, *The Wonderful Ways Animals Help Kids With Disabilities*



### The target group we will be working with needs:

To have more contact with the world around them to develop knowledge in order to fulfill the lack of their experiences.

For management activities as these activities develop knowledge to act to be as autonomous as possible.

To be together, to share roles, to socialize with each other, to be tolerant, that is, to develop knowledge to be and live together.

This fact gives them:

- Security
- Belonging to a group
- Positive self-esteem
- self-realization

On behalf of the values that the pedagogical farm "Diellëza" represents, will offer specialized services for these children and adolescents to become as independent and autonomous individuals as possible, as well as free individuals but among others in order to integrate them. On behalf of the values that the pedagogical farm "Diellëza" protects, offers specialized services for these children and adolescents to become as independent and autonomous individuals as possible, as well as free individuals but among others has the aim to integrate them.

In addition, the values of knowledge are attached



Photo by Kai-Chieh Chan from Pexels

to these, because in the name of knowledge we become independent, knowledgeable, free.

**-Responsibility**, because in the name of responsibility these people will face the rules, norms and responsibilities of society by taking their responsibilities as well.

**-Tolerance** and respect, because in the name of these values these people will respect each other and will be better socialized during group work.

## Legal Framework for social entrepreneurship in Europe: Greek case

Social entrepreneurship seems to be affecting people, today more than ever. Anyone who wants to become anyone in the world of business today knows that entrepreneurship is a strong part of the labor market and that they should probably want to give that particular option a thought.

However, entrepreneurship is not able to stand on its own nowadays. It needs a social impact and without one, most entrepreneurial businesses fail. This is why social entrepreneurship is growing more and more popular as time progresses.

Every country in Europe has a framework for social entrepreneurship. The actors in the social entrepreneurship arena are all but a homogenous group, independent of being described by the Government, Academia, Institutions or different support structures.

Moreover, there is currently no overarching legal definition of social entrepreneurship or social enterprises. Nevertheless, social enterprises do have a range of different legal forms including joint-stock companies (Aktiebolag), cooperative economic associations (Ekonomiska föreningar), trading companies (Handelsbolag), not-for-profit associations (Ideella föreningar) and foundations (Stiftelser). Joint-stock companies are owned by shareholders who own a portion of the company in proportion to his or her ownership of the

company's shares.

Cooperative economic associations, as legal entities, conduct economic activities to the mutual benefit of their members. Trading companies refer to an association of persons or an unincorporated company where the company together with the individual owners are co-responsible for any legal liability procured by the company. Not-for-profit associations use surplus revenues to achieve their goals rather than distributing them as profit through social entrepreneurship.

Foundations are the legal categorization of not-for-profit organizations sustained by donated funds, which are used to support causes, individuals or other organizations. A new addition is joint-stock companies with a limited distribution of profits (aktiebolag med särskild vinstutdelningsbegränsning, SVB).

This latest addition has not been very successful and is only applied by a limited amount of social enterprises.



Photo by [Andreas Klassen](#) on [Unsplash](#)



At the present time, a majority of the social enterprises are conducted as not-for-profit associations. As such, they do not aim to make a profit and are as a result exempted from paying income tax.

In Greece In 1999, the government established legislation that supported the creation of social enterprises with limited liability to provide employment for people with mental health problems. These social enterprises, known as Koi.S.P.E.s, were allowed to own public property and exempted from corporate taxes (except VAT); also, those who work for Koi.S.P.E.s were allowed to earn a wage without losing their social benefits. This legislation was widely regarded as a success.

In 2011, a broader legal framework for social enterprises was introduced – this, however, has been more contentious and slower to take effect. It has been criticized in particular for failing to provide a clear definition of a social enterprise, for failing to account for certain kinds of social enterprise, and for making the process of registering and acting as a social enterprise too bureaucratic. Its moves to support the social economy have also been slowed and hampered by the financial crisis and austerity that have plagued Greece in the past decade. Fiscal advantages previously available to social enterprises have even been abolished as part of the across-the-board cuts under Greece's fiscal adjustment program.

Source: <https://ied.eu/project-updates/legal-framework-for-social-entrepreneurship-in-europe/>

## Financial Mechanisms: Loan guarantee and loan guarantee funds

These may be direct guarantees to brokers who provide financing or counter-guarantees to brokers who provide guarantees. They share the risk of an initiative and may cover financial risk, or performance-related risk, or may release a down payment. By sharing the risk, they make it easier for brokers to fund new areas and allow lenders to take on additional risk by offering improved conditions. They also provide time in which the lender and the business can get to know each other better. The following are recognized as good practice in providing guarantees.

- The optimum risk rate covered by the guarantee should be 50-80%. Less than 50% is likely to not be considered attractive to the lender unless he / she has a specific first risk that he or she wants to cover. Over 80% have experienced moral hazard in the past, as lenders have lost motivation for full due diligence and speedy recovery. Also, if the risk

is too high, the guarantor may decide to act as a lender directly. There are guarantees with no ceiling and no ceiling. If there is no ceiling, the price is higher.

Ceiling guarantees are provided free of charge under European programs such as EaSI.

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It is important to establish a clear risk limit, as defined by the level of claims of the lenders from the various parties and who is responsible for matters such as the validity of the loan agreement, the enforceability of the guarantee.

The size of the guarantee is most commonly defined as a fixed percentage of the unpaid portion of the loan's principal, plus interest rates to be paid when the security falls. It may also be extended to cover administrative and legal costs.

- The warranty period is usually 6 months after the expiration date, leaving no room for possible legal or other claims.

New sources of finance may be opened for low-income social enterprises, but the costs will be added to the cost of the loan.

It takes place at the private, institutional and EU levels. There is an opportunity for social investors to invest together with an institutional body.

Source: "Presentation of the economic tools and models" study, University of Ioannina

## Contact Us

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*"The views expressed in this newsletter do not necessarily reflect the views of the European Union, the participating countries and the Managing Authority".*

## PARTNERS



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