

BETTER ENTREPRENEURSHIP TOOL REPORT

SOCIAL FINANCE PROJECT LITHUANIA
WORKSHOP JANUARY 2021

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Aim

This workshop was the first activity under Objective 1) Understanding the marketplace – ecosystem mapping and analysis.

The specific task under this objective (OBI.1) was an Assessment of [the] ecosystem using the Better Entrepreneurship Policy Tool (BEPT)*. The purpose was to get a 'baseline assessment' of a range of policy areas important to the development of social finance in Lithuania. This exercise will be completed again in July 2022 (OBI.1.0 in month 19 of this programme) to review progress and maintain the practice of regular review by stakeholders.

Key to the success of the baseline assessment is to entering into dialogue and debate between stakeholders to reach a common agreement and understanding. The session was facilitated by the programme manager who played the role of the enquirer and 'critical friend'. This approach was taken because it was considered that the value (benefit) also lay in the conversation between a range of stakeholders and contributors, rather than an end report with scores and graphs.

The workshop was divided into 2 sessions because of the discursive format because, with 24 stakeholders participating, the workshops took 2 hours each. This included 2 members each from the Associated Organisations and 5 from the consortia partners.

Not all participants contributed to the discussion, but this was expected due to the format of the workshop and the very specific topics covered. Follow-up conversations however showed that most that did not actively contribute, found the workshops useful to "listen and learn". This is a positive outcome because it is understood that this is a new area of development in Lithuania and the fact a wider range of stakeholders took part shows the level of interest across the public, private and civil society.

The chart on page 3 was created by the BEPT and is the result of the workshops. This shows the average scores for each of the topic areas discussed in the workshop and in Appendix I there is the breakdown of each of the scores under each heading.

* Better Entrepreneurship Policy Tool (BEPT) – <https://betterentrepreneurship.eu/en>

Summary of workshops

The workshops covered all 7 topic areas in the Better Entrepreneurship Policy Tool (BEPT):

1. Social Entrepreneurship Culture
2. Institutional Framework
3. Legal & Regulatory Frameworks
4. Access to Markets
5. Access to Finance
6. Skills & Business Development Support
7. Managing, Measuring & Reporting Impact

Below are some combined notes taken from both workshops and grouped in terms of subject areas rather than the policy areas above.

Social enterprise and technology

- Social enterprises employ and use technologies, but they don't create new products or services that would be based on technologies
- There is a lack of support and best practice sharing on how to use technology to enable social enterprises to grow
- Websites are not well developed and not user-friendly, this is especially an issue for social enterprises in rural areas
- One of the main challenges is the lack of investment in social and technological fields that would enable social enterprises to make full use of technology

Investment readiness, viability, and sustainability

- When accepting public financing or financing from various agencies, it is difficult to prove financial sustainability / viability
- Social enterprises are focused primarily on social impact, oftentimes neglecting the importance of financial resilience and sustainability

Delivery of public services

- Access to public markets: in legislation, everything is quite well-developed and the demand from municipalities is slowly growing; however, there is a lack of leadership and it is challenging to find social partners to deliver or provide services
- There is an important issue on the demand-side in the lack of understanding on how to use the existing policies and frameworks
- Enterprise Lithuania has just started working closely with municipalities in 2019 and there is increasing interest from municipalities

General awareness from the public

- There is a lack of understanding and interest from the public; social enterprise is a confusing topic for those outside the ecosystem

Training, skills, and leadership

- There are fragmented training initiatives and a lack of specialised, sector-specific training
- Standards are not working – more individual support is needed

Partnership and collaborations

- There are a lot of opportunities for collaboration between social enterprises and private markets, but everything is quite new and still developing. However, there is inertia and lack of confidence to make use of these opportunities, there is no culture for partnerships between social enterprises and private firms, as the latter is more focused on bringing in revenue and might question social enterprises financial resilience
- There is a bias that social enterprises are second rate / charity, which presents a difficulty for them to get involved in the supply chain

Impact measurement

- There are initiatives to measure SE impact, however, these methodologies need to be validated by third-party experts.

Figure 1: result of the the workshop



Key emerging themes

Below we highlight the key themes from the workshop based on the discussion between stakeholders:

- Social enterprises are not able to, or unable to make use of technology to develop new products and services or sell their products and services
- Social enterprises lack the tools to understand and promote their financial sustainability (viability); they are not 'investment or contract ready'
- Policies (and legislation) exist to enable social enterprises to be involved in the delivery of public services, but there is a lack of understanding on the demand-side (local government / public sector) and capacity and capability on the supply-side (social enterprises providers)
- There is a lack of understanding from the general public about social enterprises, social entrepreneurs (and entrepreneurs with purpose)
- Training and support are available but tend to be general with a lack of specialised business support and individual support for leaders
- There are opportunities for collaborations and partnerships between social enterprises and private companies. This includes investment, direct non-monetary support, purchasing of products and services, and involvement in the supply chain
- Social impact measurement (and evaluation) is still emerging, there are initiatives, but there is a lack of understanding of methodologies and how they can be used

Next steps

- Dissemination workshop and discussion on the results of the BEP tool report and the emerging themes to date
- Identifying any gaps and issues and taking a 'non-deficit based' approach; also looking at the assets that currently exist
- Create the methodologies for demand-side and supply-side mapping

Guides and resources

There is a range of resources available on the BEP website. These include policy guidance notes and case studies about key policy issues related to inclusive and social entrepreneurship and you can use the filters and/or a keyword search to narrow down results (only available in English).

<https://betterentrepreneurship.eu/en/resources>

Appendix 1. Better Entrepreneurship Policy Tool Results

Question	Score
1. Culture	
1.1. Active civil society and social economy organisations foster social entrepreneurship in your territory.	6
1.2. Awareness-raising activities are undertaken in your territory.	5
1.3. Education contributes to the development of positive attitudes towards social entrepreneurship.	4
1.4. Universities and/or academia are active in the field of social entrepreneurship.	6
1.5. Statistical data are collected on social enterprises.	3
2. Institutions	
2. Institutional bodies support and engage with social enterprises.	4
2.1. Effective coordination mechanisms build synergies among government agencies and across government levels.	4
2.2. The process for developing policies to support social enterprise development is inclusive.	4
2.3. A formally endorsed strategy for social enterprise development exists.	1
2.4. The implementation of the strategy for social enterprise development is well-planned.	0
3. Regulations	
3.1. Social enterprises are legally recognised.	1
3.2. Legislation on social enterprises is pertinent and has been developed together with relevant stakeholders.	2
3.3. Administrative procedures specific to social enterprises are accessible and clear.	2

Appendix 1. Better Entrepreneurship Policy Tool Results (cont.)

Question	Score
4. Finance	
4.1. The financing market has been mapped.	1
4.2. Social enterprises have access to the appropriate type of financing for their stage of development.	1
4.3. Social enterprises are supported in their financial development by a number of specialised services providers.	0
4.4. A sufficient number of specialised private funders actively target social enterprises.	0
4.5. Policymakers actively reach out to mainstream funders to raise awareness about social enterprises.	0
4.6. Public funds are leveraged to fund both social enterprises directly and through intermediaries.	0
5. Markets	
5.1. Social enterprises use the opportunities of new technologies to access to the markets.	4
5.2. Social enterprises have access to public markets.	3
5.3. Public authorities are supported in using social clauses in their procurement.	5
5.4. Social enterprises have access to support for responding to calls for tender.	3
5.5. Social enterprises use the opportunities that are offered in private markets.	2
5.6. Measures that support social enterprises' access to private markets exist.	2
6. Skills	
6.1. Dedicated training initiatives are available to social enterprises.	5
6.2. Social enterprises have access to coaching and mentoring programmes.	2
6.3. Business development support structures are available to social enterprises.	3
6.4. Networks support the development of social enterprises.	2
7. Impact	
7.1. Social enterprises have access to methods for measuring and/or reporting impact.	3
7.2. The impact metrics and reporting techniques are co-constructed with the social enterprise community.	2
7.3. Awareness raising initiatives on impact measurement and/or reporting exist.	1
7.4. Impact measurement and/or reporting features are discussed in the public debate and feed into policy-making.	1