



CALL FOR TENDERS FOR RESEARCHER/CONSULTANT

RESEARCH ON PRIVATE FINANCING OF SOCIAL ENTERPRISES

Brussels, 10 October 2015

Background

Eurodiaconia is a federation of organisations, institutions and churches providing social and health services on a Christian value base. Members' activities facilitate social cohesion and inclusion through the provision of social and health services to young and old, people experiencing marginalisation, exclusion and poverty and situations of abuse. Eurodiaconia creates a platform for diaconal actors in Europe with the aim of facilitating transnational networking. It also creates a link between the regional, national and European levels, developing ideas and feeding into policies to combat social exclusion; in creating more just societies and in securing dignity for every human being.

One of Eurodiaconia's focus areas is to promote social enterprise initiatives among our members to organize their provision of social and health care services. In spite of the growing importance of social enterprise projects among Eurodiaconia members, many of them are faced with challenges in accessing funding sources which are able to finance such projects in an adequate manner. The impact of the crisis and austerity measures have resulted in tighter public budgets and, consequently, diminished public funding opportunities for social enterprises. Moreover, this is happening in a context of increasing demand for social services. In view of this, diaconal providers of social services have turned to private sources of funding as a way to circumvent these shortages.

The increased demand for private sources of funding matches the growing appetite of private investors to invest in social enterprise projects with an expectation of both social and economic return. Private funding brings both opportunities and challenges to not-for-profit organizations as diaconal social enterprises. Regarding the latter, with an increased involvement of private finance there is a risk of monetisation of service outcomes. This could result in a 'creaming' effect, whereby services for the most vulnerable might be discontinued in favour of projects that lead to higher success rates. Also, private finance or philanthropic organisations may be more ready to support new, small projects, but also often with a focus on groups that may bring positive reputation to them in the eyes of the public.

Eurodiaconia, therefore, wishes to improve the understanding among diaconal social enterprises of which types and instruments of private financing are available to them and to assess which among those could be most useful to fulfil the social mission of social enterprise projects. To do so, Eurodiaconia is issuing this Call for Tenders with a view to selecting a **researcher/consultant** who shall perform the duties described in the Terms of Reference below.

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Eurodiaconia is a federation of 45 social and health care organisations founded in the Christian faith and promoting social justice.

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Research objectives, audience and use of findings

The aim of the research is to provide information to Eurodiaconia members about the different options of private financing available for funding social enterprise projects such as social impact investments and social impact capital (social impact bonds, equity markets, loan guarantees, hybrid capital, etc.).

In particular, the research should assess the pros and cons of different instruments available, with specific focus on the context applicable to not-for-profit social service providers. Guidance and recommendations on the current state of development, as well as the suitability of each option is also expected with a view to easing our members' targeting of funding sources.

The research should consist of the following elements:

1. Literature review of research completed in the last five years relating to social impact capital instruments, with assessment of their outcomes. Specific focus on its application to social enterprise initiatives is also desirable. The scope of this state of the art should be pan-European and country specific, also with attention to developments outside the EU.
2. Summary of relevant policy initiatives regarding social impact funding instruments, with national, EU and global focus.
3. Detailed presentation of social impact funding instruments. This should include definition, pros and cons, critical assessment, current and expected impact, and applicability to social enterprise initiatives.
4. Case studies showing concrete applications of the above mentioned instruments, with main focus on diaconal actors and/or not-for-profit providers of social services.
5. Set of recommendations on the applicability of social impact instruments to social enterprises based on existing evidence and concrete experience regarding each of them and the results obtained in sections 1 to 4.
6. Development of a final report, incorporating the previous research and including an executive summary and conclusions for wider reach.

5) Suggested research methods

- Desk review: Review of data from primary and secondary sources
- Showcasing of good practice among social enterprise initiatives (and, if possible, Eurodiaconia members) with experience in private finance support.

6) Timetable and deliverables

- Deadline for submitting offers is 10 November 2015. The contract will be awarded by 15 November 2015 at the latest.
- Preliminary report to be presented by 15 December 2015. Final report to be submitted by 31 December 2015.



The findings of the report will be discussed by the researcher-consultant with Eurodiaconia and the contributing member organisations. The final version of the report will require final approval by Eurodiaconia.

7) Research Management

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8) Qualifications and experience required

- have a proven research and/or consultancy record in the area of social enterprises, social entrepreneurship and ad hoc funding tools.
- can demonstrate an understanding of social impact financing tools and current topics on social enterprise.
- have excellent reporting skills in English.

9) Payment

The maximum budget foreseen for the piece of work is 4,000 EUR including all taxes and overheads. Eurodiaconia will pay 18.8 €/hour, to the maximum permitted work time of 80 hours/month allowed.

Payments for the researcher's services will be transferred in two instalments following each deliverable (preliminary report and final version), indicating the number of hours worked within the work plan.

10) Tenders/offer

The tender should include at least:

- a brief note reflecting your understanding of the research expected and the methodologies foreseen
- a draft work plan reflecting the above elements and expected time needed for each stage
- a justification showing how your profile matches the requirements listed in point 8, including your CV and previous output related to the topic.

The tender shall be entirely drafted in English. The proposal shall be submitted at the latest by 10 November 2015 at 23:59 CET by e-mail to alexander.elu@eurodiaconia.org.

Should any problems of interpretation arise in the course of drawing up the Tender documents, interested parties may submit via e-mail (see the address under point 7 of the ToR) a request for further information, no later than seven (7) calendar days before the deadline for the receipt of Tenders. The answers given to such questions will be published on the same web page as the present call for tenders.

There is no commitment on the part of Eurodiaconia to accept any Tender or part thereof that is received in response to the Call for Tenders. Eurodiaconia reserves the right to accept Tenders with non-substantial defects and to reject Tenders received after the deadline for receipt of Tenders, without indemnity or justification.



Eurodiaconia reserves the right to modify or cancel all or part of the Call for Tenders, should the need arise, without having to justify its actions and without such action conferring any right to compensation on applicants. Eurodiaconia reserves the right to extend the deadline for receipt of the Tenders. In that case, all the applicants and applications will be subject to this new deadline. Tenders are not paid. No reimbursement of expenses related to the preparation of any Tender will be made by Eurodiaconia. The Call for Tenders and any further information communicated to the applicant or which come to his knowledge in the course of the Call for Tenders and the performance of the work, are confidential and are strictly dedicated to the purpose of the Call for Tenders.