



## Guidance note: Access to Markets

### Overview: what is meant by access to markets?

*This policy guidance note describes different approaches and policy levers to support access to public and private markets by social enterprises. It is structured around good practice statements included in the action area “Access to Markets” in the Social Entrepreneurship component of the Better Entrepreneurship Policy Tool developed by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities and the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission: [www.betterentrepreneurship.eu](http://www.betterentrepreneurship.eu) [1]*

Access to public and private markets is a key policy lever for enhancing social enterprise development and growth. Through public procurement, the public sector can buy goods and services from social enterprises that deliver social and environmental value. In this way, public procurement becomes a vehicle to meet social, environmental or economic objectives, such as reintegration of long-term unemployed into labour markets, and/or social- and work integration of people from vulnerable groups. Governments thus strategically choose to procure goods or services from social enterprises that have expertise in delivering the required social and/or environmental benefit.

Although the public sector offers a significant market potential for social enterprises, some of them seek opportunities to scale-up their impact by entering private markets and expanding their customerbase. At the same time, traditional firms are increasingly interested in contributing to social and environmental outcomes on top of their economic performance. Over the last decade, a shift has occurred from traditional corporate social responsibility (CSR) to embedding social and environmental considerations as part of core business activities. Therefore, companies seek to establish commercial partnerships with social enterprises, integrating them in their supply chains. What is more, apart from business-to-business (B2B) commercial relationships, social enterprises provide their products and services directly to individual consumers, whether from disadvantaged groups or not. This is important as a growing number of consumers, particularly so-called “millennials”, increasingly demand sustainably produced goods and services, and expect that large firms have a positive impact on society as well.

At European level, within the framework of the 2020 Strategy for Smart, Sustainable and Inclusive Growth, three 2014 Procurement Directives demonstrate a strong commitment for using public contracts for broader social and environmental outcomes<sup>1</sup>. These directives offer a wide array of opportunities for including social considerations, along with environmental and innovation aspects, in the award of public contracts, and can help to create momentum in public procurement from social enterprises.

#### **Policy levers for supporting access to markets:**

- Make the inclusion of social and/or environmental considerations in public procurement a priority for public

sector entities, and help the implementation and monitoring of the 2014 EU Procurement Directives.

- Develop support activities and material, such as training programmes and technical guides, which help social enterprises to access procurement markets.
- Develop the skills among procurement officials (private and public) to evaluate the tender proposals from social enterprises, and tackle misconceptions regarding the goods and services provided by social enterprises (e.g. that they are more costly or of lower quality compared to other firms).
- Encourage the dissemination of good practices of commercial partnerships and/or opportunities between social enterprises and firms.

### Pitfalls to Avoid

- Use exclusively the “lowest-price only” mind-set in public procurement.
- Insufficient control of bidding offers against green/social “washing” (i.e. offers without a real integration project or social and/or environmental considerations).

[Directive 2014/23/EU \(The Concessions Directive\)](#), [2] [2014/24/EU \(The Public Sector Directive\)](#), [3] [2014/25/EU \(The Utilities Sector Directive\)](#)

## Guidance per assessment statement

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

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

#### *Why is it important?*

Technology opens up new avenues for social enterprises to access both public and private markets, and even helps create new marketplaces. Online platforms, for instance, represent a new form of marketplace. Public authorities and firms can use these platforms in order to purchase goods and/or services produced by social enterprises. For instance, purchasing officials can advertise and post their procurement needs online and search for social enterprises as possible suppliers. In the same spirit, in Canada they have taken one step further by developing a “social purchasing decision platform”, which is an online stakeholder collaboration and engagement tool for social purchasing, including policy design, criteria selection, and supplier bid review.

Technology can also be part of the actual goods and services that social enterprises offer, like for example speech recognition programmes based on computer-generated simulation of human speech, which allow deaf or hard-of-hearing people to make phone calls, or innovative types of wheelchairs that can be driven without the use of hands. By capitalising on technology, social enterprises can thus disrupt traditional business models and create new market opportunities. What is more, through technology social enterprises that do not depend on proximity to offer their goods and services can reach beyond their local geographic area (e.g. internationally) and thus enter new markets.

**In order to score high**, in your context:

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

### **Good practice example**

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

The Social Impact Factory is a business support structure that aims to spur social enterprise creation and embed more socially responsible behaviours in businesses. It fosters multi-stakeholder and crosssectoral partnerships to tackle societal challenges. In January 2016, the Social Impact Factory launched the “Social Impact Market” (also known as ["Buy Social"](#) [5] managed in cooperation with the network organisation Social Enterprise NL). Social Impact Market/Buy Social is an online business-to-business (B2B) marketplace for public authorities and firms seeking opportunities to purchase social products or services.

Social enterprises participating in the platform first undergo a quick scan highlighting their societal objective; how they reinvest profits; how their ownership reflects the enterprise’s mission (by using democratic principles or focusing on social justice); and the number of people they have hired who were excluded from the labour market. Purchasing managers in traditional companies and municipalities use the Social Impact Market to post their procurement needs or search for possible suppliers. To date, over 100 matches have been realised, totalling EUR 500,000 in value.

*For more information, please see [Social Impact Factory: The creation of an online B2B marketplace \(the Netherlands\)](#) [6]*

## **5.2. Social enterprises have access to public markets.**

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

*Why is it important?*

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

In Europe, public procurement represents a significant share of the aggregate GDP, of which most is spent by

the public authorities for utilities, public works, goods and services. Three EU Directives on public procurement (the “2014 Directives”<sup>2</sup>) offer various opportunities for social enterprises to participate in public procurement while ensuring that the basic requirement of competition, transparency, and equal treatment are met. Moving away from the “lowest price only” mind-set, public purchasers are encouraged to consider the qualitative aspects and the process by which the goods, services and specific works they intend to purchase are being produced. In addition, the 2014 Directives foresee the mandatory use of social clauses, that is, the ability to reserve markets and to use reserved contracts for social, health, and cultural services. They also make it possible to exclude enterprises from the tendering process if these latter do not meet certain conditions (exclusion criteria). The most suitable enterprises are then selected based on their technical ability and previous experience in relation to the subject matter of the contract (selection criteria). The 2014 Directives demonstrate strong political and institutional commitment at EU level for including social and environmental considerations in public procurement, which is being translated into national commitment and action through their transposition in member states.

Initiatives to facilitate access to public markets by social enterprises have also been undertaken outside of Europe. For instance, the Mayor of the City of Victoria, Canada, has established the [Social Enterprise and Social Procurement Task Force](#) [7], which has developed a concrete action plan for considering the economic, social and environmental value from working with social enterprises. One of the important goals of this Task Force has been to raise awareness of the value of both social enterprises and their consideration into public procurement.

**In order to score high**, in your context:

- Public procurement is used as a means to achieve social and/or environmental objectives.
- National legislation enables the use of social and/or environmental considerations, as in line with the Directive 2014/24/EU on public procurement.
- Public authorities use social clauses in their procurement.
- Public authorities use reserved contracts in their procurement.

### **Good practice examples**

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

The City of Barcelona has demonstrated its ambition and solid commitment to sustainable procurement since 2001. In 2010, the City spent EUR 43 million on green products and in 2013 EUR 92 million on “greened” services (e.g. public lighting). In the same year, it enacted the Municipal Decree for Socially Responsible Procurement to facilitate employment among vulnerable groups, through the reservation of some contracts for employment centres and Work Integration Social Enterprises (WISEs). What is also interesting in this initiative is the creation of the Mixed Commission for Social Responsible Procurement, comprised of more than 50 members from civil society, corporate, and third sectors (associations, foundations, special employment centres, labour unions etc.), along with municipal agents. The Commission ensures the Decree’s technical soundness and captures the interests and sensitivities of each stakeholder group.

*For more information, please see [Barcelona City Council Municipal Decree for Socially Responsible Procurement \(Spain\)](#) [8]*

## **5.3. Public authorities are supported in using social considerations.**

We invite you to assess the extent to which public authorities in your territory receive the necessary support and training to include social considerations in their procurement. Are there relevant technical guides available at different government levels that are easy to understand? Lastly, we ask you to consider whether there are

platforms for dialogue among public authorities, the social enterprise community and procurement experts, which allow them to learn from each other and exchange good practices.

#### *Why is it important?*

Procurement can be a powerful tool to achieve social and environmental outcomes, which can be visible in the medium- to long-run. However, social and environmental considerations have not yet been fully mainstreamed in public procurement, partly because budget officials and administrators often view procurement from a “lowest price only” perspective. In addition, public authorities may not have a clear understanding of what a social enterprise is. There is hence a twofold challenge for governments here: to trigger a shift in mind-set regarding the use of procurement for social and/or environmental goals, and to raise awareness of the benefits from working with social enterprises in this endeavour.

Even when public authorities embrace a culture of sustainable procurement (i.e. to pursue social and/or environmental goals) and recognise the potential of social enterprises in this regard, they struggle to define concretely what “socially or environmentally preferable” goods or services are, and how to evaluate these during a tender process. For example, budget officials and administrators may not have the required skills or guidelines to allow them to proceed effectively. Therefore, the development of whole-of-government procurement guidance materials can serve to encourage and facilitate government departments and agencies to include social and/or environmental considerations in the procurement process, thus opening up opportunities for social enterprises. Moreover, the provision of technical support and training to budget officers and administrators can help them to develop the necessary skills for incorporating social and/or environmental considerations into public procurement and to evaluate such tender proposals. For instance in Scotland, within the framework of its Procurement Reform Act (2014), a Procurement Guidance Note that provides detailed information for each tender stage has been developed.

Another option is to organise workshops and exchange good practices between administrations. For example, the European network “Procura” brings together European public authorities and regions to stimulate knowledge sharing. Similarly, in France, the “Réseau Grand Ouest” (RGO) is a large network of public authorities from the west of France comprised of specific working groups that meet regularly to exchange good practices and case studies regarding tender criteria, market activities, and monitoring, measurement and reporting methods.

**In order to score high**, in your context:

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

#### **Good practice example**

##### ***A training programme for civil servants (Poland)***

In Eastern Europe, steps are being taken with regards to incorporating social considerations into public contracts, even if many countries are still at the stage of legally recognising entities that could potentially benefit from access to public markets through procurement, like for example Work Integration Social Enterprises (WISEs). In Poland, a training programme to inform 1,000 national and local civil servants was launched in 2014. Its aim is to tell them about the actual legal framework regarding WISEs and to help them write up specifications for contracts including social criteria.

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

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

### *Why is it important?*

Social enterprises, similarly to SMEs, often struggle to respond to calls for tenders due to barriers related to capacity constraints, lack of skills for navigating administrative procedures, or simply poor information regarding such market opportunities.

In order to tackle social enterprises' capacity constraints when it comes to large tenders, public authorities could divide contracts in smaller lots in order to make requirements more attainable, particularly in sectors where social enterprises may have a significant role to play. For instance in the UK, although the Social Value Act applies to services contracts above the thresholds in the 2014 EU procurement directives, guidance from the central government advises authorities to apply the Act more widely and for smaller contracts. This is also the policy in [Plymouth Council](#) [9] which applies social value considerations and helps social enterprises to respond to any contract above GBP 5,000.

Providing dedicated technical guides and supporting documents related to the administrative steps needed to respond to calls for tenders, as well as specialised training programmes and networks for sharing good practices, can facilitate participation by social enterprises. Public authorities can also take steps to better inform social enterprises about where tenders are advertised, how the procurement process works, and what tender documentation is needed. To this end, some good options can be to organise open days or “meet the buyer” events. Finally, since tender documentation requirements can be very heavy and bureaucratic, these may need to be streamlined and simplified. Public authorities can also consider extending the time period for submission of expressions of interest and tenders. This can be very helpful for social enterprises struggling with capacity constraints.

**In order to score high**, in your context:

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

### **Good practice example**

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

In France, le [Relais Chantiers](#) [10] provides support for the implementation of social clauses in public contracts to promote integration of people from vulnerable groups in the Strasbourg employment area. More precisely, it helps enterprises to navigate through the procurement process and find the most effective way to respond to the requirements of the integration clauses. This support takes two forms: 1.) technical support for responding to the tender (e.g. timeframe, technical guides and procurement documents) and 2.) support for appropriately designing the integration process for people from disadvantaged groups into the labour market (e.g. human

resources management, candidate recruitment and specification to the meet enterprises' specific needs).

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

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

### *Why is it important?*

Access to private markets is crucial for social enterprises as it can open a wider customer-base to them comprised both of firms and individuals. Firms can create market opportunities for social enterprises by integrating them in their business activities as they recognise the opportunity to leverage even a small amount of their spending to achieve social and/or environmental goals and generate greater impact compared to traditional corporate social responsibility initiatives (CSR). At the same time, social enterprises can be valuable partners as they can spur innovation within the firm and enable the employees of the firm to feel that they serve a wider purpose through their work. This is particularly important for the millennial employees, who seek opportunities to engage with “good causes” while reinforcing positive associations between their employer firm’s activities and social impact<sup>3</sup>.

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

**In order to score high**, in your context:

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

### **Good practice examples**

#### ***Bio&co by Ateliere Fara Frontiere - partnerships with big industries (Romania)***

Bio&co is a Romanian Work Integration Social Enterprise (WISE) dealing with organic vegetable farming, composting of food waste and reusing food for solidarity purposes. Bio&co employs 11 extremely disadvantaged workers, including from Roma communities. They grow 80 vegetable varieties on four hectares (8000m<sup>2</sup> of greenhouses) and sell weekly baskets directly to subscribed consumers who can choose to pay for a vegetable basket to be donated to a family in need.

In 2015, Bio&co started a commercial partnership with Carrefour Romania and the International Carrefour



Foundation. Within this partnership, Bio&co collects 3-5 tons of unsold fruits and vegetables per week from Bucharest's hypermarkets. One third of the amount is donated to the Bucharest social assistance service, which has social canteens serving hot meals to homeless and elderly disadvantaged people. The rest is composted at the 1000m<sup>2</sup> compost facility to obtain Bio&co's own soil fertilizers.

In 2016, Bio&co started another partnership with the Bucharest Accor Hotels (Novotel, Ibis, Mercure), where they collect tea bags, napkins, egg shells and vegetable waste from hotel kitchens for composting. This contributes both to reduced waste and lower levels of pollution.

[For more information on this please see: Deloitte, \(2017\), The Millennial Survey: Apprehensive Millennials: Seeking Stability and](#)

## 5.6. Measures that support social enterprises' access to private markets exist.

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

*Why is it important?*

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

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

**In order to score high**, in your context:

- Campaigns encourage other firms to involve social enterprises in their supply chain.
- Campaigns encourage consumers to buy goods and/or services produced by social enterprises.
- There are recognition/certification schemes to help identify social enterprises.
- Firms collaborate with social enterprises within their CSR framework.

### **Good practice examples**

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

[Buy Social](#) [12] is Social Enterprise UK's flagship campaign that aims to strengthen market access for social



enterprises among the general public as well as the private and public sectors. It aims to inspire people to think about where they buy goods and services from, as well as the social impact of their purchasing decisions. The campaign is supported by the continuously updated '[Buy Social Directory](#)' [12] which allows connecting private and public sector buyers with social enterprises. Buy Social has been replicated both in Canada and the Netherlands.

[Social Saturday](#) [13] is part of the awareness-raising activities of Social Enterprise UK and encourages individual consumers to buy from social enterprises. Since 2014, it has been taking place on an annual basis during one Saturday in October, featuring pop-up social enterprise marketplaces, social enterprise tours and media campaigns. In 2017, the [#WhoKnew](#) [14] international digital campaign took place during the Social Enterprise Day. By using the [#WhoKnew](#) [14] hashtag and posting a picture with a template poster filled with their own tailor-made messages, social enterprises could share facts about the impact of their activities. 450 social enterprises took part in the campaign had an approximate Twitter reach of 4.3 million.

### ***Buy Social Corporate Challenge (UK)***

In 2016, the UK launched the [Buy Social Corporate Challenge](#) [15] and engaged with seven large firms, including for example Johnson&Johnson. The aim of the challenge is to reach cumulative spending of GBP 1 billion on social enterprises by the end of 2020. The idea behind Buy Social Corporate Challenge is to bring together a diverse group of firms and unite them toward a common goal: to actively support spending more resources on social enterprises while building a network of peers across organisations for sharing insights and good practices.

**Source URL:** <https://betterentrepreneurship.eu/en/node/45>

#### **Links**

[1] <https://www.betterentrepreneurship.eu/> [2] [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2014.094.01.0001.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.094.01.0001.01.ENG)

[3] [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOL\\_2014\\_094\\_R\\_0065\\_01](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOL_2014_094_R_0065_01)

[4] <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32014L0025> [5] <https://www.buy-social.nl/>

[6] <https://betterentrepreneurship.eu/en/node/92>

[7]

[https://www.victoria.ca/assets/City~Hall/Mayor~Council/Documents/SESP%20Action%20Plan\\_DRAFT%2011e.pdf](https://www.victoria.ca/assets/City~Hall/Mayor~Council/Documents/SESP%20Action%20Plan_DRAFT%2011e.pdf)

[8] <https://betterentrepreneurship.eu/en/node/32> [9]

<https://www.plymouth.gov.uk/aboutcouncil/doingbusinesscouncil> [10] <http://relaischantiers.eu/>

[11] <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-deloitte-millennial-survey-2017-executive-summary.pdf> [12] <https://www.socialenterprise.org.uk/buy-social>

[13] <https://www.socialenterprise.org.uk/social-saturday> [14] <https://www.socialenterprise.org.uk/whoknew>

[15] <https://www.socialenterprise.org.uk/corporate-challenge> style=