



This project is co-funded  
by the European Union



Promoting social entrepreneurship in the Mediterranean Region

# EU MedUP! Fund

## Selection criteria and process – information for applicants

### Minimum eligibility criteria

- The applicant is a registered commercial company (or other legal entity form but with a business model and revenue streams) and established and operating in the country where the project is to be implemented
- The applicant is a 'social enterprise'\*, see definition below.
- The proposed project focuses on growing the business (see examples below\*\*) and is implemented in one of the 6 MedUP! countries
- The applicant hereby confirms that the company is not in any way involved in activities such as arms, tobacco, alcohol and gambling industries, registered in so-called tax-havens, or involved in environmental or human rights abuses or corruption
- The applicant contributes at least 35% into the financing of the proposed activity, see below\*\*\*.
- The proposed project will be implemented within 12 months after the first disbursement

### Explanation text

*\*A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders.*

*Source: Social Business Initiative (Communication from the European Commission, Social Business Initiative, COM/2011/0682 final of 25/10/2011)*

*\*\*Growth-related projects: The proposed project aims to grow or scale up the SE.*

### Eligible activities - examples

- *Business support services (acquired from SESOs)*
- *Investments (machines or equipment needed to scale-up)*

- *Business development costs (test and/or launch new products and projects, market study for scaling-up, etc.)*
- *Visibility costs (brand design, promotional materials for the products and/or services)*
- *Redesigning the production process to become more social or environmentally friendly*
- *Implementing fair trade models in the supply chain*

#### *Non-eligible - examples*

- *Purchasing, rent or leasing of land or buildings/facilities; bank charges, cost of guarantees and similar charges;*
- *Costs of proposal development and feasibility study;*
- *Value and registration costs of intellectual property rights.*

*\*\*\*The MedUP! Fund requires an own contribution of at minimum 35% of the project budget. This can be a cash contribution or an in-kind contribution.*

*The MedUP! Fund requires a cash contribution of at minimum 10% of the project budget. This cash contribution can be from the company, owners or from external sources in which case it needs to be secured as a condition to receive the grant.*

*In-kind contribution by the company can refer to cash-equivalent goods and services such as equipment or dedicated staff time needed for the project. The in-kind contribution must be specifically and directly related to the implementation of the project. The value of the in-kind contribution must be tangible and verifiable, based on specific supporting evidence such as contracts, invoices and others.*

#### Assessment criteria – round 1 (concept notes)

The following criteria will be scored by jury members (see next section) on a scale of 1-10, based on the application details provided by each applicant:

1. **Social / environmental impact of the SE (50%):** The social enterprise has a clear vision and strategy for social and/or environmental impact. It already achieves impact, has a clear business model and has good potential to grow.
2. **Feasibility and relevance of proposal (50%):** The proposed project is described clearly and is relevant in growing the social enterprise. It is viable to implement the project (in 12 months).

#### Assessment criteria – round 2 (full applications)

The following criteria will be scored by jury members (see next section) on a scale of 1-10, based on the application details provided by each applicant, the supporting documents amongst which the detailed budget and the interview held with each applicant:

1. **Social / environmental impact of the SE (20%):** The social enterprise has a clear vision and strategy for social and/or environmental impact. It already achieves impact and has good potential to grow and scale the impact. This is also shown in numbers (staff data and social indicators). Impact on youth and women is important.

2. **Feasibility and relevance of proposal (20%):** The proposed project is described clearly and is relevant in growing the social enterprise. It is viable and feasible to implement the project in 12 months. The budget and own contribution are realistic.
3. **Strength of team / entrepreneur (20%):** The team has the qualifications and experience to grow the company and implement the project successfully. Motivation and ideas are clearly communicated. The team has unquestionable integrity. Having a significant number of women and youth in the team is a plus.
4. **Growth potential of business (20%):** The social enterprise addresses a clear market need with a unique product or service. It demonstrates innovation. There is a clear business model and a realistic growth strategy. The financial figures (historic and projections) show good performance and/or potential.
5. **Additionality of grant (10%):** The grant requested should not significantly compete with existing funding alternatives (e.g. other funds granted, large profits, commercial loans).
6. **Use of Social Enterprise (SE) ecosystem (10%):** The social enterprise is connected to, or could easily connect to, Social Enterprise Support Organizations (SESOs) in the MedUP! project. Using financing from Financial Institutions (FIs), such as banks or impact investors, as part of the own contribution for the project is a plus.

### Selection process for concept notes – round 1

- The national MedUP! Project Management Unit (PMU) checks concept notes and filters out all those not meeting minimum criteria.
- This PMU does an initial assessment of applications based on the criteria and makes a pre-selection to be reviewed by the National Evaluation Committee (NEC), which is composed of people from Oxfam, the MedUP! implementing partner and 'external' experts.
- The NEC members individually assess the pre-selected applications based on the criteria.
- The NEC meets to decide on the final selection\* (to go to proposal stage) and, if needed, provides recommendations to the SEs (e.g. for improvement) to be considered in the next stage.
- Applicants are notified of the selection results by the PMU.

*\* The MedUP! Fund aims to provide financial support to 100 social enterprises in total. In that, the project aims to distribute the fund across different growth stages, e.g. from startup or smaller companies to existing, bigger companies. Overall the project aims to allocate approximately 30% of the Fund to micro-enterprises (<10 employees) or startups, 40% to 'young' small- and medium-sized enterprises (SMEs) (10-250 employees, 2-5 years in existence) and 30% to 'mature' SMEs (10-250 employees, 5+ years existence). At the same time, the project aims to distribute the fund across different grant sizes, with the majority of the 100 social enterprises receiving 5,000-10,000 EUR and a much smaller amount receiving 30,000-50,000 EUR.*

*In deciding on the final selection, the NEC will also consider these distributions towards different stages of social enterprises and different grant sizes. This also applies to the final selection (and the back-up list) in round 2, and applies for the final regional selection as well.*

## Selection process for proposals – round 2

- The PMU reviews all proposals (and other supporting documents such as detailed budget, company registration, 1 page CVs of key staff, last annual accounts) submitted.
- The PMU holds interviews with applicants and, if feasible, visits each SE.
- The PMU does an initial assessment (scores and evaluation) based on all documents and the interview and puts this into a report for the NEC. The PMU includes a recommendation on which applications to select and which not to select, including a short rationale.
- The NEC members individually review the report provided by the country PMU, read each of the applications (incl. supporting docs) and provide their individual scoring of each application based on the criteria.
- The NEC meets to decide on the final selection, and adds any conditions / recommendations, if relevant, for applicants that are to be taken into account when going into contracting phase. The NEC selects the top applications (recommended selection), and additionally indicates a few applications that are runner up (back-up list). These decisions are captured in a country report.
- The country report is submitted the Regional Evaluation Committee (REC), which is composed of people from Oxfam and 'external' experts.
- The REC members individually review the country report, read each of the applications and prepare their own comments and conclusions.
- The REC meets to decide on the final selection, and adds any conditions / recommendations, if relevant, for the selected applicants. Decisions are based on a majority voting systems (yes/no). The REC essentially reviews the work of the NEC and 'affirms' their recommended selection. If they decide to reject some of the applicants and select applications from the back-up list, rationale will be captured in the final report.
- Applicants are notified of the outcomes by the PMU.