From Challenges to Opportunities

Advancing Social Enterprise to Provide Dignified Livelihoods for Romania’s Disadvantaged Communities

Five-year partnership between NESsT Romania, UniCredit Foundation, UniCredit Bank and UniCredit Business Integrated Solutions (2012-2016)
FROM CHALLENGES TO OPPORTUNITIES: ADVANCING SOCIAL ENTERPRISE TO PROVIDE DIGNIFIED LIVELIHOODS FOR ROMANIA’S DISADVANTAGED COMMUNITIES

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THIS PUBLICATION CELEBRATES A FIVE-YEAR PARTNERSHIP STARTED IN 2012 BETWEEN NESsT ROMANIA, UNICREDIT FOUNDATION, UNICREDIT BANK AND UNICREDIT BUSINESS INTEGRATED SOLUTIONS.

The report highlights key activities and results that increased social enterprises’ impact in solving critical social problems of the vulnerable and underserved. It recounts the impact achieved together - jobs and economic opportunities we created — and how the partnership has evolved from focusing on early stages of social enterprise development (start-ups) to NESsT’s new scaling program. It also profiles some of the social enterprises supported through the program, the process they went through, the business support received and some of the key challenges they overcame with the help of NESsT and UniCredit. Lessons learned and the key factors contributing to the success of the partnership are emphasized in the closing section.

About NESsT
NESsT creates dignified jobs and income for people facing the greatest barriers to work in emerging market countries, by investing money, business coaching and social capital into early-stage entrepreneurs. NESsT targets communities facing isolation, discrimination, lack of jobs skills and poor education, impacting at-risk youth, women, people with disabilities, ethnic minorities, migrants and refugees, artisans and farmers. As a thought leader, NESsT has been at the forefront of social enterprise development, conducting extensive research, disseminating numerous best practice publications and organizing national social enterprise events.

About UniCredit Foundation
UniCredit Foundation is a corporate foundation that was established in 2003 in order to contribute to the development of solidarity and philanthropy in the communities and territories, primarily where UniCredit is present (17 countries including Europe and Central Asia). Through the transfer of financial resources and the typical management skills of a company, UniCredit Foundation supports projects of significant social impact and innovation, implemented by local nonprofit organizations.

About UniCredit Bank
UniCredit Bank is part of UniCredit Group, the largest banking group in Central and Eastern Europe and one of the largest in Europe. UniCredit Bank is a true “one-stop-shop” for financial services, serving more than 650,000 customers. The Group is present in Romania through: UniCredit Bank, UniCredit Consumer Financing, UniCredit Leasing Corporation, UniCredit Insurance Broker, UniCredit Leasing Fleet Management, UCTAM, Pioneer Asset Management, and UniCredit Business Integrated Solutions.

About UniCredit Business Integrated Solutions
UniCredit Business Integrated Solutions is the Group’s global services company dedicated to providing services in the sectors of Information and Communication Technology (ICT), Back Office and Middle Office, Real Estate, Security and Procurement. It is one of the first service companies to be created at European level and its aim is to consolidate and reorganize those operational activities necessary for the correct functioning of the Groups’ business by leveraging on a more flexible delivery and an improved response time. The company includes about 10,600 people and oversees operations in 11 countries: Austria, Germany, Italy, Poland, Great Britain, Czech Republic, Romania, Slovakia, Hungary, USA (New York) and Singapore.
Message from NESsT

Five years ago, my colleague and I had the opportunity to meet with UniCredit representatives in Bucharest to introduce them to NESsT and the work that we were doing to develop and strengthen social enterprises in Romania. We were both a bit nervous of course about meeting with a prospective partner. Would they like our work? Would they want to partner with us? Needless to say, and luckily for us, the meeting went well and was the initiation of what has become a very strong and productive relationship resulting in very significant impact.

The UniCredit Foundation, UniCredit Bank and UniCredit Business Integrated Solutions and NESsT are working together to address the urgent need to create dignified employment and sustainable income for many of Romania’s most vulnerable communities. We are doing this by supporting social enterprises that ensure that these communities are given the tools and training to become economically active – either through a job placement or as employees and suppliers of the enterprises themselves.

The wonderful thing about this partnership is that we use an engaged philanthropic approach, providing financial, human and social capital to help expand and grow the businesses during a three to five year period. UniCredit volunteers partner with NESsT staff to provide business acumen and contacts to the enterprises, often coaching them in financial management or marketing and sales. This is an invaluable resource, particularly when it is based on a well-construed growth plan developed with measurable goals and metrics.

Social enterprise is not any easy business. Like all business, it can be risky and take years before the cost-revenue structure works, the client base is built and branding is established. Multiply this a hundred-fold when it entails working with businesses that are training people who have never had an opportunity to work or who are leaving institutionalized settings. And when the job that is created is meaningful, provides a secure livelihood and makes a true change in a person’s life. This requires a genuine commitment and a belief that change is possible.

The pages that you are about to read reflect this commitment. The commitment of a social enterprise impact investor and a global financial institution to align their visions and work and learn together to bring opportunities to Romania’s most vulnerable groups. And also the commitment to share this model and its lessons with other actors in the country, region and world in an effort to also engage them in these efforts.

I want to take this opportunity to thank UniCredit for your trust in NESsT. We look forward to another five years!

Nicole Etchart
Co-founder and Co-CEO, NESsT
Message from UniCredit Foundation

UniCredit Foundation’s longstanding partnership with NESsT, UniCredit Bank and UniCredit Business Integrated Solutions in Romania is living proof of our Foundation’s commitment to supporting local communities through innovative solutions, including social enterprise.

Since 2012 we have established local partnerships, enabling the exchange of knowledge and expertise in Romania—as in other countries where UniCredit is present—to reinforce the European social economy.

Our efforts in Romania have been further encouraged by the significant growth of the local nonprofit sector. A recent survey on the sector found that there are approximately 125,000 nonprofits operating in Romania—almost double the 63,000 that were documented in 2009.¹

Thanks to the projects that we have driven forward with our local partners over the years—including our most recent collaboration with NESsT in launching “The Power of Social Enterprise” in 2016—we have been able to identify organizations in Romania that are ready to enter the market and create jobs through innovative and sustainable business ideas. In addition to providing them with financial resources, a key component of our support has been the transfer of entrepreneurial expertise and tools which, in turn, have fostered new market opportunities.

The results have validated our decision, highlighting the strong potential of social enterprise to achieve concrete results in terms of income and job generation, as well as cohesion in local communities. Social enterprise represents a tremendous leap forward in the way it addresses problems faced by the most vulnerable segments of the population. Operating within competitive markets, they foster new forms of business that don’t simply pursue profit, but also social goals.

It is becoming generally accepted that pure charity—apart from that given in critical humanitarian situations—is more likely to perpetuate a problem than to effectively solve it. By contrast, social enterprises find solutions aimed at the root causes of the problem and seek to address these causes while becoming sustainable over time.

This is very consistent with UniCredit Foundation’s commitment to support communities by valuing the potential of individuals and helping them to grow, particularly the most disadvantaged.

This goal is a common thread across all of the work of the Foundation and the social commitment of UniCredit local entities. This is an ‘action and collaboration’ model, which we foster both outside and inside of the Group. It includes jointly engaging our UniCredit people to share their expertise with local communities while also learning about local realities.

Maurizio Carrara
Chairman, UniCredit Foundation

¹ SEFORIS, 2014.
From Challenges to Opportunities: Advancing Social Enterprise to Provide Dignified Livelihoods for Romania’s Disadvantaged Communities

Message from UniCredit Bank

The partnership with UniCredit Foundation and UniCredit Business Integrated Solutions Romania together with NESsT, is an opportunity for UniCredit Bank to support the local economy by giving fuel to social enterprises which are a key component of Romania’s future growth and in fostering social inclusion and well-being of the country.

UniCredit Bank is part of a Group that is traditionally acknowledged for its social involvement and is proud to be part of a project that awards venture grants to high impact social enterprises that will provide dignified jobs and income for low-income and excluded individuals and their families in the next three years. We assist UniCredit Foundation in organizing its “Your Choice, Your Project” initiative, which allows local UniCredit employees to vote for their favorite social enterprise, an important key for engaging UniCredit staff in social responsible actions.

Involvement of UniCredit Bank employees throughout the project consists in providing feedback and guidance on communications materials, providing input into all of selection rounds, providing financial and social assessment input particularly in the final selection by the investment committee, and providing mentoring and training. We also help to organize and host a social enterprise marketplace and award ceremony to further engage UniCredit employees and raise awareness on the power and potential of social enterprise in Romania.

Anca Ungureanu
Head of Identity and Communication, UniCredit Bank
Message from UniCredit Business Integrated Solutions

UniCredit Business Integrated Solutions Romania – a branch of the Group’s global service company – has continued to show great interest in promoting social projects, through initiatives such as “The Power of Social Enterprise” (national call organized by NESsT and UniCredit Foundation) and also “Your Choice Your Project.”

Strengthening social responsibility among our colleagues is very important for our company, to connect and integrate in the local community. Thanks also to the contribution of some colleagues who played the role of ambassador, a large number of people have chosen to be an active part of these efforts, collaborating with social enterprises to support them in activities of mentoring, coaching and training.

The long term partnership between UniCredit Business Integrated Solutions and UniCredit Foundation has been consolidated over the last five years, and has given us the opportunity to achieve outstanding results within social initiatives.

Girolamo Antonucci
Branch Manager Romania, UniCredit Business Integrated Solutions
Overview of the Social Enterprise Sector in Romania

Though we live in times of unprecedented wealth and possibilities, we also witness deep inequalities. In Central and Eastern Europe, sustainable income opportunities and dignified living conditions are especially limited for many marginalized groups, including people with disabilities, minorities, migrants, small producers and low-income mothers excluded from the labor market. These marginalized individuals face numerous barriers on the pathway out of poverty, including a lack of available jobs, inadequate education, and limited job training programs, child- and elder-care obligations, labor discrimination and inaccessible markets.

According to Eurostat, Romania is among the European countries with the highest poverty rates – with 39.5% of the population at risk for social exclusion and 25.4% at risk for poverty in 2014. Romania is currently facing a significant higher percentage of NEET\(^1\) youth (18.1%), compared to the EU28 average (12%). This together with the high unemployment rate among youth (21.7%) and the growing aging population (17% of the population is aged 65+) can only lead to deeper social problems and higher inequalities in the coming years.

Over the past decade, social enterprises\(^2\) have proven to be a hybrid solution to these complex social problems. They offer unique business models addressing the barriers that prevent marginalized and poor communities from accessing employment and services. These companies are established to create jobs and placement opportunities for at-risk women and youth, and people with disabilities, providing them with both professional training and healthy work discipline, job preparation, and accompaniment needed to enter the labor force and retain a long-term career of dignified employment.

Until 2015, the definition of social enterprise in Romania was up to interpretation. This changed in July 2015 when a new law regulating the social economy defined the term and gave a common understanding of the concept. For most stakeholders, this represents a step forward, as the lack of a clear legal and regulatory framework was often cited as a challenge in the past.

However, different perspectives on social enterprises are still largely used and this makes it difficult to obtain objective, accurate and up-to-date numbers on the sector's main trends. The most relevant study is the Social

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\(^1\) Not in Education, Employment or Training

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\(^2\) Social enterprises are businesses created to further a social goal in a financial sustainable way. They use entrepreneurial solutions to solve critical social problems including reducing high poverty levels and unemployment, especially among disadvantaged groups. Social enterprises apply business principles and practices, and reinvest their financial returns, to achieve their social ends. These enterprises engage in a broad spectrum of activities including community development, employment and livelihoods, education, conservation and environmental protection, financial services, health and universal rights. In addition, they target a wide range of marginalized or excluded communities including at-risk youth and mothers, ethnic communities, people with disabilities, small producers and artisans, migrants and refugees and low-income communities.
Economy Atlas. Two editions of the Social Economy Atlas were published by the Social Economy Institute in 2012 and 2014, and they provide a statistical overview of the social economy sector for 2010 and 2012.

According to the Social Economy Atlas, the sector in Romania included 39,347 active organizations in 2012. Of these organizations, 85.57% were associations and foundations, 5.66% were cooperatives, 7.03% were credit unions and 1.74% were commercial companies held by social economy organizations. Overall fixed assets for the sector were valued at €3,123,319, and total revenues were €2,759,899. In 2012, the social economy represented 1.9% of the value of the national economy. That same year, the social economy employed 131,127 people (representing 1.9% of the national workforce), of which approximately 91% worked full-time.

Organizations range in size from one to 60 employees, with an average of nine per organization. On the revenue side, the range is even larger—the average annual revenue for all organizations is €420,000, with the highest coming in at €4.7 million and the lowest at €1,200 in annual revenue. More than half reported profits, although social enterprises often assign grants, donations and subsidies as revenues. This makes it difficult to estimate to what extent these are truly economic profits based on sales revenue only.

3 This study includes general aggregated data (number of organizations, fields of activity, regional distribution) and economic data (total revenues, economic revenues, fixed assets, employees, gross salary) of the main types of social economy organizations: cooperatives, associations and foundations, credit unions, commercial companies controlled by the social economy organizations.

4 All RON figures were transferred to EURO values using the Romania National Bank’s annual average exchange rate from RON to EUR for 2012.
Another study illustrating the state of social enterprises in Romania was published by SEFORIS\(^5\) in 2016. The Romania Country Report\(^6\) shows that Romanian social enterprises typically adopt one legal status only unlike the tendency in other western countries where social enterprises might be constituted as a separate legal entity owned by a parent nonprofit organization. The dominant legal form is the nonprofit, with 92.5% registering as such, while for-profit limited liability companies counts for only 5.5%.

According to the same report, Romanian social enterprises predominantly rely on fees for services or sales of products and grants, respectively accounting for 36% and 37% of the revenue. Donations also play a significant role in the funding mix at 17% of the total revenue. However, due to decreasing grant support, social enterprises have changed their income generating strategies in the period 2009-2015. Data shows that they not only increased their self-generated income but also diversified their income sources.

In 2009, 41% of organizations in the social sector earned less than €80,000, and 98% of them had revenues below €1 million. In 2015, 26% of the social enterprises earned more than €500,000 per year, though a third of Romanian social enterprises still generate less than €80,000 per year.

\(^{5}\) SEFORIS is a consortium of 12 organizations from 10 countries including Belgium, China, Germany, Hungary, Portugal, Romania, Russia, Spain, Sweden, and the UK. The SEFORIS research project seeks to understand the potential of social enterprise in the EU and beyond to improve social inclusiveness of society through greater stakeholder engagement, promotion of civic capitalism and changes to social service provision.

\(^{6}\) The study was conducted between April 2015 and December 2015, surveying over 1,000 social enterprises in Hungary, Romania, Spain, Portugal, Germany, Sweden, the United Kingdom, Russia and China. This is the world’s largest and most rigorous panel database on social enterprises. There is a country report published in 2016 for Romania. Where possible, this study compares findings to the 2009 SELUSI survey, the predecessor of the SEFORIS project.
The European Social Fund has had a significant impact on social enterprise growth in Romania. The availability of large EU grants has led many nonprofits to develop social economy projects and create social enterprises. The way the funding has been structured, however, has not allowed them to complete a process of business model validation leading to growth and sustainability. The funding has been focused on short-term job creation and other short-term activities (i.e. workshops) during the period of the funding cycle, rather than the long-term type of investment that social enterprises need to enhance their marketing, sales, human resources and overall operations. Nor does the European Social Fund provide the kind of patient financing that would permit these enterprises to be positioned for growth.\(^7\)

In 2016, these trends began to change when a strong collaborative effort focused on shifting the use funds toward real impact began to emerge. These efforts came from a variety of stakeholders including the Ministry of European Funds, the Ministry of Labor, Family, Social Protection and Elderly, social enterprises and social enterprise support organizations who are aligning themselves to address issues of poverty and exclusion in the country, and who recognize that longer-term, more systemic changes are needed.

This shift is also a response to the growth of the social enterprise sector in recent years. NESsT, as a pioneer working in the country since 2007, has seen an increased number of applicants interested in joining its portfolio year by year. And, alongside this, more entrepreneurs also have a stronger understanding of their businesses and are better able to develop solid business models.\(^8\)

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\(^8\) Ibid
Organizations Supporting Social Enterprises in Romania

NESsT uses an engaged investment approach to accelerate the growth of social enterprises that offer access to dignified employment. In the selection phase, NESsT conducts a thorough due diligence process, placing less importance on the legal form of the enterprise—nonprofit, cooperative or for profit—and looking for the commitment and drive of the entrepreneurs’ as the most important element. In other words, does the social enterprise practice what it preaches? Does it try to balance the social, financial and environmental bottom line in its everyday running of the business in order to solve a critical social issue? Setting a broad definition such as this is especially helpful in emerging countries where the sector is still very small, as it provides the space for the sector to grow and include many types of enterprises whose main purposes are to create social impact through a sustainable business model.9

After the due diligence process is completed, NESsT invites social enterprises to join its portfolio. By committing to these enterprises for five to seven years, NESsT supports them through the tough transition of moving from start-up to fully scaling businesses. During this time, NESsT provides several rounds of patient capital investments and connects the enterprises with other co-investors. Its team also offers one-on-one business development support to help them consolidate and grow their businesses, and leverages the expertise of more than 200 mentors for specialized support.

NESsT contributes to strengthening the ecosystem, working with other stakeholders to ensure that its grantees and the entrepreneurs it supports are equipped with the tools and resources needed to thrive and maximize their impact.10

NESsT has nurtured 22 social enterprises as part of its portfolio in Romania,11 providing them with an average of four years of support and investing over €1 million in capacity-building and direct funding. Nearly 1,700 marginalized individuals have attained employment or income opportunities and almost 20,000 have experienced an improved quality of life. Furthermore, NESsT has trained more than 2,300 people in social enterprise in Romania.

NESsT is not the only organization supporting social enterprises in Romania. Other players—including foundations, corporations and financial institutions with corporate social responsibility programs, intermediaries and incubators—are providing social enterprises with support. In Romania, major private entities are financing the social economy and social enterprises.

One example is Made is Andrei’s Country, a social enterprise competition organized by OMV-Petrom in partnership with NESsT. This initiative offers funding, consulting and training provided by experts to create social enterprises in certain communities chosen by the program sponsor. Since its launch in 2013 until 2017, there have been two editions of Made in Andrei Country creating 20 social enterprises and 36 permanent jobs and providing €700,000 direct funding.10

9 Ibid

10 Damaschin-Tecu, Etchart, Building the Social Investment Industry in Central and Eastern Europe: The Case of Romania, Romania, 2016

11 Out of the 21 NESsT portfolio social enterprises, 14 were also supported by UniCredit.
Another example of private entity supporting social entrepreneurship is Chivas Regal’s “The Venture”, an international contest open to social entrepreneurs who use business innovatively to transform communities and solve global challenges. Beside the funding opportunity ($1 Million fund, around €935,900\textsuperscript{12}), the contest also has a training component. Global semifinalists are invited to the Venture’s Accelerator Week, an intensive five days of learning, where social entrepreneurs receive mentorship and support in preparation for a high stakes pitch. The week involves expert trainers and inspirational mentors recruited by the Skoll Centre for Social Entrepreneurship.\textsuperscript{13} In 2016, more than 2,500 entrepreneurs from around the world applied, but only 27 startups with a mission to create positive change were selected. This initiative is present in Romania since 2015. As of January 2017, four Romanian social enterprises were selected and awarded: two received the popularity award of €3,000 and another two received the local award of €5,000 and were invited to participate in the Venture’s Accelerator Week.

According to the Social Economy Institute\textsuperscript{14}, in July 2013, the impact of the European Social Fund (ESF) on the development of social economy in Romania was as follows: five calls for projects launched (2 for grants and 3 strategic projects), 2,112 projects registered (92% for grants), only 14% (292) of projects were evaluated, one call was cancelled, 59 projects contracted with total eligible value of app €150,000,000, 35% of total amount allocated to social economy, 261 (43%) jobs created.

Among these initiatives, UniCredit Foundation, UniCredit Bank and UniCredit Business Integrated Solutions have proven their long-term dedication to strengthening social enterprises and their impact in Romania by supporting NESsT activities since 2012. This support has been provided in a flexible manner allowing entrepreneurs to receive tailored funding and capacity building, and to pursue a healthy start-up, growth or consolidation. NESsT in this partnership has been able to build the sector by providing not only direct funding, but also investment in capacity-building, research and sharing of best practices.

\textsuperscript{12} According to Romanian National Bank, on 18 January 2017, the USD/EUR exchange rate was 0.9359.

\textsuperscript{13} https://www.chivas.com/en/the-venture/about/how-it-works#learngrow

\textsuperscript{14} http://www.ies.org.ro/library/files/prezentare_ies_despre_posdru_final_ancuta_20_iul.pdf

\textsuperscript{15} According to the Social Economy Law (no 219, July 1015), among social economy structures we can find: associations and foundations, cooperatives, mutual societies, or commercial entities controlled by the previous.
Highlights of the Partnership

NESsT AND THE UNICREDIT FOUNDATION BEGAN THEIR COOPERATION IN 2012 WITH THE JOINT PURPOSE OF STRENGTHENING SOCIAL ENTERPRISES AND THEIR IMPACT IN ROMANIA.

Since this partnership was launched, the foundation has provided support, in the form of 25 grants supporting 20 social enterprises\(^1\) representing 56% of its total funding provided to NESsT. Supported social enterprise have been selected by means of national business plan competitions.

The three main support activities within this partnership include:

- the NESsT Social Enterprise Competition, business plan competition which aims to identify early-stage social entrepreneurs with viable impact ideas and provide them with both capacity-building for business planning and seed funding to start or grow their social enterprises;
- the UniCredit Foundation’s “Your Choice, Your Project” employee engagement program, which has been developed to engage UniCredit employees locally to support social enterprises that have a tested prototype of their product or an already running business. This competition provides financial support to social enterprises based on popularity vote of the UniCredit Bank and UniCredit Business Integrated Solutions employees;
- the NESsT Open Call, a more recent application process launched in 2016, which seeks to select and award high impact social enterprises with proven potential to replicate and scale their business.

About 70% of these social enterprises create employment opportunities for marginalized groups by generating jobs and placement opportunities for people with disabilities, low-income individuals, minorities and at-risk youth or mothers. These enterprises focus on providing these communities with training in hard and soft skills, job preparation, and support to enter the labor force and embark on a long-term career of dignified employment. The remaining 30% of the social enterprises create sustainable income streams for small producers and artisans helping them to add value to their products, reach new markets and generate higher returns. The most common industry among these social enterprises is manufacturing, followed by food and agriculture.

In the period 2012-2016, these social enterprises have created nearly 700 employment and income opportunities for marginalized people in the country, reaching more than 5,000 direct beneficiaries in 16 communities.

One key element of working in partnership is the engaged investment approach NESsT uses to select and strengthen social enterprises. UniCredit employees are invited to participate as members of the NESsT Business Advisory and Investment Committees, providing critical feedback related to the businesses, working directly with the enterprises through site visits and—in general—acting as ambassadors to promote social enterprises within UniCredit.

In the period 2012-2016, more than 100 UniCredit employees have actively participated in the process providing more than 1,000 hours of volunteering.\(^2\) Also

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\(^1\) Fourteen of the 20 social enterprises supported through this partnership are or were members of the NESsT portfolio for an average of two to three years. The other six are “Your Choice, Your Project” grantees receiving only financial support for a specific investment.

\(^2\) Volunteering time efforts of UniCredit employees refers to several types and intensity of voluntary engagement provided through the years, among others: ongoing cooperation activities, due diligence and participation in selection juries, periodical site visits, mentoring, and competition promotion and communication.
they have managed to further foster awareness of and interest in social enterprise in other projects like “Your Choice, Your Project” program, which attracted an average of 750 voters per year.

Benefiting from a long-term partnership based on open communication, flexibility and mutual understanding, NESsT has been able to adapt its methodology to better address social enterprise needs. Given the lessons from past competitions, and the evolving ecosystem of social enterprises in the country, NESsT is now focusing on social enterprises that have greater potential to scale their impact.

To respond to this, in 2016 UniCredit and NESsT launched an open call—“The Power of Social Enterprises”—to select and support two high impact social enterprises that will provide 100-200 dignified jobs and income for low-income and excluded individuals and their families in the next three years. The use of a thorough due diligence process to select social enterprises and the decision to provide ongoing and tailored capacity and financial support for the long term are consistent with NESsT strategy. The fact that UniCredit designated their funding to support both capacity building and grants gave NESsT the flexibility to use the funds as determined by the real needs of the social enterprises. This reflects the entrepreneurial approach UniCredit has to philanthropy.

Beside the main competition, also a new “Your Choice, Your Project” campaign aimed at engaging employees of UniCredit Bank and UniCredit Business Integrated Solutions was initiated.
BUILDING THE SOCIAL ENTERPRISE SECTOR IN ROMANIA

With UniCredit support, NESsT has achieved the following impact in Romania since 2012.¹


• 248 applications received
• 51 teams entered the due diligence process
• 34 teams submitted well-developed business plans
• Out of the total of 20 enterprises supported through this partnership, 14 social enterprises were selected to join the NESsT portfolio and received further financial and capacity-building support to start or develop their businesses
• 9 workshops on social enterprise planning providing training to 129 people
• 1,406 hours of capacity building and tailored support provided through the competition, with an estimated financial value of €331,000

SOCIAL ENTERPRISE DAY EVENTS IN 2012, 2013 AND 2016

• 150 participants on average each year
• 26 social enterprise exhibitors participated in the Social Enterprise Marketplace on average each year

SOCIAL ENTERPRISE CASE STUDY IN 2013: PRIETENIA ASSOCIATION – ADAPTING A SWISS MODEL OF WORK INTEGRATION FOR PEOPLE WITH DISABILITIES TO THE ROMANIAN CONTEXT

• Illustrated how a social enterprise, with the support of NESsT and the UniCredit Foundation, can increase its impact by properly developing its operations, and also discussed how to adapt a Swiss model in Romania and explored the challenges of balancing mission and financial goals

INVESTMENT READINESS EVENT IN 2015

• 6 social enterprises pitched their business models for investment to a panel of 5 jury members, including two professionals from the private equity sector, one Business Advisory Network member and two former social enterprise managers and current consultants
• 2 winners were awarded trips to the 2015 Social Enterprise World Forum (SEWF) that took place in Milan

¹ Data in this section is drawn from NESsT database. NESsT uses a Performance Management Tool (PMT) to set annual goals and track performance for each portfolio member.
**Highlights of the Partnership**

* Data includes results up to December 2016.

**INCUBATION OF 14 SOCIAL ENTERPRISES IN NESsT PORTFOLIO**

- **€106,820** in funding provided to help social enterprises consolidate their business and further their social impact.
- **11 workshops** training 83 people on relevant topics based on NESsT’s portfolio needs assessment.
- **1,000+ hours** of capacity-building support, with an estimated value of **€250,000**.
- **100%** of social enterprises are still in business.

**SOCIAL IMPACT CREATED BY NESsT ENTERPRISES PARTIALLY FUNDED BY UNICREDIT**

- Nearly **700** marginalized individuals have secured employment or income opportunities.
- **20,000** have experienced an improved quality of life.
- **€1.8 million+** income from sales generated by the 14 NESsT enterprises partially funded by UniCredit – an average annual sales increase of 52%.

* Data includes results up to December 2016.
NESsT and UniCredit employees gather in 2015 to discuss the partnership and award grants to social enterprises in Romania.
Highlights of the Partnership

SOCIAL ENTERPRISES SUPPORTED BY UNICREDIT AND NESsT

1. Gaspar, Baltasar and Melchior Association (Piscu, Comuna Ciolpani) provides income to local artisans by selling pottery and other crafts workshops.
2. Together for Them Association/Humanity Protected Shelter (Baia Mare) provides archiving and printing services while creating jobs for vulnerable groups.
3. Touched Romania Association/Touched Collection (Bucharest) sells jewelry made by at-risk, single mothers.
4. Prietenia Association/Bio-Hrana (Comuna Pantelimon) produces and sells ecologically-produced vegetables creating employment opportunities for people with disabilities.
5. Proiect Mozaic (Popeşti Leordeni, Ilfov County) produces and sells mosaic creating jobs for youth with disabilities.
6. CONCORDIA Humanitarian Organization/CONCORDIA Bakery (Ploieşti and Bucharest) runs a bakery where they provide vocational training, employ and prepare at-risk youth for employment.
7. AGAPIS Foundation for Local Development/SC Valea Barcăului SRL (Valea Barcăului, Sălaj County), through the brand Sănătate Dulce (Sweet Health), sells honey and products made from honey while providing a sustainable income to local beekeepers.
8. For the Better Association/CUIB (Iaşi) runs a concept store that sells local and seasonal products purchased from local producers and social enterprises.
9. Made in Roşia Montană SRL (Roşia Montană, Alba County) sells high-quality wool products handmade by local at-risk women providing them with a sustainable livelihood.
10. Timural Group SRL (Târgu Mureş) sells wood furniture and toys creating jobs for people with disabilities and other vulnerable groups.
11. Viitor Plus Association/Atelierul de Pânză (Bucharest) produces and sells canvas bags creating jobs for people with disabilities.
12. Ghirbom Bakery (Ghirbom, Judeţ Alba) sells high-quality bread creating jobs for at-risk women from a small community lacking employment opportunities.
13. Romano ButiQ Association (Cluj-Napoca and Bucharest), through the brand Mesteshukar ButiQ (MQB), sells high-end decorative and gift products made by Roma artisans in partnerships with designers.
Social Problem
In an era of globalization, local traditional products in Romania risk becoming obsolete as they are replaced by mass-produced, pre-packaged imports. This shift in consumer culture threatens environmental sustainability and does little to promote fair and ethical trade between consumers and local producers.

Social Enterprise
For the Better Association entered NESsT portfolio in 2013 after undergoing a thorough business planning process with their first social enterprise named CUIB. CUIB sells fair-trade and eco-friendly products from local producers who have limited access to markets. The store also organizes community events to raise awareness on sustainability issues.

RESULTS & IMPACT

| €85,500 NESsT investment to date (€15,000 provided by UniCredit) | 10 jobs for people from disadvantaged communities |
| 15 social enterprises selling products in the shop |

http://incuib.ro/

NESsT investment includes both financial support amounts (from all partners, including UniCredit) and the equivalent market value of capacity-building resources provided to the enterprises.
What are the main challenges your social enterprise has faced in the past three years? The main challenge is financial stability. We have very big opportunity costs as compared to the other actors and our business model plays in a very competitive market. Being the most environmentally sustainable bistro (at least locally, but most likely at national level too), in terms of social and environmental impact makes us very vulnerable regarding financial sustainability. Our margin is much lower than our competitors (we use the most natural ingredients, eco and/or fair trade certified, from other social enterprises that pay a fair price to their employees etc. while we try to keep the prices affordable for our clients).

Another challenge is the lack of understanding among the general public about the impact we are trying to make to the current social economy paradigm. We need to raise awareness about the benefits of supporting a more local economy to ensure civic engagement. But to do this is a challenge as our resources are very limited. Changing mindsets is essential, but this work is long-term, since it leads to slow but permanent change.

As well, the lack of legal facilities plays an important role. Not only that there are no laws that support our initiatives, but often legal compliance is a burden – new laws are appearing overnight and it is hard to keep up with all the changes and to adapt to the new regulations required.

What is the greatest contribution NESsT has offered to your business? Looking back now after about five years of collaboration we can say that NESsT represents the most important external support we have ever received. Apart from the financial support, the qualitative support in terms of guidance and consultancy was very precious. Each request for support or advice was responded to promptly and professionally. With regards to Business Advisory Network support, we benefited from free coaching sessions and from a mentor matching activity with important outcomes in the long run.

What challenges have you had in ensuring financial sustainability for your social enterprise? In the last two years, 90% of our funding came from sales. We have reached breakeven but there are still many aspects to be arranged and improved; we consider our business to still be in a piloting phase. We need a bigger space and a space of our own, or one provided from the local municipality in order to reach financial sustainability.

What is the overall social impact of your business? Over 15,000 customers are becoming responsible consumers yearly through our alternative commercial space. As well we support about 30 small producers and social enterprises and through our approach we contribute substantially in increasing the positive impact in the local community and decreasing the environmental impact (less CO2 emissions, less waste, less pollution etc.)

How did NESsT support make a difference in your business? We are still wondering if, without NESsT we would have been able to start our business. Most likely the answer would be NO, at least not until now.

What are your development plans for the next year(s)? We want to open a new space in the short-term, and in the long-term, we aim to open several bistros in different Romanian cities.
From Challenges to Opportunities: Advancing Social Enterprise to Provide Dignified Livelihoods for Romania’s Disadvantaged Communities

Social Problem
In September 2016 the unemployment rate in Romania was 22.79% for youth under the age of 29, according to the National Institute of Statistics. The unemployment rate is especially high among youth coming from disadvantaged backgrounds who encounter difficulties in securing and maintaining dignified jobs. Gabriel could have been part of this statistic, but he was able to gain valuable professional training, got hired for a paid job and has reached a supervisory position thanks to the support of CONCORDIA Bakery.

Social Enterprise
Opened in November 2012, CONCORDIA Bakery became a NESst Enterprise in 2014, in a critical moment of their development when they needed to work on their business model for higher growth. CONCORDIA Bakery provides job opportunities for students from its CONCORDIA Vocational School helping them to get hands-on work experience before transitioning to the labor market. The students are young people from at-risk families or those who live on the streets and are looking to reintegrate into their communities.

RESULTS & IMPACT
- €52,750 NESst investment to date (€11,362 provided by UniCredit)
- 32 disadvantaged youth employed
- 30 youth who have been placed in jobs

http://www.concordia.org.ro

CONCORDIA Bakery
CREATING JOB OPPORTUNITIES FOR AT-RISK YOUTH
What are the main challenges your social enterprise has faced in the past three years? Training of our personnel has been our greatest challenge, both in terms of the social business management and the production activity. Training in the production activity in the bakery and pastry area – especially quality and process flow planning – was supported by qualified people from Austria who came as long-term volunteers. Additionally, we collaborated with the Humanitarian Organization Concordia, our sister organization, to help prepare the young people in these professions, while also helping them to acquire social skills and healthy work discipline.

Selling our products is also quite difficult. We had the support of the Austrian embassy and other social enterprises and NGOs that bought and promoted our products. It’s critical for us to maintain existing customers and attract new ones.

What is the greatest contribution NESsT has offered to your business? The investment that NESsT made in our social enterprise competition in 2014 was important for us, as we received financial resources as well as invaluable consulting support from NESsT particularly to support our sales and marketing plans. NESsT gave us financial support that we used to buy tools for pastry production, a laptop and washing machine crates. Using the support offered by the consultant through workshops and trainings, we managed to build a business model based on sales.

What challenges have you had in ensuring financial sustainability for your social enterprise? Our funding mix consists of loans received from Humanitarian Organization Concordia, grants, prizes and income from sales. The key challenges of our social enterprise involve reducing our costs and increasing the number of young people employed. Financial sustainability will be maintained in the long-term by increasing production, diversifying products and increasing the number of customers.

What is the overall social impact of your business so far? Thirty graduates from our vocational school at Concordia were hired between 2014 and 2016. These were youth from disadvantaged backgrounds. During their employment with Concordia, they lived in social apartments and managed to save money which gave them some independence upon leaving our social enterprise. They were also supported by a job coach service in finding a job in the open labor market. We are quite proud of one youth who was a former employee on our sales team and is now working as a teacher at one of our organization’s centers.

How did NESsT support make a difference in your business? It has reduced the time we spend on auxiliary activities, thus increasing the time we can dedicate to the production process. With the funding we received, we hired a sales representative who was trained by NESsT who has opened doors to new customers.

What are your development plans for the next year(s)? We are seeking to increase our production up to full capacity, while maintaining a high production quality in 2017. We would also like to develop supportive services for our youth that can help with their integration into the labor market, especially with regards to their socio-professional skills. We know we will need additional grants and an increased customer base to reach our goals.
From Challenges to Opportunities: Advancing Social Enterprise to Provide Dignified Livelihoods for Romania’s Disadvantaged Communities

EMPLOYING PEOPLE WITH DISABILITIES AND OTHER VULNERABLE GROUPS

Social Challenge
People with disabilities in Mureș County are at high risk of social exclusion and unemployment. Local social service agencies also struggle to secure enough funding for services that can support this population with training, employment and long-term assistance.

Social Enterprise
SC Timural Group SRL was founded in 2003 in Mureș County by Alpha Transilvana Foundation with the purpose of creating jobs for people with disabilities and generating sustainable revenues for the organization to support its services for individuals with disabilities. Operating under the Woodjoy brand, in 2011 the enterprise started manufacturing and selling educational toys and small wooden furniture. The enterprise employs people with disabilities and other vulnerable groups to manufacture its products. Timural Group SRL became a NESsT Enterprise in 2015 with main goal of going through a thorough planning process for a proper growth plan.

RESULTS & IMPACT

- €35,615 NESsT investment to date (€10,000 provided by UniCredit)
- 26 jobs for people from disadvantaged communities
- 68.5% sales growth since 2014

http://www.woodjoy.ro/
Case Study

What are the main challenges your social enterprise has faced in the past three years? In the period 2013 – 2016, we have improved our infrastructure and bought new machines, which has allowed us to expand the range of products we offer and made our production flow more efficient. But this growth has also required us to increase the volume of sales, as well as find new clients and products that fit with our production capacity.

What is the greatest contribution NESsT has offered to your business? In addition to the €10,000 grant we received from NESsT, winning the business plan competition was a big, big help, especially with all the information and trainings we got during this period. We received the support of a marketing and management consultant to write the business plan, and now we are receiving support from a lean manufacturing consultant, which has been extremely helpful in organizing, re-organizing and making our production more efficient.

What challenges have you had in ensuring financial sustainability for your social enterprise? So far, we have had two Minimis types of funding, which we used for start-up costs, including building our infrastructure and buying machinery. In 2016, our single source of income was our sales. It was a nice opportunity to receive the NESsT grant, but beside this, we do not have any other grants. Getting more clients and a steady stream of orders during the whole year will help us have a more stable financial situation.

What is the overall social impact of your business? In 2016, we had 10 disabled employees out of the total 32 people we employ. They are having a full life being integrated in a ‘normal’ workplace, working in different areas of the business and earning a full-time salary. But beside the disabled employees, the majority of our employees come from a rural area where there are few accessible workplaces. We have hired several men and women over the age of 45 who have had difficulties finding a job, as well as young people who have just finished their basic education.

What are your development plans for the next year(s)? Our plans for 2017 are:

· Making Lean Principles work in our factory to increase our efficiency, planning and quality
· Improving waste-management (i.e. sawdust collection, pellets production which can be used for heating the production facility)
· Buying a CNC machine, which could increase our efficiency by more than 30% in some of the products

IN THEIR OWN WORDS
Éva Györki, Director
From Challenges to Opportunities: Advancing Social Enterprise to Provide Dignified Livelihoods for Romania’s Disadvantaged Communities

The “Your Choice, Your Project” program is UniCredit Foundation’s initiative for UniCredit employees. After the national business plan competition or preliminary scouting in different regions of the country, UniCredit Foundation together with the support of local partners, such as NESsT, shortlists project which are then presented to the local UniCredit group employees. The winners that receive the most votes from employees are supported with an additional donation. In this way, employees can participate directly in the philanthropic decision-making process of the UniCredit and determine who is awarded. Moreover, employees have the possibility to go beyond the voting process and engage as volunteers for the awarded enterprises.

The Foundation awards established social enterprises or social enterprises with a proven prototype with special investment grants to meet their development needs.

The “Your Choice, Your Project” program takes place in the countries where UniCredit is present. From 2012 to 2016, 31 voting sessions have been held in 11 different countries, for a total of 74,600 votes submitted.

**IMPACT OF FOUR “YOUR CHOICE, YOUR PROJECT” VOTING CAMPAIGNS IN ROMANIA**

- **€75,000** total direct funding to social enterprises selected by UniCredit employees
- **75** applicants with 13 enterprises from more than 10 communities receiving on average **€5,770**
- **54** new jobs and income opportunities created
- **€128,000+** increase in sales after the investments were made, resulting in an average of **12%** growth rate
1. Help the Children Foundation/Snow White (Cluj-Napoca) provides laundry and cleaning services creating jobs for at-risk women.
3. Prietenia Association/BioHrana (Comuna Pantelimon) produces and sells ecologically-produced vegetables creating employment opportunities for people with disabilities.
4. People Development Foundation/Proiect Mozaic (Popeşti Leordeni, Ilfov County) produces and sells mosaic creating jobs for youth with disabilities.
5. Gaspar, Baltasar and Melchior Association/Crafts Caravan (Piscu, Comuna Ciolpani) provides income to local craftsmen by selling pottery and other crafts workshops.
6. For the Better Association/CUIB (Iaşi) runs a concept store that sells local and seasonal products purchased from local producers and social enterprises.
7. Center for Protected Areas and Sustainable Development (CAPDD)/Meziad Cave (Bihor County) assures a responsible management for one of the oldest caves in Romania supporting local economy.
8. AMURTEL/Amurtel Social Garden (Pănătau, Buzău) produces and sells vegetables and fruits creating jobs for people with disabilities or leaving placement centers.
9. Merci Charity Boutique Association/Atelier Merci (Bucharest) runs a tailoring shop and provides jobs for vulnerable people.
10. Phoenix Speranţa Association (Mediaş) produces and sells soap and other products creating jobs for people with disabilities.
11. Ghirbom Bakery (Ghirbom, Judeţ Alba) produces and sells bread creating jobs for at-risk women from a small community lacking employment opportunities.
12. Workshops Without Borders/Remesh (Bucharest) produces accessories from recycled promotional materials and creates employment opportunities for various vulnerable groups.
13. Romano ButiQ Association (Cluj-Napoca and Bucharest), through the brand Mesteshukar ButiQ (MOB), sells high-end decorative and gift products made by Roma artisans in partnerships with designers.
Social Challenge
Meziad Cave is a natural monument and one of the oldest caves in Romania. The cave is important both due to a colony of more than 30,000 bats that live there but also due to the discovery of traces of prehistoric humans living in the area. The cave needs adequate protection through a controlled visitor system to fulfill its economic potential in a sustainable and non-intrusive manner. The cave plays an important role in attracting tourists to the area and thus increasing income for small producers and artisans.

Social Enterprise
CAPDD Bihor is an NGO founded in 2001 with the aim of supporting the sustainable development of Bihor County, Apuseni Mountains and the communities in these areas, through: (1) effective management of protected areas, (2) biodiversity and natural patrimony conservation, (3) responsible tourism, and (4) the preservation of the local cultural identity. CAPDD has managed Meziad Cave since 2012, investing in its infrastructure and creating jobs for the local community. The YCYP award was received in 2013 and used to improve quality of service and increase income from sales.

Meziad Cave
RESPONSIBLE TOURISM IN ONE OF THE OLDEST TOURIST ATTRACTIONS IN ROMANIA

RESULTS & IMPACT

€7,000 financial support provided by UniCredit
3 new jobs created for people from disadvantaged communities
12 people receiving income
225% increase in sales

http://www.pestera-meziad.ro/ro/
Case Study

What are the main challenges your social enterprise has faced in the past three years? Economically, we faced a drop in sales of almost 45% between 2014 and 2015, and we are not sure yet why. In 2016 our revenues recovered dramatically. We are still trying to find the right pricing policy to attract more people. With regards to our services, the quality of guided tours needs improvement, as well as the quality and diversity of the local products and souvenirs sold in the gift shop.

How did the YCYP award help your business? Our business development was conceived from the beginning as a step-by-step approach. The YCYP award provided the necessary support for one important step in this approach. The concrete investment helped us to develop a small exhibition area in the cave, the entertainment services inside the cave, through media and video projections, and a protected path near the cave. We were also able to improve the gift shop and our security system.

What challenges have you had in ensuring financial sustainability for your social enterprise? In 2016, sales from this social enterprise were about 21% of the total revenues of our NGO. We also get about 11% of our revenues from another social enterprise, 4% from other services, and the rest from grants.

Since this social enterprise has a limited capacity to attract customers, we need to expand the development of the Padurea Craiului region as an ecotourism destination so that we can attract and retain customers for a longer period of time. The long-term financial sustainability will be achieved only if we can improve the quality of the experience of visiting the Meziad Cave, as well as diversifying the services offered and creating events and other social gatherings that can be attractive for new and recurring visitors.

What is the overall social impact of your business? We have offered three permanent jobs, as well as some other seasonal jobs, improving indirectly the well-being of several local producers – one family who runs a restaurant in the vicinity of the cave, as well as the owners of three guesthouses and local craft producers. Indirectly, the revenues generated by the social enterprise are invested in projects and programs according to our mission, which are targeting several communities in the adjacent region.

What are your development plans for the next year(s)? Specific objectives of our development plans for 2017:

- Increase the number of visitors and increase the knowledge of nature among our visitors
- Increase revenues from tourism and commercial activities – from the sales of products made by local artisans and from services other than entry fees, such as musical cave concerts and other events
- Improve the overall visitor experience by improving the guided tours, increasing the length of stay in the area and the return rate of visitors
- Develop professional HR and marketing teams to organize and mobilize tourism and hospitality staff and to provide trainings for the staff and local people involved in the tourism industry
Social Challenge
There are many families in Romania who can’t deal with the financial burden of medical treatment for their children, including not only the cost of medicine and medical interventions but also travel to other cities where there are better equipped hospitals.

Social Enterprise
Merci Charity Boutique Association runs a tearoom and a charity shop located in Bucharest. In addition to offering food and beverage services, the association also sells donated clothing items, accessories and furniture, offered by individual donors and artists. Profits support humanitarian causes involving children with a special focus on medical needs. In the past three years, Merci Charity Boutique has raised RON 65,616 (€14,500) in support of 80 humanitarian cases, of which 80% are children fighting cancer. In 2015, with the YCYP grant, the team opened Atelierul Merci, a tailor shop and upcycling studio.
Case Study

What are the main challenges your social enterprise has faced in the past three years? Our social enterprise Merci Charity Boutique needed to diversify its activities beyond donations, so we decided to open a tailor shop to upcycle donations we received in the charity. This has allowed us to create a new source of revenue for the charity and its education and health projects and employ a vulnerable person to work in the tailor shop.

How did the YCYP award help your business development? YCYP gave the Boutique the boost we needed to open the tailor shop by awarding us with the €3,000 which we used to furnish a place located in a parking lot and to start up the new program. Also, the funding was used to offer training in tailoring to our first collaborator, a young artist. Our association contributed an extra €1,000 and obtained a sponsorship from www.shopmania.ro to develop our online shop at www/ateliermerci.ro.

What challenges have you had in ensuring financial sustainability for your social enterprise? The funding for maintaining the tailor shop – including rent, utilities, collaboration, materials and accessories, website, photos for the products and participation to fashion fairs – are 100% covered from the income of the tailor shop. The average purchase of our customers is RON 150 (app €34), and our sales revenue for the past 12 months is €9,700. We have served 290 customers to date at Atelier Merci.

What is the overall social impact of your business? All of our profits are invested in education and health programs the association develops. The tailor shop is a source of funding, which has given financial sustainability to the association’s projects and helped the projects continue when no other source of funding was available. The young artist trained to work in the tailor shops project has now developed a business for herself creating men’s clothing. One of our other collaborators is an older woman, who assists in producing women’s handbags from donated men’s shirts, and she now has a new source of income.

Also, we support young entrepreneurs in our collection of t-shirts and blouses with Printoteca. And, we are in the process of hiring a mother with a child who is getting treatment at the Institute of Oncology.

What are your development plans for the next year(s)? In 2017, we plan to hire an extra person in the tailor shop and to develop our sales in with corporate clients. We also want to participate in more fashion fairs and double or triple our sales.
Final Thoughts

The continuous growth of the social enterprise sector in Romania in the past years produced a significant number of new, locally-based social enterprises. Many of these enterprises have launched their business models and created real jobs and income opportunities for the most vulnerable people excluded from the labor market.

Yet, as their businesses grow, the entrepreneurs face new challenges and often have unique, unmet support needs on their path to validation and scale. Ensuring that they are able to take into account the particular needs of the beneficiaries they serve while at the same time running market-driven businesses that are sustainable over time is one of the key challenges faced by these enterprises.

In this sense, the partnership between NESsT and UniCredit has evolved, responding to the needs of entrepreneurs at different stages of their business development. While at the beginning merging mission and market was a novel idea, and we worked together to support start-up social enterprises, today we are collaborating to select and support those exceptional entrepreneurs that are ready to begin to grow their impact.

Through this process, UniCredit volunteers realize first-hand the value that these businesses produce in the society, the fact that social enterprises can deliver high-quality products or services while also creating dignified employment and fostering economic development and opportunities in local communities. Some even volunteers continue to mentor the winning businesses or became ambassadors of the social enterprise model.

The lessons of the partnership are significant in terms of both the direct work with the portfolio as well as the sector overall. They include:

- Demonstrating the potential of a private sector company and an international nonprofit to have a common vision and produce integrated value.
- Using a venture approach when supporting social enterprises instead of just offering grants or donations including a process of due diligence, capacity-building, one-on-one consulting, mentoring, and measuring and managing performance.
- Responding to the particular situation of social enterprises in Romania including the need for long term support, flexible funding, support programs adapted to each stage of development, and open communication with partners.
- Encouraging an open dialogue with each of the partners in order to make the cooperation and engagement of employees as volunteers as seamless as possible.
- Working to develop the ecosystem to offer more and alternative funding to social enterprises alongside tailored capacity support.
- Encouraging EU funding to take a more entrepreneurial, long-term approach toward generating dignified employment and income.
- Bringing other partners on board who can also provide funding and support the program and the enterprises in the portfolio.

The five year partnership between NESsT and UniCredit has been decidedly focused on the power of social enterprise to bring dignified livelihoods to the most vulnerable in Romania. It recognizes that these social enterprises are close to the communities that they serve.
serve, and are in the best position to provide them with dignified livelihoods. And it is founded on a common vision that by using an entrepreneurial approach, these enterprises break the cycle of grant dependency and are able to reinvest in the very communities they serve. The 20 social enterprises supported through this partnership are a testimony to this.

These joint efforts were awarded also with the acknowledgement from external stakeholders like the European Commission mentioning the NESsT-UniCredit competitions among best practices in support of the local social economy in Europe within the 2014 report called “Map of social enterprises and their eco-systems in Europe.”

The work that we have done together is based on a long-term, highly engaged commitment, a willingness to learn from mistakes, to innovate and take risks. And perhaps most importantly, it is founded on a belief that only through a process such as this, of shared value, where each stakeholder brings their best to the table, will we be able to offer a dignified livelihood for those who are too often left behind.

Gifts and decorative products crafted by Roma artisans and sold through the brand Mesteshukar ButiQ (MQB) by the Romano ButiQ Association, which was one of the enterprises that was awarded funding and capacity-building support through the NESsT and UniCredit partnership in 2016.
Supported Enterprises

AGAPIS Foundation for Local Development/SC Valea Barcăului SRL (Valea Barcăului, Sălaj County) through the brand Sănătate Dulce (Sweet Health), sells honey and products made from honey while providing a sustainable income to local beekeepers.
- Received NESsT incubation grants in 2013 and 2015
- Website: https://www.coltulromanesc.ro
- Facebook: Sănătate Dulce

AMURTEL/Amurtel Social Garden (Pânătau, Buzău) produces and sells vegetables and fruits creating jobs for people with disabilities or leaving placement centers.
- Received YCYP award in 2015
- Website: http://legume-eco.ro/
- Facebook: Gradina Bio Amurtel Poieni

CAPDD/Meziad Cave (Bihor County) assures a responsible management for one of the oldest caves in Romania supporting local economy.
- Received YCYP award in 2013
- Website: http://www.pestera-meziad.ro/ro/
- Facebook: Pesta Meziad

CONCORDIA Humanitarian Organization/CONCORDIA Bakery (Ploiești and Bucharest) runs a bakery where they provide vocational training, employ and prepare at-risk youth for employment.
- Received NESsT Social Enterprise Competition award in 2014
- Website: http://www.concordia.org.ro
- Facebook: Brutaria Concordia

For the Better Association/CUIB (Iași) runs a concept store that sells local and seasonal products purchased from local producers and social enterprises.
- Received YCYP award in 2013
- Received NESsT incubation award in 2015
- Website: http://incuib.ro/
- Facebook: CUIB

Gaspar, Baltasar and Melchior Association (Piscu, Comuna Ciolpani) provides income to local craftsmen by selling pottery and other crafts workshops.
- Received NESsT Social Enterprise Competition award in 2012
- Received YCYP award in 2013
- Website: http://piscu.ro/
- Facebook: Scoala de la Piscu

AGAPIS Foundation’s display of local honey products in the marketplace at Social Enterprise Day 2016 in Bucharest.
Inka Moss

**Ghirbom Bakery** (Ghirbom, Județ Alba) produces and sells bread creating jobs for at-risk women from a small community lacking employment opportunities.
- Received NESsT Open Call award in 2016
- Received YCYP award in 2016
- Website: [http://www.brutariaghirbom.ro/](http://www.brutariaghirbom.ro/)
- Facebook: Brutaria Ghirbom

**Help the Children Foundation/Snow White** (Cluj-Napoca) provides laundry and cleaning services creating jobs for at-risk women.
- Received YCYP award in 2012
- Website: [http://www.ajutaticopiii.ro/](http://www.ajutaticopiii.ro/)
- Facebook: Fundatia "Ajutati Copii Romania"

**Made in Roșia Montană SRL** (Roșia Montană, Alba County) sells high-quality wool products handmade by local at-risk women providing them with a sustainable livelihood.
- Received NESsT Social Enterprise Competition award in 2015
- Website: [https://www.madeinrosiamontana.ro/](https://www.madeinrosiamontana.ro/)
- Facebook: Made in Roșia Montană

**Merci Charity Boutique Association/Atelier Merci** (Bucharest) runs a tailoring shop and provides jobs for vulnerable people.
- Received YCYP award in 2015
- Website: [http://www.ateliermerci.ro/](http://www.ateliermerci.ro/)
- Facebook: AtelierMerci.ro

**People Development Foundation/Proiect Mozaic** (Popești Leordeni, Ilfov County) produces and sells mosaic creating jobs for youth with disabilities.
- Received NESsT Social Enterprise Competition award in 2013
- Received YCYP award in 2012
- Website: [http://www.fabricademozaic.ro/](http://www.fabricademozaic.ro/)
- Facebook: Fabrica de Mozaic

**Phoenix Speranța Association** (Mediaș) produces and sells soap and other products creating jobs for people with disabilities.
- Received YCYP award in 2015
- Website: [http://www.phoenix-speranta.ro/](http://www.phoenix-speranta.ro/)
- Facebook: Asociația Phoenix- Speranta

**Prietenia Association/BioHrana** (Comuna Pantelimon) produces and sells ecologically-produced vegetables creating employment opportunities for people with disabilities.
- Received NESsT Social Enterprise Competition award in 2009
- Received YCYP award in 2012
- Website: [https://biohranapotroti.wordpress.com/](https://biohranapotroti.wordpress.com/)
- Facebook: Biohrana pentru toti - BPT

**Romano ButiQ Association** (Cluj-Napoca and Bucharest) through the brand Mesteshukar ButiQ (MGB), sells high-end decorative and gift products made by Roma artisans in partnerships with designers.
- Received NESsT Open Call award in 2016
- Received YCYP award in 2016
- Website: [http://mbq.ro/](http://mbq.ro/)
- Facebook: Mesteshukar ButiQ, Mesteshukar Butiq Cluj

- Received YCYP award in 2012
- Website: [http://www.ruhama.ro/en](http://www.ruhama.ro/en)
- Facebook: Fundatia Ruhama

**Timural Group SRL** (Târgu Mureș) sells wood furniture and toys creating jobs for people with disabilities and other vulnerable groups.
- Received NESsT Social Enterprise Competition award in 2015
- Website: [http://www.woodjoy.ro/](http://www.woodjoy.ro/)
- Facebook: Woodjoy

**Together for Them Association/Humanity Protected Shelter** (Baia Mare) provides archiving and printing services while creating jobs for vulnerable groups.
- Received NESsT Social Enterprise Competition award in 2012
- Website: [http://impreunapentruiei.ro/](http://impreunapentruiei.ro/)

**Touched Romania Association/Touched Collection** (Bucharest) sells jewelry made by at-risk, single mothers.
- Received NESsT incubation grant in 2012
- Website: [http://www.touchedcollection.ro/](http://www.touchedcollection.ro/)
- Facebook: Touched Collection

**Viitor Plus Association/Atelierul de Pânză** (Bucharest) produces and sells canvas bags creating jobs for people with disabilities.
- Received NESsT incubation grant in 2015
- Website: [https://www.atelieruldepanza.ro/](https://www.atelieruldepanza.ro/)
- Facebook: Atelierul de Pânză

**Workshops Without Borders/Remesh** (Bucharest) produces accessories from recycled promotional materials and creates employment opportunities for various vulnerable groups.
- Received YCYP award in 2016
- Website: [http://www.remesh.ro/](http://www.remesh.ro/)
- Facebook: remesh

* Prietenia Association/BioHrana, Ruhama Foundation/SC Plan Info SRL and Proiect Mozaic were members of NESsT portfolio during this partnership and received capacity-building and additional financial support from other sources.