

SBSM Funding and finance – KA2



CYPRUS

FUNDING AND FINANCE IN CYPRUS

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1. What are the different support for funding and financing SB in your country by PUBLIC INSTITUTIONS?

Currently, there are no national public support schemes that explicitly or specifically target social enterprises in Cyprus. However, for the 2014-2020 programming period, ESF is planning to promote social economy and social entrepreneurship.

There are some funding programs through government departments and public institutions for start-up companies in general. Currently, there are two major funding programmes the scheme for youth entrepreneurship and for women entrepreneurship. The responsible authority of these schemes is the Industrial Development Service of the Ministry of Energy, Commerce, Industry and Tourism. More information on these funding schemes can be found at http://www.mcit.gov.cy/mcit/mcit.nsf/dmlpublic_gr/dmlpublic_gr?OpenDocument

Another funding program is the scheme for strengthening business innovation. The Business Innovation Grants scheme aims to support and strengthen existing but also start-ups and other companies investing in research and innovation to develop competitive innovative products and services which they plan to market and / or innovative processes and procedures in the production of their products. The responsible authority of the programme is Technology Service of the Ministry of Energy, Trade, Industry and Tourism. More information on these funding schemes can be found at http://www.mcit.gov.cy/mcit/mcit.nsf/dmlpublic_gr/dmlpublic_gr?OpenDocument

Other public organisations offering grants or other support opportunities that social enterprises could access either in their capacity as enterprises or as non-governmental organisations are the following:

■ **Social Welfare Services:** Part of the Ministry of the Labour, Welfare and Social Insurance (MLWS), this service is tasked with administering a subsidy scheme for organisations that deliver general welfare services. These services include social care, needs of children, needs of older people, people with disabilities and disadvantaged and vulnerable people in general. Consequently, types of organisations which receive these subsidies are typically not-for profit or local authorities and include older people's homes, nurseries / kindergartens / after-school clubs, children and youth clubs, care in the community / at home providers, homes and shelters for disabled and disadvantaged people. This scheme therefore provides support to a wide range of activities in Cyprus which could be considered within the social economy.

■ **Industrial Development Service:** Part of the Ministry of Energy, Commerce, Industry and Tourism, this service is tasked with accelerating economic growth including through enhancement and development of SMEs. Programmes that may aid social entrepreneurs include: subsidies for young entrepreneurs, grants for micro-businesses, grants for rural businesses and grants for investments in specific sectors. Many schemes are co-financed by ERDF.

■ **Department of Labour:** Also part of the MLWS, the Department of Labour has been implementing a number of programmes where employers received grants from the

state to subsidize the employment of unemployed people. One social enterprise reported participating in such schemes.

■ **Cyprus Productivity Centre (KEPA):** KEPA aims to “assist private and public organisations to utilise their human and capital resources in the best possible way so as to increase productivity”. KEPA offers a number of grants to businesses for example to enable work-based training and to promote flexible forms of employment. It also operated the Mediterranean Institute of Management to upskill managers. Some of these programmes are co-financed by European Structural Funds.

■ **Human Resources Development Authority (HRDA / ANAD):** ANAD is tasked with training and developing the workforce of Cyprus. Programmes ran by ANAD includes training programmes for specific sectors or specific target groups (e.g. women, long-term unemployed etc.), grants for placements of unemployed in businesses and consulting and technical support services for micro-businesses. Many of these are co-financed by structural funds.

■ Other grant providers that social enterprises may benefit from depending on their field of operation include the **Ministry of Health** and the **Ministry of Education**.

2. Is there a specific law for funding and financing of Social Businesses? Or the SB are ruled under the general law for businesses?

There is no specific law for funding or financing social businesses.

3. What are the different support for funding and financing SB in your country by PRIVATE INSTITUTIONS?

Mainstream and cooperative banks may provide loans to social enterprises (based on specific criteria) but it is not targeted specifically at social enterprises.

4. Is there any support by private institutions to SB? Please describe (private support to SB)

SYNTHESIS Center of Research and Education Limited is an enterprise dedicated to the development of social enterprise in Cyprus. Synthesis promotes “social entrepreneurship” and “social innovation” through research, training, and promotional providing training. Training programmes that Synthesis offers includes: Social Entrepreneurship (for new entrepreneurs) and customized training on Social Entrepreneurship (for policy makers). In addition to the activities described above, Synthesis has organised annual conferences on social entrepreneurship in Cyprus

which brings together academics, social entrepreneurs, government stakeholders and international speakers who showcase examples of good practice in their own countries.

Synthesis is also the creator of "Hub Nicosia," a collaborative space and a community of organisations with social impact.

5. Provide information about free resources for funding and financing SB. You can include links to websites or to pdf documents. EXAMPLES FROM YOUR COUNTRY

As already stated in previous questions, there is no specific provision for funding and financing SB in Cyprus. At the links below, information can be found for several funding schemes addressed to regular enterprises, NGOs etc.

Republic of Cyprus, Information Gate for Funding Programmes
<http://www.fundingprogrammesportal.gov.cy/>

Stelios Philanthropic Foundation
The Bi-communal Awards in Cyprus
<http://stelios.org/stelios-award-cyprus/blog.html>

6. Provide information about free resources for funding and financing SB (OTHER COUNTRIES). You can include links to websites or to pdf documents. EXAMPLES FROM OTHER COUNTRIES

EE Grants and Norway Grants

The EEA Grants are jointly financed by Iceland, Liechtenstein and Norway. The three countries contribute to the grant scheme according to their size and economic wealth. In the period 2009-14, the EEA Grants support 86 programmes in 16 countries in Europe. The EEA Grants are available to the 13 EU member countries that joined the EU and the European Economic Area (EEA) in 2004, 2007 and 2013 as well as Greece, Spain and Portugal.

Under the Norway Grants, Norway has set aside €804 million for the current funding period. The decision-making body for the grant scheme is the Norwegian Ministry of Foreign Affairs. Norway also provides 95% of the funding to the EEA Grants.

These grants are not specifically addressed to SB but the areas they support are of social interest.

For more information visit the link <http://eeagrants.org/Who-we-are/EEA-Grants>

7. Links and references

European Commission (2014), A Map of social enterprises and their ecosystem of Europe. Country Report: Cyprus, (ICF consulting)

file:///C:/Users/Golfo/Downloads/SE%20Mapping_Country%20Report%20Cyprus.pdf

Ignite Europe (2012), Social Entrepreneurship in Partner Countries

<http://www.ignite.euproject.org/services/files/Download/Social%20Entrepreneurship%20in%20Partner%20Countries.pdf?TemporaryURLDontUseItAfter>

Isaias, G and Kaufmann, H.R (2011). "Social Entrepreneurship: A new paradigm that can help Cyprus to address its challenges."

http://www.synthesis-center.com/yahoo_site_admin/assets/docs/Publication.2601442.pdf (p.117-128)

EEA and Norway Grants

<http://eeagrants.org/Who-we-are/EEA-Grants>

Ministry of Energy, Commerce, Industry and Tourism.

http://www.mcit.gov.cy/mcit/mcit.nsf/dmlpublic_gr/dmlpublic_gr?OpenDocument

Playbell, Stella Moustaka, "Comment Paper Cyprus" in Social economy - laying the groundwork for innovative solutions to today's challenges (Paris, 10-11 December 2012)

Republic of Cyprus, Information Gate for Funding Programmes

<http://www.fundingprogrammesportal.gov.cy/>

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www.hubnicosia.org