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**Social Innovation Brokers**  
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## **GUIDEBOOK FOR TRAINERS & TRAINEES: [MODULE 4.2.2](#)**

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## Tool 14: How to set up social enterprise?

Setting up a social enterprise involves a few key steps:

1. **Identify a social or environmental issue that you want to address.** A social enterprise is a business that has a social or environmental mission at its core, so it's important to be clear about the issue you want to tackle.
2. **Research your market and competition:** Before launching your social enterprise, make sure you research your target market and competition. This will help you identify gaps in the market and develop a unique value proposition that sets your social enterprise apart.
3. **Develop a business plan.** This should include your social mission, your target market, your revenue model, your marketing strategy, and your financial projections. You'll also need to decide on a legal structure for your social enterprise, such as a non-profit or a benefit corporation. Among others, consider:
  - Your target market: Just like any other business, your social enterprise needs to identify and understand its target market. You should conduct market research to identify your target audience and determine how best to reach them.
  - Your business model: Your social enterprise needs to have a sustainable business model that generates revenue and enables you to achieve your social mission. This may involve identifying different revenue streams, such as grants, donations, or earned income.
  - Legal structure: Depending on the nature of your social enterprise and your social mission, you may need to choose a specific legal structure. For example, you may want to consider becoming a nonprofit, a benefit corporation, or a social purpose corporation.
4. **Raise funds.** Depending on the scale of your social enterprise, you may need to secure funding from investors, grants, or crowdfunding. Make sure you have a solid financial plan and a clear understanding of your fundraising options.
5. **Build a team.** You'll need a team of people who are committed to your social mission and have the skills to help your enterprise succeed. This may include

business professionals, social workers, or other experts in your field.

6. **Launch your enterprise.** Once you have your business plan, funding, and team in place, it's time to launch your social enterprise. Be sure to track your progress and adjust your strategy as needed to ensure that you're meeting your social and financial goals.
7. **Build a strong brand:** Your brand is how you communicate your social mission and values to your customers and stakeholders. Make sure you invest time and resources into building a strong brand that resonates with your target audience.
8. **Measure your impact:** Social enterprises are designed to have a positive social or environmental impact, so it's important to measure and track your impact over time. This will help you demonstrate the effectiveness of your enterprise and make data-driven decisions about your social mission.
9. **Foster partnerships and collaborations:** Social enterprises often benefit from partnerships and collaborations with other organizations, such as nonprofits, government agencies, or other social enterprises. Look for opportunities to collaborate with others who share your social mission and can help you achieve your goals.
10. **Stay true to your social mission:** It's easy to get caught up in the day-to-day operations of running a business, but don't lose sight of your social mission. Make sure you stay true to your values and continue to prioritize your social impact as you grow and evolve your social enterprise.

Remember, setting up a social enterprise can be a complex process, so it's important to seek advice and support from experts in the field. You may want to connect with organizations such as the Social Enterprise Alliance or the Ashoka Foundation for guidance and resources.

## Tool 15: Legal framework

The Law on Social Economy (in Poland) regulates:

- the organization and rules of operation of a social enterprise;
- the rules for obtaining and losing the status of a social enterprise and supervision of a social enterprise;
- instruments of support for social enterprise;
- principles and forms of support for the development of social economy by public administration bodies;
- protection of personal data in the implementation of the objectives under the Act.

### Clarification of terms that are used in the Law on Social Economy

- **social economy entity** should be understood as:

(a) a social cooperative,

b) occupational therapy workshop and vocational activity establishment,

c) social integration center and social integration club,

d) labor cooperative, including a cooperative of invalids and a cooperative of the blind, and a cooperative of agricultural production,

e) a non-governmental organization referred to in Article 3 paragraph 2 of the Act of April 24, 2003, on public benefit activity and volunteerism, except for political parties, European political parties, trade unions and employers' organizations, professional self-governments, foundations established by political parties and European political foundations,

(f) entities referred to in Article 3, paragraph 3, items 1, 2 or 4 of the Law on Public Benefit Activity and Volunteerism.

- **non-governmental organization**

A legal person or an organizational unit without legal personality, which is granted legal capacity by a separate act; foundations and associations which are **NOT**:

1) a unit of the public finance sector within the meaning of the Public Finance

Act or an enterprise, research institute, bank and commercial law company that is a state or local government legal person,  
2) operating for profit

## Social enterprise organization and rules of operation

The status of a social enterprise may be held by a social economy entity referred to in Article 2, item 5, letters a and d-f, and a unit creating a social economy entity, conducting:

1) paid public benefit activity, as referred to in Article 8, paragraph 1 of the Law of April 24, 2003, on public benefit activity and volunteerism,

2) business activity, as referred to in Article 3 of the Law of March 6, 2018. - Entrepreneur Law,

3) other activities of a paid nature

if they meet the conditions specified in paragraph 2, Article 4, paragraph 1 and Articles 5-9.

The status of a social enterprise can be obtained by a social economy entity referred to in Article 2, paragraph 5, letters a and d-f, and an entity creating a social economy entity if the State Treasury, a local government unit, a state or local government legal person does not have control over the social economy entity within the meaning of Article 4, paragraph 4 of the Law on Competition and Consumer Protection of February 16, 2007, excluding social cooperatives established by persons referred to in Article 4, paragraph 2, item 2 of the Law on Social Cooperatives of April 27, 2006.

The activities of the social enterprise serve local development and are aimed at:

1) social and professional reintegration of persons at risk of social exclusion, or

2) implementation of social services.

Social and professional reintegration activities carried out for the benefit of persons employed in a social enterprise are not performed as part of the business activity carried out by the social enterprise.

A social enterprise shall have a consultative and advisory body consisting of all persons employed in such enterprise. If the number of persons referred to above exceeds 10, the consultative and advisory body may consist of representatives of such persons in the number of no less than 3.

The competencies of the consultative-advisory body include, in particular:

- 1) getting acquainted not less than once a year with the performance of the social enterprise and expressing opinions thereon;
- 2) giving an opinion on the work regulations or rules of work organization established by the social enterprise and proposed changes in this regard;
- 3) giving an opinion on the planned activities of the social enterprise, including social and professional reintegration.

### Rules for obtaining and losing the status of a social enterprise and supervision of a social enterprise

The status of a social enterprise is obtained at the request of the social economy entity referred to in Article 2, item 5, letters a or d-f, or the unit creating the social economy entity, by a decision of the governor responsible for the location of the entity or the unit.

The application for obtaining the status of a social enterprise shall include:

- 1) the name and legal form of the applicant;
- 2) The address of the applicant's registered office and the place of performance of the planned activity;
- 3) TIN, REGON identification number and number in the National Court Register, other registry or other registers;
- 4) determination of the purpose of the activity, as referred to in Article 4, § 1;
- 5) the planned subject of the dominant activity.

The application for obtaining the status of a social enterprise shall be accompanied by documents confirming that the social economy entity referred to in Article 2,



item 5, letters a or d-f, or the unit creating the social economy entity meets the conditions referred to in Article 3, Article 4 (paragraph 1), Article 5 and Articles 7-9, in particular, the statute, articles of association or other documents of this nature, as well as relevant resolutions and bylaws.

Supervision of the activities of the social enterprise in terms of meeting the conditions referred to in Article 3, Article 4 (paragraph 1), and Articles 5-10 are exercised by the governor having jurisdiction over the location of the social enterprise.

The provincial governor may order a social enterprise to be inspected ex officio or at the request of another public administration body with regard to the fulfillment of the conditions referred to in Article 3, Article 4 (paragraph 1), and Articles 5-10.

The governor issues a decision on the loss of the status of a social enterprise if:

- 1) the social enterprise fails to meet any of the conditions referred to in Article 3, Article 4 (paragraph 1) and Articles 5-10, despite the expiration of the time limit referred to in Article 14 paragraph 1;
- 2) the social enterprise has been declared bankrupt or the application for bankruptcy of the social enterprise has been dismissed due to the fact that its assets are insufficient to satisfy the costs of the proceedings;
- 3) liquidation of the social enterprise has been opened;
- 4) the social enterprise has applied for this decision.